

Notice of Extraordinary General Meeting

Notice is hereby given that an Extraordinary General Meeting of the shareholders of Fauji Fertilizer Company Limited (FFC) will be held on **Friday, November 06, 2020 at 10:00 hours** at 156-The Mall, Rawalpindi to transact the following business:-

Ordinary Business

1. To confirm the minutes of 42nd Annual General Meeting held on March 16, 2020.

Special Business

2. To consider and if deemed fit, approve investment in Fauji Fertilizer Bin Qasim Limited (FFBL) by way of subscription of right issue and pass the following 'Special Resolution' under section 199 of the Companies Act 2017 and Companies (Investment in Associated Companies or Associated Undertaking) Regulations 2017, subject to any amendment as may be approved by the shareholders:

“RESOLVED THAT investment in Fauji Fertilizer Bin Qasim Limited (FFBL) not exceeding Rs. 2,493,774,276 in total by way of subscription of 38.2335% right issue of shares (i.e. 38.2335 shares for every 100 shares held) at a premium of Rs. 4 per share i.e. Rs. 14 per share be and is hereby approved.

FURTHER RESOLVED THAT the Chief Executive & Managing Director and the Company Secretary be and are hereby authorized either singly or jointly to take all necessary steps and complete any or all requisite corporate and legal formalities in this respect”.

Ordinary Business

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

By order of the Board

Rawalpindi
Dated: 15 October 2020

Brig Asrat Mahmood (Retd.)
Company Secretary

If undelivered please return to:

CDC Share Registrar Services Limited

Head Office: CDC House, 99-B, Block B, S.M.C.H.S.,
Main Shahra-e-Faisal, Karachi - 74400
Tel: (92) 0800-23275 Fax: (92-21) 34326053
URL: www.cdcsrsl.com Email: info@cdcsrsl.com

Notice of Extraordinary General Meeting

E-Voting

Members can exercise their right to poll subject to meeting of requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018.

Video Conference Facility

Pursuant to Section 132(2) of the Companies Act 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 7 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

Notes:

1. The share transfer books of the Company will remain closed from **October 31, 2020** to **November 06, 2020** (both days inclusive) for the Extraordinary General Meeting.
2. A member of the Company entitled to attend and vote at the Meeting may appoint a person/representative as proxy to attend and vote in place of the member. Proxies in order to be effective must be received at the Company's Registered Office, 156-The Mall, Rawalpindi, Pakistan not later than 48 hours before the time of holding the Meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.
3. Any Individual Beneficial Owner of CDC, entitled to vote at this Meeting, must bring his / her original Computerized National Identity Card (CNIC) to prove identity, and in case of proxy, a copy of shareholder's attested CNIC must be attached with the proxy form. Representatives of corporate members should bring the usual documents required for such purpose.

CDC Account Holders:

CDC Account Holders will also have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For attending the Meeting:

- i. In case of individuals, the account holder or sub-account holder and / or the person, whose securities are in group account and their registration details are uploaded as per the regulations, shall authenticate identity by showing his / her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- ii. Members registered on CDC are also requested to bring their particulars, I.D. Numbers and account numbers in CDS.
- iii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

Notice of Extraordinary General Meeting**B. For appointing proxies:**

- i. In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration detail is uploaded as per the regulations, shall submit the proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of Meeting.
- v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

4. Consent for video conference facility

As allowed by Section 132(2) of the Companies Act 2017 members can avail video conference facility for this Extraordinary General Meeting, at Lahore and Karachi provided the Company receives consent from the members holding in aggregate 10% or more shareholding, residing at above mentioned locations, at least 7 days prior to date of the meeting.

Subject to the fulfillment of the above conditions, members shall be informed of the venue, 5 days before the date of the General Meeting along with complete information necessary to access the facility.

In this regard please send a duly signed request as per following format at the registered address of the Company 7 days before holding of General Meeting.

I/We, _____ of _____, being a member of Fauji Fertilizer Company Limited, holder of _____ Ordinary Share(s) as per Register Folio / CDC Account No. _____ hereby opt for video conference facility at _____.

Signature of Member

Statement Pursuant to Section 134 (b) of the Companies Act, 2017

Pursuant to Section 134 (b) of the Companies Act, 2017, this statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the Extraordinary General Meeting of Fauji Fertilizer Company Limited to be held on **November 06, 2020** for approving the proposed equity investment in Fauji Fertilizer Bin Qasim Limited (FFBL).

Notice of Extraordinary General Meeting
Information pursuant to Regulation 3(1)(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of associated company along with criteria based on which the associated relationship is established	<p>Fauji Fertilizer Bin Qasim Limited</p> <p>Fauji Fertilizer Company Limited (FFCL) holds 49.88% of the issued and paid-up capital of FFBL</p>		
Earnings per share for the last three years	<p>2017 Rs. 1.08</p> <p>2018 Rs. 1.54</p> <p>2019 (6.34)</p>		
Break-up value per share, based on latest audited financial statements	Rs. 7.32		
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Statement of Financial Position – 31 Dec 2019 (Rs in M)		
	<table border="1"> <tr> <td>Non-current Assets</td> <td>39,835</td> </tr> </table>	Non-current Assets	39,835
	Non-current Assets	39,835	
	<table border="1"> <tr> <td>Current Assets</td> <td>51,332</td> </tr> </table>	Current Assets	51,332
	Current Assets	51,332	
	<table border="1"> <tr> <td>Shareholder's Equity</td> <td>6,834</td> </tr> </table>	Shareholder's Equity	6,834
	Shareholder's Equity	6,834	
	<table border="1"> <tr> <td>Non-current Liabilities</td> <td>15,370</td> </tr> </table>	Non-current Liabilities	15,370
	Non-current Liabilities	15,370	
	<table border="1"> <tr> <td>Current Liabilities</td> <td>68,962</td> </tr> </table>	Current Liabilities	68,962
	Current Liabilities	68,962	
	Statement of Profit or Loss – 31 Dec 2019 (Rs in M)		
	<table border="1"> <tr> <td>Revenue</td> <td>66,839</td> </tr> </table>	Revenue	66,839
	Revenue	66,839	
	<table border="1"> <tr> <td>Cost of Sales</td> <td>60,955</td> </tr> </table>	Cost of Sales	60,955
Cost of Sales	60,955		
<table border="1"> <tr> <td>Gross Profit</td> <td>5,884</td> </tr> </table>	Gross Profit	5,884	
Gross Profit	5,884		
<table border="1"> <tr> <td>Loss for the year</td> <td>(5,921)</td> </tr> </table>	Loss for the year	(5,921)	
Loss for the year	(5,921)		
Statement of Financial Position – 30 June 2020 (Rs in M)			
<table border="1"> <tr> <td>Non-current Assets</td> <td>38,595</td> </tr> </table>	Non-current Assets	38,595	
Non-current Assets	38,595		
<table border="1"> <tr> <td>Current Assets</td> <td>49,212</td> </tr> </table>	Current Assets	49,212	
Current Assets	49,212		
<table border="1"> <tr> <td>Shareholder's Equity</td> <td>2,626</td> </tr> </table>	Shareholder's Equity	2,626	
Shareholder's Equity	2,626		
<table border="1"> <tr> <td>Non-current Liabilities</td> <td>14,282</td> </tr> </table>	Non-current Liabilities	14,282	
Non-current Liabilities	14,282		
<table border="1"> <tr> <td>Current Liabilities</td> <td>70,899</td> </tr> </table>	Current Liabilities	70,899	
Current Liabilities	70,899		
Statement of Profit or Loss – 30 June 2020 (Rs in M)			
<table border="1"> <tr> <td>Revenue</td> <td>24,782</td> </tr> </table>	Revenue	24,782	
Revenue	24,782		

Notice of Extraordinary General Meeting

	Cost of Sales	23,410
	Gross Profit	1,372
	Loss for the year	(4,208)
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely, i. Description of the project and its history since conceptualization ii. Starting date and expected date of completion of work iii. Time by which such project shall become commercially operational iv. Expected time by which the project shall start paying return on investment v. Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	Not Applicable	
General Disclosures:		
Maximum amount of investment to be made		Rs. 2,493,774,276
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>Purpose: Proceeds raised through right issue will be utilized to reduce company's current debt levels manage working capital requirements and to support subsidiaries</p> <p>Benefits: Reduction in debt level will mitigate the adverse impact on profitability on account of financial charges and increase cash availability for declaring Dividends to shareholders including FFC</p> <p>Period of Investment: The investment in FFBL is being made for an indefinite period as FFCL intends to maintain its equity investment in FFBL for an indefinite period</p>	

Notice of Extraordinary General Meeting

Sources of funds to be utilized for investment	The investment will be made using internal surplus funds
where the investment is intended to be made using borrowed funds, i. justification for investment through borrowings; ii. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and iii. cost benefit analysis	NotApplicable
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	NotApplicable
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	FFC and their Directors are interested in the transaction to the extent of FFC's holding in the FFBL
In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information / justification for any impairment or write offs	There is no impairment or write-off
Any other important details necessary for the members to understand the transaction	NotApplicable

Information pursuant to Regulation 3(1)(b) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Specific Disclosures for Equity Investment	
Maximum price at which securities will be acquired	Rs. 14 per share.
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	NotApplicable
Maximum number of securities to be acquired	178,126,734/-
Number of securities and percentage thereof held before and after the proposed investment	Before Investment 465,891,896 (49.88%) After Investment 644,018,630 (49.88%)
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	Current price: Rs 18.09/share Average: Rs 20.54/share

Notice of Extraordinary General Meeting

Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities	NotApplicable
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Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The following sponsors and directors of FFBL are also members of the investing Company:

- Mr. Waqar Ahmed Malik
- Lt Gen Tariq Khan (Retd)
- Dr. Nadeem Inayat
- Mr. Qamar Haris Manzoor
- Mr. Imran Moid

The directors have no personal interest in the matter.

The duly audited latest annual financial statements along with the latest interim financial statements of the Company, shall be made available to the members for inspection in the EGM.

Declaration pursuant to Section 199(2) of the Companies Act 2017 and Regulations 3(3-4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The Directors certify to the members of FFC that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.

The duly signed recommendations of the due diligence report, shall be made available to the members for inspection in the EGM.

EXTRAORDINARY GENERAL MEETING

I/We _____
of _____
being a member(s) of Fauji Fertilizer Company Limited hold _____
ordinary Shares hereby appoint Mr/Mrs/Miss _____
of _____ or failing him/her _____
of _____ as my/our proxy in my/our absence to attend and vote for
me/us and on/my behalf at the Extraordinary General Meeting of the Company to be
held on Friday, November 06, 2020 and/or any adjournment thereof.

As witness my/our hand/seal this _____ day of _____ November 2020.

Signed by _____
in the presence of _____

Folio No.	CDC Account No.	
	Participant I.D.	Account No.

Signature on Five
Rupees Revenue
Stamp

The Signature should
agree with the
specimen registered
with the Company

IMPORTANT:

1. This Proxy Form, duly completed and signed, must be received at the Registered Office of the Company, 156 - The Mall, Rawalpindi not less than 48 hours before the time of holding the meeting.
2. If a member appoints more than one proxy and more than one instruments of proxies are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid.
3. **For CDC Account Holders/Corporate Entities**
In addition to the above the following requirements have to be met.
 - (i) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form
 - (ii) The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - (iii) In case of a corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier along with proxy form of the Company).