

# NOTICE OF ANNUAL GENERAL MEETING

**Notice is hereby given that the 43rd Annual General Meeting of the shareholders of Fauji Fertilizer Company Limited will be held at FFC Head Office, 156 The Mall, Rawalpindi on Thursday, March 18, 2021 at 1000 hours to transact the following business:**

## Ordinary Business

1. To confirm the minutes of Extraordinary General Meeting held on November 06, 2020.
2. To consider, approve and adopt separate and consolidated audited financial statements of FFC together with Directors' Reports on separate and consolidated financial statements and Auditors' Reports thereon for the year ended December 31, 2020.
3. To appoint Auditors for the year 2021 and fix their remuneration.
4. To consider and approve payment of Final Dividend for the year ended December 31, 2020 as recommended by the Board of Directors.

## Special Business

5. To consider and approve a raise in Directors' remuneration and, for the purpose, to pass the following resolution as Ordinary Resolution with or without any amendments, modifications or alterations:

**RESOLVED THAT** the following increase in the remuneration of the Chairman and the Directors (i.e., non-executive and independent Directors) of the Company, for attending Board and Committee meetings, be and is hereby approved:

Meeting	Existing Remuneration	Remuneration After Increase
Board Meeting	Rs. 100,000	Chairman Rs. 300,000 Directors Rs. 200,000
Committee Meeting	Rs. 75,000	Rs. 200,000

## Ordinary Business

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

By Order of the Board



**Brig Asrat Mahmood, SI(M) (Retd)**  
Company Secretary

Rawalpindi  
February 24, 2021

## E-Voting

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 March 12, 2021 to March 18, 2021 (both days inclusive) and no request for transfer of shares will be accepted for registration. Transfers received at Company's Share Registrar namely CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S Main Shakra-e-Faisal, Karachi-74400 by the close of business on March 11, 2021 will be considered in time for the purpose of payment of final dividend to the transferees.
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 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.
- iv. The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. EMD/ MISC/82/2012-77 dated February 15, 2021, has directed the listed companies to arrange participation of shareholders in annual general meetings through videos link, webinar, zooming etc., in addition to allowing physical attendance by the members. This direction has been issued to safeguard the shareholders against the continuing threat posed by the

COVID-19 pandemic and to protect their wellbeing.

- v. The shareholder of the Company desirous of attending the meeting through video link etc may inform the Company and provide their details including name, CNIC scan (both sides), folio number, cell phone number and email address before close of business on March 15, 2021.
- vi. The video link of meeting shall be sent to the members on their registered email addresses.

### 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 Annual General Meeting, at Lahore and Karachi provided the Company receives consent from the members holding in aggregate 10% or more shareholding,

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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

## 5. Withholding Tax on Dividends

Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, provisions of Tenth schedule are applicable on withholding tax from dividends and the rates of deduction of income tax from dividend payments shall be as under:-

- (a) For persons appearing on active taxpayer's list: 15%
- (b) For persons not appearing on active taxpayer's list: 30%

However, effectively July 1, 2020 the provisions of withholding additional tax from person not appearing on active taxpayers list are not applicable to the extent of dividend payment to non-resident persons (Finance Act 2020).

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose

names are not appearing on the Active Tax-payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for approval of the cash dividend i.e. March 11, 2021; otherwise tax on their cash dividend will be deducted @ 30% instead of 15%.

The corporate shareholders having CDC accounts are required to have their National Tax Numbers (NTNs) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar i.e. CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S Main Shahra-e-Faisal, Karachi-74400. The shareholders while sending NTN or NTN certificates, as the case may be, must quote Company name and their respective folio numbers.

## Tax in Case of Joint Shareholders

The FBR vide its clarification letter No. I(54) Exp/2014-132872-R of 25-September-2014 has clarified that holders of shares held in joint names or joint accounts will be treated individually as filers or non-filers and tax will be deducted according to the proportionate holding of each shareholder.

Joint shareholders should intimate the proportion of their respective joint holding to the share registrar latest by March 11, 2021, in the following form:-

CDC Account number	Folio #	Total Shares	Principle shareholder		Joint Shareholder	
			Name & CNIC	Shareholding proportion	Name & CNIC	Shareholding proportion

- 6. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividends directly into their bank account, shareholders

are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the Registrar of the Company M/s. CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', S.M.C.H.S Main Shahra-e-Faisal, Karachi-74400 in case of physical shares. In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services.

## Electronic Mandate Form

Folio Number	
Name of Shareholder	
Title of the Bank Account	
International Bank Account Number (IBAN)	
Name of Bank	
Name of Bank Branch and Address	
Cellular & Landline Number of Shareholder	
CNIC / NTN number (attach copy)	
Signature of Shareholder	

- 7. SECP through its SRO 470(1)/2016, dated May 31, 2016, has allowed companies to circulate the annual balance sheet, profit and loss account, Auditors' Report and Directors' Report etc ("annual audited accounts") to its members through CD/DVD/USB at their registered addresses. In view of the above, the Company has sent its Annual Report 2020 to its shareholders in the form of CD. Any member requiring printed copy of Annual Report 2020 may send a request using a Standard Request Form placed on Company website.
- 8. Members are hereby informed that pursuant to SECP SRO 787(1)/2014 dated September 8, 2014, and under Section 223(6) of the Companies Act 2017, circulation of Audited Financial Statements and Notice of Annual General Meeting has been allowed in electronic format through email.

In compliance with the above requirements, soft copies of the Annual Report 2020 are being emailed to the members having opted to receive such communication in electronic format. Other members who wish to receive the Annual Report 2020 in electronic form may file an application as per the format provided on the Company's website in compliance with the subject SRO. The members who have provided consent to receive Annual Report 2020 through email can subsequently request a hard copy which shall be provided free of cost within seven days.

Members are also requested to intimate any change in their registered email addresses on a timely manner, to ensure effective communication by the Company.

9. Annual Audited Financial Statements of the Company for the financial year ended December 31, 2020 have also been provided on the Company's website i.e. [www.ffc.com.pk](http://www.ffc.com.pk)

10. For any further assistance, the members may contact the Company or the Share Registrar at the following phone numbers, email addresses:

**FFC Shares Department**

Telephone: 92-51-8453235

Email: [shares@ffc.com.pk](mailto:shares@ffc.com.pk)

**CDC Share Registrar Services Limited**

CDC House 99-B, Block 'B',  
S.M.C.H.S Main Shakra-e-Faisal,  
Karachi-74400

Telephone: 0800-23275

Email: [info@cdcpcak.com](mailto:info@cdcpcak.com)

## Statement of Material Facts under Section 134 of the Companies Act, 2017

### Increase in Remuneration of Directors

Subject to approval of the shareholders of the Company, the Board has recommended to increase the remuneration of its Directors in light of the following:

- (i) the importance of sufficient and appropriate remuneration of independent / non-executive directors and its link to the performance of the Company;
- (ii) the need to attract, retain and motivate independent / non-executives of the quality required to run the Company successfully;
- (iii) the need to ensure that Directors are compensated in accordance with their skill set and experience and for the time they contribute to the Board;
- (iv) to bring the remuneration of the Directors of the Company at par with the remuneration paid to directors of other companies operating in the same industry;
- (v) to ensure that the Chairperson of the Board receives remuneration commensurate to his workload and enhanced responsibility.

For the above reasons, the remuneration of Directors of the Company for attending Board and Committee Meetings is proposed to be increased as follows:-

Meeting	Existing Remuneration	Proposed Remuneration After Increase
Board Meeting	Rs. 100,000	Chairman Rs. 300,000 Directors Rs. 200,000
Committee Meeting	Rs. 75,000	Rs. 200,000

# FORM OF PROXY

## 43<sup>rd</sup> Annual 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/our behalf at  
the 43<sup>rd</sup> Annual General Meeting of the Company to be held on Thursday March 18, 2021 and /or any adjournment thereof.  
As witness my/our hand/seal this \_\_\_\_\_ day of \_\_\_\_\_ March 2021.  
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 alongwith proxy form to the Company).

AFFIX  
CORRECT  
POSTAGE

Company Secretary  
FAUJI FERTILIZER COMPANY LIMITED  
156 The Mall, Rawalpindi Cantt  
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Tel No. +92-51-111-332-111, 8450001