



**FAUJI FERTILIZER COMPANY LIMITED**



## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that the Extraordinary General Meeting (EGM) of the shareholders of Fauji Fertilizer Company Limited ("Company") will be held at FFC Head Office, 156 The Mall, Rawalpindi at 1000 hours on Friday, November 05, 2021 to transact the following business:-

### **Ordinary business**

1. To confirm the minutes of Extraordinary General Meeting held on October 08, 2021.

### **Special Business**

2. To consider and if deemed appropriate, to pass with or without modification, alteration or any amendment the following resolutions as Special Resolutions:

**RESOLVED THAT** notwithstanding the special resolution passed by the shareholders of the Company in the Extra-ordinary General Meeting held on July 27, 2021, the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 to assign its rights, benefits and interests in respect of any investment made in the Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited (the "**Wind Companies**") by way of subordinated loan (which loan is to be treated as subordinated to the debt of the Wind Companies procured from the lenders of the Wind Companies (the "**Lenders**")) (the "**Subordinated Loans**"), including the benefits of any indemnities, warranties and guarantees, in favour of the Lenders for securing any and all obligations owed to the Lenders by the Wind Companies. Such assignment of rights, benefits and interests in respect of the Subordinated Loans (i.e. 'investment' in terms of Section 199 of the Companies Act, 2017) shall be for a period up until May 18, 2024 or such period until the liabilities of the Wind Companies towards the Lenders are fully discharged, whichever is later.

**FURTHER RESOLVED THAT** notwithstanding the special resolution passed by the shareholders of the Company in the Extra-ordinary General Meeting held on July 27, 2021, the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 to pledge its shares in Wind Companies held by it from time to time, in favour of and/or for the benefit of the Lenders, whether such shares are acquired directly by way of subscription or otherwise. Such pledge in favour of and/or for the benefit of the Lenders (i.e. 'investment' in terms of Section 199 of the Companies Act, 2017) shall be for a period until May 18, 2024 or such period until the liabilities of the Wind Companies towards the Lenders remain are fully discharged, whichever is later.

**FURTHER RESOLVED THAT** Managing Director & Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized jointly and severally to do or cause to do all acts, deeds and things that may be necessary or required

in connection with the Shareholder Charge and Assignment Deeds and the Sponsor Share Pledge Agreements (the “**Security Documents**”) and to negotiate, execute, deliver and amend the Security Documents confirmations, notices filings and certificates as may be agreed with the Lenders including any amendments thereto, or required by law.

**FURTHER RESOLVED THAT**

- i. the signing, execution, delivery and performance of each of the Security Documents and the documents ancillary thereto, including any amendment, novation, supplemental or restatement thereto from time to time, on behalf of the Company;
- ii. the terms of the Security Document(s) which has/have been executed prior to the date of this resolution;
- iii. the issuance of power(s) of attorney in favour of any person(s) initialling any such document, deed, instrument or agreement; and
- iv. the affixation of the Company seal unto any such document, deed, instrument, agreement or power(s) of attorney,

in each case by, Managing Director & Chief Executive Officer, Chief Financial Officer and the Company Secretary acting jointly and severally are hereby authorized, approved, ratified and affirmed and the Company shall be bound by, deliver and perform its obligations thereunder (along with any amendment(s), supplemental(s) or restatement(s) thereto, from time to time).

**FURTHER RESOLVED THAT**, the Managing Director & Chief Executive Officer, Chief Financial Officer and the Company Secretary be and are hereby authorized jointly and severally to take all necessary steps and including but not limited to, filing all necessary documents with respective regulatory authorities as may be deemed necessary and issue any notifications, and to do all such acts, matters and things as may be necessary for carrying out the purposes aforesaid and giving full effect to the above resolutions.

**FURTHER RESOLVED THAT**, the Managing Director & Chief Executive Officer, Chief Financial Officer and the Secretary of the Company be and are hereby authorized to delegate, in writing, by power of attorney or otherwise, all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate.

**FURTHER RESOLVED THAT**, to the extent that any resolution contained herein is inconsistent or otherwise in conflict with the resolutions passed by: (i) the Board of Directors of the Company through circulation on June 24, 2021 and (ii) the shareholders of the Company at the Extra-ordinary General Meeting held on July 27, 2021 (collectively referred to as the “**Previous Resolutions**”), such resolution(s) contained herein shall prevail over such Previous Resolutions.

**AND FURTHER RESOLVED THAT**, the collaterals (as included in the Sponsor Support, as defined in the Previous Resolutions) will not form part of the Sponsor

Support (as defined in the Previous Resolutions) and the collaterals will instead be treated in accordance with the resolutions contemplated herein.

**Other business**

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

By Order of the Board

**Brig Asrat Mahmood (Retd)**

Company Secretary

Rawalpindi  
October 15, 2021

**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 November 03 to November 05, 2021 (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.

**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. The Securities & Exchange Commission of Pakistan (SECP) through its Circular No. EMD/MISC/82/2012 dated March 03, 2021, has directed the listed companies to arrange participation of shareholders in general meetings through videos link in addition to allowing physical attendance by the members to safeguard and protect the wellbeing of shareholders against the continuing threat posed by the COVID-19 pandemic.

- ii. 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 by November 02, 2021 at the email shares@ffc.com.pk.
- iii. The video link of meeting shall be sent to the members on their registered email addresses.
- iv. 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.
- v. Members registered on CDC are also requested to bring their particulars, I.D. Numbers and account numbers in CDS.
- vi. 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.

**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. 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.

**3. 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

4. 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 Shahra-e-Faisal, Karachi-74400  
Telephone: 0800-23275  
Email: [info@cdcpak.com](mailto:info@cdcpak.com)

5. **Provision of International Banking Account Number (IBAN Detail)**

“Under the provisions of Section 242 of the Companies Act, 2017 and SECP’s Circular No. 421(I) 2018 dated March 19, 2021, 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. Further, vide its letter dated March 19, 2021, SECP has directed all the listed companies to pursue its shareholder to obtain International Bank Account Number (IBAN) details.

In this context, in order to receive dividends directly into their bank account, shareholders having shareholding in physical form are requested to provide their IBAN details duly signed along with a copy of CNIC to the Registrar of the Company CDC Share Registrar Services Limited, CDC House 99-B, Block 'B' S.M.C.H.S, Main Shahra-e-Faisal Karachi-74400. Shareholder having shareholding in book entry form in CDS are advised to submit their IBAN details directly to relevant broker/participant/CDC Investor Account Services.”

6. **Conversion of Physical Securities into Book Entry Form**

As per Section 72 of the Companies Act, 2017 every listed company is required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e., May 30, 2017. Further, vide its letter dated March 26, 2021, SECP has directed all the listed companies to pursue its shareholder for conversion of their physical securities into book entry form.

In light of the aforementioned directives, the Shareholders having physical shareholding are encouraged to open CDC account with CDS participant/CDC

Investor Account Services and convert their existing physical securities into book entry form.

### **Statement Under Section 134(3) of The Companies Act, 2017**

Set out below are the material facts concerning the resolutions recommended by the Board of Directors of Fauji Fertilizer Company Limited (the “**Company**”) to the shareholders of the Company, vide resolution dated October 06, 2021 and passed in writing by circulation. The required details of the security to be provided to the lenders (the “**Lenders**”) of Foundation Wind Energy - I Limited and Foundation Wind Energy - II Limited (the “**Wind Companies**”) for securing the obligations owed to the Lenders by the Wind Companies (the “**Security**”) are also set out below.

#### **(A) Information regarding Wind Companies**

Foundation Wind Energy-I Limited (formerly known as Beacon Energy Limited) (“**FWEL-I**”) is a public limited company duly incorporated and registered under the laws of Pakistan on 16 June 2005 pursuant to the Companies Ordinance, 1984 (repealed by the Companies Act, 2017), the Company owns 100% of the shares of Foundation Wind Energy-I Limited; and

Foundation Wind Energy-II Limited (formerly known as Green Power (Private) Limited) (“**FWEL-II**”) is a public limited company duly incorporated in Pakistan on 5 October 2004 pursuant to the Companies Ordinance, 1984 (repealed by the Companies Act, 2017) the Company owns 80% of the shares of Foundation Wind Energy-I Limited.

The Wind Companies were established with the primary objective to undertake the business of power generation and sale. The electricity generated is transmitted to the National Transmission and Dispatch Company / Central Power Purchase Agency – (Guarantee) Limited under the respective Energy Purchase Agreements (“**EPA**”) dated December 20, 2012. The EPAs are valid for a period of 20 years.

#### **(B) General disclosures**

The Shareholder Charge and Assignment Deeds and the Sponsor Share Pledge Agreements (the “**Security Documents**”).

##### **The Shareholder Charge and Assignment Deeds**

No additional financial commitment is being provided, the assignment pertains to any future loans that may be provided by the Company to the Wind Companies to secure their obligations towards discharging of liabilities to Lenders.

##### **The Sponsor Share Pledge Agreements**

The share pledge does not entail any additional financial commitment of the Company towards the Wind Companies and is being provided to the Lenders in compliance with the financing agreements of the Wind Companies.

Security Documents are being provided as an additional form of security to the Lenders to secure the repayment obligations under the respective financing agreements.

**(C) Inspection of Documents**

The Security Documents are available for inspection at the registered office 156 The Mall, Rawalpindi of the Company on working days between normal business hours.

**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>1. Foundation Wind Energy-I Limited (formerly known as Beacon Energy Limited) is a public limited company duly incorporated and registered under the laws of Pakistan on 16 June 2005 pursuant to the Companies Ordinance, 1984 (repealed by the Companies Act, 2017) the Company owns approximately 100% of the shares of Foundation Wind Energy-I Limited; and</p> <p>2. Foundation Wind Energy-II Limited (formerly known as Green Power (Private) Limited) is a public limited company duly incorporated in Pakistan on 5 October 2004 pursuant to the Companies Ordinance, 1984 (repealed by the Companies Act, 2017) the Company owns approximately 80% of the shares of Foundation Wind Energy-I Limited.</p> <p>Accordingly, the Wind Companies are associated with the Company by virtue of direct shareholding.</p>																														
Earnings per share for the last three years		<b>FWEL-I</b>	<b>FWEL-II</b>																												
	2018	Rs. 2.68	Rs. 2.67																												
	2019	Rs. 3.45	Rs. 3.46																												
	2020	Rs. 7.17	Rs. 6.93																												
Break-up value per share, based on latest audited financial statements	<p>As at June, 30, 2020  FWEL-I - Rs. 27.39  FWEL-II - Rs. 26.95</p>																														
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<p><b>Statement of Financial Position – 30 June 2020 (Rs in M) – FWEL-I</b></p> <table border="1" data-bbox="517 1480 1466 1599"> <tr> <td>Non-current assets</td> <td>11,439</td> </tr> <tr> <td>Current Assets</td> <td>4,618</td> </tr> <tr> <td>Shareholder’s Equity</td> <td>9,594</td> </tr> <tr> <td>Non-current liabilities</td> <td>4,381</td> </tr> <tr> <td>Current Liabilities</td> <td>2,082</td> </tr> </table> <p><b>Statement of Profit or Loss – 30 June 2020 (Rs in M) – FWEL-I</b></p> <table border="1" data-bbox="517 1599 1466 1787"> <tr> <td>Revenue</td> <td>4,294</td> </tr> <tr> <td>Cost of Sales</td> <td>1,116</td> </tr> <tr> <td>Gross Profit</td> <td>3,178</td> </tr> <tr> <td>Net Profit</td> <td>2,510</td> </tr> </table> <p><b>Statement of Financial Position – 30 June 2020 (Rs in M) – FWEL-II</b></p> <table border="1" data-bbox="517 1787 1466 2042"> <tr> <td>Non-current assets</td> <td>11,184</td> </tr> <tr> <td>Current Assets</td> <td>4,680</td> </tr> <tr> <td>Shareholder’s Equity</td> <td>9,508</td> </tr> <tr> <td>Non-current liabilities</td> <td>4,281</td> </tr> <tr> <td>Current Liabilities</td> <td>2,075</td> </tr> </table>			Non-current assets	11,439	Current Assets	4,618	Shareholder’s Equity	9,594	Non-current liabilities	4,381	Current Liabilities	2,082	Revenue	4,294	Cost of Sales	1,116	Gross Profit	3,178	Net Profit	2,510	Non-current assets	11,184	Current Assets	4,680	Shareholder’s Equity	9,508	Non-current liabilities	4,281	Current Liabilities	2,075
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<b>Statement of Profit or Loss – 30 June 2020 (Rs in M) – FWEL-II</b>	
Revenue	4,212
Cost of Sales	1,124
Gross Profit	3,088
Net Profit	2,445
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
<b>General Disclosures:</b>	
Maximum amount of investment to be made	No direct cash investment is being made in the Wind Companies and approval only pertains to assignment of the Company's rights, benefits and interests in respect of any investment in the <b>Wind Companies</b> by way of subordinated loan and to pledge its shares in Wind Companies held by it from time to time, in favour of and/or for the benefit of the Lenders. The Security Documents will be registered for charge creation in accordance with the requirements of the Security Documents and applicable laws.
Purpose, benefits likely to accrue to the investing	<b>Purpose:</b> The approval pertains to assignment of the Company's rights, benefits and interests in respect of any investment in the Wind



<p>company and its members from such investment and period of investment</p>	<p>Companies by way of subordinated loan (which loan is to be treated as subordinated to the debt of the Wind Companies procured from the Lenders) (the “<b>Subordinated Loans</b>”), and to pledge its shares in Wind Companies held by it from time to time, in favour of and/or for the benefit of the Lenders, which is being given in compliance with the project financing covenants of the financing agreements of the Wind Companies.</p> <p><b>Period of Investment:</b> The nature of the investment pertains to assignment of subordinated loan and pledge of shares held in Wind Companies in favor of Lenders for a period up until May 18, 2024 or till such period until the liabilities of Wind Companies towards the Lenders are fully discharged, whichever is later.</p>
<p>Sources of funds to be utilized for investment</p>	<p>Not Applicable</p>
<p>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</p>	<p>The nature of investment does not entail cash outflow.</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>The Company will execute Shareholder Charge and Assignment Deeds and Sponsor Share Pledge Agreements in favour and/or for the benefit of the Lenders.</p>
<p>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</p>	<p>The Directors have no interest in the transaction.</p>
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information /</p>	<p>The Company acquired the shareholding in the Wind Companies on September 29, 2021, for which the approval of the shareholders of the Company under Section 199 of the Companies Act, 2017 had been obtained, and the Wind Companies are performing as per their strong historical performance. There are no adverse factors that need to be highlighted to the shareholders.</p>

justification for any impairment or write offs	No impairment conditions exist on the investment hence no charge/write-offs have been made till date.
Any other important details necessary for the members to understand the transaction	Not Applicable.

**Information pursuant to Section 3(c) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is provided below:**

Category-wise amount of investment	As mentioned above under the Statement under Section 134(4) of the Companies Act, 2017			
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	<b>Description</b>		<b>Average Cost</b>	
	Average Total Borrowing Cost		7.59%	
	Average KIBOR	1 month KIBOR		7.48%
		3 month KIBOR		7.43%
		6 month KIBOR		7.65%
	Average Borrowing Cost – Shariah Compliant Products			7.82%
Average Cost of Unfunded Facilities (Per quarter)			0.030%	
Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	This has not yet been determined. However, if the Company provides sponsor support in the form of subordinated shareholder loans to the Wind Companies, then the rate of mark-up/profit, fees or commission (as applicable) will be compliant with Section 199 of the Companies Act, 2017.			
Particulars of collateral or security to be obtained in relation to the proposed investment	<p>The Company will assign absolutely its rights, title, benefits and interests in respect of any investment made in the Wind Companies by way of subordinated loan (which loan is to be treated as subordinated to the debt of the Wind Companies procured from the Lenders).</p> <p>The Company will pledge the shares of Wind Companies held by it from time to time, in favour of and/or for the benefit of the Lenders, whether such shares are acquired directly by way of subscription or otherwise.</p>			
If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	Not Applicable.			
Repayment schedule and terms and conditions of loans or advances to be	No change required to the repayment schedule and the terms and conditions of loans or advances as approved previously by the Shareholders in their meeting held on July 27, 2021.			

given to the associated company or associated undertaking.	
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**Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

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 EOGM.

**Declaration pursuant to Regulations 3(3-4) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017**

The independent Directors certify to the members of the Company 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 EOGM.