

SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION

(UNDER SECTION 279 TO 283 AND 285 OF THE COMPANIES ACT, 2017)

AMONGST

NISHAT (CHUNIAN) LIMITED AND ITS MEMBERS

AND

NISHAT CHUNIAN PROPERTIES (PRIVATE) LIMITED AND ITS MEMBERS

**SCHEME OF COMPROMISES, ARRANGEMENT AND RECONSTRUCTION
UNDER SECTION 279 TO 283 AND 285 READ WITH OTHER ENABLING
PROVISIONS OF THE COMPANIES ACT, 2017.**

RECITALS

WHEREAS, by this Scheme of Compromises, Arrangement and Reconstruction (the “Scheme”), it is, *inter alia*, proposed that:

1. The Property comprising freehold land owned by Nishat (Chunian) Limited is to be carved out and stand merged / amalgamated with, transferred to, vested in, and be assumed by Nishat Chunian Properties (Private) Limited as at the Effective Date (as defined here below), against issuance of shares by Nishat Chunian Properties (Private) Limited to Nishat (Chunian) Limited in accordance with the Scheme.
2. The NCPL Shares owned by Nishat (Chunian) Limited shall stand transferred to the members of Nishat (Chunian) Limited as also allowed under the Memorandum of Association of NCL.
3. Upon the amalgamation, vesting and transfer of the Property and the transfer of the NCPL Shares, as mentioned above in the manner prescribed under this Scheme, Nishat (Chunian) Limited shall continue to own and operate the Retained Undertaking.
4. The transfer of the Property and the NCPL Shares will result in the business of NCL being managed and carried out in a more effective, efficient and beneficial manner, thus benefitting the members of Nishat (Chunian) Limited.
5. This Scheme, if approved by the respective members of Nishat (Chunian) Limited and Nishat Chunian Properties (Private) Limited through a resolution to be passed with requisite majority and sanctioned by the honorable Court by an order passed in this respect, shall be binding on above companies along with all their members, creditors (including Banks and Financial Institutions), employees, customers, contracting parties, tax authorities, Bankers, Federal and Provincial Governments and their bodies, institutions and authorities and any other regulatory/statutory bodies of or with respect to above companies (as applicable) respectively.

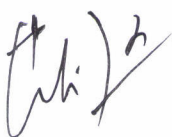


6. Now, Therefore, the Scheme is presented as follows:

ARTICLE 1
DEFINITIONS

In this Scheme, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

- “Act”** means the Companies Act, 2017 and any amendment thereof.
- “Assets”** means assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, tax exemptions, sanctions and authorizations, including all registrations, licences, no objection certificates / letters, permits, entitlements, sanctions, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, licences, liberties, secret processes, know-how, good-will and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all plant, machinery, equipment, furniture and fixtures, computer hardware and software, software applications and licences, motor vehicles, office equipment, appliances, and accessories, spare parts and tools; (iii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits,



prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (iv) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company (including related deposits); and (v) the contingent claims, tax credits and refunds / carry forward losses and proceeds realized from the Liquidation of the contingent claims;

“Court”

means the Lahore High Court, Lahore;

“Effective Date”

means: for the purposes of issuance of shares by Nishat Chunian Properties (Private) Limited to Nishat (Chunian) Limited in accordance with the Scheme, the date of the order of the Court sanctioning this Scheme; and the commencement date of book closure to be announced by Nishat (Chunian) Limited in accordance with Pakistan Stock Exchange Limited Regulations after the date of the order of the Court sanctioning this Scheme for transfer of NCPL Shares owned by Nishat (Chunian) Limited amongst the members of Nishat (Chunian) Limited and / or if the Court modifies the Effective Date to such other date, then the same shall be the Effective Date for the purposes of this Scheme;

“Encumbrances”

mean any and all liens, charges, mortgages, pledges, hypothecations, assignments by way of security, security interests, claims and other encumbrances of whatever nature;

“Filing Date”

means the date on which the certified copy of the order of the Court sanctioning this Scheme is filed with the relevant Registrar of Companies at the SECP, Lahore;



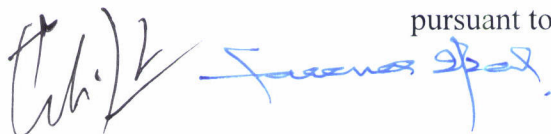
“NCL” means Nishat (Chunian) Limited, a public limited listed company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore, Pakistan;

“NCPropL” means Nishat Chunian Properties (Private) Limited, a private limited company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore, Pakistan;

“NCPL Shares” mean 187,585,820 ordinary shares having the face value of Rs.10/- each of Nishat Chunian Power Limited, a public limited listed company incorporated in Pakistan, having its registered office at 31-Q, Gulberg-II, Lahore, Pakistan owed by NCL alongwith all rights, titles, dividend, privileges;

“Property” means the land comprising Plot No. 35 measuring 04Kanals-03Marlas-93Sq.Ft. and Plot No. 36 measuring 04Kanals-04Marlas-62Sq.Ft., total measuring 08Kanals-07Marlas-155Sq.Ft. situated at Block-K, Gulberg-II, Lahore having acquired the same through a registered Sale Deed dated 17.05.2013 duly registered as Document No. 1431, Book No. 1, Volume No. 455 on 07.06.2013 with the Sub-Registrar, Lahore with all rights, titles, privileges, powers, license, permissions, claims, and interests including but not limited to all petitions, suits, applications or appeals, filed before or pending with any court, authority, tribunal or regulatory body, whether in its original jurisdiction or appellate jurisdiction pertaining to this land;

“Retained undertaking” means all Assets (with all existing Encumbrances thereon, if any) and Liabilities of NCL immediately preceding the Effective Date that shall not be distributed amongst and transferred to, amalgamated or vest in NCPropL and/or the members of NCL pursuant to the Scheme;



“Rights and Liabilities” mean all rights and liabilities, interest and/or duties and benefits or obligations of every kind, actual and contingent whether arising or payable under any agreement, statute, law or otherwise and whether pertaining to any Assets or otherwise and all Encumbrances and the term **“Rights”** and **“Liabilities”** are used interchangeably and / or in conjunction with each other;

“Scheme” means this Scheme of Compromises, Arrangement and Reconstruction in its present form with any modification of thereof or addition thereto as may be required by the Court;

“SECP” means Securities and Exchange Commission of Pakistan;

The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

ARTICLE 2

NISHAT (CHUNIAN) LIMITED

NCL was incorporated as a public limited company under the repealed Companies Ordinance 1984 on February 14, 1990. It has an authorized share capital of Rs. 4,200,000,000/- (Rupees Four Billion Two Hundred Million Only) divided into 400,000,000 ordinary shares of Rs.10/- each and 20,000,000 preference shares of Rs. 10/- each out of which ordinary shares of the aggregate nominal value of Rs. 2,401,190,290/- (Rupees Two Billion Four Hundred One Million One Hundred Ninety Thousand Two Hundred and Ninety Only), divided into 240,119,029 ordinary shares of Rs.10/- each are issued and fully paid up and the remainder are unissued shares.

ARTICLE 3

NISHAT CHUNIAN PROPERTIES (PRIVATE) LIMITED

NCPPropL was incorporated as a private limited company under the Act on January 31, 2022. It has an authorized share capital of Rs. 100,000/- (Rupees One Hundred Thousand Only)

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divided into 10,000 ordinary shares of Rs.10/- each of which ordinary shares of the aggregate nominal value of Rs. 100,000/- (Rupees One Hundred Thousand only), divided into 10,000 ordinary shares of Rs.10/- each are issued and fully paid up. NCPropL is a wholly owned subsidiary of NCL and all its issued and paid up shares are held by NCL.

ARTICLE 4

OBJECT OF THE SCHEME

The principal object of this Scheme is to provide for and give effect to:

- (i) the separation of the Property from NCL and the amalgamation and transfer to, and vesting in NCPropL of the same against the issuance of ordinary shares of NCPropL to NCL;
- (ii) making NCL and Nishat Chunian Power Limited totally independent of each other by the transfer amongst the members of NCL of the NCPL Shares; and
- (iii) The retention of the Retained Undertaking as part of NCL;

ARTICLE 5

EFFECTIVENESS OF THE SCHEME

- 5.1 This Scheme shall take effect by operations of law as of the Effective Date.
- 5.2 The transfer and vesting of the Property in NCPropL shall occur or be deemed to occur on the Effective Date in terms fully set forth in this Scheme.
- 5.3 The distribution, transfer and vesting of the NCPL Shares amongst and to the members of NCL shall occur or be deemed to occur on the Effective Date in terms fully set forth in this Scheme.
- 5.4 Until the Effective Date there is no restriction on the conduct of the business of NCL, in particular in relation to the Property and/or the NCPL Shares.

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5.5 Until the Effective Date all costs, charges and expenses incurred by NCL in relation to the Property and the NCPL Shares shall for all purposes be treated as the costs, charges and expenses of NCL and all rights, titles, assets, privileges, powers, licenses, permissions, claims, interests, liabilities and obligations of NCL which arise or accrue on or after the Effective Date relating to the Property and/or the NCPL Shares shall be deemed to be the rights, titles, assets, privileges, powers, licenses, permissions, claims, interests, liabilities and obligations of NCPropL and the members of NCL, as the case may be.

ARTICLE 6

TRANSFER OF PROPERTY AND NCPL SHARES

6.1 On the Effective Date:

(a) The Property shall be transferred to and vested in or be deemed to be transferred to and vested in NCPropL pursuant to the sanction of the Scheme by the Court.

(b) NCPL Shares shall stand transferred to and vested in or be deemed to be transferred to and vested in the members of NCL pursuant to the sanction of the Scheme by the Court.

6.2 There are no encumbrances and, therefore, the Property and the NCPL Shares, shall be deemed to have been transferred without any Encumbrances.

ARTICLE 7

LEGAL PROCEEDINGS

All legal actions, legal proceedings, suits, appeals, petitions, revisions or other judicial, quasi-judicial and/or administrative proceedings of whatever nature by or against NCL in relation to the Property and/or the NCPL Shares which are pending immediately prior to the Effective Date before any Court, forum, regulatory body, authority, Commission, tribunal, shall not abate, be discontinued or be in anyway prejudicially affected by reason of the transfer of the Property or the distribution of the NCPL Shares or anything contained in this Scheme. Such legal action or legal proceedings (or both, if applicable) shall, as from the Effective Date, be



continued, prosecuted or enforced by or against NCPropL and/or the members of NCL, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against NCL if this Scheme had not been made.

ARTICLE 8
LICENSES/PERMITS/APPROVALS

All rights, dividends, permissions, concessions, privileges, sanctions, approvals, licenses, registrations, and entitlement in relation to the Property and the NCPL Shares to the benefits of which NCL may be eligible shall stand vested in and transferred to NCPropL or the members of NCL, as the case may be, without any further act or deed and be appropriately mutated by the relevant authorities/institutions in favor of NCPropL and the members of NCL. NCPropL and NCL must lodge a copy of this Scheme and a certified copy of the order of the Court sanctioning the Scheme, with the relevant authorities / institutions / LDA / PPIB / SECP / Tax Authorities / CDC / PSX / NCCPL / Share Registrars who shall give effect thereto.

ARTICLE 9
CONSIDERATION FOR ARRANGEMENT / ISSUE OF SHARES

In consideration for the transfer and vesting of the Property by NCL to NCPropL and the distribution by NCL of the NCPL Shares amongst its members:

- (a) NCPropL shall issue and allot its 49,920,500 fully paid up Ordinary Shares of Rs.10/- each to NCL at Par. The Ordinary Shares issued pursuant to this Article shall rank *pari passu* with the existing ordinary shares of NCPropL, in all respects. From the existing authorized share capital (ordinary shares) of NCL, Rs. 500,000,000/- (Rupees Five Hundred Million) divided into 50,000,000 ordinary shares each of Rs. 10/- each shall be allocated and stand transferred to NCPropL, resultingly increasing the authorized share capital (ordinary shares) of NCPropL on and after the Effective Date to Rs. 500,100,000 (Rupee Five Hundred Million and One Hundred Thousand Only) divided into 50,010,000 ordinary shares of Rs. 10/- each and reducing the authorized share capital (ordinary shares) of NCL on and after the Effective Date to Rs. 3,500,000,000/- (Rupees Three Billion and Five Hundred Million Only) divided into 350,000,000 ordinary shares of Rs. 10/- each.



Whereas the authorized share capital of NCL for preference shares shall remain unchanged.

- (b) NCL shall transfer to its members the NCPL Shares owned by it in the ratio of 0.78 shares of Nishat Chunian Power Limited for one fully paid up share of NCL, partial shares; if any, will be rounded up if more than 0.5 shares or rounded down if less than or equal to 0.5 shares. Pursuant to this distribution amongst and transfer to the members of NCL of the NCPL Shares, the investment amount lying in the books of NCL shall be reduced with a corresponding decrease in the reserves of NCL by the same amount in its books of account.

ARTICLE 10

DETERMINATION OF THE VALUE OF THE PROPERTY AND THE NCPL SHARES

- 10.1 The value of the Property has been determined as Rs. 499,205,000/- on the basis of valuation conducted by M/s Etimad Associates (Pvt.) Limited one of the approved valuers in the list of Pakistan Bank's Association vide its Evaluation Report issued on January 28, 2022.
- 10.2 The Investment amount lying in the books of NCL against its investment in NCPL Shares is Rs. 1,875,858,200/- (187,585,820 fully paid ordinary shares of Rupees 10 each).

ARTICLE 11

SCHEME'S EFFECT

The terms of this Scheme shall be binding by operation of law on NCL, NCPropL and also on all the members and creditors (including Banks and Financial Institutions), employees, customers, contracting parties, tax authorities, Federal and Provincial Governments, their bodies and institutions, authorities, Lahore Development Authority, Private Power Infrastructure Board, CDC, PSX, NCCPL, Share Registrars and any other regulatory/statutory bodies of or with respect to NCL, NCPropL, and the members of NCL (as applicable) respectively and on any other person having any right or liabilities in relation to either of them.



If this Scheme is sanctioned by the Court, it will override the Memorandum and Articles of Association/constitution of NCL and NCPropL, to the extent of any inconsistency. As soon as the Scheme is sanctioned by the Court, the relevant authorities/institutions including those mentioned herein shall all also comply with the Scheme sanctioned by the Court without any further act, deed or instrument.

ARTICLE 12
RETAINED UNDERTAKING

The Assets and Liabilities forming part of the Retained Undertaking shall, on and from the Effective Date, remain the Assets and Liabilities of NCL and shall continue to be dealt with by NCL as its own business and undertaking.

ARTICLE 13
MISCELLANEOUS

This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification of it or addition to it as the Court may approve. If the Court requires NCL and NCPropL to consent to any modification to the Scheme, such consent may be given on behalf of NCL and NCPropL by their respective Chief Executives.

ARTICLE 14
EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses in relation to or in connection with this Scheme and of carrying out and implementing / completing the terms and provisions of this Scheme and / or incidental to the completion of the objects of the Scheme shall be borne and paid by NCL.

ARTICLE 15
EFFECT OF NON-RECEIPT OF APPROVALS/SANCTIONS

In the event this Scheme is not sanctioned by the Court for any reason or if for any other reason this Scheme cannot be implemented by or before 30 June, 2023 or within such further period or periods as may be agreed upon amongst NCL and NCPropL through their respective Board

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of Directors, this Scheme shall become null and void and in that event no rights or liabilities shall accrue to or be incurred *inter se* by the parties in terms of this Scheme.

ARTICLE 16
COMPLETION DATE OF THE SCHEME

16.1 The Completion Date for the purposes of this Scheme shall be the date on which a certified copy of the Court Order sanctioning the Scheme is issued to NCL.

16.2 Within 90 days of the Completion Date:


- (a) NCPropL shall allot and issue 49,920,500 Ordinary shares of PKR 10 each at Par value to NCL;
- (b) NCPropL shall file respective returns of allotments with the relevant Registrar, SECP; and
- (c) NCL shall announce book closure date in accordance with Pakistan Stock Exchange Limited Regulations for transfer of NCPL Shares owned by NCL amongst the members of NCL.

ARTICLE 17
APPLICATION TO THE COURT

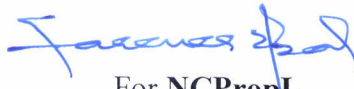
NCL and NCPropL shall make a joint application to the Court for sanctioning of this Scheme.

Date: [•]
Lahore.

Petitioner No. 1


For NCL
(Authorised Signatory)

Petitioner No. 2


For NCPropL
(Authorised Signatory)