ESCORTS INVESTMENT BANK

ESCORTS INVESTMENT BANK LIMITED

22nd June 2017

Mr. Muhammad Ghufran
Deputy General Manager Operations
Pakistan Stock Exchange Limited

Mr. Nadeem Naqvi
Managing Director
Pakistan Stock Exchange Limited

Subject: Information under Regulation 5.8 of the Pakistan Stock Exchange Limited Regulations ("PSX Regulations")

Dear Sir,

1. We write to inform you that Bahria Town (Private) Limited (**'BTPL'**) is in the process of acquiring majority shares and management control of Escorts Investment Bank Ltd (**'The Company'**). In this regard, pursuant to the Board of Directors' Resolution dated May 12, 2017, the Company along with the sponsor shareholders of the Company had entered into various transaction agreements with BTPL. All parties to the various transaction agreements with BTPL are collaborating in order to fulfil the various condition precedents set out in the transaction documents so that the transaction can be finalized and completed.

2. In this regard, the Company is required to pass a special resolution through which the Authorized Capital of the Company shall be increased to PKR 2,000,000,000 (Rupees Two Billion only)/- consisting of 200,000,000 (Two Hundred Million) ordinary shares of PKR 10/- (Rupees Ten) each. The purpose of this letter is to bring to your kind attention the afore-mentioned increase in the Authorized Capital of the Company, as required under Regulation 5.8 of the PSX Regulations.

HEAD OFFICE:
Escorts House, 26 Davis Road, Lahore - Pakistan.
Tel : (92-42) 3637 1931-34 Fax: (92-42) 3637 5950
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3. In order to achieve this a special resolution is to be passed at an Extraordinary General Meeting of the Company to held on the 17th of July 2017. The Board of Directors has approved the calling of this Extraordinary General Meeting.

Kind Regards,

Muhammad Mukarram
Company Secretary

Copy to:

1. Mr. Akif Saeed, Commissioner, Securities Market Division, Securities and Exchange Commission of Pakistan

2. Mr. Asif Jalal Bhatti, HOD-Public Offering and Regulated Persons Department, Securities and Exchange Commission of Pakistan

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MINUTES OF MEETING OF THE BOARD OF DIRECTORS OF ESCORTS INVESTMENT BANK LIMITED (THE "COMPANY") HELD ON 3:00 pm June 19, 2017 AT ESCORTS HOUSE, 26-DAVIS ROAD, LAHORE

The Meeting of the Board of Directors was held on 19th June, 2017 at 3:00 pm at Escorts House, 26 Davis Road, with the following Directors in attendance: Shazia Bashir, Mutahir Ahmed, Qaim Mehdi, Zulfiqar Ali Khan, Tajammul H. Bokhari, and Aleem Ahmed Khan

The meeting of the Board was chaired by the Chairman, Bairam Qureshi.

The quorum being complete, the meeting proceeded to consider the issues on the agenda.

COMPANY SECRETARY'S BRIEFING TO THE BOARD:

A. Mr. Muhammad Mukarram, Company Secretary of the Company, informed the Board of Directors that Bahria Town (Private) Limited ("**BTPL**") was in the process of acquiring majority shares and management control of the Company. In this regard, pursuant to the Board's resolutions dated May 12, 2017, the Company along with the sponsor shareholders of the Company had entered into various transaction agreements with BTPL. Mr. Mukarram further apprised the Board that all parties to the transaction agreements were collaborating in order to fulfil the various conditions precedent set out in the transaction documents so that the transaction could be finalized and completed. Mr. Mukarram informed the Board that, in this regard certain steps need to be taken by EIBL which require action by the Board. As per the agenda for this meeting, the following two matters require the attention of the Board.

B. As per Clause 2.1 (a) of the Share Subscription Agreement dated May 23, 2017, the Company is required to pass a special resolution through which the Authorized Capital of the Company shall be increased to PKR 2,000,000,000 (Rupees Two Billion only)/- consisting of 200,000,000 (Two Hundred Million) ordinary shares of PKR 10/- (Rupees Ten) each. The Board was informed that the afore-mentioned increase in Authorized Capital, in addition to being a contractual obligation of the Company, is also necessary for enabling injection of fresh equity into the Company, which is crucial for reviving the Company.

C. Furthermore, a special resolution needs to be passed in terms of the Companies Act, 2017 and subject to all other applicable laws and regulations for the proposed divestment of entire shareholding of Escorts Capital Limited (**'ESCAP'**) by the Company as per the Share Purchase Agreement dated May 23, 2017 for the sale and transfer of 100% issued shares together with management control of ESCAP against consideration of PKR 175 million by the Company to BTPL ("**SPA (ESCAP)**"), in terms of the Companies Act 2017 and all other applicable laws via a special resolution. The Board was apprised that in order to transfer the shares and control of ESCAP various approvals/clearances are required, including, without limitation, the afore-mentioned approval/special resolution of the shareholders of the Company, required pursuant to Section 183 (b) and 199 (4) of the Companies Act, 2017.Mr. Mukarram further informed the Board that as intimated by BTPL, application for clearance of "Fit and Proper Criteria" has been submitted by BTPL to the Securities and Exchange Commission of Pakistan as well as the Pakistan Stock Exchange ("**PSX**") on June 16, 2017.

RESOLUTIONS OF THE BOARD

A. Unanimously resolved by the Board:

1. That it is in the Company's commercial interests to approve the proposed increase in the Authorized Capital. Therefore an extraordinary general meeting is to be called for passing a special resolution with respect to the increase in the Authorized Share Capital. The Authorized Capital shall be increased to PKR 2,000,000,000 (Rupees Two Billion only)/- consisting of 200,000,000 (Two Hundred Million) ordinary shares of PKR 10/- (Rupees Ten) each.

2. That in connection with the afore-mentioned, as per Regulation 5.8 of the Pakistan Stock Exchange Listing Regulations, the Company shall intimate Pakistan Stock Exchange regarding increase in the Authorized Capital of the Company. The Company shall also obtain prior clearance of the Pakistan Stock Exchange before obtaining approval of shareholders of the Company regarding alteration in the Memorandum of Association of the Company in connection with the afore-mentioned increase in Authorized Capital, as required by Regulation 5.9.2 of the Pakistan Stock Exchange Listing Regulations.

3. That the Company may, subject to, (i) the approval of shareholders of the Company in general meeting, (ii) "Fit and Proper" clearance of BTPL and its proposed directors under the Securities Act, 2015 read with the Securities Brokers (Licensing and Operations) Regulations 2016, and (iii) approval by SECP in terms of Rule 7 (2) (c) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003.sell and transfer 100% of its shareholding together with management control of ESCAP in terms of the SPA (ESCAP) to BTPL In the event any of the afore-said regulatory consents/approvals is not forthcoming, this resolution shall stand withdrawn.

4. That in order to obtain approvals for the foregoing, an extraordinary general meeting of the shareholders of the Company may be convened on 17th July 2017 at 3:30 pm and for this purpose notices be issued.

5. That Ms. Shazia Bashir (Chief Executive) and Mr. Muhammad Mukarram (Company Secretary), be and are hereby authorised to act singly to sign and do all acts, deeds, things, and to take any or all necessary actions in relation to Extraordinary General Meeting, including issuance of notices,

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and to complete all legal formalities and to file all necessary documents in this regard, as they think fit, on behalf of the Company.

6. That any and all agreements, instruments and other documents whatsoever, and any and all actions whatsoever, heretofore or hereafter executed, delivered and/or taken by Mr. Muhammad Mukarram. on behalf of the Company in connection with the subject matter of this resolution be and are hereby approved, ratified and confirmed in all respects as the acts and deeds of the Company.

B. **Also unanimously resolved** that a certified true copy of this resolution be communicated to whom it may concern and that this resolution shall remain in force until a resolution to the contrary is passed by the Board of Directors of the Company.

Specimen Signature of Mr. Muhammad Mukarram

For **ESCORTS INVESTMENT BANK LTD**

Shazia Bashir
Chief Executive Officer

Bairam Qureshi
Director

Tajammal H. Bokhari
Director

Zulfiqar Ali Khan
Director

Mutahir Ahmed
Director

Aleem Ahmed Khan
Director

Qaim Mehdi
Director

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