



NOTICE OF EXTRAORDINARY GENERAL MEETING

This is to inform you that pursuant to the Order of the High Court of Sindh at Karachi dated November 24, 2022, passed in Civil Miscellaneous Application No. 2307 of 2022, in Petition bearing J. C. M. No. 31 of 2022, an Extraordinary General Meeting of Hascol Petroleum Limited (the "Company") shall be held at Pearl Continental Hotel, Club Road, Opposite PIDC, Karachi on Monday 26 December 2022 at 11:00 a.m. to transact the following business:

A. Special Business

Pursuant to the Order of the High Court of Sindh at Karachi dated November 24, 2022, passed in Civil Miscellaneous Application No. 2307 of 2022, in Petition bearing J. C. M. No. 31 of 2022, to consider and, if thought fit, to pass, with or without modification, the following resolution to approve, agree and adopt the Scheme of Arrangement dated September 27, 2022, between the Company, its creditors and members (the "Scheme of Arrangement"), as approved by the Board of Directors of the Company on September 23, 2022, for, *inter alia*, rehabilitating the Company through the restructuring / rescheduling, settlement and repayment of the existing financial obligations / liabilities of the Company towards its secured creditors, along with all ancillary matters thereto, in accordance with the terms of the Scheme of Arrangement.

The proposed resolution to be passed by the requisite majority under Sections 279 and 282 of the Companies Act, 2017 is as under:

"RESOLVED THAT the Scheme of Arrangement dated September 23, 2022 for, inter alia, the restructuring / rescheduling, settlement and repayment of the existing financial obligations / liabilities of Hascol Petroleum Limited towards its secured creditors, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by, the creditors of the company or the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

B. Other Business

To transact any other business that may be placed before the meeting with the permission of the Chair.

Copies of the Statement of Material Facts under Section 134(3) of the Companies Act, 2017 concerning the Special Business; Statement under Section 281 of the Companies Act, 2017, the Scheme of Arrangement, and the audited unconsolidated specialized financial statements of the Company for the six months' period ended June 30, 2022, are being circulated to the members along with this notice of the Extraordinary General Meeting.

By the Order of the Board




Farhan Ahmad
Company Secretary

Karachi: 05 December, 2022

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**Notes:**

1. The share transfer books of the Company shall remain closed from 20 December 2022 to 26 December 2022 (both days inclusive). Transfers in the form of physical transfers / CDS Transaction IDs received in order at the office of the Company's Share Registrar i.e. CDC Share Registrar Services, CDC House, 99-B, Block-B, S.M.C.H.S., Shahra-e-Faisal, Karachi, before the close of business on 19 December 2022 will be treated in time for the purpose of attending and voting at the meeting.
2. All members, whose names appear in the register of members of the Company as on 19 December 2022, are entitled to attend, participate in and vote at the meeting.
3. A member of the Company entitled to attend and vote at the Extraordinary General Meeting may appoint a proxy to attend, speak and vote for him / her. The instrument appointing a proxy, together with Power of Attorney (to the extent applicable), if any, under which it is signed or a notarially certified copy thereof, must be received at the registered office of the Company, situated at 29th Floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi, not less than 48 hours before the time of holding the meeting.
4. Requirements for appointing proxies:
 - In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, 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 mentioned on the form.
 - Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
 - The proxy shall produce his/her valid original CNIC or original passport at the time of the Extraordinary General Meeting.
5. If a member appoints more than one proxy and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
6. In case of a corporate entity, the Board of Directors' resolution / power of attorney with specimen signatures of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting. If proxies are granted by such corporate shareholders', the same must be accompanied with the Board of Directors' resolution / power of attorney with specimen signatures.
7. Members are requested to immediately notify any change in their addresses to the Company.





8. Copies of the Statement under Section 134(3) of the Companies Act, 2017 in respect of the material facts of the special businesses, Statement under Section 281 of the Companies Act, 2017, Scheme of Arrangement, and the audited unconsolidated specialized financial statements of the Company for the six months' period ended June 30, 2022 shall be available upon request, and for inspection, by any person entitled to attend the meeting from the registered office of the Company, free of cost during normal office hours, from the date of this notice till the conclusion of the Extraordinary General Meeting. Such information shall also be placed for inspection of members of the Company during the Extraordinary General Meeting.
9. In order to participate in the Extraordinary General Meeting proceedings via video link, shareholders are required to send their Name, Folio Number, Cell No. and Number of Shares held in their name with subject "Registration for Hascol Petroleum Limited EOGM" along with valid copy of CNIC (both sides) at company.secretary@hascol.com. Video link and login credentials will be shared with only those shareholders whose emails, containing all the required particulars, are received by close of office on 22 December 2022.

Statement under Section 134(3) of the Companies Act, 2017 concerning the Special Business to be transacted at the Extraordinary General Meeting of Hascol Petroleum Limited

The Scheme of Arrangement dated September 27, 2022, between Hascol Petroleum Limited (the "Company"), its secured creditors (listed therein) and the members of the Company, as approved by the Board of Directors of the Company on September 23, 2022 (the "Scheme of Arrangement"), seeks to rehabilitate the Company through, *inter alia*, the restructuring / rescheduling, settlement and repayment of the existing financial obligations / liabilities of the Company towards its secured creditors, along with all ancillary matters thereto, subject to being approved in accordance with the provisions of the Companies Act, 2017 and sanctioned by the High Court of Sindh at Karachi.

The proposed arrangement summarized above, along with all ancillary and related matters thereto, shall be effective by way of the Scheme of Arrangement, in accordance with the provisions of Sections 279 to 283 and 285 of the Companies Act, 2017. The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 31 of 2022. Furthermore, in accordance with the directions of the High Court of Sindh, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

The Scheme of Arrangement, which has been prepared under the provisions of sections 279 to 283 and 285 of the Companies Act, 2017, seeks to implement an arrangement between the Company and its secured creditors whereby, *inter alia*, (i) the outstanding principal liabilities of the Company towards the secured creditors shall be settled / restructured / repaid (to the extent applicable), based on the options prescribed under the Scheme of Arrangement; (ii) all other liabilities / amounts that may be payable by the Company towards the secured creditors shall be waived / settled; (iii) the provision of additional financing / facilities shall be secured from secured creditors seeking to continue arrangements with the Company; (iv) security charges over the Company's assets shall be released / vacated and substituted by the creation of fresh security interests in favour of the secured creditors which are continuing; (v) legal proceedings initiated by the secured creditors against the Company and its stakeholders (and vice versa) shall be suspended and ultimately withdrawn; and (vi) support is sought for the restructuring and settlement from the members of the Company through potentially raising additional equity funding, along with all ancillary matters pertaining to the arrangement.





A copy of the Scheme of Arrangement is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of the Company, situated at 29th Floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of the Company free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme of Arrangement has been enclosed with the notice of the meeting circulated to the members of the Company.

All information / particulars with respect to the proposed arrangement, including all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including the objects of the Scheme of Arrangement, background and benefits of the arrangement, quantum of outstanding amounts (along with determination thereof), the structure of the arrangement, and the manner of implementation thereof.

The directors of the Company are interested in the Scheme of Arrangement to the extent of their respective shareholdings in the Company. The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members.

Keeping in mind the interests of the members and secured creditors, as well as the interests of the Company, the Board of Directors believe that it would be feasible to settle / restructure the existing financial liabilities of the Company towards the secured creditors in the manner prescribed under the Scheme of Arrangement. Consequently, the Board of Directors of the Company have approved and recommended the compromise / arrangement between the Company and such creditors in terms of the Scheme of Arrangement.

Statement under Section 281 of the Companies Act, 2017 concerning the Special Business

The statement setting forth the terms of the Scheme of Arrangement and explanation of its effects, including the interests of the directors of the Company and the effect of those interests and other ancillary information may be obtained upon request by any person entitled to attend the Extraordinary General Meeting from the registered office of the Company situated at 29th Floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi, free of cost during normal office hours.

The aforesaid statement is also enclosed along with this notice of the Extraordinary General Meeting.





**STATEMENT UNDER SECTION 281(1)(A) OF THE COMPANIES ACT, 2017, ACCOMPANYING THE NOTICES
TO THE MEMBERS AND SECURED CREDITORS OF HASCOL PETROLEUM LIMITED**

Pursuant to the Order dated November 24, 2022, passed by the High Court of Sindh at Karachi in Civil Miscellaneous Application No. 2307 of 2022, in Petition bearing J. C. M. No. 31 of 2022, under Sections 279 to 283 and 285(8) of the Companies Act, 2017, the Court has directed, *inter alia*, that separate meetings of the members and secured creditors of Hascol Petroleum Limited (the "Company") be convened for seeking approval with respect to the Scheme of Arrangement dated September 27, 2022, between the Company, its creditors and members (the "Scheme of Arrangement"), for, *inter alia*, the rehabilitation of the Company through the restructuring / rescheduling, settlement and repayment of the existing financial obligations / liabilities of the Company towards its secured creditors, along with all ancillary matters thereto, as approved by the Board of Directors of the Company on September 23, 2022.

A copy of the Scheme of Arrangement (along with its annexures) may be obtained from the registered office of the Company, situated at 29th Floor, Sky Tower, West Wing (Tower A), Dolmen City, Abdul Sattar Edhi Avenue, Block 4, Clifton, Karachi, free of cost during normal business hours. Furthermore, a copy of the Scheme of Arrangement has been / shall be enclosed with the respective notices of the meetings circulated / to be circulated to the members and secured creditors of the Company.

The notices to be issued and published to the members of the Company is for the purpose of convening a meeting of the members of the Company, as directed by the Court, for the purpose of passing, *inter alia*, the following proposed resolution, with or without modification, for obtaining approval in respect of the Scheme of Arrangement and the arrangement contemplated thereunder, along with ancillary matters:

"RESOLVED THAT the Scheme of Arrangement dated September 23, 2022 for, inter alia, the restructuring / rescheduling, settlement and repayment of the existing financial obligations / liabilities of Hascol Petroleum Limited towards its secured creditors, along with all ancillary matters thereto, placed before the meeting for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed by, the creditors of the company or the High Court of Sindh at Karachi, subject to sanction by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

As required under section 279(2) of the Companies Act, 2017, the above resolution is required to be passed at the meeting of the members convened pursuant to the Order of the Court, by a majority representing three-fourths in value of the issued shares held by the members of the Company, present in person or by proxy, and voting at the Extraordinary General Meeting. The sanctioning of the Scheme of Arrangement and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme of Arrangement is approved as aforesaid.

Furthermore, the notices to be issued and published to the secured creditors of the Company is for the purpose of convening a meeting of the secured creditors of the Company, as directed by the Court, for the purpose of obtaining their approval in respect of the Scheme of Arrangement and the proposed arrangement contemplated thereunder. With respect to the secured creditors of Company, under section 279(2) of the Companies Act, 2017, the Scheme of Arrangement is required to be approved by three-fourths of the secured creditors (in value) present and voting at the meeting of the secured creditors (through their authorized representatives), including by passing, with or without modification, the following proposed resolution.





"RESOLVED THAT the Scheme of Arrangement dated September 23, 2022 for, inter alia, the restructuring / rescheduling, settlement and repayment of the existing financial obligations / liabilities of Hascol Petroleum Limited towards its secured creditors, along with all ancillary matters thereto, placed before the meeting of the secured creditors for consideration and approval, be and is hereby approved and adopted, along with any modifications / amendments required, or conditions imposed, by the High Court of Sindh at Karachi, subject to the sanction thereof by the High Court of Sindh at Karachi, in terms of the provisions of the Companies Act, 2017."

By way of brief background, further details of which are stipulated in the Scheme of Arrangement, the Company has faced difficulties, including on account of financial liquidity scarcity as well as regulatory and macroeconomic factors, in meeting its financial obligations towards its secured creditors in respect of financial indebtedness and facilities availed by the Company. The Company's losses were exacerbated by the lack of financing available to the Company, which has hampered its business and operations. Having said that, the Company has appointed a new management, which has been working with the support of its major shareholder / supplier, to continue its operations and prepare a revival plan, thus resulting in a positive EBITDA for the Company.

As part of the Company's plans, and in order to rehabilitate the Company and ensure that it remains a going concern, it is necessary to restructure / schedule and settle the financial liabilities of the Company towards its secured creditors, which have become an unsustainable burden on the Company's balance sheet. As of July 31, 2022, the outstanding due and payable principal liabilities of the Company towards its secured creditors stood at PKR 53,419,000,000/- (Pak Rupees Fifty Three Billion Four Hundred Nineteen Million), in addition to other amounts (including mark-up / profit, costs, expenses, fees, claimed damages etc.). Failure to restructure / reschedule and settle all the outstanding amounts may inevitably force the Company to proceed towards winding up, which would be detrimental to all stakeholders of the Company, including its members and creditors.

Accordingly, with a view to consider and effectuate the rehabilitation of the Company, including through the restructuring / rescheduling and settlement of the Company's liabilities towards its secured creditors, the Board of Directors has approved the Scheme of Arrangement, which reflects the terms and conditions proposed by the Company for a compromise and arrangement between the Company and its secured creditors, for sanction of the Court, subject to compliance of the requirements of Sections 279 to 283 of the Companies Act, 2017, including obtaining the requisite approval of the members and secured creditors of the Company. The Scheme of Arrangement stipulates a proposed arrangement which has been communicated by the Company to its secured creditors.

The principal object of the Scheme of Arrangement is to record the terms and conditions of a legally binding compromise and arrangement between the Company and its secured creditors for ensuring, *inter alia*, the restructuring / settlement and repayment of the existing liabilities of the Company towards its secured creditors (along with ancillary matters thereto) by way of:

- (i) settlement / restructuring and repayment (to the extent applicable) of the outstanding principal liabilities of the Company towards the secured creditors, with the respective secured creditors, based on the options prescribed under the Scheme of Arrangement;
- (ii) waiver and settlement of all other liabilities / amounts that may be payable by the Company towards the secured creditors;





- (iii) securing the provision of additional financing / facilities (including by way of rescheduling / restructuring or otherwise) from certain secured creditors based on the option selected by the secured creditors;
- (iv) release / vacation / discharge of the security interests over the Company's assets existing in favour of the secured creditors, and substitution thereof by the Company pursuant to the creation of fresh security interests in favour of the secured creditors which shall continue to be creditors of the Company (based on the option selected by the secured creditors);
- (v) suspension and ultimate withdrawal of legal proceedings initiated by the secured creditors against the Company and its stakeholders (and vice versa); and
- (vi) seeking support for the restructuring and settlement from the members of the Company through potentially raising additional equity funding required by the Company.

All information / particulars with respect to the proposed arrangement, including all ancillary matters thereto, are provided in detail in the Scheme of Arrangement, including the objects of the Scheme of Arrangement, background and benefits of the arrangement, quantum of outstanding amounts (along with determination thereof), the structure of the arrangement, and the manner of implementation thereof. Approval of the Scheme of Arrangement by the members of the Company shall constitute an approval by way of special resolution from the shareholders of the Company with respect to all matters prescribed under the Scheme of Arrangement.

The implementation of the options stipulated in the Scheme of Arrangement, subject to the sanction thereof, shall require consequential actions and the execution of documents in the manner detailed in the Scheme of Arrangement.

The Scheme of Arrangement, and the arrangement envisaged thereunder, does not pertain to other creditors of the Company (i.e. other than those secured creditors stipulated in the Scheme of Arrangement), and the same does not affect the financial indebtedness, liabilities or obligations of the Company towards such creditors.

The Scheme of Arrangement has been filed with the High Court of Sindh at Karachi vide Petition bearing J. C. M. No. 31 of 2022; furthermore, in accordance with the directions of the High Court, notice of the said petition has been provided to the registrar, Securities and Exchange Commission of Pakistan.

In compliance with the provisions of Section 282(2)(e) of the Companies Act, 2017, the audited unconsolidated specialized financial statements of the Company for the six months' period ended June 30, 2022 are also being enclosed with the respective notices of the meetings to be circulated to the members and secured creditors of the Company. The same is available for inspection to any person entitled to attend the respective meetings, at the registered office of the Company, free of cost during normal office hours; copies of the same may also be obtained upon request by such persons from the registered office of the Company, free of cost during normal office hours.





Keeping in mind the interests of the members and secured creditors, as well as the interests of the Company, the Board of Directors believe that it would be feasible to settle / restructure the existing financial liabilities of the Company towards the secured creditors in the manner prescribed under the Scheme of Arrangement. The same would enable the secured creditors to salvage their investments / finance in the present and improve their respective balance sheets by reducing their losses. Hence the Board of Directors has recommended the Scheme of Arrangement to the members and secured creditors of the Company.

The directors of the Company are interested in the Scheme of Arrangement to the extent of their respective shareholdings in the Company. The effect of the Scheme of Arrangement on the interests of these directors does not differ from its effect on the like interests of other members.



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Farhan Ahmad
Company Secretary
HASCOL PETROLEUM LIMITED

Karachi

Date: 05 December, 2022