Engro Fertilizers Limited
6th Floor, Harbor Front Building
Marine Drive, Block 4, Clifton
Karachi, Pakistan

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engro fertilizers

March 03, 2025

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

Subject: **NOTICE OF THE ANNUAL GENERAL MEETING OF ENGRO FERTILIZERS LIMITED**

Dear Sir

We are enclosing herewith the Notice of the Annual General Meeting **(**"**AGM**"**)** of Engro Fertilizers Limited ("the **Company**").

The AGM of the Company will be held on Monday, March 24, 2025, at 02:30 p.m. at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi-74800.

The notice may be shared with the TRE Certificate Holders of the Exchange accordingly.

Sincerely Yours,

For and on behalf of
ENGRO FERTILIZERS LIMITED

DANISH RAZA
Company Secretary

Copied to:

Director / HoD
Listed Companies Department, Supervision Division
Securities and Exchange Commission of Pakistan
NIC Building, 63 Jinnah Avenue, Blue Area
Islamabad

Notice of Annual General Meeting

Notice is hereby given that the Sixteenth Annual General Meeting ("**AGM**") of the members of Engro Fertilizers Limited (the "**Company**") will be held at Karachi School of Business and Leadership (KSBL) situated at National Stadium Road, Opp. Liaquat National Hospital, Karachi – 74800 on Monday, March 24, 2025, at 02:30 p.m. to transact the following businesses:

Members are encouraged to attend the AGM through a video conference facility managed by the Company (please see the notes section for details).

A) ORDINARY BUSINESS

1. To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2024, together with the Directors' and Auditor's Reports thereon and Chairman's Review Report.

   As required under section 223(6) of the Companies Act 2017 (the "**Act**"), Financial Statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link and/or QR enabled code:

   https://www.engrofertilizers.com/investments#reports

2. To declare and approve, as recommended by the Directors, the payment of final cash dividend at the rate of PKR 8.00 per share i.e. 80% for the year ended December 31, 2024. This is in addition to interim cash dividends of PKR 13.50 per share i.e. 135%.

3. To appoint Auditors for the year 2025 and fix their remuneration.

4. To elect seven (7) Directors in accordance with the section 159(1) of the Act for a term of three years commencing from the date of holding of AGM i.e. March 24, 2025. The name of the retiring directors are Mr. Ahsan Zafar Syed, Mr. Javed Akbar, Mr. Farooq Barkat Ali, Mr. Ahmad Shakoor, Mr. Asad Said Jafar, Mr. Asim Murtaza Khan, and Ms. Danish Zuberi.

B) SPECIAL BUSINESS

5. To consider and if deemed fit, pass with or without modification(s), addition(s) or deletion(s), the following Special Resolution(s) under Section 199 of the Act read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 (as may be amended), as recommended by the Board of Directors of the Company:

   "**RESOLVED THAT,** approval of the members of Engro Fertilizers Limited (the "Company") is hereby accorded by way of special resolution (in accordance with Section 199 of the Companies Act, 2017 read with Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017) for the following acts by the Company:

   a. Approval for the Company to extend to its associated company, Engro Polymer & Chemicals Limited, an intercompany loan in the aggregate amount of up to Pak Rupee Five billion (PKR 5,000,000,000) comprising of, inter alia, loans, advances and/or security in any form (including without limitation guarantees, government securities, cash, listed / unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.

   b. Approval for the Company to extend to its holding company, Engro Corporation Limited, an intercompany loan in the aggregate amount of up to Pak Rupee Six billion (PKR 6,000,000,000) comprising of, inter alia, loans, advances and / or security in any form (including without limitation guarantees, government securities, cash, listed / unlisted securities etc.) on an arm's length basis, in the form of a revolving line of credit valid for a period of one year from the date of the special resolution.

   FURTHER RESOLVED THAT, the Board certifies that both entities, being under common control, have been assessed based on their financial positions and it has been determined that they possess the capability to repay the loan in accordance with the terms and conditions outlined in the agreement for this facility.

FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and / or Company Secretary of the Company be and are hereby authorized, any two jointly, to do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolutions."

By Order of the Board

Karachi
Dated: March 03, 2025

DANISH RAZA
Company Secretary

NOTES

1. **Prohibition on grant of gifts to Shareholders**
The Securities and Exchange Commission of Pakistan (the "**SECP**"), through its Circular 2 of 2018, dated February 9, 2018, has strictly prohibited companies from providing gifts or incentives, in lieu of gifts (tokens / coupons / lunches / takeaway packages) in any form or manner, to shareholders at or in connection with general meetings. Under Section 185 of the Act, any violation of this directive is considered an offense, and companies failing to comply may face penalties.

2. **Participation in the AGM proceeding via video conferencing facility**
Members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company. All Shareholders / Members interested in attending the AGM, either physically or through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC / Passport number at https://forms.office.com/r/sBaaCZBBVL. Confirmation email for physical meeting or video link and login credentials will be shared with only those Shareholders whose registration 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 agm.efert@engro.com.

3. **Electronic Transmission of Annual Report 2024**
In compliance with section 223(6) of the Act, the Company has electronically transmitted the Annual Report 2024 through email to Shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, printed notices of AGM along with the weblink and QR enabled code to download the said Annual Report have been dispatched. However, the Company will provide hard copies of the Annual Report to any member on their demand, at their registered address, free of cost, within one week of receiving such request.

   Further, Shareholders are requested to kindly provide their valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited if the member hold shares in physical form or, to the Member's respective Participant / Investor Account Services, if shares are held in book entry form.

4. The Share Transfer Book of the Company will be closed from Tuesday, March 18, 2025 to Monday, March 24, 2025 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Share Registration Services (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shahrah-e-Faisal, Karachi, PABX No. (+92-21) 34380101-5 and email: info.shares@famcosrs.com by the close of business (03:00 p.m.) on Monday, March 17, 2025 will be treated in time for purpose of determining entitlement of final cash dividend, and to attend and vote at the meeting.

5. A Member entitled to attend and vote at the AGM shall be entitled to appoint another person, as his / her proxy to attend, speak and vote instead of him / her, and a proxy so appointed shall have all such rights in respect of attending, speaking and voting at the AGM as are available to a Member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the meeting. A proxy holder may not need to be a member of the Company.

6. **Requirements for Appointing Proxies**
   a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.

   b) The proxy form shall be witnessed by two male persons whose names, addresses and CNIC numbers shall be mentioned on the form.

   c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.

d) The proxy shall produce his/her valid original CNIC or original passport at the time of the AGM.

e) In case of a corporate entity, the Board of Directors' resolution / power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.

7. Pursuant to Companies (Postal Ballot) Regulations, 2018 and read with Sections 143 and 144 of the Companies Act, 2017, Members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations. In accordance with the Regulation 11 of the Regulations, the Board of the Company has appointed M/s A. F. Ferguson & Co., a QCR rated audit firm, to act as the Scrutinizer of the Company for the special business to be transacted in the meeting and to undertake other responsibilities as defined in Regulation 11A of the Regulations.

8. Electronic Dividend Mandate

Under Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its Shareholders through electronic mode directly into the bank account designated by the entitled Shareholders.

To receive dividend directly into their bank account, Shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in case of physical shares.

In case of shares held in CDC, Electronic Dividend Mandate Form must be directly submitted to Shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to Shareholders.

9. In compliance with Section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for "filer" and "non-filer" Shareholders at 15% and 30% respectively. A "filer" is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a "non-filer" is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all Shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 30% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of a valid tax exemption certificate is made available to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in the case of joint accounts will be determined separately based on the "Filer / Non-Filer" status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

10. In order to claim exemption from compulsory deduction of Zakat, Shareholders are requested to submit a notarized copy of Zakat Declaration Form "CZ-50" on NJSP of Rs. 200/- to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited, of the Company by first day of book closure. In case shares are held in scripless form such Zakat Declaration Form (CZ -50) must be uploaded in the CDC account of the Shareholder, through their participant / Investor Account Services.

Further, Non-Muslim Shareholders are also required to file Solemn Affirmation (available on https://famcosrs.com/downloads/) with the Share Registrar of the Company in case of shares are held in physical certificates or with CDC Participant / Investor Account Services in case shares are in scripless form. No exemption from deduction of zakat will be allowed unless the above documents complete in all respects have been made available as above.

11. Submission of Valid CNIC (Mandatory)

As per SECP directives, the dividend of Shareholders, whose valid CNICs are not available with the Share Registrar, may be withheld. All Shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, M/s. FAMCO Share Registration Services (Private) Limited without any further delay.

12. Unclaimed Dividend

As per the provision of Section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with the SECP for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years were sent to Shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall, after giving notice in the newspaper, proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

13. Conversion of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Act, which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all Shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages — safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares etc. The Shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Share Registration Services (Private) Limited for the conversion of physical shares into book-entry form.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017.

This Statement sets out the material facts pertaining to the Ordinary Business as described in the Notice of AGM of the Company.

Agenda Item 4

The term of office of the current directors of the Company will expire on March 22, 2025. In accordance with Section 159(1) of the Act, the Board of Directors have fixed the number of Directors to be elected at the AGM at seven (07) to hold the office of director for a period of three (3) years commencing from the date of the AGM.

Independent Directors shall be selected in accordance with the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

Accordingly, in compliance with the provisions of Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019, Election of Directors will be held separately for the following three categories:

S. No.	Categories	No. of Seats
1.	Female Director (may also be considered as an Independent Director if meets the criteria of independence set out under Section 166 of the Act)	01
2.	Independent Directors	02
3.	Other Directors	04

In order to safeguard the interest of the minority shareholders, any member can send his / her nomination for contesting the election in any of above-mentioned categories.

Any person who seeks to contest the election of the office of director, whether they are a retiring director or otherwise, shall submit the following documents to the Company Secretary at the address 19th Floor, The Harbor Front Building, HC#3, Marine Drive, Block 4, Clifton Karachi, not later than fourteen (14) days before the date of AGM, the following documents:

1. Notice of his/her intention to offer himself / herself for the election of directors as per Section 159(3) of the Act, and consent to act as a director on Form 9 as prescribed under the Act, and the Companies Regulations, 2024.
2. Any person contesting the election of directors must be a Member of the Company at the time of filing his / her consent unless such person is representing a Member which is not a natural person.
3. A signed declaration confirming that:

    a. He / she is aware of his/her duties and powers under the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, the Rule Book of Pakistan Stock Exchange Limited, Memorandum and Articles of Association of the Company and other relevant laws and regulations.

    b. He / she is not ineligible to become a director of a listed company under the provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and other applicable laws/regulations.

4. A detailed profile along with his/her office address for placement on the Company's website as required under SRO 1196 (I)/2019 dated October 03, 2019.

5. Detail of other directorships held.

6. Copy of valid CNIC or Passport (in case of a foreign national) along with NTN and Folio Number / CDC Account or Sub Account number.

7. The following additional documents are required to be submitted by the candidates intending to contest the election as an independent Director:

    a. Declaration of independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

    b. Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

All the notices received for the category of Independent Director, shall be subject to due diligence by the Company as prescribed under Section 166 of the Act and 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The final list of candidates contesting the election will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Act. The website of the Company will be updated with the required information and Directors' profile.

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

This Statement sets out the material facts pertaining to the special Business as described in the Notice of the AGM of the Company.

Agenda Item 5
To approve intercompany loan to the associated company.

The information required under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 is as follows:

Investment in Engro Polymer & Chemicals Limited

(a) Disclosure regarding Associated company

(i) Name of associated company: **Engro Polymer & Chemicals Limited**

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Engro Polymer & Chemicals Limited	Engro Fertilizers Limited and Engro Polymer & Chemicals Limited are under common control of Engro Corporation Limited and have one common director.	-

(iii) Basic Earnings Per Share for the last three years:

(Rupees)

Basic Earnings Per Share	2023	2022	2021
Engro Polymer & Chemicals Limited	9.12	12.37	16.28

(iv) Break-Up value per share, based on latest audited financial statements:

(Rupees)

Break-Up Value Per Share	31 December 2023
Engro Polymer & Chemicals Limited	31.46

(v) Financial position, including main items of the statement of financial position and profit and loss account, on the basis of its latest financial statements:

Financial year ended December 31, 2023, audited accounts of **Engro Polymer & Chemicals Limited**:

(Amount in thousands)

Assets	
Property, plant and equipment	53,734,049
Investments	3,459,929
Stores, spares and loose tools	3,311,772
Stock-in-trade	16,985,039
Other Assets	13,107,021
Total Assets	**90,597,810**
Liabilities	
Borrowings	22,137,566

Trade and other payables	14,660,566
Other Liabilities (Including Short term borrowings)	25,207,593
Total Liabilities	**62,005,725**
Total Equity	**28,592,085**

Income Statement

Revenue	81,269,534
Profit Before Tax	13,755,972
Profit after Tax	8,932,294

(vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations: None

(b) General Disclosures

(i) Maximum amount of investment to be made:

Name of Associated Company	Amount in PKR
Engro Polymer & Chemicals Limited	5 billion

(ii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment:

This will enable the Company to lend to its associated company when/if it has access to excess funds/banking lines / security, and the associated company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.

(iii) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, (I) Justification of investment through borrowings from where loans or advances will be given (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis.

The Company intends to use excess liquidity / banking lines / security available to it to provide the requisite financing to the aforementioned associated company. Additionally, if the Company has un-utilized overdraft lines, it may opt to avail such lines to provide the required financing. For this, the Company's responses to the queries raised are as follows:

(I) Justification – the associated company will pay a mark-up rate which is not lower than the borrowing cost of the Company;

(II) Security – the Company secures its overdraft lines by providing a ranking charge over movable asset (excluding long term investments); and

(III) Cost benefit analysis - the Company will charge the associated company a mutually agreed markup rate, which will improve the profitability of the Company.

(iv) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment:

As detailed above, each financing facility will be provided on an arm's length basis.

(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 sponsors, majority shareholders and their relatives and directors of the Company have no interest in the matter. However, the following director on the Board of Directors of the Company is also a director of the associated company:

Engro Fertilizers Limited	Engro Polymer & Chemicals Limited
Ahsan Zafar Syed	Ahsan Zafar Syed

(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:
None

(vii) Any other important details necessary for the members to understand the transaction:
None

(c) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided above are:

(i) Category-wise amount of investment: Financing limit for the associated company is as follows:

Name of Associated Company	Amount in PKR
Engro Polymer & Chemicals Limited	5 billion

(ii) The average borrowing cost of the Company on its short-term borrowings is 16.74%, The KIBOR rates as of December 31, 2024, for one, three, and six months were 13.35%, 12.14%, and 12.16%, respectively. The company also has Shariah-compliant short-term borrowings, with a rate of return ranging from KIBOR + spread (-1.50% to 0.50%). For non-fund-based facilities, bank rates range from 0.01% to 0.80% annum.

(iii) Rate of interest, mark up, profit, fees or commission etc. to be charged by the investing company:
The rate of interest, mark-up, profit, fees or commission to be charged by the Company will be higher than or equal to what the Company must pay if it borrows similar facilities. Where it has no such facilities, the associated company will be charged rates which are greater than or equal to market rates of such facilities. Each financing facility will be provided on an arm's length basis.

(iv) Particulars of collateral or security to be obtained in relation to the proposed investment:
No security is obtained since the Company and its associated company are under common control of Engro Corporation Limited (Holding Company). The Company and its Associated Company are confident that any financing arrangement will be repaid.

(v) 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:
There is no conversion feature.

(vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking:

Facility granted for a period of one (1) year. The other terms are mentioned above.

Investment in Engro Corporation Limited

(a) Disclosure regarding Associated company

(i) Name of associated company: **Engro Corporation Limited**

(ii) Basis of relationship:

Name of Associate	Basis of Relationship	Effective Holding %
Engro Corporation Limited	Holding Company	56.27%

(iii) Basic Earnings Per Share for the last three years:

Basic Earnings Per Share	2023	2022	2021
Engro Corporation Limited	38.60	42.23	48.5

(iv) Break-Up value per share, based on latest audited financial statements:

(Rupees)

Break-Up Value Per Share	31 December 2023
Engro Corporation Limited	415.81

(v) Financial position, including main items of the statement of financial position and profit and loss account, on the basis of its latest financial statements:

Financial year ended December 31, 2023, audited accounts of **Engro Corporation Limited**:

(Amount in thousands)

Assets

Property, plant and equipment	339,278,737
Long terms Investments	34,485,322
Stores, spares and loose tools	12,939,358
Stock-in-trade	33,736,767
Other Assets	382,056,093
Total Assets	**802,496,277**

Liabilities

Borrowings	162,072,043
Trade and other payables	182,855,508
Other Liabilities (Including Short term borrowings)	234,436,094
Total Liabilities	**579,363,645**
Total Equity	**223,132,632**

Income Statement

Revenue	482,488,902
Profit Before Tax	77,163,998
Profit after Tax	36,094,945

(vi) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations: None

(b) General Disclosures

(i) Maximum amount of investment to be made:

Name of Associated Company	Amount in PKR
Engro Corporation Limited	6 billion

(ii) Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment:

This will enable the Company to lend to its associated company when/if it has access to excess funds/banking lines/security, and the associated company requires the same. Each facility will be provided on an arm's length basis and will be done in a way which benefits the Company's shareholders.

(iii) Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds, (I) Justification of investment through borrowings from where loans or advances will be given (II) Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) Cost benefit analysis.

The Company intends to use excess liquidity/banking lines/security available to it to provide the requisite financing to the aforementioned associated company. Additionally, if the Company has un-utilized overdraft lines, it may opt to avail such lines to provide the required financing. For this, the Company's responses to the queries raised are as follows:

(I) Justification – the associated company will pay a mark-up rate which is not lower than the borrowing cost of the Company;

(II) Security – the Company secures its overdraft lines by providing a ranking charge over movable asset (excluding long term investments); and

(III) Cost benefit analysis - the Company will charge the associated company a mutually agreed markup rate, which will improve the profitability of the Company.

(iv) Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment:

As detailed above, each financing facility will be provided on an arm's length basis.

(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 sponsors, majority shareholders and their relatives and directors of the Company have no interest in the matter. However, the following director on the Board of Directors of the Company is also a director of the associated company:

Engro Fertilizers Limited	Engro Corporation Limited
Ahsan Zafar Syed	Ahsan Zafar Syed

(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:
None

(vii) Any other important details necessary for the members to understand the transaction:
None

(c) In case of investments in the form of loans, advances and guarantees, following disclosures in addition to those provided above are:

(i) Category-wise amount of investment: Financing limit for the associated company is as follows:

Name of Associated Company	Amount in PKR
Engro Corporation Limited	6 billion

(ii) The average borrowing cost of the Company on its short-term borrowings is 16.74%, The KIBOR rates as of December 31, 2024, for one, three, and six months were 13.35%, 12.14%, and 12.16%, respectively. The company also has Shariah-compliant short-term borrowings, with a rate of return ranging from KIBOR + spread (-1.50% to 0.50%). For non-fund-based facilities, bank rates range from 0.01% to 0.80% annum.

(iii) Rate of interest, mark up, profit, fees or commission etc. to be charged by the investing company:

The rate of interest, mark-up, profit, fees or commission to be charged by the Company will be higher than or equal to what the Company must pay if it borrows similar facilities. Where it has no such facilities, the associated company will be charged rates which are greater than or equal to market rates of such facilities. Each financing facility will be provided on an arm's length basis.

(iv) Particulars of collateral or security to be obtained in relation to the proposed investment:
No security is obtained since Engro Corporation Limited is the holding company of Engro Fertilizers Limited and both are confident that any financing arrangement will be repaid.

(v) 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:

There is no conversion feature.

(vi) Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking:

Facility granted for a period of one (1) year.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017

On March 26, 2024, the Shareholders approved a short-term loan / financing facility of up to PKR 5 billion for Engro Polymer & Chemicals Limited for a period of one (1) year. This short-term facility has not been utilized to date since approval.

Form of Proxy

I/We ____

of ______________________________ being a member of ENGRO FERTILIZERS LIMITED and holder of

____
(Number of Shares)

Ordinary Shares as per share Register Folio No. ______________________________

and/or CDC Participant I.D. No. ____________________ and Sub Account No. ____________________,

hereby appoint __________________ of __________________ or failing him/her __________________

____________________ of ______________________________

as my proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on the 24th day of March, 2025 and at any adjournment thereof.

Signed this ______________ day of ______________ 2025.

WITNESSES:

1) Signature: ____________________

Name: ____________________

Address: ____________________

____

CNIC No : ____________________

Or Passport No : ____________________

2) Signature: ____________________

Name: ____________________

Address: ____________________

____

CNIC No : ____________________

Or Passport No : ____________________

____

Signature

Signature should agree with the specimen registered with the Company

Note:
Proxies in order to be effective, must be received by the Company not less than 48 hours before the meeting. A Proxy holder may not need to be a member of the Company.

CDC Shareholders and their proxies are each requested to attach an attested photocopy of their Computerized National Identity Card or Passport with this proxy form before submission to the Company.

پراکسی فارم

میں/ہم ______________________________ کی طرف

سے ______________ بحیثیت اینگرو فرٹیلائزرز لمیٹیڈ کے رکن، اور ______________ (حصص کی تعداد) عمومی حصص یافتہ جن کی مالیت فی حصص

رجسٹرفولیونمبر __________ اور/یاسی ڈی سی participant آئی ڈی نمبر __________ اورذیلی اکاؤنٹ نمبر __________ اپنی دانست میں

__________ کی طرف سے __________ کوبطور پراکسی تعینات کرتاہوں میری / ہماری طرف سالانہ عام اجلاس میں شرکت کریں اور

ووٹ دیں جو بتاریخ 24 مارچ، 2025 کو منعقد کیا جائے گا

دستخط __________ مورخہ/بتاریخ ______ / ______ 2025۔

گواہان:

۱۔ دستخط : __________

نام : __________

پتہ : __________

____

کمپیوٹرائزڈ قومی شناختی کارڈنمبر : __________

پاسپورٹ نمبر : __________

____

دستخط شیئر ہولڈر

دستخط کمپنی میں کئے جانے والے دستخط سے مماثلت رکھتے ہوں

۲۔ دستخط : __________

نام : __________

پتہ : __________

____

کمپیوٹرائزڈ قومی شناختی کارڈنمبر : __________

پاسپورٹ نمبر : __________

نوٹ : پراکسیوں بھیجنے کی صورت میں پراکسی فارم کمپنی کوسالانہ عام اجلاس کے انعقاد سے 48 گھنٹے پہلے تک کمپنی کوموصول ہوجانے چاہیں۔ منتخب پراکسی کمپنی کاممبرنہیں ہونا چاہیے۔

سی ڈی سی شیئر ہولڈرز اوران کی نمائندہ پراکسی کواپنی اصل قومی شناختی کارڈ کی یاپاسپورٹ کی منظورشدہ کاپی اس فارم کے ساتھ کمپنی کوبھیجنی ہے