askaribank LIMITED

SECTT/PSX/07 /2022

JANUARY 11, 2022

THE GENERAL MANAGER
STOCK EXCHANGE BUILDING
STOCK EXCHANGE ROAD
KARACHI, PAKISTAN
PAKISTAN STOCK EXCHANGE LIMITED ("PSX")

RE: NOTICE UNDER SECTIONS 96 AND 131 OF THE SECURITIES ACT, 2015 AND RULE 5.6.1(a)(ii) OF THE PAKISTAN STOCK EXCHANGE RULE BOOK – AMALGAMATION OF ASKARI SECURITIES LIMITED (TREC HOLDER) WITH AND INTO FOUNDATION SECURITIES (PRIVATE) LIMITED (TREC HOLDER)

Dear Sir,

1. This is in continuation of our earlier Letter No. SECTT/PSX-FSL & ASL/200/2021 dated October 21, 2021 whereby it was informed that the Board of Directors of Askari Bank Limited (**"AKBL or the Bank"**) had consented to Expression of Interest (**"EOI"**) received by Askari Securities Limited (**"ASL"**) from Foundation Securities (Pvt) Limited (**"FSL"**) to explore possibility of Amalgamation of ASL with and into FSL;

2. We are writing this letter to inform you that Boards of Directors of each of AKBL, ASL and FSL have resolved for the Amalgamation of ASL with and into FSL (the "**Amalgamation**") subject to necessary Regulatory and Shareholders' approvals;

3. ASL, a securities brokerage company holding Trading Rights Entitlement Certificate No. 150 dated January 11, 2016, is a wholly owned subsidiary of AKBL which is a public listed company with its shares listed on PSX. Whereas, FSL, also a securities brokerage company holding Trading Rights Entitlement Certificate No. 142 dated August 15, 2012, is majority owned by Fauji Foundation (**"FF"**);

4. By the effect of the Amalgamation (a) the complete undertaking of ASL will be transferred and come to vest into FSL together with all properties, assets, liabilities and obligations of every description, (b) the shares of ASL will be cancelled and for each share held in ASL by AKBL as a holder of 100% of shares thereof, twenty-seven million one hundred and forty thousand (27,140,000) shares of FSL will be issued to AKBL i.e. for every one (1) ordinary share of ASL of Pakistani Rupees Ten (PKR 10/-) held by AKBL, one point one eight (1.18) ordinary shares of FSL of Pakistani Rupees Ten (PKR 10/-) each will be allotted to AKBL, and (c) ASL will then dissolve without winding up;

5. It is pertinent to mention here that sections 96 and 131 of the Securities Act, 2015 and Rule 5.6.1(a)(ii) of Pakistan Stock Exchange Rule Book require every listed company to immediately disseminate to the Securities and Exchange Commission of Pakistan, PSX and the public, all price-sensitive information relating to the business and other affairs of the listed company that

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may affect the market price of its shares. Therefore, we hereby notify PSX of the passage of resolutions dated January 10, 2022 and December 29, 2021 (copies whereof are attached herewith as **Annexure A** – Board Resolutions of AKBL, ASL and FSL) by the Boards of Directors of each AKBL, ASL and FSL, approving the Amalgamation of ASL with and into FSL.

6. We are available for any questions, comments or queries that PSX may have in this regard.

Regards,

Syed Ali Safdar Naqvi
Company Secretary
FOR AND ON BEHALF OF
ASKARI BANK LIMITED

Copy to:

The Director
Corporate & Supervision Department
Securities & Exchange Commission of Pakistan
NIC Building, Jinnah Avenue, Blue Area
Islamabad

The Director
Banking Policy & Regulations Department
State Bank of Pakistan
I. I. Chundrigar Road
Karachi

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<u>Extract of AKBL's Circular Resolution No. 294 dated January 10, 2022</u>

"RESOLVED THAT

Subject to necessary Regulatory and Shareholders' approvals, the Scheme of Arrangement between Askari Securities Limited (wholly owned subsidiary company of Askari Bank Limited) ("ASL") and its members and Foundation Securities (Private) Limited ("FSL") and its members for the amalgamation of ASL with and into FSL ("Scheme") by (i) transfer to and vesting in FSL of the entire undertaking of ASL inclusive of all properties, assets, rights, liabilities, trademarks, patents, and obligation of ASL, (ii) the issuance of twenty-seven million one hundred and forty thousand (27,140,000) ordinary shares of FSL to Askari Bank Limited i.e. for every one (1) share held by Askari Bank Limited in ASL of Pakistani Rupees Ten (PKR 10/-) there shall be allotted, to Askari Bank Limited, one point one eight (1.18) ordinary shares of FSL of Pakistani Rupees (PKR 10/-) each, and (iii) dissolution of ASL, without winding up, tabled at the meeting of board of directors of ASL and FSL, be and is hereby approved."

Syed Ali Safdar Naqvi
Company Secretary

Certified True Copy
Company Secretary
askaribank Ltd.

Company Secretary Office:
4th Floor, Plot # 18, NPT Building, F-8 Markaz, Islamabad-Pakistan.
PABX: +92 51 2857424-39 **Fax:** +92 51 2857448 **SWIFT:** ASCMPKKA

Extract of the Resolution from the Board of Directors Meeting of Foundation Securities (Private) Limited held on 29 December 2021 via Zoom

Agenda Item # 2

Approve the amalgamation of Askari Securities Limited ("ASL") with and into FSL.

The board reviewed the amalgamation of ASL with and into FSL and passed the following resolution;

RESOLVED BY THE BOARD OF DIRECTORS OF FOUNDATION SECURITIES (PRIVATE) LIMITED ("FSL") THAT the amalgamation of Askari Securities Limited ("ASL") with and into FSL by (i) transfer to and vesting in FSL of the entire undertaking of ASL inclusive of all properties, assets, rights, trademarks, patents, liabilities and obligations of ASL, (ii) the issuance of shares in FSL to Askari Bank Limited, which directly or indirectly through nominee directors holds 100% of the issued share capital of ASL, and (iii) dissolution of ASL, without winding up, be and is hereby approved.

Agenda Item # 3

Approval of the Scheme of Arrangement

The board considered the Scheme of Arrangement, and as a consequence of the amalgamation of ASL with and into FSL and within the time hereinafter specified, FSL shall issue at par and allot twenty-seven million one hundred and forty thousand (27,140,000) ordinary shares of Rs. 10 each of FSL credited as fully paid up to AKBL, and such allotment shall be made on the following terms, namely, in respect of every 1 ASL Share held by AKBL there shall be allotted 1.18 ordinary shares of Rs. 10 each of FSL. Consequently the board passed the following resolution;

RESOLVED BY THE BOARD OF DIRECTORS OF FSL THAT the Scheme of Arrangement for amalgamation of ASL with and into FSL, by (i) transfer to and vesting in FSL of the entire undertaking of ASL inclusive of all properties, assets, rights, liabilities, trademarks, patents, and obligations of ASL, (ii) the issuance of shares in FSL to Askari Bank Limited, which directly or indirectly through nominee directors holds 100% of the issued share capital of ASL, and (iii) dissolution of ASL, without winding up, tabled at the meeting, and for purposes of identification initialed by the Chairman, be and is hereby approved.

CERTIFIED TRUE COPY

I hereby certify that the above resolution was duly passed by the Board of Directors of the Company in its meeting held on 29 December 2021 and the same has been entered into the company in accordance with Articles of the Company.

Zahid Ali Khan
Company Secretary

Dated : 3 January 2022

CERTIFIED TRUE COPY OF THE RESOLUTIONS PASSED BY THE BOARD OF DIRECTORS ("BOD") OF ASKARI SECURITIES LIMITED IN BOD MEETING HELD ON 29 DECEMBER 2021

Approval of Amalgamation

RESOLVED BY THE BOARD OF DIRECTORS OF ASKARI SECURITIES LIMITED ("ASL") THAT *the amalgamation of ASL with and into Foundation Securities (Private) Limited (**"FSL"**) by (i) transfer to and vesting in FSL of the entire undertaking of ASL inclusive of all properties, assets, rights, trademarks, patents, liabilities and obligations of ASL, (ii) the issuance of FSL shares to Askari Bank Limited, which directly or indirectly through nominee directors holds 100% of the issued share capital of ASL, and (iii) dissolution of ASL, without winding up, be and is hereby approved.*

Approval of scheme

RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *the Scheme of Arrangement for amalgamation of ASL with and into FSL, by (i) transfer to and vesting in FSL of the entire undertaking of ASL inclusive of all properties, assets, rights, liabilities, trademarks, patents, and obligations of ASL, (ii) the issuance of twenty-seven million one hundred and forty thousand (27,140,000) ordinary shares of FSL to Askari Bank Limited i.e. for every one (1) share held by Askari Bank Limited in ASL of Pakistani Rupees Ten (PKR 10/-) there shall be allotted, to Askari Bank Limited, one point one eight (1.18) ordinary shares of FSL of Pakistani Rupees Ten (PKR 10/-), which directly or indirectly through nominee directors holds 100% of the issued share capital of ASL, and (iii) dissolution of ASL, without winding up, tabled at the meeting, and for purposes of identification initialled by the Chairman, be and is hereby approved.*

Approval of Information Memorandum

RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *the Information Memorandum prepared by ASL and FSL in relation to the Scheme of Arrangement for amalgamation of ASL with and into FSL to be circulated to the shareholders of ASL, be and is hereby approved.*

High Court Authorization

RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *the filing of a Petition jointly by ASL and FSL in the honourable High Court of Sindh at Karachi for obtaining its sanction for the Scheme of Arrangement and other orders facilitating the amalgamation be and is hereby approved and the filing of an interlocutory applications jointly by ASL and FSL in the honourable High Court of Sindh at Karachi for convening of separate meetings of the shareholders of ASL and FSL be and is hereby approved.*

I hereby certify that the above resolutions were duly passed by the Board of Directors of the Company in the Board of Directors meeting held on 29 December 2021 and the same has been entered in the minutes' book of the Company in accordance with the Articles of Association of the Company.

CERTIFIED TO BE TRUE COPY

Islamabad
05 January 2021

Khanzada Mehmood Nasir
Company Secretary

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CERTIFIED TRUE COPY OF THE RESOLUTION PASSED BY THE BOARD OF DIRECTORS ("BOD") OF ASKARI SECURITIES LIMITED IN BOD MEETING HELD ON 29 DECEMBER 2021

General Authority to file and delegate to complete the process

RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *Mr. Muhammad Nadeem, Chairman of Board of Directors of ASL, Khanzada Mehmood Nasir, the Chief Executive Officer of ASL, and Mr. Moeen Javed, Chief Financial Officer of ASL, or such one or more persons as either of them may from time to time specifically designate for the purpose, be and are as to each of them acting severally and jointly hereby authorised to approach as they may deem fit government authorities, regulatory authorities, major shareholders and creditors of ASL and other concerned persons, authorities and officers and to take such action as they may consider necessary or expedient with a view to obtaining their consent for the amalgamation of ASL with and into FSL for facilitating the eventual issue of all sanctions, approvals, and permissions that may be required in connection with the amalgamation and in that connection to do all such acts, deeds and things as they may deem necessary.*

FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *Mr. Muhammad Nadeem, Chairman of Board of Directors of ASL, Khanzada Mehmood Nasir, the Chief Executive Officer of ASL, and Mr. Moeen Javed, Chief Financial Officer of ASL, as such one or more persons as either of them may specifically designate for the purpose be and are as to each of them acting severally or jointly hereby authorised so that any one of them may finalise, sign, verify and present, and appoint advocates in connection with, the Petition and interlocutory application aforesaid and all other applications, petitions, affidavits, statements, and other papers and documents relating to obtaining of the sanction of the honourable High Court of Sindh at Karachi to the aforesaid Scheme of Arrangement, including without limitation, review application and appeals.*

FURTHER RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *Mr. Muhammad Nadeem, Chairman of Board of Directors of ASL, Khanzada Mehmood Nasir, the Chief Executive Officer of ASL, and Mr. Moeen Javed, Chief Financial Officer of ASL, or such one or more persons as either of them may from time to time specifically designate for the purpose, be and are as to each of them acting severally and jointly hereby authorised to finalize, execute, sign, file, and deliver any and all applications, agreements, attorneys, affidavits, letters, undertakings, declarations, indemnities and other deeds, documents and papers as may be required for or in connection with the proposed amalgamation of ASL with and into FSL; appoint/engage lawyer(s), consultant(s), advisor(s) and professionals as deemed necessary and sign vakalatnamas and engagement letters on behalf of ASL and take all necessary steps and actions and generally do all acts, deeds and things as may be required for and in connection with the proposed amalgamation of ASL with and into FSL, and as may be required with respect to the aforementioned resolutions and for implementing the Scheme of Arrangement in terms thereof, along with all incidental actions and matters in respect of the same and delegate any of the aforementioned powers to any person(s) as may be deemed fit.*

RESOLVED BY THE BOARD OF DIRECTORS OF ASL THAT *Company Secretary, Khanzada Mehmood Nasir, be and is hereby authorized on behalf of ASL to provide certified copies of the Resolutions on such format as required by any authority, judicial and/or quasi-judicial authority, government department, Securities and Exchange Commission of Pakistan, Central Depository Company of Pakistan Limited, National Clearing Company of Pakistan Limited, Pakistan Stock Exchange, Pakistan Mercantile Exchange or any other regulatory body, financial institution, advocates attorneys and/or consultants in relation to the amalgamation.*

I hereby certify that the above resolution was duly passed by the Board of Directors of the Company in the Board of Directors meeting held on 29 December 2021 and the same has been entered in the minutes' book of the Company in accordance with the Articles of Association of the Company.

CERTIFIED TO BE TRUE COPY

Khanzada Mehmood Nasir
Company Secretary

Islamabad
05 January 2021