



Notice of 27th Annual General Meeting Byco Petroleum Pakistan Limited

Notice is hereby given that the 27th Annual General Meeting (“**Meeting**”) of Byco Petroleum Pakistan Limited will be held on Wednesday, 27th October 2021 at 11:00 am from the corporate office of the Company, Karachi, *via* Video Conferencing Facility to transact the following businesses:

A. ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting of the Company held on 8th July 2021.
2. To receive, consider and adopt the audited unconsolidated and consolidated financial statements for the financial year ended 30th June 2021, together with the Directors’ and Auditors’ reports thereon.
3. To appoint auditors for the financial year 2021-22 and to fix their remuneration.

B. SPECIAL BUSINESS

1. To consider and, if deemed fit, pass with or without modification, the following special resolutions pursuant to Section 208 of the Companies Act, 2017, and in supersession of the approval / authorization granted by the members on April 2, 2020, for the purposes of approving, and authorizing the Company to enter into, related party transactions for, *inter alia*, acquiring necessary assets / plant / machinery / components (to assemble into refineries’ units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts:

“RESOLVED THAT, in supersession of the earlier authorizations provided by the members of the Company, and subject to obtaining the other approvals (if required), the Company be and is hereby authorized to enter into transactions and ancillary arrangements with its related party i.e. Cnergyico Acisal Incorporated, for the acquisition of necessary assets / machinery / components (to assemble into refineries’ units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts etc., on a deferred payment / supplier’s credit basis, for the purposes of, inter alia, constructing, commissioning and making operational processing units, which shall enable the Company to, inter alia, convert furnace oil into gasoline and diesel for use in its business, increase the crude oil processing capacity of the Company’s refineries’, and improve product specifications, ensuring compliance with the Euro 5 standards.

FURTHER RESOLVED THAT the Company be and is authorized to mutually terminate the existing arrangements / agreements (approved earlier by the members), including for (i)

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Byco Petroleum Pakistan Limited

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leasing assets from Cnergyico PK Limited ("CPL"); (ii) availing a subordinated loan from CPL; and (iii) potentially acquiring CPL or merging with CPL, on terms approved by the Authorized Representatives of the Company.

FURTHER RESOLVED THAT for the purposes aforesaid, the CEO and / or any director of the Company, or any person(s) authorized by any of them (each an "Authorized Representative"), be and are hereby, jointly and severally, authorized and empowered to take all necessary steps from time to time, and do all such acts, deeds and things, including, but not limited, to (i) prepare, negotiate, finalize, execute and deliver all deeds, agreements, declarations and undertakings, along with any related documents; (ii) provide any documentation for and on behalf, and in the name, of the Company; (iii) take all steps and actions to obtain the requisite consents from the relevant regulatory authorities and any other persons (to the extent applicable) for the purposes of the transactions / arrangements and all ancillary matters; (iv) terminate the existing arrangements / agreements; and (v) generally do all acts, deeds and things and take all necessary actions, as may be necessary or required or as they, or any of them, may think fit for, or in connection with, or incidental for, the purposes of carrying out the proposed resolutions.

RESOLVED FURTHER THAT all actions taken by any of the Authorized Representative on behalf of the Company in respect of the above matters are hereby confirmed, ratified and adopted by the Company in full."

(Statement under Section 134(3) of the Companies Act, 2017 is annexed)

C. OTHER BUSINESS

1. To transact any other business with the permission of the Chair.

Please note that due to the prevailing and worsening situation and ensuring the health safety of members of the Company due to pandemic **COVID-19** and in line with the direction issued to listed companies by the Securities and Exchange Commission of Pakistan, vide its Circular No. 04 of 2021, dated 15th February 2021 and subsequent Circular No. 06 of 2021, dated 3rd March 2021, members shall be entitled to attend the Meeting through electronic mode managed by the Company, as per the instructions given in the notes section.

By Order of the Board

Majid Muqtadir
Company Secretary

30th September 2021
Karachi



NOTES:

Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Tuesday, 19th October 2021 until Wednesday, 27th October 2021 (*both days inclusive*).

Participation in the Meeting – (via video conference facility)

Only persons whose names appear in the register of members of the Company as on Monday, 18th October 2021, are entitled to attend, participate in, and vote during the Meeting.

A member entitled to attend and vote may appoint another member as proxy to attend and vote on his / her behalf, however, for the purpose of E-Voting, a non-member may also be appointed and act as proxy. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting.

Unless provided earlier, corporate entities must produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

Due to the current COVID-19 situation, the Meeting proceedings shall be held via video conference facility only. Members interested in participating in the meeting are requested to share below information at company.secretary@byco.com.pk for their appointment and proxy's verification by or before Monday, 25th October 2021. In order to attend the Meeting through video conference facility, the members are requested to get themselves registered as per the below format:

Full Name	Folio / CDC No.	CNIC Number	Registered Email Address	Cell number

Video conference link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Monday, 25th October 2021. Members can also provide their comments and questions for the agenda items of the Meeting at company.secretary@byco.com.pk or at the registered address of the Company on or before Monday, 25th October 2021.

Guidelines for Central Depository Company of Pakistan Limited ("CDC") Account Holders

CDC account holders should comply with the following guidelines of the SECP:

For Appointing Proxies

- Individuals should be account holder(s) or sub-account holder(s) whose registration details should be uploaded according to CDC regulations and their proxy forms must be submitted at the registered office of the Company not less than 48 hours before the time for holding the Meeting.
- The proxy form must be attested by two persons whose names, addresses and CNIC numbers must be specified therein.
- Attested copies of the CNIC or passport of the beneficial owner and the proxy must be provided along with the form of proxy, which is available at Company's website www.byco.com.pk

Dividend Bank Mandate

Members may authorize the Company to credit his / her future cash dividends directly into his / her bank account. Members who would like future cash dividends to be credited directly into their bank accounts should mark the 'YES' box below and provide the required information under signature to the Shares Registrar.

☐ Yes☐ No

Folio Number:	
Name of Shareholder:	
Title of the Bank Account:	
Bank Account Number (IBAN):	
Name of Bank:	
Name of Bank Branch and Address:	
Cellular Number of shareholder:	
Landline Number of shareholder:	
CNIC / NTN Number (Attach copy):	

Signature of Member

(Signature must match specimen signature registered with the Company)

Members holding shares in CDC accounts should update their bank mandates, if any, with the respective participants.

Intimation of Change of Address and Zakat Declaration

Members holding share certificates should notify any change in their registered address and, if applicable, submit their non-deduction of zakat declaration form to the Shares Registrar.

Members holding shares in CDC / participant accounts should update their addresses and, if applicable, submit their non-deduction of zakat declaration form to the CDC or the respective participants / stockbrokers.

Submission of CNIC Copies

A list of members who have not submitted copies of their CNICs can be viewed on the Company's website www.byco.com.pk

Deposit of Physical Shares in to CDC Account

Section 72 of the Companies Act, 2017 requires every company to replace its physical shares with book-entry form within the period to be notified by the SECP.

The shareholders having physical shareholding are accordingly encourage to open their account with Investor Accounts Services of CDC or Sub Account with any of the brokers and convert their physical shares into scrip less form. This will facilitate the shareholders in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

The Notice of Meeting has been placed on the Company's website www.byco.com.pk in addition to its dispatch to the shareholders.



STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out below the material facts concerning the Special Business to be transacted at the 27th Annual General Meeting of Byco Petroleum Pakistan Limited (the “**Company**”) to be held on Wednesday, 27th October 2021 at 11:00 am from the corporate office of the Company, Karachi, via Video Conferencing Facility.

It is intimated to the members that the Company’s earlier upgradation scheme and planning was to reduce sulphur from Diesel and to upgrade Furnace Oil to more valuable Euro-2 road fuel by adding a Fluid Catalytic Cracker Unit and a Diesel Hydrotreater Unit. However, the Company’s vision is to upgrade its refineries in order to produce / refine gasoline and diesel which are compliant with Euro 5 standards, which are intended to be at par with the specifications of petroleum products presently being imported into Pakistan, and will be in line with the requirements stipulated under the upcoming Refinery Policy.

The Board of Directors of the Company are of the view that the conversion of Furnace Oil to PMG and HSD through a FCC Plant and HSD desulfurization through DHDS alone would not enable the Company to achieve the desired results, since the product would have very high sulphur content and have issues with aromatic content vis-à-vis Euro 5 specifications and requirements. Resultantly, the same would have to be further polished and cleaned through additional processes to conform to Euro 5.

The Board of Directors is also of the view to enhance the Company’s crude oil processing capacity in order to have flexibility in processing crude oil of a wider range of API (lighter to heavier) and attaining desirable yields of the distillates for secondary processing. The above would entail major additions of process units in the current process scheme, based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc.

It may be noted that previously the Board of Directors of the Company (vide resolutions passed on March 9, 2020), and the members of the Company (vide resolutions passed on April 2, 2020), had authorized the Company to enter into arrangements with its related party i.e. Cnergyico PK Limited (“**CPL**”), based on the support and facilitation of Cnergyico Mu Incorporated (formerly known as Byco Industries Incorporated) (“**CMI**”) (being the majority shareholder of the Company), in terms of which, *inter alia*, the Company would (i) lease assets from CPL for the assembly and operation of the DHDS and FCC units; (ii) avail a subordinated loan from CPL for the construction of the units; and (iii) potentially acquire CPL and / or be merged with CPL (the “**Existing Arrangement**”). The principal amounts of the Existing Arrangement (including the principal value of the assets and the amount of the loan) were approximately USD 234,000,000/- (United States Dollars Two Hundred Thirty Four Million).

The Company’s management has identified certain limitations in the Existing Arrangement and determined that it would not be sufficient or effective for the Company within the legal framework environment and its long-term vision.

The Board of Directors has resolved, that, in supersession of the previous approvals granted by the Board of Directors and members of the Company with respect to the Existing Arrangement, the Company shall enter into agreements with Cnergyico Acisal Incorporated (“**CAI**”), a related party of



the Company and CMI, for the acquisition of necessary assets / plant / machinery / components (to assemble into refineries' units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts etc. (the "**Project**") by the Company from CAI on a deferred payment / supplier's credit basis. Furthermore, the agreements pertaining to the Existing Arrangement with CPL and CMI shall be terminated on a mutual basis.

In light of the fact that CAI is a related party of the Company, and keeping in mind the nature and size of the contemplated related party transactions, along with the provisions of the applicable laws, including the proviso to Section 208(1) of the Companies Act, 2017, the Board of Directors seeks to obtain shareholders' approval in respect of the same.

The following details pertaining to the contemplated related party transactions are being provided in compliance with the provisions of the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018:

Description	Details
Names of related party(ies)	Cnergyico Acisal Incorporated (" CAI ")
Names of the interested or concerned persons or directors	Mr. Amir Abbassciy Mrs. Uzma Abbassciy Mr. Syed Arshad Raza Mr. Mohammad Wasi Khan
Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party	Mr. Amir Abbassciy, being the CEO and director of the Company, is a nominee director of Cnergyico Mu Incorporated (formerly known as Byco Industries Incorporated) (" CMI ") (and a director of CMI), being the majority shareholder of the Company. CMI and CAI are under common shareholding / management. Mrs. Uzma Abbassciy (who is the spouse of Mr. Amir Abbassciy) is a nominee director of CMI. Mr. Syed Arshad Raza is a nominee director of CMI. Mr. Mohammad Wasi Khan is a nominee director of CMI.



<p>Detail, description, terms and conditions of transactions;</p>	<p>For the purposes of the Project, the Company will acquire, from CAI, and install assets / plant / machinery / components (to assemble into refineries' units), based on the processes and technology of DHDS, FCC, Prime G+ (selective hydrogenation, olefins fractionation, aromatics deep desulphurization), high severity reforming, olefins conversion to gasoline, sulphur recovery etc., along with additional, auxiliary and ancillary machinery, equipment, piping, fittings, pumps, spare parts etc..</p> <p>The Project would enable the Company to, <i>inter alia</i>, convert furnace oil into gasoline and diesel for use in its business, increase crude oil processing capacity of the Company's refineries, and improve product specifications ensuring compliance with the Euro 5 standards. The same are intended to be purchased from CAI on a deferred payment / supplier's credit basis.</p> <p>For the purposes of the same, the Company will need to enter into a Master Asset Purchase Agreement with CAI (along with Unit Asset Purchase Agreements for the respective machinery / components / equipment), the principal / key terms of which have been detailed below, including the description of the agreement, terms and conditions, timeframes and pricing / consideration mechanics.</p> <p>(i) Master Asset Purchase Agreement</p> <p>(a) The relevant assets (stipulated in the agreement) are to be purchased by the Company from CAI, which shall be assembled into processing units;</p>
<p>Timeframe or duration of the transactions or contracts or arrangements; and</p>	<p>(b) The commissioning of the units (i.e. when the same are demonstrated to be operational) is expected to take approximately 4 years on a phase wise basis;</p> <p>(c) Terms of Delivery, Payment and Transfer of Title as per the Master Asset Purchase Agreement; and</p>
<p>Pricing Policy</p>	<p>(d) The principal value of the assets has been ascertained to be approximately USD 576,692,605/- (United States Dollars Five Hundred Seventy Six Million Six Hundred Ninety Two Thousand Six Hundred and Five only).</p>



Recommendations of the audit committee, where applicable	The proposed arrangement had been placed before the audit committee of the Company in accordance with the applicable laws which had recommended the same to the Board of Directors.
Any other relevant and material information that is necessary for the members to make a well informed decision regarding the approval of related party transactions.	<p>It is necessary for the Company to upgrade, expand and modify its refining process to comply with the applicable laws, as well as achieve optimization in order to be competitive and profitable.</p> <p>The Existing Arrangement would not be sufficient or efficient for the Company, including to meet the upcoming legal framework environment, particularly taking into account the increased requirements under the upcoming Petroleum / Refinery Policy; resultantly, the Company requires a greater long-term plan, and further upgradation.</p> <p>The Project and proposed arrangement will potentially make the Company to be the only entity in Pakistan with upgraded refineries, with the ability to produce petroleum products as per prevailing international standards, and is expected to give the Company a competitive advantage over international imports in the near future</p> <p>The Company shall terminate its arrangements / agreements pertaining to the Existing Arrangement and enter into the proposed arrangement with CAI, which will enable the Company to upgrade and expand its production facilities. Subsequently, the Company shall take steps for arranging funding for construction of the Project.</p>

Except to the extent as mentioned in serial nos. 1 and 2 above, the Board of Directors of the Company have no direct or indirect interest in the Special Business (other than their respective shareholdings in the Company).