



By PUCARS & Courier

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

10th March 2020

Dear Sir,

Re: Notice of Extraordinary General Meeting

We enclose a copy of the notice of the Extraordinary General Meeting of Byco Petroleum Pakistan Limited to be held on Thursday, 2nd April 2020, prior to its publication in the newspapers for circulation amongst the TRE certificate holders of the Exchange.

Yours truly,

Majid Muqtadir
Company Secretary

Enclosed as above.

Reference No.: BPPL/COR/PSX/185

Byco Petroleum Pakistan Limited

The Harbour Front, 9th Floor, Dolmen City
HC-3, Block 4, Marine Drive, Clifton
Karachi - 75600, Pakistan

UAN: (92 21) 111 222 081
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**Notice of Extraordinary General Meeting
Byco Petroleum Pakistan Limited**

Notice is hereby given to all the members of Byco Petroleum Pakistan Limited (the “Company”) that an Extraordinary General Meeting (“Meeting”) of the Company is scheduled to be held on Thursday, 2nd April 2020 at the Auditorium of the Pakistan Stock Exchange Limited, Karachi at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESS:

1. To confirm the minutes of the 25th Annual General Meeting of the Company held on 23rd October 2019.

SPECIAL BUSINESS:

2. To consider and, if deemed fit, pass with or without modification, the following special resolutions pursuant to Section 208 of the Companies Act, 2017, for the purposes of approving, and authorizing the Company to enter into, related party transactions for, *inter alia*, (i) leasing by the Company of necessary assets / components, which will be assembled into refinery units, including (a) a diesel hydro de-sulphurising unit; and (b) a fluid catalytic cracking unit; and (ii) availing a subordinated loan by the Company for, *inter alia*, the funding and construction of the project, along with ancillary matters thereto.

“RESOLVED THAT, subject to obtaining the necessary regulatory, corporate and third-party approvals, the Company be and is hereby authorized to enter into transactions with its related party i.e. Cnergyico PK Limited (“CPL”), for (i) leasing of necessary assets / components, which will be assembled into refinery units, including (a) a diesel hydro de-sulphurising unit; and (b) a fluid catalytic cracking unit; and (ii) availing a subordinated loan, from CPL, for the purposes of, *inter alia*, commissioning and making operational the processing units, which shall enable the Company to reduce sulphur content in diesel and convert furnace oil into gasoline and diesel for use in its business.

FURTHER RESOLVED THAT, subject to obtaining the necessary regulatory, corporate and third-party approvals, including any further approval of the shareholders of the Company at the relevant time (if required by law), if decided and notified by Byco Industries Incorporated, the majority shareholder of the Company, the Company be and is hereby authorized to enter into necessary agreements / documents in terms of which the entire shareholding of CPL shall be transferred to the Company for a token consideration of USD one only and / or CPL shall be merged with and into the Company.

FURTHER RESOLVED THAT for the purposes aforesaid, the CEO and / or any director of the Company, or any person(s) authorized by any of them (each an “Authorized Representative”), be and are hereby, jointly and severally, authorized and empowered to take all necessary steps from time to time, and do all such acts, deeds and things, including, but not limited, to (i) negotiate, finalize, execute and deliver all deeds, agreements, declarations and undertakings, along with any related documents; (ii) provide any documentation for and on behalf, and in the name, of the Company; (iii) take all steps and actions to obtain the requisite

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consents from the relevant regulatory authorities, creditors, members and any other persons (as applicable) for the purposes of the transactions / arrangements and all ancillary matters; and (iv) generally doing all acts, deeds and things and take all necessary actions, as may be necessary or required or as they, or any of them, may think fit for, or in connection with, or incidental for, the purposes of carrying out the proposed resolutions.

RESOLVED FURTHER THAT all actions taken by any of the Authorized Representative on behalf of the Company in respect of the above matters are hereby confirmed, ratified and adopted by the Company in full.”

3. To transact any other business with the permission of the Chair.

For Item No. 2, the statement under Section 134(3) of the Companies Act, 2017, including the information required under The Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 is annexed.

By Order of the Board

Majid Muqtadir
Company Secretary

9th March 2020
Karachi

NOTES:

Closure of Share Transfer Books

The register of members and the share transfer books of the Company will remain closed from Friday, 27th March 2020 until Thursday, 2nd April 2020 (*both days inclusive*).

Participation in the Meeting

Only persons whose names appear in the register of members of the Company as on Thursday, 26th March 2020, are entitled to attend, participate in, and vote at the Meeting after verification of his / her identity.

A member entitled to attend and vote may appoint another member as proxy to attend and vote on his / her behalf; however, for the purpose of E-Voting, a non-member may also be appointed and act as proxy. Proxies must be received at the registered office of the Company not less than 48 hours before the time for holding the Meeting. A form of proxy is enclosed.

Guidelines for Central Depository Company of Pakistan Limited (“CDC”) Account Holders

CDC account holders should comply with the following guidelines of the SECP:



For Attendance

- a) Individuals should be account holder(s) or sub-account holder(s) and their registration details should be uploaded according to CDC regulations and must establish their identity at the time of the Meeting by presenting their original Computerized National Identity Card (“CNIC”) or original passport.
- b) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

For Appointing Proxies

- a) Individuals should be account holder(s) or sub-account holder(s) whose registration details should be uploaded according to CDC regulations and their proxy forms must be submitted at the registered office of the Company not less than 48 hours before the time for holding the Meeting.
- b) The proxy form must be attested by two persons whose names, addresses and CNIC numbers must be specified therein.
- c) Attested copies of the CNIC or passport of the beneficial owner and the proxy must be provided along with the form of proxy.
- d) Proxies must at the time of the Meeting produce their original CNIC or passport.
- e) Unless provided earlier, corporate entities must at the time of the Meeting produce a certified copy of a resolution of their Board of Directors or a Power of Attorney, bearing the specimen signature of the attorney.

Intimation of Change of Address and Zakat Declaration

Members holding share certificates should notify any change in their registered address and, if applicable, submit their non-deduction of zakat declaration form to the Shares Registrar.

Members holding shares in CDC / participant accounts should update their addresses and, if applicable, submit their non-deduction of zakat declaration form to the CDC or the respective participants / stockbrokers.

Submission of CNIC Copies

A list of members who have not submitted copies of their CNICs be viewed on the Company’s website www.byco.com.pk.



Video Conference Facility

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the requisite form (available on Company's website www.byco.com.pk) and submit to registered address of the Company 10 days before holding of the Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the Meeting through video conference at least 10 days prior to date of the Meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Meeting along with complete information necessary to enable them to access the facility.

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STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out below the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of Byco Petroleum Pakistan Limited (the “Company”) to be held on 2nd April 2020, at the Auditorium of the Pakistan Stock Exchange Limited, Karachi at 10:00 a.m.

The Board of Directors of the Company have discussed and considered measures to ensure compliance by the Company and its subsidiaries with applicable laws relating to the sulphur content of products manufactured at its refineries, and to address outstanding concerns related to the limited interest / demand for furnace oil in Pakistan. Such measures include taking steps for refinery upgradation by acquiring and installing a diesel hydro de-sulphurising unit, for reducing sulphur content in diesel, and a fluid catalytic cracking unit to convert furnace oil into gasoline and diesel for use in its business (the “Project”).

Byco Industries Incorporated (“BII”), being the majority shareholder of the Company under arrangements approved by its shareholders, seeks to facilitate and support the Company in this respect.

Accordingly, Cnergyico PK Limited (“CPL”), a related party of the Company and BII, shall acquire the relevant assets and, subject to the Company obtaining the necessary corporate and regulatory approvals, enter into agreements with the Company for the (i) lease of the assets; and (ii) provision of a subordinated loan, to the Company for the purposes of the Project. Furthermore, as part of the arrangement, if decided by BII, the entire shareholding of CPL may be transferred to the Company for a nominal consideration of United States Dollar One, or CPL may be merged with and into the Company (subject to receipt of corporate and regulatory approvals).

In light of the fact that CPL and BII are related parties of the Company, and keeping in mind the nature and size of the contemplated related party transactions, along with the provisions of the applicable laws, including the proviso to Section 208(1) of the Companies Act, 2017, the Board seeks to obtain shareholders’ approval in respect of the same.

The following details pertaining to the contemplated related party transactions are being provided, in compliance with the provisions of Section 208 of the Companies Act, 2017 and the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018:

No.	Description	Details
1.	Names of related party(ies)	Cnergyico PK Limited (“CPL”) Byco Industries Incorporated (“BII”)
2.	Names of the interested or concerned persons or directors	Mr. Amir Abbassciy Mrs. Uzma Abbassciy Mr. Syed Arshad Raza Mr. Mohammad Wasi Khan Mr. Muhammad Yassin Khan
3.	Nature of relationship, interest or concern along with complete	Mr. Amir Abbassciy, being the CEO and director of the Company is nominee director of BII and is also a director of BII. Furthermore, his son, Mr. Aumar Abbassciy, is a director of CPL.

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No.	Description	Details
	information of financial or other interest or concern of directors, managers or key managerial personnel in the related party	Mrs. Uzma Abbassciy (who is the spouse of Mr. Amir Abbassciy) is a nominee director of BII. She is also CEO and director of CPL. Furthermore, her son, Mr. Aumar Abbassciy, is a director of CPL. Mr. Syed Arshad Raza is a nominee director of BII. Mr. Mohammad Wasi Khan is a nominee director of BII. Mr. Muhammad Yasin Khan is a nominee director of BII.
4.	<p>Detail, description, terms and conditions of transactions;</p> <p>Timeframe or duration of the transactions or contracts or arrangements; and</p> <p>Pricing Policy</p>	<p>As part of the Project, the Company will lease from CPL and install assets / components, which will be assembled into refinery units, including (i) a diesel hydro de-sulphurising unit; and (ii) a fluid catalytic cracking unit. The units shall be commissioned and made operational, which shall enable the reduction of sulphur content in diesel (as per specification limits) and conversion of furnace oil into gasoline and diesel for use in its business. Furthermore, the Company will be provided with a loan from CPL in order to, <i>inter alia</i>, fund the construction of the Project.</p> <p>For the purposes of the same, the Company will need to enter into the following agreements, the principal / key terms of which have been detailed below, including the description of the agreement, terms and conditions, timeframes and pricing / consideration mechanics.</p> <p>(i) Asset Lease Agreement with CPL</p> <p>(a) The relevant assets (stipulated in the agreement) are to be taken on lease by the Company from CPL, which shall be assembled into processing units (subsequent to which the terms of the agreement shall apply to the processing units);</p> <p>(b) The commissioning of the units (i.e. when the same are demonstrated to be operational) is expected to take 4 (four) years from the signing of such agreement, with a further grace period of 2 (two) years;</p> <p>(c) The assets shall be delivered on an “as is, where is basis”, subject to pre-shipment inspection, the cost of which shall be shared equally between CPL and the Company;</p> <p>(d) The principal value of the assets has been ascertained to be USD 102,692,605/- (United States Dollars One Hundred Two Million Six Hundred Ninety Two Thousand Six Hundred Five);</p> <p>(e) Financial charges with respect to the asset lease shall accrue against the said principal value of the assets’</p>

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No.	Description	Details
		<p>amount @ 4.5% (four point five percent) per annum, commencing from the date of delivery of the first shipment of the components / assets;</p> <p>(f) Lease payments shall be made on a quarterly basis, following the commissioning of the units i.e. when the same are operational, provided that payments of the same shall only be made from readily available cash existing with the Company (after payment of (a) operating costs and expenses incurred by the Company with respect to its business; and (b) due amounts due to existing third party financial institution lenders). Accordingly, a fluid structure is available to the Company to make the requisite lease payments;</p> <p>(g) The Company shall also have the option to purchase the assets at an earlier date;</p> <p>(h) The Company shall be responsible for the payment of handling and transportation costs, taxes and duties with respect to the assets after delivery;</p> <p>(i) During the lease period, the Company shall be responsible for the use, operation, assembly and construction of the assets and shall have custody and control of the same once delivered. Furthermore, the Company shall maintain the assets / processing units and procure insurance in accordance with good industry standards; and</p> <p>(j) Upon completion of lease payments to CPL, the title to the assets shall stand transferred to the Company.</p> <p>(ii) Construction Loan Agreement with CPL</p> <p>(a) For the purposes of funding the assembly and construction of the assets / components leased in accordance with the asset lease (detailed above) into the processing units, CPL shall make available a loan facility to the Company in the amount of up to USD 131,307,395/- (United States Dollars One Hundred Thirty One Million Three Hundred Seven Thousand Three Hundred Ninety Five) (the “Loan”);</p> <p>(b) The Loan shall be subordinated in nature, the proceeds of which shall be used, <i>inter alia</i>, for funding duties for the import of the assets; costs, taxes and duties associated with the delivery of the assets; costs and expenses incurred in</p>

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No.	Description	Details
		<p>connection with the assembly, construction and commissioning of the components into the processing units; insurance costs; and other liabilities incurred directly for the said assembly and construction;</p> <p>(c) The draw down of the Loan facility from time to time shall be at the option of the Company, subject to providing 90 (ninety) days' notice, which amounts shall be in the form of advances;</p> <p>(d) In the event of cost overruns with respect to the Project, further funds may be provided by CPL (at its discretion) upon the same terms and conditions;</p> <p>(e) The interest rate with respect to each advance shall accrue against the principal amount @ 4.5% (four point five percent) per annum;</p> <p>(f) Interest shall not compound or otherwise capitalize;</p> <p>(g) Repayment of any principal and / or interest amounts shall only commence after the assembly period, and shall be on a quarterly basis;</p> <p>(h) Since the Loan is subordinated in nature, the same shall only be repayable from readily available cash existing with the Company (as detailed in (i) above; however, after the payment of due and payable amounts under the asset lease); and</p> <p>(i) The Company may voluntarily prepay the Loan or any part thereof without any penalty.</p> <p>(iii) Option to acquire and/or merge CPL</p> <p>As part of the arrangement, the Company shall appoint advisors / consultants to carry out a detailed due diligence of the Company, the Project and arrangement from, <i>inter alia</i>, a financial, tax, technical, environmental, health and safety, commercial and legal perspective. Such findings shall be shared with the Company and BII. It is proposed that the cost of the due diligence exercise to the extent of up to USD 750,000/- (United States Dollars Seven Hundred Fifty Thousand) shall be borne by the Company.</p> <p>Based on the above, and keeping in mind the interests of the Company, BBI may, not later than 6 (six) months from the</p>

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No.	Description	Details
		<p>commissioning date of the units, require the transfer of CPL's entire shareholding to the Company for a nominal consideration of USD 1/- (United States Dollars One) or require CPL to be merged with and into the Company, in each case subject to the fulfillment of necessary conditions and compliance with the applicable laws (including obtaining any regulatory or corporate approvals).</p> <p>Upon such exercise, the Company shall enter into the necessary documentation / agreements to facilitate the implementation and effectuation of the above, subject to all necessary regulatory and shareholders' approval as applicable. In case of a merger, the Company shall take over the assets, rights, obligations and liabilities of CPL.</p> <p>Furthermore, in the event that the asset lease arrangement is terminated as a result of findings during the due diligence exercise, the parties to the arrangement shall seek, in good faith, to enter into necessary alternative arrangements, subject to obtaining necessary corporate and regulatory approvals.</p>
5.	Recommendations of the audit committee, where applicable	The proposed arrangement had been placed before the audit committee of the Company in accordance with the applicable laws which had recommended the same to the Board.
6.	Any other relevant and material information that is necessary for the shareholders to make a well informed decision regarding the approval of related party transactions.	<p>It is necessary for the Company to upgrade its refining process to comply with the applicable laws, as well as achieve optimization in order to be competitive and profitable.</p> <p>In light of the Company's current financial standing, the support from BII is essential to allow the Company to upgrade its production facilities. Additionally, keeping in mind the applicable interest rates being offered by financial institutions, the subordinated loan from the Company's related party is expected to be beneficial for the Company.</p> <p>Accordingly, the directors of the Company have recommended that the Company enter into the aforementioned related party transactions.</p>

Except to the extent as mentioned in serial nos. 1 and 2 above, the Board of Directors of the Company have no direct or indirect interest in the Special Business (other than their respective shareholdings in the Company).


 Majid Muqtadir
 Company Secretary
Byco Petroleum Pakistan Limited

9th March 2020
 Karachi