NOTICE OF 55th ANNUAL GENERAL MEETING

Notice is hereby given that the **55th Annual General Meeting** of the Shareholders of the Company **M/S. FAZAL CLOTH MILLS LIMITED (''the Company'')** will be held on Thursday, November 26, 2020 at 11:00 a.m. at FG Head Office, E/110, Khayaban-e-Jinnah, Defence Chowk, LAHORE to transact the following business:

A- ORDINARY BUSINESS

1. To confirm the minutes of the last Extra-Ordinary General Meeting of the Company held on May 30, 2020.

2. To receive, consider and adopt the annual audited accounts of the Company for the year ended June 30, 2020 together with the auditors' and director's Report thereon.

3. To appoint Statutory Auditors of the Company for the financial year ending **June 30, 2021** and fix their remuneration.

4. To transact any other business with the permission of the Chairman.

B- SPECIAL BUSINESS

1- To adopt and confirm matters relating to Sponsor Support Agreement including amendments therein and to pass the following Special Resolution(s), with or without modification(s):

RESOLVED THAT the Company, be, is and remains authorized, to execute and deliver:

(a) the Second Amended and Restated Sponsor Support Agreement (as may be further amended and restated pursuant to the Third Amended and Restated Sponsor Support Agreement and through any other amendments/supplementals thereto which are mutually agreed between the parties thereto (the **"Sponsor Support Agreement"**),

(b) the Share Pledge Agreement, the Share Retention and Subordination Agreement and any amendments / supplementals thereto, as the case may be (collectively the **"Other Agreements"** and together with the Sponsor Support Agreement are collectively referred to as the **"Company's Agreements")**, and

any other documents or related agreements (including any subordinated loan agreements) which are required to be made in relation to the investments under the Company's Agreements, instruments, communications, letters, certificates, notices, acknowledgements or other documents (including CP Satisfaction Letters and any Undertakings) and to be made or delivered by the Company under and in connection with the Company's Agreements or in relation therewith or as deemed necessary or desirable, in relation thereto, by the Authorised Person (defined below) (collectively the "**Authorised Instruments**").

FURTHER RESOLVED that the Company as a Sponsor of FEL, authorised an investment of an amount of PKR 9,028 million (Pak Rupees Nine Billion Twenty Eight Million Only) (the "**Approved Amount**") through a special resolution passed in the shareholder's meeting on May 30, 2017.

FURTHER RESOLVED that the Company be, is and remains authorized, as a Sponsor of FEL, to invest an amount of PKR 6,000 million (Pak Rupees Six Billion Only) from the Approved Amount pursuant to the terms of the Company's Agreements, by way of a subordinated loan in lump sum or in parts, at a mark-up chargeable at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company, in such case and manner as provided in the Company's Agreements and Authorised Instruments.

FURTHER RESOLVED that the Company, as a shareholder of FEL, be, is and remains authorized to pledge in favour of the security trustee, for the benefit of and on behalf of FEL's lenders, 100% of all shares of FEL that are issued from time to time in the name of the Company (less such portion of preference shares of FEL issued in the name of the Company which are part of five percent (5%) of the aggregate preference shares of FEL issued in the name of FEL's shareholders) in accordance with terms and conditions of the Company's Agreements.

FURTHER RESOLVED that the Chief Executive Officer (the **"Authorised Person"**) be, is and remains authorized to: (i) sign, execute and deliver any and all of the Authorised Instruments (including the Company's Agreements) in such manner as may be required by FEL's lenders and to approve, sign, execute and deliver any amendments, modifications and variations thereto and all such communications, certificates, notices, acknowledgements or other documents required in relation thereto (including any CP Satisfaction Letters and any Undertakings), in the form which any of the aforesaid Authorised Person may approve; and (ii) do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.

FURTHER RESOLVED that in the above resolutions, except where the context requires otherwise a reference to an Authorised Instrument shall be a reference to such instrument: (i) together with its annexes, exhibits, schedules thereto, and (ii) as amended, supplemented, re-stated, or novated from time to time.

FURTHER RESOLVED that the acts of the Authorised Person in negotiation, execution and delivery of any of the Authorised Instruments (including the Company's Agreements) be and are hereby adopted, ratified, confirmed and approved and shall be construed as acts and deeds undertaken and done by the Company and the Company shall accordingly be bound by the same.

FURTHER RESOLVED that each of the aforesaid resolutions shall remain valid and in full force and effect until the Company's obligations are discharged under each of the Authorised Instruments (including the Company's Agreements) or until it is revoked or amended by another resolution.

2. **To consider and approve changes in various Articles of Articles of Association of the Company and to pass following Special Resolution(s) with or without modification(s):**

"**RESOLVED THAT** the alterations, substitutions, additions or deletions be and are hereby made in the existing Articles of Association of the Company as per Annexure – I to the Statement of Material Facts under Section 134(3) of the Companies Act, 2017 as explanation to this special business.

FURTHER RESOLVED THAT no amendment / alteration in the numbering or wordings be and are hereby made in the remaining Articles of the existing Articles of Association of the Company except for changes/insertion stipulated in Annexure – I of the Statement of Material Facts under Section 134(3) of the Companies Act, 2017.

Further Resolved that due to promulgation of the Companies Act, 2017, the words "Companies Ordinance, 1984" be and are hereby replaced with the words "Companies Act, 2017" wherever appearing in the Memorandum and Articles of Association of Company.

FURTHER RESOLVED THAT any Director and/or Secretary of the Company be and is/are hereby singly and/or jointly authorized to give effect to the above Special Resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for the purpose of making necessary amendments in the Articles of Association of the Company and comply with all the necessary requirements of the law in this connection.

FURTHER RESOLVED THAT aforesaid resolutions shall be subject to any amendments, modifications, additions or deletions as may be suggested, directed or required by the Commission or any other regulatory body, which changes shall be deemed to be part of these Special Resolutions without the need of the shareholders to pass fresh resolutions unless the same are of a substantial nature."

3. **To ratify and approve the transactions carried out by the Company with the related parties as disclosed in financial statements for the year ended June 30, 2020 and to pass following Special Resolution(s) with or without modification(s):**

"**RESOLVED THAT** the related party transactions carried out by the Company during the year, as disclosed in Note 44 of the financial statements for the year ended June 30, 2020, be and are hereby ratified, approved and confirmed."

4. **To approve transactions with related parties and to authorize the Board of Directors of the Company to carry out such related party transactions from time to time, irrespective of the composition of the Board of Directors;**

"RESOLVED THAT the Board of Directors of the Company be and are hereby authorized to approve the transactions to be conducted with related parties on case to case basis for the financial year ending June 30, 2021.

FURTHER RESOLVED THAT these transactions approved by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval where required."

5. **To discuss the matter and seek approval of the shareholders of the following special resolutions, with or without modifications, in compliance with Section 199 of the Companies Act, 2017 regarding investment up-to of Rs. 500 Million in Associated Company Fatima Energy Ltd ("FEL") and to authorize the Company to invest by way of advance/loan in FEL**:

"RESOLVED THAT consent of shareholders of the company be and is hereby accorded under section 199 of the companies act 2017 for a loan of the amount up-to Rs. 500,000,000/- (Pak Rupees Five Hundred Million Only) be made to "Fatima Energy Limited", an Associated Undertaking, at mark-up chargeable at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company, repayable in ten semi annual instalments by FEL after complete discharge of its loan obligations towards its lender's banks and investment will be made till October 15, 2023".

"FURTHER RESOLVED that any Director of the Company and authorized officers of the Company namely, Mr. Muhammad Azam, Chief Financial Officer and Mr. Asad Mustafa, Company Secretary be and are hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing necessary agreements/documents, seeking any relevant regulatory approvals, and any ancillary matter thereto".

A statement under Section 134(3) of the Companies Act, 2017 to the aforesaid special businesses to be transacted at the said Annual General Meeting is attached.

BY ORDER OF THE BOARD

Sd/-
Asad Mustafa
Company Secretary

MULTAN
Dated: November 04, 2020.

NOTES:

1. The Share Transfer Books of the Company will remain closed from November 19, 2020 to November 26, 2020 (both days inclusive). Physical transfers / CDS Transaction IDs received at the Company's Share Registrar, M/s. Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, at the close of business on November 18th 2020 will be considered in time for the purpose of above entitlement and to determine voting rights of the shareholders for attending the meeting.

2. A member eligible to attend, speak and vote at this meeting may appoint another member as his/her proxy and CDC shareholders shall attach an attested copy of his/her Computerized National Identity Card (CNIC) / Passport, Account & participant's ID number to prove identity. Proxies, in order to be effective, must reach at the Company's Registered Office not later than 48 hours before the time for holding the meeting and must be duly stamped, signed and witnessed. Representatives of corporate members must bring the BoD resolution and / or power of attorney and specimen signature of nominee.

3. **Dissemination of Annual Audited Accounts and Notice of Annual General Meeting** The Company shall place the financial statements and reports on the Company's website: www.fazalcloth.com at least twenty one (21) days prior to the date of the Annual General Meeting. Further, this is to inform that in accordance with SRO 470(I)/2016 dated 31 May 2016, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/ DVD/USB instead of transmitting the hard copies at their registered addresses. Accordingly, Annual Report of the Company for the year ended June 30, 2020 is dispatched to the shareholders through CD. However, if a shareholder requests for a hard copy of Annual Accounts, the same shall be provided free of cost within seven days of receipt of such request. Further, in terms of SRO No 787(I)/2014 dated September 8, 2014, shareholders can also opt to obtain annual balance sheet and profit and loss account, auditors' report and directors' report etc. along with the Notice of the Annual General Meeting through email. For this purpose, we hereby give you the opportunity to send us your written request along with your valid email ID to provide you the same at your valid email ID. For convenience of shareholders, a Standard Request Form for provision of Annual Accounts has also been made available on the Company's website www.fazalcloth.com.

4. Shareholders are requested to notify / submit the following information & documents, in case of book entry securities in CDS to their respective CDS participants and in case of physical shares to our Share Registrar, if not earlier provided / notified:-

   a. Change in their addresses;

   b. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants. Therefore, shareholders are requested to provide the particulars relating to name, folio number, bank account number, IBAN Number, title of account and complete mailing address of the bank directly to the Company's Share Registrar in case of physical shareholders and directly to the relevant Participant / CDC Investor Account Service in case of maintaining shareholding under Central Depository System (CDS) for future dividends, if any.

   c. 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.

d. For any query / information, the shareholders may contact with the Company Secretary at the above Head Office and / or Mr. Abdul Ghaffar Ghaffari of Share Registrar, Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore, Ph. Nos. (042) 36283096-97.

e. **Consent for Video Conference Facility** Pursuant to the provisions of the Companies Act, 2017, the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Company to provide the facility of video link for participating in the meeting. The demand for video-link facility shall be received by the Share Registrar at the address given hereinabove at least seven (07) days prior to the date of the meeting as per the following format.

I/We, _____ of _____ being a member of Fazal Cloth Mills Limited holder of _____ Ordinary share(s) as per Registered Folio No. _____ hereby opt for video conference facility at _____.

f. **Zakat Declaration**

The members of the Company are required to submit Declaration for Zakat exemption in terms of Zakat and Usher Ordinance, 1980.

g. **E-Voting**

Shareholders can exercise their right to demand a poll subject meeting requirements of section 143-145 of the Companies Act, 2017 and applicable clauses of companies (Postal Ballot) Regulations 2018

h. **Unclaimed Dividend & Bonus Shares**

Shareholders, who by any reasons, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our share registrar M/s. Vision Consulting Ltd, 3-C, LDA Flats, Lawrence Road, Lahore,

I. Due to current COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, the Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No.5 of 2020 issued on March 17, 2020 and Pakistan Stock Exchange Limited (PSX) through its notice Ref: PSX/N- 372 dated March 19, 2020 has advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large. Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at the AGM through proxies. The Company, furthermore, has made arrangements to ensure that all participants, including shareholders, can now participate in the AGM proceedings via video link. For this, members are required to email their Name, Folio Number, Cell Number and Number of shares held in their name with subject “Registration for Fazal Cloth Mills Limited AGM-20” alongwith valid copy of both sides of Computerized National Identity Card (CNIC) at corporate@fazalcloth.com . Video link and login credentials will be shared with only those members whose emails, containing all the required particulars, are received at least 48 hours before the time of AGM. Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address corporate@fazalcloth.com.

Statements under Section 134(3) of the Companies Act, 2017 Special Business No.1

The Shareholders of the Company in their meeting held on May 30, 2017 approved and authorized the Company to enter into a Sponsor Support Agreement (SSA) with Fatima Energy Limited, an associated undertaking (**"FEL"**) and its lenders including Habib Bank Limited, Bank Alfalah Limited and other financial institutions (**"FEL's Lenders"**) along with other sponsors. Under the SSA, the Company is required to fulfill its guarantee / commitment / SBLC / undertaking to FEL's Lenders subject to occurrence of default by FEL in repayment of its obligations / liabilities towards FEL's Lenders. Accordingly, in this regard the shareholders of the Company in their meeting held on May 30, 2017 approved an investment by way of a loan of up to Rs 9,028 million in FEL under section 208 of the Companies Ordinance, 1984.

Recently FEL's Lenders approved restructuring of FEL's outstanding loans. As a result, the Company being sponsor of FEL is required to execute and deliver the necessary statutory documents including Second Amended and Restated Sponsor Support Agreement, Share Retention and Subordination Agreement, the Share Pledge Agreement and other documents required by the FEL's lenders from all sponsors including the Company.

As a result of restructuring of FEL's debt by its lenders, the maximum amount of investment by way of a subordinated loan in FEL, required to be made by the Company only in case of default by FEL in repayment of its obligations/liabilities towards FEL's lenders, has been reduced from Rs.9.028 billion to Rs. 6.000 billion. This amount will be invested over a period of 20 years starting from December 2020. The Company will charge markup at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company. This loan will be reapid by FEL after repayment of outstanding loans of FEL's lenders. The Company being FEL's sponsor is required to pledge 100% of all FEL's shares owned by the Company in favor of the security trustee bank of FEL's lenders. Approval of the shareholders is sought to make the above investment and pledge the shares as explained.

Special Business No.2

The amendment in various Articles of the Articles of Association of Fazal Cloth Mills Limited as per Comparative statement appended below is proposed to be approved as special resolution.

EXISTING ARTICLE NOS.	EXISTING ARTICLES (BEFORE ALTERATION)	PROPOSED ARTICLES (AFTER ALTER
Addition of New Definition in Article No. 2		The Act — The Companies Act, 2017 The Directors — The **"Director"** inclu person occupying the pos director, by whatever nam The Company Secretary — The "**Company Secretar** any individual appointed t secretarial and other customarily performed company secretary and de such, having such qual and experience, as specified.
Alteration in Existing Article No. 17	**Director may not refuse to register transfer of shares** The Directors shall not refuse to transfer any fully paid shares or debentures unless the transfer deed is for any reason, defective or invalid in which case they shall within thirty days from the date on which the instrument of transfer was lodged with the Company notify the defect or invalidity to the transferee who shall, after the removal of such defect or in validity be entitled to relodge the transfer deed with the Company. If the Directors refuse to register a transfer or any shares, they shall, within thirty days after the date on which the transfer was lodged with the Company, send to the transferee notice of the refusal, indicating reasons for such refusal.	**Director may not refuse to register transfer** The Directors shall not refuse to transfer any shares or debentures unless the transfer deed reason, defective or invalid in which case within fifteen days from the date on instrument of transfer was lodged with the notify the defect or invalidity to the trans shall, after the removal of such defect or in entitled to relodge the transfer deed with the If the Directors refuse to register a transf shares, they shall, within fifteen days after t which the transfer was lodged with the Com to the transferee notice of the refusal, indicati for such refusal.
Alteration in Existing Article No. 18	**Register of transfers may be closed** Subject to the notice required by Section 151 of the Ordinance the register of transfers may be closed	**Register of transfers may be closed** Subject to the notice required by Section Companies Act, 2017, the register of transfe

	during the fourteen days Immediately preceding every Annual General Meeting of the Company and at such other times (if any) and for such period as the Directors may from time to time determine, provided always that it shall not be closed for more than thirty days at a time or for more than forty-five days in any year.	closed immediately preceding every General the Company and at such other times (if an such period as the Directors may from tin determine, provided always that it shall not be more than thirty days or to such extende approved by the Commission in any year.
Alteration in Existing Article No. 22	**Company may alter its capital in certain ways** The company may so far alter the conditions of its Memorandum of Association as by Ordinary Resolution- a) to consolidate and divide its share capital into shares of larger amount than its existing shares, or b) to cancel any shares not taken or agreed to be taken by any person, or c) to divide its share capital or any part thereof into shares of smaller amount than is fixed by its Memorandum of Association by subdivision of its existing shares or any of them, subject nevertheless to the provisos to Section 92 (1) and by Special Resolutions – to reduce its capital or any capital redemption reserve fund in any manner authorized and subject to any conditions prescribed by the Ordinance.	**Company may alter its capital in certain wa** The company may so far alter the condit Memorandum of Association as by Special R a) increase its authorized capital by such an thinks expedient; b) consolidate and divide the whole or any share capital into shares of larger amou existing shares, c) sub-divide its shares, or any of them, int smaller amount than is fixed by the memo cancel shares which, at the date of the pass resolution in that behalf, have not been taken to be taken by any person, and diminish the its share capital by the amount of the share so subject to the Provisos to Section 85 of the Ac
Alteration in Existing Article No. 23	**Further issue of capital by directors** Subject to the Resolution in General Meeting sanctioning the increase of Share Capital, the Directors shall offer all new shares to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled and limiting a time within which the offer, if not accepted, will be deemed to be declined and after expiration of such	**Further issue of capital by directors** Subject to the provisions of Section 83 of t new shares shall at the first instance be offer persons who, at the date of the offer, are mem company in proportion to the existing shar respective kinds and classes. The offer shall b letter of offer specifying the number of shar and limiting a time not being less than fiftee not exceeding thirty days from the date of within which the offer, if not accepted, will

	time, or on receipt of and intimation from the member to whom such notice is given that he declines to accept the shares Offered, the Director shall offer the unsubscribed part to anyone or more institutions as may be specified by the Authority and if the said institutions do not subscribe to the whole or any part of the offer, the Directors may dispose off the same to such person or persons, Companies or Corporations, Government of Pakistan or Provincial Governments, whether Members or not, subject to the provisions of the ordinance in such manner as they in their absolute discretion think fit.	to be declined. After the expiration of that t the receipt of an intimation from the person d accept the offer, the directors may allot the sa manner as they think most beneficial to the within thirty days from the close of the offer.
Alteration in Existing Article No. 26	**Annual General Meetings** A General Meeting shall in accordance with the provision of Section 158 of the Ordinance be held in every calendar year within a period of six months following the close of the financial year of the Company and not more than fifteen months shall be allowed to elapse between any two such General Meetings	**Annual General Meetings** An Annual General Meeting of the Compa held once in every calendar year within a per hundred and twenty days following the cl financial year as required under Section 132 o
Alteration in Existing Article No. 27	**Extraordinary General Meetings** The above mentioned General Meeting shall be called Annual General Meeting. All other General Meetings shall be called Extra Ordinary Meetings.	**Extraordinary General Meetings** All general meetings of a company other statutory meeting or an annual genera mentioned in sections 131 and 132 respective called Extraordinary General Meetings.
Alteration in Existing Article No. 31	**No business to be transacted unless quorum present. How Quorum to be ascertained** No business shall be transacted at any General Meeting unless a Quorum is present when the meeting proceeds to business. For all purposes the quorum shall be three members or representatives of corporations which are members, present in person who represent not less than twenty-five percent of the total voting power of the Company, either of their own account or as proxies.	**No business to be transacted unless quorum How Quorum to be ascertained** No business shall be transacted at any Gener unless a Quorum is present when the meetin to business. For all purposes the quorum shall ten members or representatives of corporati are members, present in person or through who represent not less than twenty-five per total voting power of the Company, either of account or as proxies
Substitution of Existing Article No. 34	**Notice of adjournment to be given** The Chairman may, with the consent of any meeting	**Notice of adjournment to be given** The Chairman may, with the consent of any

	at which a quorum is present, and shall, if so directed by the meeting, adjourn any meeting from time to time and from place to place as the meeting shall determine. Whenever a meeting is adjourned for twenty-four days or more, notice of the adjourned meeting shall be given in the same manner as in the case of an original meeting. Save as aforesaid no member shall be entitled to any notice of an adjournment or of the business to be transacted at an adjourned meeting. No business shall be transacted at any adjourned meeting other than the business which might have been transacted at the meeting from which the adjournment took place.	which a quorum is present, and shall, if so d the meeting, adjourn any meeting from time t from place to place as the meeting shall Whenever a meeting is adjourned for fiftee more, notice of the adjourned meeting shall b the same manner as in the case of an origina Save as aforesaid no member shall be entit notice of an adjournment or of the busir transacted at an adjourned meeting. No busine transacted at any adjourned meeting othe business which might have been transact meeting from which the adjournment took pla
Alteration in Existing Article No. 40	**Member to have one vote or one vote for every share** Subject and without prejudice to any special privileges or restrictions as to voting for the time being attached to any special class of shares for the time being forming part of the capital of the Company, every member shall have one vote on a show of hands and in case of a poll shall have one vote for every share of which he is the holder.	**Member to have one vote or one vote for ev** Subject to any rights or restrictions for the attached to any class or classes of shares, on hands every member present in person shal vote except for election of directors in whic provisions of section 159 shall apply. On a member shall have voting rights as laid down 134.
Alteration in Existing Article No. 48	**Appointment and number of Director** Until otherwise determined by a General Meeting, the number of Directors shall not be less than seven nor more than nine. A Director may act before acquiring his qualification, but shall acquire the same within two months after his appointment.	**Appointment and number of Director** the number of Directors shall not in any ca than that specified in section 154 of the Act.
Alteration in Existing Article No. 49	**Director's qualification** The qualification of a Director shall be the holding of shares of the Company to the nominal value of RS.25, OOO/- at least in his own name and this qualification shall be acquired within two months after appointment.	**Director's qualification** The qualification of a Director shall be the One share of the Company at least in his own
Alteration in Existing Article No. 51	**Director's remuneration** The remuneration of the Director for performing	**Director's remuneration** The remuneration of the Director for perfor

	extra services, including holding of the office of the Chairman shall from time to time be determined by the Directors. But the remuneration of a Director for attending meetings of the Board shall not exceed Rs. 15,000/- for each meeting attended by him. No remuneration shall be paid to the regularly paid Chief Executive and full time working Directors of the Company.	services, including holding of the office of the shall from time to time be determined by the subject to the provisions of the Act.
Alteration in Existing Article No. 52	**Office of directors vacated in certain cases** The Office of a Director shall be vacated; If he absents himself from three consecutive meetings of the Directors for a continuous period of three months, whichever is the longer without leave of absence from the Board.	**Office of directors vacated in certain cases** The Office of a Director shall be vacated; If he or she absents himself/herself f consecutive meetings of the Directors witho absence from the Board.
Alteration in reference of Section in Existing Article No. 53	**Directors may appoint Chief Executive** The Managing, Director shall be the Chief Executive of the Company and the Directors may subject to the provisions of Section 198 to 201 from time to time.	**Directors may appoint Chief Executive** Within fourteen days from the date of e directors or the office of the chief execut vacant, the directors will appoint any person an elected director, to be the chief executive appointment shall not be for a period excee years from the date of appointment as per Sec the Act.
Alteration in reference of Section in Existing Article No. 54	**Removal of Chief Executive** A Managing Director shall if he is not already a Director be deemed to be one and be entitled to all the rights and privileges and subject to all the liabilities of that office. A Managing Director may be removed in the manner provided in Section 202 of the Ordinance.	**Removal of Chief Executive** Chief Executive may be removed in th provided in Section 190 of the Act.
Alteration in reference of Section in Existing Article No. 60	**Directors may contract with company** Subject to the provisions of Section 196(2) of the Ordinance, a Director may contract with and be interested in any contract or proposed contract with the Company, and shall not be liable to account for any profit made by	**Directors may contract with company** Subject to the provisions of Section 183 of Director may contract with and be interest contract or proposed contract with the Com shall not be liable to account for any profit ma

	him by reason of any such contract, provided that the nature of the interest of the Director in any such contract must be declared at a meeting of the Directors as required by Section 214 of the Ordinance. Subject to the provisions of Section 214 (2) of the Ordinance no Director shall vote as a Director in respect of any contract or arrangement in which he shall be interested.	by reason of any such contract, provided that of the interest of the Director in any such co be declared at a meeting of the Directors as r Section 205 of the Act. Subject to the pro Section 205 of the Act, no Director shall Director in respect of any contract or arran which he shall be interested.
Alteration in reference of Section in Existing Article No. 62	**Term of office of directors** A Director elected under Section 178 of the Ordinance shall hold office for a period of three years unless he earlier resigns, becomes disqualified from being a Director or otherwise ceases to hold office. A retiring Director shall be eligible for re-election, and shall act as a Director until his successor is elected.	**Term of office of directors** A Director elected under Section 159 of the hold office for a period of three years unless resigns, becomes disqualified from being a otherwise ceases to hold office. A retiring Di be eligible for re-election, and shall act as until his successor is elected.
Alteration due to requirement under the Act in Existing Article No. 70	**Quorum for Directors' Meeting and casting vote of Chairman** The Director may meet together for the dispatch of the business adjourn and otherwise regulate their meetings as they think fit provided that they shall meet at least twice a year. The quorum for a meeting of the Directors shall not be less than one-third of their number or four whichever is greater. Questions arising at any meeting shall be decided by a majority of votes. In case of an equality of votes the chairman shall have a second or casting vote. If all the Directors except one are disqualified from voting, the question shall be decided by the Company in General Meeting	**Quorum for Directors' Meeting and casti Chairman** The Director may meet together for the disp business adjourn and otherwise regulate thei as they think fit provided that they shall me once in a quarter. The quorum for a meet Directors shall not be less than one-third of th or four, whichever is greater. Questions aris meeting shall be decided by a majority of vot of an equality of votes the chairman shall hav or casting vote. If all the Directors excep disqualified from voting, the question shall by the Company in General Meeting.
Alteration in Existing Article No. 72	**Chairman of directors** The Directors may from time to time elect a Chairman, who shall preside at meetings of the Directors, and determine the period for which he is to hold office. but if no such Chairman be elected, or if at any meeting the Chairman be not present within five minutes after the time appointed for holding the same, the Directors present shall choose one of their number to be Chairman of such meeting	**Chairman of directors** The Directors may from time to time elect a who shall preside at meetings of the Dire determine the period for which he is to hold if no such Chairman be elected, or if at any m Chairman is not present within ten minute time appointed for holding the same, the present shall choose one of their number Chairman of such meeting.

Alteration in Existing Article No. 74	**Chairman of committees** A committee may elect a Chairman of its meetings. If no such Chairman is elected, or if at any meeting the Chairman is not present within five minutes after the time appointed for holding the same, the members present may choose one of their number to be Chairman of the meeting.	**Chairman of committees** A committee may elect a Chairman of its mee such Chairman is elected, or if at any m Chairman is not present within ten minute time appointed for holding the same, the present may choose one of their number to be of the meeting.
Alteration in reference of Section in Existing Article No. 79	**Seal to be affixed by authority of resolution of board** Subject as provided in Article 8 with respect to certificates, the seal shall not be affixed to any instrument except by the authority of a resolution of the Board of Directors, and in the presence of at least two Directors and of the Secretary or such other person as the Directors may appoint for the purpose, and such Directors and the Secretary or other person as aforesaid shall sign every instrument to which the seal shall be affixed in their presence, and in favour of any person bonafide dealing with the Company such signatures shall be conclusive evidence of the fact that the seal has been properly affixed. The Company may exercise the powers of Section 213 of the Ordinance and such powers are accordingly hereby vested in the Directors.	**Seal to be affixed by authority of resolution** As provided in Article 8 with respect to certi seal shall not be affixed to any instrument e the authority of a resolution of the Board of and in the presence of at least two Directors Secretary or such other person as the Dire appoint for the purpose, and such Directo Secretary or other person as aforesaid shall instrument to which the seal shall be affix presence, and in favour of any person bonafi with the Company such signatures shall be evidence of the fact that the seal has bee affixed. The Company may exercise the Section 203 of the Act and such powers are a hereby vested in the Directors.
Addition of New Article No.81-A after the Existing Article No. 81		**Dividend in specie** 81-A Any dividend may be paid by the compa shall only be in the shape of shares of listed held by the company.
Alteration in Existing Article No. 83	**Dividend warrants to be sent to members by post** When a dividend has been declared, the Managing Directors shall be responsible for making the payment within forty-five days of the declaration. Every dividend warrant shall, unless otherwise directed in writing, be sent by registered post to the last registered address of the member entitled thereto, and the receipt of the person whose name at the date of the declaration of the dividend appears on the register of members as the owner of any share, or, in the case of joint-holders, of anyone of such	**Dividend warrants to be sent to members b** When a dividend has been declared, the Chief shall be responsible for making the payment period laid down under the Act. The dividend cash may be paid by cheque or warrant electronic mode to the shareholders entitl payment of the dividend, as per their directi dividend warrant shall, unless otherwise d writing, be sent by registered post to the last address of the member entitled thereto, and

	joint-holders, shall be a good discharge to the Company for all payments made in respect of such share No unpaid dividend shall bear interest as against the Company.	of the person whose name at the date of the of the dividend appears on the register of m the owner of any share, or, in the case of joi of anyone of such joint-holders, shall b discharge to the Company for all payment respect of such share No unpaid dividend interest as against the Company.
Alteration in Existing Article No. 85	Accounts to be kept the Directors shall cause such accounts to be kept- a) of the assets and liabilities of the Company, b) of all sums of money received and expended by the Company, and the matters in respect of which such receipts and expenditure take place, of all sales and purchases of goods by the Company, as are necessary to give a true and fair view of the Company's affairs and to explain its transactions. The books of account shall be kept at the office, or at such other place as the Directors shall think fit, and shall always be open to the inspection of the Directors.	**Accounts to be kept** The directors shall cause to be kept proper account as required under section 220 of th books of account shall be kept at the registere the company or at such other place as the dire think fit and shall be open to inspection by th during business hours.
Alteration in Existing Article No. 87	**Annual Financial Statements to be laid before members** Once at least in every year the Directors shall lay before the Company in General Meeting a profit and loss account for the period since the preceding account, made up to a date not more than six months before such meeting. A balance sheet shall also be made out in every year as at the date to which the profit and loss account is made up, and shall be laid before the Company in General Meeting. The said account and balance sheet shall be accompanied by such reports and documents and shall contain such particulars as are prescribed by the Ordinance and the Directors shall in their report state the amount which they recommend to be paid by way of dividend, the amount (if any) which they propose to carry to any reserve fund and other matters specified in Section 236 of the Ordinance. The Auditors report	**Annual Financial Statements to be la members** In accordance with the provisions of Section Act, the board of every company must lay company in annual general meeting its statements since the preceding financial made up to the date of close of financial y company. The financial statements must be la period of **one hundred and twenty days** fol close of financial year of a company. The company shall send audited financial together with the auditors‘ report, directors‘ the chairman‘s review report to every mem company to the members at their registere through CD/DVD/USB instead of transmittin accounts in hard copies and every person who to receive notice of general meeting, either

	shall be attached to the balance sheet and 'shall be read before the Company in General Meeting and be open to inspection by any member as required by Section 233 (4) of the Ordinance. At least 21 days before the date of Annual General Meeting, a copy of the audited balance sheet, profit & Loss account together with relevant reports shall be sent to the registered address of every member of the Company.	electronically at least twenty-one days before Annual General Meeting. The Company shal by post three copies and electronically a co financial statements together with said rep Commission, registrar and the securities exc also post the same on the Company's website.
Alteration in reference of Section in Existing Article No. 88	**Appointment of Auditors and their duties** Once at least in every year the accounts of the Company shall be examined, and the correctness of the profit and loss account and balance sheet ascertained by one or more Auditor or Auditors, and the provisions of Sections 252 to 257 of the Ordinance and any modification or re-enactment thereof for the time being in force in regard to audit *and* Auditors shall be observed.	**Appointment of Auditors and their duties** Auditors will be appointed and their duties r accordance with the provisions under Secti 249 of the Act.
Alteration in Existing Article No. 89	**Service of notices by company** A notice may be given by the Company to any member either personally or by sending it by post to him to his registered address or (if he has no registered address in Pakistan) to the address, if any, supplied by him to the Company for the giving of notices to him. Notices to members resident outside Pakistan shall be sent to them by air mail.	**Service of notices by company** A notice may be given by the company to a at his registered address or if he has no address in Pakistan, at the address, if any, s him to the company for the giving of noti against an acknowledgement or by post service or through electronic means or in manner as may be specified by the Commissi

Special Business No.3

The transactions carried out with associated companies/related parties have been approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to provisions of applicable laws. However, the majority of Directors of the Company were related due to their common directorship and holding of shares in the associated companies, the Board has recommended the same for placement before the shareholders of the Company in general meeting for ratification/approval.

All these related party transactions during the mentioned period were executed at Arm's Length Price in a fair and transparent manner and there was no departure from the guidelines mentioned in Code of Corporate Governance for such transactions and Companies Act, 2017. Pursuant to the above, these transactions have to be approved/ratified by the shareholders in the General Meeting. The directors and their relatives have no direct or indirect interest in the aforesaid business except to the extent of their shareholding/common directorship with the related parties.

Special Business No.4

Due to composition of Board of Directors of the Company, many Directors may be deemed to be treated as interested in transactions with related parties due to their common directorships and/or shareholding. Therefore, the shareholders are being approached to grant a broad and prior approval for such transactions to be entered into by the Company, from time to time, at the discretion of the Board and irrespective of its composition and interest of directors due to their common directorship and holding of shares in the associated companies/related parties, triggering approval of shareholders under section 207 and / or 208 of the Companies Act, 2017, for the year ending June 30, 2021, which transactions shall be deemed to be approved by the shareholders. The Company shall ensure that such transactions with related parties, if needed, continue to be carried out in a fair and transparent manner and at Arm's Length Basis. Transactions intended to be carried out by the Company include, but are not limited to, sale and purchase of stores and spares, shared expenses, toll manufacturing, sale and purchase of products/raw material and purchase of packaging material with the related parties. The shareholders would appreciate that it is not possible for the Company or the directors to accurately predict the nature of related party transaction or the specific related party(ies) with which the transaction(s) shall be carried out. In view of the same, the Company seeks the broad/ prior approval of the shareholders that the Board may cause the Company to enter into related party transactions in its discretion and in accordance with policy of the Company. Such transactions shall be presented in the next annual general meeting of shareholders for their formal approval/ratification.

Special Business No.5

Fatima Energy Limited ("FEL") was incorporated in Pakistan on June 22, 2004 as a public Company under the Companies Ordinance 1984. The principal activity of FEL is to build, own and operate a co-generation power plant of 120 MW. The Board of Directors of the Company in their meeting held on October 29, 2020 approved the facility of upto Rs 500 million as loan / advance. This facility will facilitate the FEL to meet its financial requirements. The management expects that the transactions are to be beneficial for the Company as this will enhance the return on funds available with the Company.

The Directors of the Company undertake that the proposed investment is being recommended after due diligence and financial health of the borrowing companies are such that these companies have the ability to repay the loan as per agreement. The duly signed recommendation of the due diligence report and directors' undertaking/certificate shall be made available to the members for inspection at the meeting.

Information under Regulation 3 of The Companies' (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Special Business -1

S. No	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2017	RELEVANT INFORMATION	RELEVANT INFORMATION
(a)	Disclosure for all types of investments		
	(A) Regarding associated company or associated undertaking: -		
		Special Business No. 1- Loan Investment upto Rs 6,000 Million	**Special Business No. 5- Loan Investment upto Rs 500 Million**
	(i) Name of associated company or associated undertaking	Fatima Energy Limited (FEL)	Fatima Energy Limited (FEL)
	(ii) Basis of relationship	("FEL") is Associated Undertaking.	("FEL") is Associated Undertaking.
	(iii) Earnings per share for the last three years (PKR)	June 30, 2020 Rs. (0.58) / share June 30, 2019 Rs. (0.49) / share June 30, 2018 Rs. (0.31) / share	June 30, 2020 Rs. (0.58) / share June 30, 2019 Rs. (0.49) / share June 30, 2018 Rs. (0.31) / share

	(iv) Break-up value per share, based on the latest audited financial statements	Rs. 6.2 approximately.	Rs. 6.2 approximately.
	(v) Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	**Particulars** / **FEL (Rs in million)** Paid up capital 5,700 Accumulated loss (1,202) Total liabilities 29,240 Total assets 33,738 Sales 672 Net assets 4,493 Net Profit/loss (465)	**Particulars** / **FEL (Rs in million)** Paid up capital 5,700 Accumulated loss (1,202) Total liabilities 29,240 Total assets 33,738 Sales 672 Net assets 4,493 Net Profit/loss (465)
	(vi) 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; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between	(I) Fatima Energy Limited was incorporated in Pakistan on June 22, 2004 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to build, own, operate and maintain a co-generation power plant of 118.8 MW (the Project). The Project is located at Sanawan, Tehsil Kot Addu, and District Muzaffargarh in the province of Punjab. The FEL generation license allows to sell power to Bulk Power Consumers as well as to the CPPA (G). (II) The project was taken over from EPC contractor in May 2017 and duly tested through dispatch during the period from August 2019 to December 2019 under wheeling arrangement. **COD is yet to be declared**. (III) FEL has currently applied to various DISCOs for Energy Wheeling Agreement (the EWA) which is in process, however, the EWA with	(I) Fatima Energy Limited was incorporated in Pakistan on June 22, 2004 as a public company under the Companies Ordinance, 1984. The principal activity of the Company is to build, own, operate and maintain a co-generation power plant of 118.8 MW (the Project). The Project is located at Sanawan, Tehsil Kot Addu, and District Muzaffargarh in the province of Punjab. The FEL generation license allows to sell power to Bulk Power Consumers as well as to the CPPA (G). (II) The project was taken over from EPC contractor in May 2017 and duly tested through dispatch during the period from August 2019 to December 2019 under wheeling arrangement. **COD is yet to be declared**. (III) FEL has currently applied to various DISCOs for Energy Wheeling Agreement (the EWA) which is in process, however, the

	cash and non-cash amounts	MEPCO is already in place and FEL has supplied power to various export sector companies under this agreement during the last years. Since the wheeling concept is being practiced first time by many DISCOs therefore, approval of energy wheeling agreement is taking time thereby delaying substantially optimum generation and output. As soon as the EWAs are executed with DISCOs, FEL shall start operations immediately at full capacity. (iv) In addition to above, the management of FEL expects that it would be able to achieve its optimum capacity shortly, which will enable sufficient cash in flows to repay its obligations as well as payout to its shareholders. (IV) Cash	EWA with MEPCO is already in place and FEL has supplied power to various export sector companies under this agreement during the last years. Since the wheeling concept is being practiced first time by many DISCOs therefore, approval of energy wheeling agreement is taking time thereby delaying substantially optimum generation and output. As soon as the EWAs are executed with DISCOs, FEL shall start operations immediately at full capacity. (iv) In addition to above, the management of FEL expects that it would be able to achieve its optimum capacity shortly, which will enable sufficient cash in flows to repay its obligations as well as payout to its shareholders. Cash
(B)	**General Disclosure: -**		
	(I) maximum amount of investment to be made;	Maximum amount of investment reduced from 9028 m Upto Rs 6,000 million (Six Thousand Rupees Only)	Upto Rs 500 Million
	(II) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To facilitate the investee company to continue its operations and meet its obligations towards its lenders. The Company will earn mark up on this loan investment. The company owns a substantial quantity of shares of FEL and stands to earn handsome dividend once FEL operations start.	To facilitate the investee company to continue its operations and to meet its financial needs. The Company will earn mark up on this loan investment. The company owns a substantial quantity of shares of FEL and stands to earn handsome dividend once FEL operations start.

	(III) sources of funds to be utilized for investment and 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;	The loan will be made from internal cash generations of the Company. Not applicable	The loan will be made from internal cash generations of the Company. Not applicable
	(IV) salient features of the agreement(s), if any, with associated company or associated undertaking	The shareholders of the company has approved the company to enter into sponsor support agreement with FEL and its lender banks to invest up to Rs 9028 million in case of default by FEL to repay its debt obligations towards its lenders. As a result of restructuring of FEL's debt by its lenders, the maximum amount of investment by way of a subordinated loan in FEL, required to be made by the Company only in case of default by FEL in repayment of its obligations/liabilities towards FEL's lenders, has been reduced from Rs.9.028 billion to Rs. 6.000 billion. This amount will be invested over a period of 20 years starting from December 2020. The Company will charge markup at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company. This loan will be repaid by FEL after repayment of outstanding loans of FEL's lenders.	The Company will charge markup at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company. This loan will be repaid by FEL after repayment of outstanding loans of FEL's lenders with in ten semi annual installments. This investment will be made till October 15, 2023.

	(V) 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;	The Directors have no special interest except their personal shareholding in FEL.	The Directors have no special interest except their personal shareholding in FEL.
	(VI) 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; and	The company has already made an equity investment upto Rs 1374million against which shares have been issued in name of the company. A loan investment of Rs 2,497 million has also been made under the authority of shareholders approval and mark up on it is being accounted for in regular way accordingly.	The company has already made an equity investment upto Rs 1374million against which shares have been issued in name of the company. A loan investment of Rs 2,497 million has also been made under the authority of shareholders approval and mark up on it is being accounted for in regular way accordingly.
	(VII)any other important details necessary for the members to understand the transaction;	Not Applicable	Not Applicable
(C)	**In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made: -**		
	(I) category-wise amount of investment;	Loan / advance - upto Rs, 6000 million by way of loan investment which will be disbursed only in case of default by FEL to repay its debt obligations towards its bank lenders.	upto Rs, 500 million by way of loan investment.
	(II) average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant	The current average borrowing cost of the Company is ranging KIBOR+1%	The current average borrowing cost of the Company is ranging KIBOR+1%

	products and		
	(III) rate of return for unfunded facilities, as the case may be, for the relevant period;	Not Applicable	Not Applicable
	(IV) rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company	at the rate the higher of (a) KIBOR + 1.50%; or (b) a rate not less than the borrowing cost of the Company
	(V) particulars of collateral or security to be obtained in relation to the proposed investment;	The Loan is unsecured.	The Loan is unsecured.
	(VI) 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; and	No conversion feature.	No conversion feature.
	(VII) repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking	Loan is sub ordinated to outstanding bank loans of FEL obtained by it to set up its power plant and will be repaid after FEL repays its outstanding bank loan.	Loan is sub ordinated to outstanding bank loans of FEL obtained by it to set up its power plant and will be repaid after FEL repays its outstanding bank loan its outstanding bank loan. The loan will be repaid in ten semi annual installments. In case the repayment is not paid in agreed due time additional markup at rate of 0.5 % will be charged

			on the over due amount till repayment.

Statement Under Regulation 4 (2) of the Investment in Associated Companies' Regulations, 2017

Name of Investee Company	**Fatima Transmission Company Limited (FTCL)**		**Fatima Energy Limited (FEL)**	
Total investment approved	Rs. 300 Million loan was approved in AGM on October 31, 2015 and will be repayable within ten year from date of disbursal. Period of Investment till October 15, 2021.	The approval from shareholders to enter into SSA obtained in Annual General meeting of the Company held on October 31, 2016. As per SSA the Company as sponsor commits the NIB, in case of default by FTCL, to pay amount outstanding. Further, terms and conditions with FTCL in case of fulfillment of such guarantee were approved by the shareholders on March 25, 2017.	The approval from shareholders to enter into SSA obtained in EOGM of the Company held on May 30, 2017. As per SSA the Company as sponsor commits to lenders of FEL, in case of default by FEL, to pay amount outstanding up to Rs 9028 million.	Rs. 2,000 million loan investment was approved in AGM on Oct 27, 2018 with period of investment till October 15, 2021.
Amount of investment made to date	Rs 72 million	NIL	400 million	Rs 1,597 million
Reasons for not having made complete investment so far where resolution required it to be implemented in specific time	Further funds request has not yet been made by the investee company.	Outstanding amount to NIB on behalf of FTCL will be paid in case of default by FTCL or in case any demand by lender of FTCL under SSA.	Outstanding amount to Lenders on behalf of FEL will be paid in case of default by FEL or in case any demand by lender of FEL under SSA.	Further investment will be made depending on demand received from investee company
Material change in financial statements of associated company or	As per audited financial statements for the year ended June 30, 2015, the basic earnings per share was Rs. (8.78) / Shares and breakup value of share was Rs. 1.22 / share. As per latest available financial statements for the year ended June 30, 2020 the Earnings per share is Rs. (0.0045) and		As per financial statements for the year ended June 30, 2016, the basic earnings per share was Rs. (.09) / Share and breakup value of share was Rs. 9.8 / share. As per latest available financial statements for the year ended June 30, 2020 the earnings per share is Rs. (0.81) and breakup value	

associated undertaking since date of the resolution passed for approval of investment in such company.	breakup value per share is Rs. 4.72.		per share is Rs. 7.89.	