

HO:SBoD: 691
March 08, 2016

The General Manager,
Pakistan Stock Exchange Ltd.,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dear Sir,

NOTICE OF 67TH ANNUAL GENERAL MEETING


We enclose a photocopy of the Notice of the 67th Annual General Meeting of National Bank of Pakistan to be held on Wednesday the 30th March, 2016, at 09:00 A.M. at Crystal Ball Room, Marriott Hotel, Karachi for circulation amongst your members.

The enclosed notice is being published on **Wednesday, the 9th March 2016**, in the newspapers.

Thanking you,

Yours sincerely,

Encl: (a.a.)


(S. M. Ali Zamin)
Secretary (Board)

NOTICE OF 67TH ANNUAL GENERAL MEETING

Notice is hereby given that the 67th Annual General Meeting (“AGM”) of National Bank of Pakistan (the “Bank”) will be held on **Wednesday the 30th March, 2016 at 9:00 A.M. (PST)**, at **Crystal Ball Room, Marriott Hotel, Karachi**.

The following business will be transacted in the meeting:

Ordinary Business:

1. To confirm minutes of the Extraordinary General Meeting of Shareholders held on 18th December, 2015, at Karachi.
2. To receive, consider and adopt the Annual Audited Financial Statements of National Bank of Pakistan and Consolidated Accounts of National Bank of Pakistan and its Subsidiaries for the year ended 31st December, 2015, together with the Directors’ & Auditors’ Reports thereon.
3. To appoint auditors for the year ending 31st December, 2016 and fix their remuneration. The Board of Directors has recommended appointment of Messrs Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants and Messrs Grant Thornton Anjum Rehman, Chartered Accountants to be the auditors of the Bank for the year ending 31st December, 2016, in place of the retiring auditors namely Messrs Ernst & Young Ford Rhodes Sidat Hyder, Chartered Accountants and Messrs KPMG Taseer Hadi & Company, Chartered Accountants at the same fee as paid to the retiring auditors.
4. To consider and approve cash dividend at Rs.7.5 per share i.e. 75% as recommended by the Board of Directors for the year ended 31st December, 2015 (subject to Government of Pakistan’s approval).

Special Business:

5. To consider and, if thought fit, approve the Scheme of Amalgamation recommended by the Board of Directors of the Bank for the amalgamation of NBP Leasing Limited, the wholly owned subsidiary of the Bank, with and into the Bank, in accordance with section 48 of the Banking Companies Ordinance, 1962, and pass the following resolutions, with or without modifications:
 - (a) **RESOLVED THAT** subject to obtaining all necessary regulatory approvals, including the approvals of the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan, NBP Leasing Limited be amalgamated with and into National Bank of Pakistan under section 48 of the Banking Companies Ordinance, 1962 in accordance with the Scheme of Amalgamation to be sanctioned by the State Bank of Pakistan (“**Merger**”).
 - (b) **FURTHER RESOLVED THAT** the Scheme of Amalgamation, as approved and recommended by the Board of Directors of National Bank of Pakistan and circulated to the shareholders of the Bank, be and is hereby approved in accordance with the provisions of section 48 of the Banking Companies Ordinance, 1962, subject to any modifications which may be carried out as per the requirements of the Securities and Exchange Commission of Pakistan or the State Bank of Pakistan and / or for the purposes of rectifying any error, clarification or elaboration.

- (c) **FURTHER RESOLVED THAT** Mr. Amir Sattar, the SEVP/CFO of the Bank and Mr. Khawaja Amin-ul- Azam, the EVP/Head Islamic Banking of the Bank, be and are hereby authorized to jointly take all steps necessary, ancillary and incidental for the purposes of the Merger including, but not limited to, (i) executing all necessary documents pertaining to the Merger including, but not limited to, the Scheme of Amalgamation, applications, affidavits and any other related documents; (ii) taking all steps and actions for obtaining the requisite consents from the relevant regulatory authorities, members / shareholders and any other persons (as applicable) with respect to the Merger and all ancillary matters; (iii) filing, pursuing and taking any and all necessary actions in respect of submitting applications to the relevant authorities, including representing the Bank, with respect to the Merger and obtaining the approvals of the same; (iv) making such alterations and changes in the Scheme of Amalgamation as may be expedient or necessary for satisfying the requirements or conditions imposed by either the State Bank of Pakistan and / or the Securities and Exchange Commission of Pakistan; (v) appointing consultants, attorneys, advocates, advisors and counsels for the purposes of the Merger; and (vi) generally doing all acts, deeds and things as may be required with respect to the aforementioned resolutions and implementing the Scheme of Amalgamation in terms thereof along with all incidental actions in respect of the same.

6. To transact any other business with the permission of the Chairman.

By Order of the Board

Sd/=

Secretary (Board)

Karachi

Dated: March 09, 2016

Notes:

- i) The Share Transfer Books of the Bank shall remain closed from 23-03-2016 to 30-03-2016 (both days inclusive). Transfers received at Messrs Central Depository Company of Pakistan Limited, CDC House 99-B, Block "B", SMCHS, Main Shahra-e-Faisal, Karachi – 74400, the Bank's Registrar and Share Transfer Agent, at the close of the business on 22-03-2016 will be treated in time for purpose of attending the meeting and entitlement of any Cash Dividend.
- ii) A member eligible to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote on his / her behalf. The Government of Pakistan, State Bank of Pakistan and any Corporation(s), being a member of the Bank, may nominate any person as its representative to attend the AGM under authority of a Power of Attorney or a Board of Directors' Resolution. Proxies or nominations, in order to be effective and valid, must be received at the office of the Bank's Registrar / Share Transfer Agent, Messrs Central Depository Company of Pakistan Limited, CDC House 99-B, Block "B", SMCHS, Main Shahra-e-Faisal, Karachi – 74400, not later than 48 hours before the time of holding the AGM.
- iii) CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:
- a. For Attending the Meeting:
- In case of Individuals, the account holder or sub-account holder shall authenticate his / her identity by showing his Original Computerized National Identity Card ("CNIC") or original Passport at the time of attending the meeting,
 - In case of corporate entity, the Original or duly authenticated Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- b. For Appointing Proxies:
- In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
 - The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be furnished with the proxy form.
 - The proxy shall produce his /her original CNIC or original passport at the time of the Meeting.
 - In case of corporate entity, the Original or duly authenticated Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs Central Depository Company of Pakistan Limited.
- iv) CDC Account Holders and Sub-account Holders, whose Registration details are available in Share Book Detail Report shall have to produce respective Original Computerized National Identity Cards (CNICs) or Original Passports for the purpose of identification to participate in the Annual General Meeting. Such Account Holders and Sub Account Holders should know the CNIC Numbers and CDC Account Number of the respective partner and should bring the same along with them. In case of Proxy, the person should positively attach the attested copy of the CNIC or Passport. In case of corporate member's representative, usual documents should be accompanied for the same purpose.
- v) Members are requested to immediately notify any change in their addresses to the Bank's Registrar and Share Transfer Agent, Messrs Central Depository Company of Pakistan Limited.

vi) COMPUTERIZED NATIONAL IDENTITY CARD (CNIC)

Securities and Exchange Commission of Pakistan (SECP) vide its S.R.O. 779 (1)/2011 dated August 18, 2011 has directed all listed companies to ensure that Dividend Warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members. Members who have not yet provided attested copies of their valid CNICs / NTN's (in case corporate entities) are requested to send the same directly to the Share Registrar at aforementioned address.

vii) REVISION OF WITHHOLDING TAX ON DIVIDEND INCOME UNDER SECTION 150 OF THE FINANCE ACT 2014:

Please note that under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2014 withholding tax on dividend income will be deducted for 'Filer' and 'Non-Filer' shareholders @ 10% and 15% respectively. According to clarification received from Federal

Board of Revenue (FBR) withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint Holder(s) based on their shareholding proportions, in case of joint accounts

In this regard, all shareholders who hold shares jointly, are requested to provide shareholding proportions of Principal shareholder and Joint Holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

Folio / CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must be reached to our Share Registrar by 23-03-2016, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s).

Shareholders are therefore requested to please check and ensure Filer status from Active Taxpayers List (ATL) available at FBR website <http://www.fbr.gov.pk/> as well as ensure that their CNIC / Passport number has been recorded by the Participant / Investor Account Services or by Share Registrar (in case of physical shareholding). Corporate bodies (non-Individual shareholders) should ensure that their names and National Tax Numbers (NTN) are available in ATL at FBR website and recorded by respective Participant / Investor Account Services or in case of physical shareholding by Bank's Share Registrar.

viii. DELIVERY OF THE UNCLAIMED / UNDELIVERED SHARES LYING WITH THE SHARE REGISTRAR:

As directed by SECP vide letter # SMD/CIW/Misc./14/2009 dated October 11, 2011, shareholders are requested to please contact / coordinate with Bank's Share Registrar for collection of unclaimed / Undelivered Bonus Share Certificates / Dividend Warrants.

ix. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email address on a standard request form which is available at the Bank's website i.e. www.nbp.com.pk and send the said form duly filled in and signed along with copy of his / her / its CNIC / Passport to the Bank's Share Registrar. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice and, in such case, Annual Financial Statements will be sent at your registered address, as per normal practice.

x. DIVIDEND MANDATE (OPTIONAL):

A shareholder may, if he so desires, direct the Bank to pay dividend through his / her / its bank account. If you want to avail the facility of direct credit of dividend amount in your bank account, please provide the following information to Bank's Share Registrar and CDC Shareholders are requested to send their bank account details to their respective Participant / Investor Account Services. In pursuance of directions given by SECP, kindly authorize the bank for direct credit of cash dividend in your bank account. (Please note that giving bank mandate for dividend payments is optional, in case you do not wish to avail this facility please ignore this notice and, in such case, dividend will be paid through dividend warrant to your registered address, as per normal practice).

Dividend Mandate - Bank Account Details of Shareholder	
Title of Bank Account:	Bank Account Number:
Bank's name:	Branch name with complete address:
Cell and Landline numbers:	
Please provide full account number OR IBAN, please check with your concerned Branch.	
The above-mentioned information is correct and in case of any change therein, I / we will immediately intimate to my / our Participant / Investor Account Services OR our Share Registrar.	

Signature of Shareholder(s):	
Name of Shareholder(s):	
Folio Number / CDC ID & A/c Number:	
CNIC Number:	

Detailed information / formats are available at NBP's website www.nbp.com.pk

xi. CONSENT FOR VIDEO CONFERENCE FACILITY

In compliance of Circular No. 10 dated May 21, 2014 of the SECP, shareholders of the Bank are informed that they can also avail video conference facility. In this regard please fill the following and submit to registered address of the Bank 10 days before holding of general meeting. If the Bank receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city. The Bank will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

I/We, _____ of _____, being a member of National Bank of Pakistan, holding _____ Ordinary Share(s) as per Register Folio No./CDC Sub-Account No. _____ hereby opt for video conference facility at _____.

Signature of Member

“STATEMENT OF MATERIAL FACTS”:

This statement sets out the material facts concerning the Special Business given in agenda item No.5, of the Notice, to be transacted at the AGM of National Bank of Pakistan’s shareholders.

Item No. 5:

TO APPROVE SCHEME OF AMALGAMATION OF NBP LEASING WITH AND INTO THE NBP.

The NBP Shareholders in EOMG held on 18-12-2015 had, in principle, approved the amalgamation of NBP Leasing Limited (“NLL”), being the wholly owned subsidiary of the Bank, with and into the Bank under section 48 of the Banking Companies Ordinance, 1962 (“Proposed Merger”).

The Proposed Merger is intended to be implemented and effected through a Scheme of Amalgamation, the draft of which has been recommended by the Board of Directors of the Bank to the Shareholders, and has been made available to the members (the “Scheme”). Subject to obtaining all necessary corporate and regulatory approvals (including from the shareholders of the Bank and NLL, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan), and the sanction of the Scheme by the State Bank of Pakistan in accordance with section 48 of the Banking Companies Ordinance, 1962, the entire undertaking of NLL (including all assets, properties, rights, liabilities, obligations etc.) will be amalgamated with and merged into the Bank, subsequent to which NLL shall be dissolved without winding up. Furthermore, it is intended that the undertaking of NLL intended to be amalgamated / merged with and into the Bank may subsequently be parked under the Islamic banking operations of the Bank through conversion of the lease / assets portfolio into Shariah compliant leases / assets.

The Scheme is also available for inspection to any person entitled to attend the Annual General Meeting at the office of the Secretary (Board) of the Bank, during normal office hours; copies of the same may also be obtained upon request by such persons from the office of the Secretary (Board) of the Bank free of cost during normal office hours till the date of the meeting.

The details of the Proposed Merger along with all ancillary matters thereto, as well as the benefits thereof are prescribed in the Scheme.

As required by section 48 of the Banking Companies Ordinance, 1984, the Scheme is required to be passed at the meeting of the shareholders of the Bank, by a majority representing two-thirds in value of the shareholders of the Bank, present either in person or by proxy at the meeting.

The directors of the Bank and NLL are interested in the Scheme to the extent of their respective shareholdings in the Bank and NLL (to the extent applicable). The effect of the Scheme on the interest of these directors does not differ from the respective interests of the shareholders / members of the Bank.

The directors of the Bank shall continue as the directors after the Proposed Merger (subject to their ceasing to be directors prior to the completion of the Proposed Merger). The directors of NLL shall cease to hold office as directors in the said company as result of the Proposed Merger. No compensation shall be payable to such directors on account of their relinquishment of the respective offices in NLL.

In view of the above, the Board of Directors of the Bank has recommended the amalgamation / merger of NLL with and into the Bank in terms of the Scheme.

The Shareholders are requested to consider and approve Scheme of Amalgamation of with and into the Bank, and pass the following resolution, with or without modifications.

“RESOLVED THAT subject to obtaining all necessary regulatory approvals, including the approvals of the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan, NBP Leasing Limited be amalgamated with and into National Bank of Pakistan under section 48 of the Banking Companies Ordinance, 1962 in accordance with the Scheme of Amalgamation to be sanctioned by the State Bank of Pakistan.”

“FURTHER RESOLVED THAT the Scheme of Amalgamation, approved and as recommended by the Board of Directors of National Bank of Pakistan and circulated to the shareholders of the Bank, be and is hereby approved in accordance with the provisions of section 48 of the Banking Companies Ordinance, 1962, subject to any modifications which may be carried out as per the requirements of the Securities and Exchange Commission of Pakistan or the State

Bank of Pakistan and / or for the purposes of rectifying any error, clarification or elaboration.”

“**FURTHER RESOLVED THAT** Mr. Amir Sattar, the SEVP/CFO of the Bank and Mr. Khawaja Amin-ul- Azam, the EVP/Head Islamic Banking of the Bank, be and are hereby authorized to jointly take all steps necessary, ancillary and incidental for the purposes of the Merger including, but not limited to, (i) executing all necessary documents pertaining to the Merger including, but not limited to, the Scheme of Amalgamation, applications, affidavits and any other related documents; (ii) taking all steps and actions for obtaining the requisite consents from the relevant regulatory authorities, members / shareholders and any other persons (as applicable) with respect to the Merger and all ancillary matters; (iii) filing, pursuing and taking any and all necessary actions in respect of submitting applications to the relevant authorities, including representing the Bank, with respect to the Merger and obtaining the approvals of the same; (iv) making such alterations and changes in the Scheme of Amalgamation as may be expedient or necessary for satisfying the requirements or conditions imposed by either the State Bank of Pakistan and / or the Securities and Exchange Commission of Pakistan; (v) appointing consultants, attorneys, advocates, advisors and counsels for the purposes of the Merger; and (vi) generally doing all acts, deeds and things as may be required with respect to the aforementioned resolutions and implementing the Scheme of Amalgamation in terms thereof along with all incidental actions in respect of the same.”

SCHEME OF AMALGAMATION

**UNDER SECTION 48 OF THE BANKING COMPANIES
ORDINANCE, 1962 (LVII OF 1962)**

INVOLVING

NATIONAL BANK OF PAKISTAN

AND

NBP LEASING LIMITED

FOR

**The merger / amalgamation of the entire undertaking of NBP
Leasing Limited with and into National Bank of Pakistan along
with all ancillary matters.**

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SCHEME OF AMALGAMATION

UNDER SECTION 48 OF THE BANKING COMPANIES ORDINANCE, 1962 (LVII OF 1962)

BY AND BETWEEN

NATIONAL BANK OF PAKISTAN, a banking company established as a body corporate under the National Bank of Pakistan Ordinance, 1949 (Ordinance No. XIX of 1949), having its registered office at NBP Head Office, NBP Building, I. I. Chundrigar Road, Karachi (hereinafter referred to as "**NBP**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

NBP LEASING LIMITED, a non-banking finance company incorporated under the laws of Pakistan and having its registered office at 4th Floor, PRC Towers, 32/A Lalazar Drive, M. T. Khan Road, Karachi 75400 (hereinafter referred to as "**NLL**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns).

RECITALS

WHEREAS NBP is a banking company carrying on the business of banking in Pakistan and is duly licensed by SBP under section 27 of the Ordinance.

AND WHEREAS NLL is a non-banking finance company carrying on the business of leasing in accordance with the provisions of sections 282A to 282N of the Companies Ordinance, 1984 and the NBFC Laws under license from the SECP.

AND WHEREAS by this Scheme of Amalgamation ("**Scheme**"), it is, *inter alia*, proposed that the entire undertaking comprising all the Assets, Liabilities and Obligations of NLL shall, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by NBP, and NLL shall be dissolved without winding-up in the manner stipulated herein, subject to the sanction of this Scheme by SBP in accordance with section 48 of the Ordinance.

AND WHEREAS pursuant to the provisions of this Scheme, NBP shall be the surviving company by virtue of the entire undertaking and business of NLL being amalgamated with and into NBP. Consequently, in accordance with the provisions of section 48 of the Ordinance, upon the sanction by SBP, the Scheme shall be binding on NBP and NLL, as well as all the shareholders, creditors, employees, Customers, contracting parties and regulatory bodies of or with respect to NBP and NLL.

AND WHEREAS the Scheme has been approved by the Board of Directors of each of NBP and NLL, the SECP, as well as the requisite number of shareholders of NBP and NLL (in accordance with the requirements of Section 48 of the Ordinance).

BENEFITS OF THIS SCHEME

A. Larger Asset Base

The Amalgamation would lead to an increased asset base and the size of the surviving entity i.e., thereby improving its business potential. Moreover, access to larger resources would in turn improve NBP's growth prospects and ability to undertake large assignments.

B. Synergies

The Amalgamation would provide an opportunity to operate the business of NLL through the existing operations department of NBP dealing with the business of leasing. Furthermore, the Undertaking of NLL along with the existing business of NBP may be managed and operated through one accounts department and one set of employees, thus resulting in economies of scales.

C. Increase in Risk Absorption Capacity

The larger size of the merged / amalgamated entity would increase its risk absorption capacity thus enhancing the capacity to manage the potential risks arising out of the adverse and uncertain operating environment. In the long run, this factor would provide greater stability as well as sustainability in operations.

D. Reduction in Administrative Costs

The Amalgamation would enable the merged entity to carry out its business through single operations, accounts, treasury and management information system department with one set of management and staff, thus resulting in substantial cost savings and economies of scales leading to enhanced efficiency and profitability.

E. Single Corporate and Tax Reporting

The Amalgamation will make single corporate and tax reporting possible for the merged entity. It will entail elimination of maintenance of separate records for business operation, selling, purchasing, marketing, legal, administrative, and secretarial and other records under the various laws resulting in duplication of work and higher costs.

F. Strategic Geographical Locations

The Amalgamation will allow the leasing business of NLL to be undertaken through the vast network of NBP's branches, thus expanding the business potential of the merged entity.

NOW THEREFORE, this Scheme is presented as follows:

ARTICLE 1

DEFINITIONS

- 1.1. In this Scheme, unless the subject or context otherwise requires, the following expression shall bear the meanings specified below:

"Amalgamation" shall have the meaning as ascribed thereto in Article 6.1.(i) of this Scheme;

"Annexure A" is the annexure attached hereto which lists the members of the Board of Directors of NBP;

"Annexure B" is the annexure attached hereto which lists the members of the Board of Directors of NLL;

"Assets" mean all assets, properties, privileges and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible, movable or immovable) and includes properties held on trust and benefit of securities obtained from Customers and third parties, benefits, powers, rights, authorities, privileges, contracts, Government and regulatory authority consents, sanctions and authorizations, including all registrations, licences, permits, categories, entitlements, sanctions, permissions and benefits relating to the business, all trademarks, patents, copyrights, licenses, liberties, secret processes, know-how 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 expression Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, leasehold or freehold in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all choses-in-action, instruments, securities, 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 (actual or constructive), 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; (iii) all the connections and facilities for telecommunications, electricity and other installations, owned by, leased or licensed to a company; and (iv) the Contingent Claims and proceeds realized from the Liquidation of the Contingent Claims;

"Claim" means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

"Completion Date" shall have the meaning as prescribed thereto in Article 3.1. of this Scheme;

"Contingent Claims" means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

“Contract” means any contracts, agreements, deeds, instruments, letters or undertakings of every description, creating any obligations enforceable against the parties, including any finance agreements;

“Customer” means any person having entered into a transaction, arrangement or other dealing with a company;

“Effective Date” has the same meaning as prescribed thereto in Article 3.2. of this Scheme;

“Existing” means existing, outstanding or in force immediately prior to the Effective Date;

“Liabilities and Obligations” includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract or otherwise whatsoever and the term **“Liabilities”** and **“Obligations”** are used interchangeably and / or in conjunction with each other;

“Liquidation” means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

“NBFC Laws” means collectively the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 and the Non-Banking Finance Companies and Notified Entities Regulations, 2008 collectively;

“NBP” shall have the meaning as prescribed in the Preamble above;

“NBP Islamic” means the Islamic banking operations of NBP;

“NLL” shall have the meaning as prescribed in the Preamble above;

“Ordinance” means the Banking Companies Ordinance, 1962 (LVII OF 1962);

“SBP” means the State Bank of Pakistan established under the State Bank of Pakistan Act, 1956;

“Scheme” means this Scheme of Amalgamation in its present form;

“SECP” means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997;

“Security” or **“Securities”** means interest, right or title in and to any and all mortgages or charges (whether legal or equitable), debentures, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any liabilities and obligations owed to a company; and

“Undertaking” means and includes the entire undertaking, business, operations, systems, Assets, Liabilities and Obligations of a company as a going concern.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to effect the amalgamation of NLL, being the wholly owned subsidiary of NBP, with and into NBP in accordance with the provisions of section 48 of the Ordinance, by transferring to, merging with and vesting in NBP the whole Undertaking of NLL, including all Assets, Liabilities and Obligations of NLL, as of the Effective Date, without the issuance of any additional shares of NBP to the shareholders of NBP. Upon the sanction of the Scheme, and as of the Effective Date, the existing shares of NLL shall stand cancelled and NLL shall stand dissolved without winding up.
- 2.2. It is hereby clarified that although all of the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.
- 2.3. It is intended that subsequent to the Amalgamation in accordance with this Scheme, the Undertaking of NLL may be parked under NBP Islamic through conversion of the lease / assets portfolio into Shariah compliant leases / assets.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall bind NBP and NLL as soon as the same is sanctioned by SBP under Section 48 of the Ordinance (hereinafter referred to as the "**Completion Date**").
- 3.2. Notwithstanding the above, this Scheme shall become operative and treated as having effect from the close of business on a date to be notified to SBP jointly by NBP and NLL as the effective date (hereinafter referred to as the "**Effective Date**"), being not later than 30 (thirty) days from the Completion Date, or such other date that SBP may by order prescribe.
- 3.3. Accordingly, as of the Effective Date and thereafter, until the entire Undertaking of NLL has actually been transferred to and stands vested in NBP in terms of this Scheme, the business of NLL will be deemed to have been carried for and on account and for the benefit of NBP.
- 3.4. Furthermore, on the Effective Date, or such other date deemed fit by SBP, SBP shall transmit a copy of its order sanctioning the Scheme to the registrar, SECP before whom NLL has been registered, and the registrar shall, on receipt of such order, strike off the name of NLL (which shall stand dissolved without winding up in terms of this Scheme) in accordance with section 48(5) of the Ordinance.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of NBP is PKR 25,000,000,000/- (Pak Rupees Twenty Five Billion) divided into 2,500,000,000 (Two Billion Five Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 2,127,513,100 (Two Billion One Hundred Twenty Seven

Million Five Hundred Thirteen Thousand One Hundred) shares have been issued, fully subscribed to and paid up.

- 4.2. The authorized share capital of NLL is PKR 500,000,000/- (Pak Rupees Five Hundred Million) divided into 50,000,000/- (Fifty Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, all of which have been issued, fully subscribed to and paid up.
- 4.3. Subsequent to the sanction of this Scheme and as of the Effective Date, the authorized share capital of NBP (as the surviving entity) shall remain at PKR 25,000,000,000/- (Pak Rupees Twenty Five Billion) divided into 2,500,000,000 (Two Billion Five Hundred Million) shares of PKR 10/- (Pak Rupees).

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of NBP are listed in **Annexure A** attached hereto.
- 5.2. The present directors of NLL are listed in **Annexure B** attached hereto.
- 5.3. The directors of NBP are expected to continue as the directors after the Amalgamation / Effective Date subject to their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created.
- 5.4. All the directors of NLL, as on the Effective Date, shall cease to hold office as directors without any right to any compensation for loss of office. The respective offices of such directors shall stand relinquished.
- 5.5. The directors of NBP and NLL have interest in the Amalgamation to the extent of their respective shareholdings in NBP and NLL (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the shareholders of each of NBP and NLL.

ARTICLE 6

AMALGAMATION

6.1. General Description

- (i) With effect from the Effective Date, the entire Undertaking of NLL, as a going concern, shall be amalgamated with and vest in NBP upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure (the "Amalgamation");
- (ii) Subject to the provisions of this Article and the terms of the Scheme, NBP shall be able to carry out all the business, functions, objects, activities and operations of NLL and shall be entitled to all the rights and the benefits thereof as from the Effective Date. Notwithstanding the above, with respect to any Liabilities, Obligations, Contracts, commitments and / or rights of NLL that NBP is not permitted to carry

out, fulfill and / or enforce as a banking company (if any) under the Ordinance or any applicable laws, NBP shall continue to carry out, fulfill and / or enforce such Liabilities, Obligations, Contracts, commitments and / or rights subject to their respective terms and conditions, till the expiry or termination thereof, and thereafter the same shall not be renewed, extended, assumed or acquired by NBP; and

- (iii) The existing shares of NLL shall stand cancelled and NLL shall be dissolved, without winding up, from the Effective Date or on such later date as SBP may prescribe.

6.2. Transfer of the Assets

As at the Effective Date, all the Assets of NLL, including all immovable properties, shall immediately, without any conveyance or transfer, and without any further act or deed be vested in and become the undertaking and Assets of NBP, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by NBP prior to the Amalgamation. However, the transfer of Assets shall be subject to all mortgages, charges or other encumbrances subsisting thereon (if any).

6.3. Transfer of Liabilities and Obligations

As of the Effective Date, all the Liabilities and Obligations of NLL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of NBP, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. NBP's Right to Execute Deeds

All Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities / Obligations may, if required, at any time may be executed by officers of NBP authorized in this regard.

6.5. References to Assets and Liabilities and Obligations

Any reference in this Scheme to Assets or Liabilities and Obligations of NLL is a reference to Assets or Liabilities and Obligations to which NLL is for the time being entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Liabilities / Obligations are situated or arise and whether or not capable of being transferred or assigned to or by NLL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset vested in NLL which immediately before the Effective Date was held by NLL as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by NBP in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

Every Contract to which NLL is a party shall have effect as of the Effective Date as if:

- (i) NBP had been a party thereto instead of NLL; and
- (ii) For any reference (however worded and whether express or implied) to NLL therein shall stand substituted, as respects anything to be done as of the Effective Date, to a reference to NBP.

6.8. Bank Accounts

Any account(s) maintained by NLL with any Bank or Financial Institution shall, as of the Effective Date, become account(s) between NBP and such Bank or Financial Institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of NBP to vary the conditions or incidents subject to which any account is kept.

6.9. Instructions

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to NLL in writing shall have effect, as of the Effective Date, as if given to NBP.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, NLL, or payable at any place of business of NLL, whether so drawn, given, accepted or endorsed before, as of the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by NBP, or were payable at the same place of business of NBP.

6.11. Custody of Documents

The custody of any document, record or goods held by NLL as bailee and duly recorded in their books that pass to NLL under any Contract of bailment relating to any such document, record or goods shall on that day become rights and obligations of NBP.

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by NLL or by a nominee or agent of or trustee for NLL, as security for the payment or discharge of any liability and obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for NBP and be available to NBP (whether for its own benefit or, as the case may be, for the benefit of any other person) as Security for the payment or discharge of that liability and obligation.
- (ii) In relation to any Security vested in NBP, in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, NBP shall be entitled to the rights and priorities to which NLL would have been entitled if they had continued to hold the Security.

- (iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to NBP (whether for its own benefit or as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances by or liabilities to, NLL or, as the case may be, NBP were secured thereby immediately before that time.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of NLL, becomes a right, Claim or Liability of NBP as of the Effective Date, NBP shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of NBP, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against NLL may be continued by or against NBP.

6.14. Judgments

Any judgment or award obtained by or against NLL, and not fully satisfied before the Effective Date, shall at that time, to the extent to which it is enforceable by or against NLL, become enforceable by or against NBP.

6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against NLL, shall be admissible in evidence in respect of the same matter for or against NBP.

6.16. Authorizations

Any authorizations / powers of attorney granted by NLL to any persons with respect to matters pertaining to the Undertaking of NLL shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by NBP to such persons, until or unless otherwise revoked or modified by NBP.

6.17. Clarification

The provisions contained in Articles 6.2. to 6.16. above are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

ARTICLE 7

CERTAIN OBLIGATIONS AND REPRESENTATIONS

- 7.1. Subject to the provisions of Article 6.1.(ii) above, upon the Amalgamation becoming effective, NBP shall take all necessary and expedient steps to properly and efficiently manage its entire

business and affairs and shall operate and promote its entire business and affairs in the normal course.

- 7.2. As of the Effective Date, NBP shall undertake, pay, satisfy, discharge, perform and fulfill all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of NLL.

ARTICLE 8

THE SCHEME'S EFFECT

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3 above on the Effective Date.
- 8.2. The execution of this Scheme, and the Amalgamation in terms hereof, shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force; (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; and (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in NLL.
- 8.3. As of the Effective Date, the terms of this Scheme shall be binding on NBP and NLL, and also on all the respective shareholders of NBP and NLL, the Customers of each of NBP and NLL, the creditors of NBP and NLL, and on any other person having any right or liability in relation to either of the companies.

ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. Since NLL is a wholly owned subsidiary of NBP, no new shares of NBP are intended to be issued and / or allotted to the shareholders of NBP as consideration for the Amalgamation. Upon the Scheme being sanctioned by SBP and the Amalgamation being effected in accordance with the provisions of this Scheme, the existing shares of NLL shall be cancelled and extinguished and NLL shall stand dissolved without being wound up upon the directions of SBP in accordance with section 48(5) of the Ordinance.

ARTICLE 10

EMPLOYEES OF NLL

- 10.1. The employees / personnel of NLL (including all whole time officers, workmen and contractual staff) shall not transfer automatically to NBP by virtue of this Scheme. It being clarified that prior to the Completion Date, the employment / arrangement with such persons shall be / have been terminated based on terms mutually agreed between such persons and NLL, which termination shall be conditional and effective from the Effective Date (unless terminated earlier in accordance with the term of their existing contracts / arrangement).

- 10.2. It is intended that prior to the Effective Date, NBP shall offer all existing employees of NLL new employment contracts to commence from the Effective Date (or such other date as may be agreeable between the respective parties) on mutually agreed terms and conditions and in line with the policies of NBP (including enrolment in any pension, gratuity, provident funds or similar funds or schemes offered by NBP to its existing employees in similar positions).

ARTICLE 11

GENERAL

11.1. Sanction and Modifications by SBP

This Scheme shall be subject to such modification of conditions, as SBP may deem expedient to impose, and the sanction of SBP in accordance with the provisions of Section 48 of the Ordinance. The Board of Directors of NBP and NLL may consent to any modifications or additions to this Scheme or to any conditions which SBP may think fit. For the purpose of giving effect to the objects of the Scheme and for removing any lacuna, doubt or ambiguity contained in the Scheme, SBP may issue directions, either generally or specifically, to NBP and / or the stakeholders thereof which shall be binding.

11.2. Headings

Article headings are not to be considered part of this Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of this Scheme or any of its provisions.

11.3. Severability

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect. Upon such happening, the Board of Directors of NBP, with the consent of SBP, shall as soon thereafter as possible, suitably substitute the relevant provisions which have been declared un-enforceable, which substituted provisions shall be in accordance with the directions of the court concerned to the extent as possible.

11.4. Costs and expenses

All costs, charges and expenses in respect of preparation of this Scheme shall be borne by NLL. Other than as mentioned above, each party shall bear their own costs, charges and expenses incurred in respect of the Amalgamation.

11.5. Governing Laws and Jurisdiction

This Scheme shall be governed in accordance with the laws of Pakistan and the courts at Karachi shall have non-exclusive jurisdiction to deal with matters with respect to the same.

Executed at Karachi

Dated: _____

For and on behalf of
NATIONAL BANK OF PAKISTAN

Name: _____

Designation: _____

For and on behalf of
NBP LEASING LIMITED

Name: _____

Designation: _____

LIST OF ANNEXURES

"Annexure A" – List of members of the Board of Directors of NBP.

"Annexure B" – List of members of the Board of Directors of NLL.

ANNEXURE A

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF NATIONAL BANK OF PAKISTAN

- | | | |
|----|-----------------------------|----------------------|
| 1. | Mr. Muneer Kamal | Chairman / Director |
| 2. | Mr. Syed Ahmed Iqbal Ashraf | President / Director |
| 3. | Mr. Farrakh Qayyum | Director |
| 4. | Mr. Tariq Kirmani | Director |
| 5. | Mr. Iftikhar A. Allawala | Director |
| 6. | Mr. Muhammad Naeem | Director |
| 7. | Mr. Mir Balakh Sher Marri | Director |
| 8. | Mr. A. Akbar Sharifzada | Director |

ANNEXURE B

LIST OF MEMBERS OF THE BOARD OF DIRECTORS OF NBP LEASING LIMITED

- | | | |
|----|----------------------------|----------------------|
| 1. | Mr. Tariq Jamali | Chairman / Director |
| 2. | Mr. Mohammad Rizwan Masood | Chief Executive / MD |
| 3. | Mr. Nasir Husain | Director |
| 4. | Mr. Muhammad Naeemuddin | Director |
| 5. | Mr. Hamid Husain | Director |
| 6. | Mr. Rehman Ghani | Director |
| 7. | Syed Altaf Hussain Mashadi | Director |