
**SCHEME OF ARRANGEMENT
UNDER SECTIONS 279 TO 283, AND 285(8) OF THE COMPANIES ACT, 2017**

BETWEEN

**BANK MAKRAMAH LIMITED AND
ITS MEMBERS**

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FOR

Effecting a reorganisation of the shareholding of BML through:

- (i) the cancellation of the Cancelled Shares held by the Sponsor so as to reduce his shareholding from 86.12% (eighty six point one two percent) to 75.8% (seventy five point eight percent) of the issued and paid-up share capital of BML; and
- (ii) the issuance of the Issued Shares to the Remaining Shareholders on a pro rata basis in proportion to their respective shareholdings.

**ARTICLE 1
DEFINITIONS**

In this Scheme of Arrangement, unless the subject or context otherwise requires, the following expressions shall bear the meanings specified against them below:

“Applicable Laws”	means all national (or provincial or local) legislation, statutes, ordinances and other laws, and all regulations, by-laws, rules, orders, decrees, judicial decisions, delegated legislation, directives, guidelines (to the extent mandatory) policies or code;
“BCO”	means the Banking Companies Ordinance, 1962;
“BML”	means Bank Makramah Limited, a banking company incorporated under the laws of Pakistan and having its registered office at Plot No. 9-C, F-6 Markaz, Supermarket, Islamabad;
“Book Closure Date”	means the first date of the Book Closure Period;
“Book Closure Period”	means the period during which the share transfer books and register of members of BML will be closed following the Sanction Date for the purpose of determining the members entitled to receive the Issued Shares under this Scheme, as announced by BML in accordance with Applicable Laws;
“Cancelled Shares”	means 103,163,883 (one hundred three million one hundred sixty three thousand eight hundred eighty three) ordinary shares having a par value of PKR 10/- (<i>Pakistani Rupees Ten Only</i>) each presently held by the Sponsor, subject to the provisions of Article 10.1 of this Scheme;

“CDC”	means the Central Depository Company of Pakistan Limited;
“Companies Act”	means the Companies Act, 2017;
“Court”	means the High Court of Islamabad or any other court of competent jurisdiction for the time being having jurisdiction under Sections 279 to 283, and 285(8) of the Companies Act in connection with this Scheme;
“Effective Date”	means the date immediately following the Book Closure Period on which the share transfer books of BML will be reopened;
“Filing Date”	means the date on which the certified copy of the order of the Court sanctioning this Scheme is filed with the Registrar;
“GHDL”	means the erstwhile Global Haly Development Limited (now amalgamated into BML);
“Issued Shares”	means such number of new ordinary shares of BML as are equal to the Cancelled Shares;
“Merger Scheme”	means the scheme of arrangement between BML and GHDL under Sections 279 to 283 and 285(8) of the Companies Act (Company Original No. 14 of 2024), for the (i) merger of GHDL into BML; and (ii) the reduction of share capital of BML; which was sanctioned by the Court on November 19, 2025;
“PSX”	means the Pakistan Stock Exchange Limited;
“Registrar”	means the Registrar of Companies, Islamabad at the Securities and Exchange Commission of Pakistan;
“Remaining Shareholders”	means the members of BML, other than the Sponsor, who are registered as holders of ordinary shares of BML on the Book Closure Date;
“Sanction Date”	means the date on which the Court grants the order sanctioning this Scheme under Sections 279 to 283 and 285(8) of the Companies Act;
“SBP”	means the State Bank of Pakistan;
“Scheme”	means this Scheme of Arrangement in its present form or with any modification as may be made in terms of Applicable Law;
“Sponsor”	means His Excellency Nasser Abdulla Hussain Lootah, being the sponsor shareholder of BML;

“Tax”	means all present and future taxes, including income tax, sales tax, stamp duties, octroi, customs or excise duty, registration charges, levies, deductions, imposts, and any other charges and withholdings whatsoever, together with any interest, mark-up or penalties payable in connection with any failure to pay or delay in paying any of the above;
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The headings and marginal notes are inserted for convenience and shall not affect the construction of this Scheme.

ARTICLE 2 BML

- 2.1 BML (formerly Summit Bank Limited) is a banking company incorporated in Pakistan on December 9, 2005, as a public company limited by shares under the erstwhile Companies Ordinance, 1984 (now Companies Act). The shares of BML are listed on the PSX.
- 2.2 As of the date of filing of this Scheme:
- (a) the authorised share capital of BML is Rs. 20,000,000,000/- (Rupees Twenty Billion) divided into 2,000,000,000 (Two Billion) ordinary shares of Rs. 10/- (Rupees Ten) each; and
 - (b) the issued and paid up share capital of BML is Rs. 10,000,000,000/- (Rupees Ten Billion) divided into 1,000,000,000 (One Billion) ordinary shares of Rs. 10/- (Rupees Ten) each.

ARTICLE 3 SPONSOR

- 3.1 The Sponsor became the sponsor shareholder of BML in April 2023 through an equity injection of PKR 10,000,000,000/- (*Pakistani Rupees Ten Billion Only*) into BML, acquiring an initial shareholding of 60.45% (sixty point four five percent), including through a public tender offer. The Sponsor's shareholding subsequently increased to 86.12% (eighty six point one two percent) following the Merger Scheme, pursuant to which the Sponsor, received shares of BML valued at PKR 2.14 per share as consideration for the merger of GHDL (being its majority shareholder).
- 3.2 As of the date of filing of this Scheme, the Sponsor holds 861,163,882 ordinary shares of BML, representing 86.12% (eighty six point one two percent) of the issued and paid-up share capital of BML.
- 3.3 As of the Effective Date, the Sponsor shall hold 75.8% (seventy five point eight percent) of the issued and paid-up share capital of BML.

ARTICLE 4 OBJECT AND BENEFITS OF THE SCHEME

- 4.1 Following the sanction of the Merger Scheme, and in light of the increase in the

market price of BML's shares between the date of filing and the date of sanction of the Merger Scheme, the Sponsor wrote to BML on November 19, 2025, requesting that BML undertake such action as would give effect to a revised shareholding outcome consistent with the market value of BML's shares at the time of sanction of the Merger Scheme, being PKR 6.25 per share.

- 4.2 Accordingly, the principal object of this Scheme is to provide for, with effect from the Effective Date, the reorganisation of the shareholding of BML through the cancellation of the Cancelled Shares; and the issuance of the Issued Shares to the Remaining Shareholders on a pro rata basis in proportion to their respective shareholdings as at the Book Closure Date, so as to reduce the Sponsor's shareholding from 86.12% (eighty six point one two percent) to 75.8% (seventy five point eight percent) of the issued and paid-up share capital of BML.
- 4.3 The reorganisation of the shareholding of BML in the manner outlined in this Article 4 shall have the following benefits:
- (a) The Scheme ensures that the Sponsor's shareholding reflects a fair and equitable consideration consistent with the market value of BML's shares, thereby rectifying the pricing disparity arising from the time lag between the filing and sanction of the Merger Scheme.
 - (b) The Scheme shall foster investor confidence and long-term shareholder value.

ARTICLE 5 EFFECTIVENESS OF THE SCHEME

- 5.1 This Scheme shall become operative and binding on the Filing Date but shall be deemed to have taken effect on the Effective Date.
- 5.2 BML shall submit a copy of the order of the Court sanctioning the Scheme to the Registrar in terms of Section 279(3) of the Companies Act.
- 5.3 There is no restriction on the conduct of the business of BML.
- 5.4 On the Effective Date, the following actions shall be deemed to have occurred in the following sequential steps:
- (i) the Cancelled Shares shall stand cancelled without any further act or deed.
 - (ii) the Issued Shares shall be issued and allotted to the Remaining Shareholders in accordance with this Scheme, without any further act or deed.
 - (iii) The Sponsor's shareholding in BML shall be reduced from 86.12% (eighty six point one two percent) to 75.8% (seventy five point eight percent) of the issued and paid-up share capital of BML,

ARTICLE 6 CANCELLATION AND ISSUANCE OF SHARES, AND ALLIED MATTERS

- 6.1 Following the Sanction Date, BML shall, in accordance with Applicable Laws, close its share transfer books and register of members for the Book Closure Period, and shall announce the Book Closure Date.
- 6.2 No transfer of shares of BML shall be registered during the Book Closure Period, and all entitlements under this Scheme shall be determined solely by reference to the shareholding as at the Book Closure Date.
- 6.3 With effect from the Effective Date, the Cancelled Shares of the Sponsor shall stand cancelled, and the Issued Shares shall stand issued to the Remaining Shareholders on a pro rata basis in proportion to their shareholding as on the Book Closure Date, and such cancellation and issuance shall be deemed to have been effected without any further act, deed, instrument or consent.
- 6.4 The cancellation of the Cancelled Shares and the issuance of the Issued Shares shall be carried out through the CDC (in relation to dematerialized shares) and the share registrar of BML (in relation to shares held in physical form) and appropriate entries shall be made in BML's register of members and CDC records to reflect such cancellation and issuance.
- 6.5 The net effect of the cancellation and issuance under this Scheme shall not result in any change in the authorised share capital, issued share capital, or par value of the shares of BML.
- 6.6 Upon completion of the cancellation of the Cancelled Shares and issuance of the Issued Shares in accordance with this Article 6, the Sponsor's shareholding shall be reduced from 86.12% (eighty six point one two percent) to 75.8% (seventy five point eight percent) of the issued and paid-up share capital of BML, and the Remaining Shareholders shall hold the Issued Shares in the proportions determined under this Scheme.

**ARTICLE 7
TAX LIABILITY**

- 7.1 Any tax liability or incidence arising on any Remaining Shareholder pursuant to or in connection with this Scheme under the Income Tax Ordinance, 2001, shall be borne solely by the respective Remaining Shareholder.

**ARTICLE 8
STATUTORY AND REGULATORY APPROVALS**

The following statutory and regulatory approvals required for or in connection with the Scheme have been obtained and / or shall be obtained by BML, and the Scheme will not be effective until such approvals have been procured, unless waived by the Court.

- 8.1 The Scheme being approved by the requisite majority in number representing three-fourths in value of the members present and voting either in person or, where proxies are allowed, by proxy at the meeting of the members of BML, as required under the Companies Act, unless and to the extent dispensed with by the Court.
- 8.2 The Scheme being approved by the SBP.

In terms of creditors, the majority of the creditors of BML are its depositors. In terms of Section 40A and 41 of the BCO, the SBP is responsible and empowered

to protect the interests of the depositors, and accordingly, the approval of the SBP for the Scheme shall be sufficient in lieu of approval of the creditors of BML.

- 8.3 The Scheme being approved or exempted by the Competition Commission of Pakistan in terms of the Competition Act, 2010 read with the Competition (Merger Control) Regulations, 2016.

ARTICLE 9 SCHEME'S EFFECT

- 9.1 The cancellation of the Cancelled Shares and issuance of the Issued Shares in terms of this Scheme shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any Applicable Law including Tax law (other than as contemplated under Sections 279 to 282 of the Companies Act); (ii) give rise to any forfeiture; (iii) give rise to any right of first refusal or pre-emptive right to any person; or (iv) constitute a contractual transfer and, for avoidance of doubt, shall not, therefore, be affected by any contractual restriction to which BML is a party or may be bound, notwithstanding any contractual restriction on any transfer, assignment or the like.
- 9.2 On and from the Effective Date, the terms of this Scheme shall be binding by operation of law on BML and on all the shareholders and creditors of BML, and on any other person having any right or liability in relation to any of them.
- 9.3 On the Effective Date, this Scheme will override the constitution of BML to the extent of any inconsistency.

ARTICLE 10 MISCELLANEOUS

- 10.1 Notwithstanding anything contained elsewhere in this Scheme, in the event there is any change in the issued and paid-up share capital of BML between the date of filing of this Scheme with the Court and the Book Closure Date, the number of Cancelled Shares shall be the lesser of the following:
- (a) 103,163,883 ordinary shares of BML; or
 - (b) such number of fully paid-up ordinary shares of BML held by the Sponsor such that the Sponsor's shareholding in BML is equal to 75.80% (Seventy five point eight zero percent) of the total issued and paid-up share capital of BML as at the Book Closure Date.
- 10.2 Notwithstanding anything to the contrary contained herein, the figures contained in this Scheme, including the Cancelled Shares and Issued Shares, shall be subject to revision (if required) so as to implement the intent of this Scheme as of the Effective Date, and all provisions contained herein shall be interpreted and construed accordingly.
- 10.3 This Scheme is subject to the sanction of the Court and may be sanctioned in its present form or with any modification of it or addition to it as the Court may approve and this Scheme with such modification or addition, if any, is also subject to any conditions which the Court may impose.

- 10.4 If the Court requires BML to consent to any modification to this Scheme, such consent may be given on behalf of BML by Mr. Jawad Majid Khan, President & Chief Executive Officer of BML.
- 10.5 Mr. Jawad Majid Khan, Chief Executive Officer of BML is hereby authorized to take all steps and execute documents that he may consider necessary or expedient to give effect to the provisions of this Scheme.
- 10.6 All costs required to give effect to this Scheme shall be borne by BML.

ARTICLE 11
GOVERNING LAW

- 11.1 The Scheme shall be governed by and be construed in accordance with the substantive and procedural laws of Pakistan.

ARTICLE 12
HEADINGS

- 12.1 Article headings are not to be considered as part of the Scheme, but are solely for convenience of reference, and shall not affect the meaning or interpretation of the Scheme or any of its provisions.

ARTICLE 13
SEVERABILITY

- 13.1 If any provision of the 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.