

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF
THE COMPANIES ORDINANCE, 1984

INVOLVING

MACTER INTERNATIONAL LIMITED

AND

ASSOCIATED SERVICES LIMITED

FOR

The merger / amalgamation of the entire undertakings of Associated Services Limited with
and into Macter International Limited along with all ancillary matters.



ASSOCIATED SERVICES LIMITED

SCHEME OF ARRANGEMENT

UNDER SECTIONS 284 TO 288 OF THE COMPANIES ORDINANCE, 1984

BETWEEN

MACTER INTERNATIONAL LIMITED, an unlisted public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at F-216, S.I.T.E, Karachi (hereinafter referred to as "Macter", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

ASSOCIATED SERVICES LIMITED, a public company limited by shares and listed on the Karachi and Lahore Stock Exchanges, incorporated and existing under the laws of Pakistan and having its registered office at Room No. 101, 1st Floor, Merium Heights, Plot No C-11, Cooperative Housing Society's Limited, Block 7 and 8, Shaheed-e-Millat Road, Karachi (hereinafter referred to as "ASRL", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

RECITALS

WHEREAS by this Scheme of Arrangement ("**Scheme**"), it is *inter alia* proposed that:-

1. The entire undertaking comprising all the Assets, Liabilities and Obligations of ASRL shall, as at the Effective Date (as defined below), stand merged with, transferred to, vested in, and be assumed by Macter.
2. As consideration for the above, it is proposed that Macter Shares shall be issued to the Shareholders in accordance with this Scheme.
3. Upon the merger and transfer of ASRL in the manner prescribed under this Scheme, ASRL shall be dissolved without winding up.
4. This Scheme, if approved by the respective shareholders of Macter and ASRL, through a special resolution, along with the requisite majority of creditors of the respective companies, and sanctioned by the Court by an order passed in this respect, is to be binding on Macter and ASRL along with all the shareholders, creditors, employees, Customers, contracting parties, tax authorities, Drug Regulatory Authority of Pakistan and any other regulatory / statutory bodies of or with respect to Macter and ASRL (as applicable) respectively.



ASSOCIATED SERVICES LIMITED

BENEFITS OF THIS SCHEME

A. Listing of Shares of an Ongoing Concern and Value for Shareholders

As part of the Amalgamation, and as prescribed in the Scheme, subsequent to the sanction of the Scheme by the Court, the ordinary shares of Macter shall be listed on the Karachi and Lahore Stock Exchanges which will benefit all the shareholders of the merged / surviving company. The existing shareholders of ASRL shall hold shares of a profitable entity which is an ongoing concern hence the value of their shareholding shall increase and be liquid / tradeable, in addition to providing the opportunity to receive returns in shape of dividends (as ASRL has not declared dividend for the past several years). The shareholders of Macter will also obtain the benefit of the listing as the shares will be liquid and freely tradeable (in accordance with the applicable laws).

B. Larger Asset Base

The Amalgamation would lead to an increase in the asset base and size of the surviving entity i.e. Macter. The larger size of equity and asset base would provide greater comfort to existing and potential creditors of the merged entity.

C. Synergies and Reduction in Administrative Costs

The Amalgamation would provide an opportunity to operate the businesses / operations of Macter and ASRL through single / consolidated operations, accounts, treasury and management information system (MIS) departments with one set of management and staff, thus resulting in substantial cost savings and economies of scales, leading to enhanced profitability.

D. Single Corporate and Tax Reporting

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



ASSOCIATED SERVICES LIMITED

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:

"Allotment Date" has the same meaning as prescribed thereto in Article 9.7. of this Scheme;

"Amalgamation" shall have the same meaning as prescribed thereto in Article 2.1. of this Scheme;

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

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

"Annexure C" is the annexure attached hereto which lists the particulars of the Creditors of Macter;

"Annexure D" is the annexure attached hereto containing the Swap Letter;

"ASRL" shall have the meaning as prescribed in the Preamble above;

"Assets" mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities obtained from Customers, benefits, powers, rights, authorities, privileges, contracts, Government consents, tax refunds / credits, sanctions and authorizations, including all registrations, licenses, 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 Assets shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company; (ii) all choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, reserve funds, revenue balances, investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan, and all books of accounts, registers, records and all other documents of whatever nature relating thereto; (iii) all the connections and facilities for telecommunications, electricity, gas and other installations, owned by, leased or licensed to a company, including related deposits; and (iv) the Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims;



"CDC" means the Central Depository Company of Pakistan Limited;

"CDS" means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC;

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

"Completion Date" has the same 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;

"Court" means the High Court of Sindh at Karachi;

"Creditors of Macter" means the secured creditors of Macter as particularized in Annexure C;

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

"Effective Date" shall have the same meaning as prescribed thereto in Article 3.1. 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;

"Macter" shall have the meaning as prescribed in the Preamble above;

"Macter Shares" means the ordinary shares of PKR 10/- (Pak Rupees Ten) each in the share capital of Macter to be issued and allotted to the Shareholders in accordance with Article 9.1. of this Scheme;

"Ordinance" means the Companies Ordinance, 1984;



"Record Date" means the date to be fixed by the directors of ASRL, after the Completion Date, to determine the identities and entitlements of the Shareholders;

"Scheme" means this Scheme of Arrangement in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

"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;

"Shareholders" means the registered shareholders of ASRL, excluding Macter, on the Record Date;

"Swap Letter" means the Swap Letter dated December 18, 2015 (bearing reference number KFAS-SAR-211), issued by KPMG Taseer Hadi & Co., attached hereto as Annexure D containing, *inter alia*, the Swap Ratio; and

"Swap Ratio" shall have the same meaning as prescribed thereto in Article 9.1. of this Scheme.

ARTICLE 2

OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to give effect to the following:
- (i) amalgamate ASRL with and into Macter by transferring to, merging with and vesting in Macter the whole of ASRL, including all Assets, Liabilities and Obligations of ASRL, as of the Effective Date, and dissolving ASRL without winding up (the "Amalgamation"); and
 - (ii) allot and issue fully paid Macter Shares to the Shareholders based on the Swap Ratio.
- 2.2. It is hereby clarified that although the above steps will take place on the same date, the same shall be deemed to be effective as of the Effective Date.

ARTICLE 3

EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind Macter and ASRL as soon as the certified copies of the order of the Court under Section 284 of the Ordinance, sanctioning this Scheme and making any necessary provisions under Section 287 of the Ordinance, have been filed with the Registrar of Companies, Karachi (hereinafter referred to as the "Completion Date"). When this Scheme becomes operative on the Completion Date, the Amalgamation, in accordance with the Scheme, will be treated as having effect from the



close of business on January 1, 2016, or at such other date as may be stated by the Court (hereinafter referred to as the "Effective Date").

- 3.2. Accordingly, as of the Effective Date and thereafter, until the Assets, Liabilities, Obligations and undertakings of ASRL are actually transferred to and vested in Macter in terms of this Scheme, the businesses of ASRL will be deemed to have been carried for and on account and for the benefit of Macter. The reserves including un-appropriated profits / losses of ASRL up as at the Effective Date shall constitute and be treated as reserves / losses of a corresponding nature in Macter and shall be accounted for on that basis in the books of account of Macter.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of Macter is PKR 600,000,000/- (Pak Rupees Six Hundred Million) divided into 60,000,000 (Sixty Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 38,920,517 (Thirty Eight Million Nine Hundred Twenty Thousand Five Hundred Seventeen) shares have been issued, fully subscribed to and paid up.
- 4.2. The authorized share capital of ASRL is PKR 50,000,000/- (Pak Rupees Fifty Million) divided into 5,000,000 (Five Million) shares of PKR 10/- (Pak Rupees Ten) each, out of which 3,557,400 (Three Million Five Hundred Fifty Seven Thousand Four Hundred) shares have been issued, fully subscribed to and paid up.
- 4.3. Upon the sanction of this Scheme, the authorized share capital of Macter shall be merged and combined with the authorized share capital of ASRL. The authorized share capital of Macter shall thus stand enhanced to PKR 650,000,000/- (Pak Rupees Six Hundred Fifty Million) divided into 65,000,000 (Sixty Five Million) shares of PKR 10/- (Pak Rupees Ten) each and accordingly the Memorandum and Articles of Association of Macter shall stand amended. Approval of the shareholders of Macter to this Scheme shall also include and constitute an approval by way of special resolution from the shareholders of Macter, to the alteration of the Memorandum and Articles of Association of Macter for the increase of the authorized share capital of Macter to PKR 650,000,000/- (Pak Rupees Six Hundred Fifty Million), as required in terms of the Ordinance.

ARTICLE 5

BOARD OF DIRECTORS

- 5.1. The present directors of Macter are listed in Annexure A attached hereto.
- 5.2. The present directors of ASRL are listed in Annexure B attached hereto.
- 5.3. The directors of Macter are expected to continue as the directors after the Amalgamation / Completion Date, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created. The directors of ASRL shall cease to hold office as directors without any rights to any compensation for loss of office.



- 5.4. All the directors of Macter and ASRL have interest in the Amalgamation to the extent of their respective shareholdings and common directorship in Macter and ASRL (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 Macter and ASRL.

ARTICLE 6

AMALGAMATION

6.1. General Description

- (i) As of the Effective Date, ASRL, as a going concern, shall be amalgamated with and vest in Macter upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) Macter shall be able to carry out all the business of ASRL and shall be entitled to all the rights and the benefits thereof.
- (iii) ASRL shall be dissolved, without winding up, on the date on which the Macter Shares are allotted and issued to the Shareholders in consideration of the Amalgamation and the shares of Macter shall be listed on the Karachi and Lahore Stock Exchanges or on such later date as the Court may prescribe.

6.2. Transfer of the Assets

As of the Effective Date, all the Assets of ASRL, shall immediately without any conveyance or transfer and without any further act or deed, be vested in and become the undertaking and Assets of Macter, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by ASRL prior to the Amalgamation. However, the vesting / transfer of the 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 ASRL shall immediately and without any further act or deed be assumed by and become the Liabilities and Obligations of Macter, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. Macter's Right to Execute Deeds

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligation of ASRL may, if required at any time, may be executed by officers of Macter 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 ASRL is a reference to Assets or Liabilities and Obligations to which ASRL 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 Obligations and Liabilities are situated or arise and whether or not such Assets or Obligations and Liabilities are capable of being transferred or assigned to or by ASRL under any applicable law or instrument.

6.6. Assets held in Trust, etc.

Any Asset comprised or vested in ASRL which immediately before the Effective Date was held by ASRL 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 Macter in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. Contracts

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

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

6.8. Bank Accounts

Any account(s) maintained by ASRL with any bank or financial institution shall, as of the Effective Date, become account(s) between Macter and such bank or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of Macter 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 ASRL in writing shall have effect, as of the Effective Date, as if given to Macter.

6.10. Negotiable Instruments

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by, ASRL, or payable at any place of business of ASRL, 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 Macter, or were payable at the same place of business of Macter.

6.11. Custody of Documents



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

6.12. Securities:

- (i) Any Security held immediately before the Effective Date by ASRL or by a nominee or agent of or trustee for ASRL, 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 Macter and be available to Macter (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 Macter, pursuant to and in accordance with the provisions of this Scheme, and any liabilities and obligations thereby secured, Macter shall be entitled to the rights and priorities to which ASRL 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 Macter (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, ASRL or, as the case may be, Macter were secured thereby immediately before that time.
- (iv) All Securities granted / created by ASRL in favour of any secured creditors immediately before the Completion Date (if any), will continue to remain operative and effective as Securities granted and created by Macter in favour of its own creditors. To the extent that ASRL has granted any pari passu charge over the Assets or any class of Assets of ASRL in favour of such creditors, upon the Amalgamation, the same shall be treated as a pari passu charge over the combined Assets (or relevant class of Assets) of ASRL and Macter (which stand transferred to and vested in Macter in accordance with the provisions of this Scheme), ranking pari passu with the charge(s) created / existing in favour of the Creditors of Macter holding charges over similar Assets or class of Assets as the case may be. Furthermore, any charge or security interest granted to a secured creditor of ASRL, by ASRL, over specific assets will continue to remain restricted to such specific assets upon the Amalgamation.

6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of ASRL, becomes a right, Claim or Liability of Macter as of the Effective Date, Macter 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 Macter, and any legal proceedings or application to any authority existing or



pending immediately before the Effective Date by or against ASRL may be continued by or against Macter.

6.14. Judgments

Any judgment or award obtained by or against ASRL, and not fully satisfied before the Effective Date shall at that time, become enforceable by or against Macter.

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 ASRL, shall be admissible in evidence in respect of the same matter for or against Macter.

6.16. Clarification

The provisions contained in Articles 6.2. to 6.15. 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. Upon the Amalgamation, Macter 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, Macter shall undertake, pay, satisfy, discharge, perform and fulfill all the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of ASRL.

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.
- 8.2. The execution of this Scheme 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 Macter and / or ASRL.
- 8.3. Upon the sanction of this Scheme, as of the Effective Date, the terms of this Scheme shall be binding on Macter and ASRL and also on all the respective shareholders of Macter and ASRL, the Customers of Macter and ASRL, the Creditors of Macter and any creditors of ASRL and on any other person having any right or liability in relation to either of them.



ARTICLE 9

CONSIDERATION FOR THE AMALGAMATION

- 9.1. As consideration for the Amalgamation, Macter shall issue an aggregate of 223,834 (Two Hundred Twenty Three Thousand Eight Hundred Thirty Four) Macter's Shares to the Shareholders at par and allot 223,834 (Two Hundred Twenty Three Thousand Eight Hundred Thirty Four) Macter Shares, credited as fully paid up for 895,335 (Eight Hundred Ninety Five Thousand Three Hundred Thirty Five) shares of the face value of PKR 10/- (Pak Rupees Ten) each of ASRL, to the Shareholders on the basis of a swap ratio of 1 (One) Macter Share for every 4 (Four) shares of ASRL held by each of the Shareholders (the "Swap Ratio"), approved by the Board of Directors of each of Macter and ASRL based on the recommendation / calculation stated in the Swap Letter, and all entitlements of the Shareholders shall be determined in the proportion aforesaid. All fractions less than a share shall be consolidated into whole shares which shall be disposed of by Macter in a manner determined by the Board of Directors of Macter.
- 9.2. The Swap Ratio has been determined on the basis of the annual audited accounts of Macter and ASRL for the period ended June 30, 2015 and the relative valuations carried out by KPMG Taseer Hadi & Co. as stipulated in the Swap Letter, as approved by the Board of Directors of Macter and ASRL.
- 9.3. At least 14 (fourteen) days' notice shall be given to the shareholders of ASRL, as prescribed under the applicable laws, specifying the Record Date. Such notice shall also specify the date by which the shareholders of ASRL (including Macter) shall deliver to ASRL, for cancellation, all the share certificates representing ordinary shares in ASRL held by them and such share certificates shall be delivered to ASRL on or before that date. In relation to those shareholders of ASRL who hold shares in book entry form through the CDS on the date specified in the notice, the book entries relating to the shares of ASRL in the CDC accounts of such shareholders shall stand cancelled.
- 9.4. The share certificates delivered / to be delivered by the shareholders of ASRL in accordance with Article 9.3. above shall stand cancelled (whether or not the same have been surrendered to ASRL by the prescribed date) and the Shareholders shall be entitled to share certificates / shares of Macter for the number of fully paid up shares to which the respective Shareholder is entitled to in accordance with the provisions of this Scheme. It is clarified that although the shares of ASRL held by Macter shall stand cancelled, Macter shall not be entitled to consideration in terms of Article 9.1. and only the Shareholders shall be issued Macter Shares in accordance with this Scheme.
- 9.5. The allotment of Macter Shares (in accordance with the provisions of this Article 9) shall be made by Macter within 30 (thirty) days from the date notified above. The share certificates for such shares shall be made ready for delivery as soon as practicable thereafter and notices of their readiness for their delivery shall be given to the Shareholders in the manner provided in the Articles of Association of Macter. Share certificates not collected within the time specified in any such notice shall be sent by post in prepaid envelopes addressed to the persons entitled thereto at their respective registered addresses. In the case of joint shareholders, share certificates may be delivered to or may be sent to the address of that one



of the joint holders whose name appears first in respect of such joint holding. Macter shall not be responsible for loss of the share certificates in such transmission. In the case of Shareholders, holding shares of ASRL in book entry form through the CDS, the CDC shall, on the date to be specified in the notice mentioned in Article 9.3. above, credit their respective CDC accounts / sub-accounts with book entries relating to the corresponding number of Macter Shares which the relevant Shareholder is entitled to in accordance with this Article 9 (if the shares of Macter have been inducted with the CDC). Such allotment shall be carried out in accordance with the rules and regulations of the CDC. It being clarified that if the shares of Macter have not been inducted with the CDC by the time that the Macter Shares are to be allotted and issued to the Shareholders in accordance with Article 9, the Macter Shares shall be issued to such shareholders in physical form and not in book entry form through the CDS.

- 9.6. The Macter Shares, issued and allotted to the Shareholders in accordance with the provisions of this Scheme shall, in all respect, rank pari passu with the ordinary shares of Macter and shall be entitled to all dividends declared by Macter after the Effective Date.
- 9.7. Subject to the sanction of the Scheme by the Court, ASRL shall, without winding up, stand dissolved from the date on which all the Macter Shares, to be allotted by Macter to the Shareholders in the manner stated above, have been so allotted (the "Allotment Date").
- 9.8. Subsequent to the sanction of the Scheme by the Court, and as part of the Amalgamation, the ordinary shares of Macter shall be listed on the Karachi and Lahore Stock Exchanges, subject to compliance with the applicable laws and fulfillment of the necessary procedural and documentary requirements. It is clarified herein that although the Macter Shares shall be allotted to the Shareholders on the Allotment Date, the Shareholders may be unable to trade such shares on the stock exchanges until such time that Macter has been listed on the stock exchanges.

ARTICLE 10

EMPLOYEES

- 10.1. On and from the Effective Date, all full time officers and employees (including workmen) of ASRL shall become the employees of Macter at the same level of remuneration and under the same terms and conditions of service which they were receiving or, as the case may be, by which they were governed immediately before the Effective Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service.

ARTICLE 11

GENERAL

- 11.1. Modifications by the High Court

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of Macter and ASRL respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think



fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the shareholders and / or creditors of Macter and / or ASRL (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, the Board of Directors of Macter and / or ASRL shall be entitled to withdraw this Scheme (whether or not approval from the shareholders and creditors of the respective companies has been obtained).

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.

11.4. Costs and expenses

All costs, charges and expenses of Macter and ASRL in respect of the preparation of this Scheme and carrying the same into effect shall be borne by Macter.

Karachi.

Dated: December , 2015.





For and on behalf of
MACTER INTERNATIONAL LIMITED
Name: Swaleh Misbah Khan
Designation: Deputy Managing Director


ASSOCIATED SERVICES LIMITED

For and on behalf of
ASSOCIATED SERVICES LIMITED
Name: M. Tariq Bawany
Designation: Chief Executive

LIST OF ANNEXURES

- "Annexure A" – List of members of Board of Directors of Macter.
- "Annexure B" – List of members of Board of Directors of ASRL.
- "Annexure C" – Particulars of Creditors of Macter.
- "Annexure D" – Swap Letter dated December 18, 2015 (bearing reference number KFAS-SAR-211), issued by KPMG Taseer Hadi & Co.



REGISTERED OFFICES KARACHI

ANNEXURE A

LIST OF MEMBERS OF BOARD OF DIRECTORS OF MACTER INTERNATIONAL LIMITED

Mr. Asif Misbah
Mr. Swaleh Misbah Khan
Mr. Sheikh Muhammed Waseem
Mr. Zubeid Qureshi
Mr. Mohammed Aslam
Mr. Muhammad Asif
Mr. Syed Salman Ahmed Zaidi
Mr. Asad Nasir
Mr. Sarfaraz Anis



ASSOCIATED BROKERS LIMITED

ANNEXURE B

LIST OF MEMBERS OF BOARD OF DIRECTORS OF ASSOCIATED SERVICES LIMITED

Mr. M. Tariq Bawany
Mr. Mohammad Arif Dalia
Mr. Asif Misbah
Mr. Swaleh Misbah Khan
Mr. Sheikh Muhammed Waseem
Mr. Mohammed Aslam
Mr. Muhammad Asif



ASSOCIATED SERVICES LIMITED

ANNEXURE C

PARTICULARS OF CREDITORS OF MACTER INTERNATIONAL LIMITED

Al Baraka Bank (Pakistan) Limited
Bank Al-Habib Limited
Burj Bank Limited
Dubai Islamic Bank (Pakistan) Limited
First Habib Modaraba
Meezan Bank Limited





KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2
Beaumont Road
Karachi, 75530 Pakistan

Telephone + 92 (21) 3568 5847
Fax + 92 (21) 3568 5095
Internet www.kpmg.com.pk

The Board of Directors
Macter International Limited
F-216, S.I.T.E., Karachi

Our ref KFAQ-SAR-211
Contact Adnan Rizvi
Partner

The Board of Directors
Associated Services Limited
Room # 101, 1st Floor, Marium Heights
Plot # C/11, Block 7 & 8
Commercial Area, Off: Shahrah-e-Faisal, Karachi

18 December 2015

Dear Sirs,

**Proposed merger of Macter International Limited and Associated Services Limited –
Calculation of Share Swap Ratio**

We refer to our engagement letter KFAQ-SAR-199 dated 25 November 2015 whereby KPMG Taseer Hadi & Co. was engaged by Macter International Limited (“Macter”) and Associated Services Limited (“ASRL”) to carry out the captioned engagement.

Scope of work & methodology

We carried out the valuation of Macter and ASRL respectively as at 30 June 2015 on a standalone basis in order to calculate the share swap ratio. We used audited financial statements of Macter and ASRL for year ended 30 June 2015 along with their financial projections for the years 2016-20.

Further, we were provided with other related information and explanations as and when required in order to carry out the valuation. We have not conducted any due diligence or verification of the said audited financial statements, financial projections and related information.

For the above mentioned exercise, we considered generally accepted valuation methodologies namely Discounted Cash Flow (DCF), Adjusted Net Assets Valuation (NAV), and Capitalised Earnings (Comparable Companies/Comparable Transactions) Method. However, for the purpose of this engagement, DCF was used as primary methodology while Adjusted NAV as secondary methodology.

Valuation results and conclusion

The valuation results are depicted below:

Valuation Methodology	PKR value per share	
	Macter	ASRL
DCF	92.66	17.97
Adjusted NAV	30.18	22.41

We assigned weightages of 75% to DCF being the primary methodology and 25% to Adjusted NAV being the secondary methodology to calculate the share swap ratio which is as follows:

One share of Macter in exchange for four shares of ASRL.

Yours faithfully,

KPMG Taseer Hadi & Co.