Fauji Fertilizer Bin Qasim Limited

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the 13th Extraordinary General Meeting of the shareholders of Fauji Fertilizer Bin Qasim Limited will be held at 11:00 hrs on 28 August, 2017 at **Jacaranda Family Club, Sector E, Phase - II, DHA, Islamabad** to transact the following business:

Ordinary Business

1. To confirm the minutes of Annual General Meeting held on 28 Mar 2017.

SPECIAL BUSINESS

2. To pass the following resolution as Special Resolutions with or without any amendments, modifications or alterations:

   "RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 and the Company be and is hereby authorized to invest in Fauji Foods Limited ("FFL") by subscribing to 199,251,321 Ordinary Shares at a par value of Rs. 10.00 each, offered as right shares to the Company by FFL as part of the right issue announced by FFL on July 25, 2017 and, in addition, to such further Rights to Ordinary Shares as may be offered/renounced by other shareholders of FFL in the said right issue, provided that the aggregate amount to be invested in the Shares of FFL by the Company under the authority of this Resolution shall not exceed the sum of PKR 2,042,500,000/- (Rupees Two Billion, Forty Two Million, Five Hundred Thousand only).

   FURTHER RESOLVED THAT the Managing Director, Company Secretary and Chief Financial Officer, or such one or more other persons as the Managing Director may from time to time specially designate for the purpose, be and are hereby authorized to singly or jointly take any and all actions necessary or conducive for such investment in FFL or in implementation thereof including for the purpose of allowing FFL to utilize the right subscription funds invested by FFBL before close of trading, reconciliation of rights acceptances and allotment of shares, including, without limitation to the generality of the foregoing, by issuing all such notices and making all such filings, declarations and undertakings as may be necessary or conducive for and in connection with any of the foregoing matters; and for entering the details of this investment in the register of investment in associated companies maintained at the Company's registered office.

   FURTHER RESOLVED THAT the Company provide collateral in the form of a cash deposit of upto Rs.1,500,000,000/- (Rupees One Billion and Five Hundred Million Only) under lien on behalf of Fauji Meat Limited ("FML") to secure working capital facilities to be extended by the relevant financial institution(s) to FML for the period of three years starting from date of first drawdown.

FURTHER RESOLVED THAT the Company charge and recover from FML a fee (the "Collateral Fee"), equal to one percent (1%) per annum, for the period from the date on which such cash deposit is made until the date when the lien over such deposit is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, and without prejudice to the Company's right to recover from FML the said principal amount, the Collateral Fee shall be equal to the higher of KIBOR (if the Company has no borrowings) or the Company's borrowing cost or any higher rate as may be specified by the Securities and Exchange Commission of Pakistan pursuant to Section 199 of the Companies Act 2017.

FURTHER RESOLVED THAT the Company, if deemed desirable by the Board of Directors, convert all or part of the outstanding principal amount of the cash deposit so forfeited and of the outstanding Collateral Fee (collectively, "Outstanding Debt") into ordinary shares of FML of the corresponding value (based on par value of FML's ordinary share) by written notice to FML, subject to the special resolution of FML's shareholders and to the approval of the Securities and Exchange Commission of Pakistan under Section 83(1)(b) of the Companies Act 2017.

FURTHER RESOLVED THAT the Company do all such acts, deeds and things as may be necessary and/or expedient for the aforesaid purposes or in furtherance thereof including, without limitation, to enter into and deliver and implement any and all contracts, instruments, powers of attorney, notices, certificates, documents (of whatever nature and description including, without limitation, financing agreements, sponsor support and counter-indemnity agreements, letter of lien and other security agreements) (collectively, "Related Documents") with the relevant financial institution(s), and with FML, as may be necessary or expedient for the purpose; and to enter the details of this investment in the register of investment in associated companies maintained at the Company's registered office.

FURTHER RESOLVED THAT the Managing Director, Company Secretary and Chief Financial Officer, or such one or more other persons as the Managing Director may from time to time specially designate for the purpose, be and are hereby severally authorized to take any and all actions necessary or conducive for the implementation of the foregoing including, without limitation, to negotiate, finalize and execute as applicable any and all Related Documents, to issue any notices, seek any approvals, make any filings and do all such acts, deeds and things as they may deem necessary and/or expedient."

3. Adoption/approval of final dividend for the year 2016.

4. Any other business with the permission of the Chairman.

By Order of the Board
Fauji Fertilizer Bin Qasim Limited

Islamabad
4 Aug 2017

Brig Muhammad Azam (Retd)
Company Secretary

CLOSURE OF SHARE TRANSFER BOOKS:-

Share transfer books of the Company will remain closed from August 22, 2017 to August 28, 2017 (both days inclusive) for the purpose of holding the Extraordinary General Meeting.

NOTES:-

1. A member of the Company entitled to attend and vote at EOGM may appoint a person/representative as proxy to attend and vote in place of member at the meeting. Proxies in order to be effective must be received at Company's registered office duly stamped and signed not later than 48 hours before the time of holding meeting. A member cannot appoint more than one proxy. Attested copy of shareholder's CNIC must be attached with the proxy form.

2. The CDC/sub account holders are required to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan contained in Circular No. 1 of 2000 dated 26 January:-

   (a) For attending the meeting
      i. In case of individuals, the account holder or sub-account holder shall authenticate his/her identity by showing his / her original national identity card or original passport at the time of attending the meeting.
      ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced at the time of meeting.

   (b) For appointing proxies

      i. In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.

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

      iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

      iv. The proxy shall produce his/her original CNIC or original passport at the time of the meeting.
      v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted to the Company along with proxy form.

4. Members are requested to promptly notify any change in their addresses.

5. As per clear direction of SECP, CNIC number is mandatory for the issuance of dividend warrant. The shareholders, who have yet not submitted copy of their CNIC, are once again requested to submit the copy of their valid CNIC to our shares registrar at above address.

6. In order to transfer the amount of dividend directly into bank accounts, shareholders are requested to provide detail of bank account (CDC account holders to their respective members and physical shareholders to Company or our Shares Registrar).

7. Members, having physical shares, are advised to intimate any change in there registered address and the shareholders who have not yet submitted photocopies of their Computerized National Identity Cards (CNIC) are requested to send the same at the earliest.

8. Vide SRO No. 787(1)2014 dated 08 September, 2014, SECP has allowed companies to circulate audited financial statements and notice of AGM/EOGM to shareholders through their email addresses subject to the written consent of the shareholders. Shareholders who wish to receive annual reports and notice of AGM/EOGM through e-mail are requested to provide, through a letter duly signed by them, their particulars, i.e. Name, Folio/ CDC A/C No., E-mail Address, Contact Number, CNIC Number (attach copy). Shareholders are also requested to notify immediately any change in their e-mail address to the Share Registrar of the Company M/s Corplink (Pvt) Ltd, Wings Arcade, 1-K, Commercial, Model Town, Lahore.

Consent for Video Conference Facility

Members can also avail video conference facility in Karachi and Lahore. In this regard please fill the following and submit to registerred address of the Company 10 days before holding the general meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting alongwith complete information necessary to enable them to access such facility.

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

____
Signature of member

Statement under Section 134 of the Companies Act, 2017

Investment in Fauji Foods Limited

Fauji Foods Limited (FFL) was incorporated in 1966 as a Public Company with paid up capital of PKR 115.2 mln and total investment of PKR 553 mln. FFL commenced its operations in Jun 1972 and its products are marketed under the brand name of 'Nurpur' and 'Dostea'.

FFBL acquired 38.25% shareholding of FFL in 2015. During 2016, FFBL increased its shareholding from 38.25% to 50.28%. FFL has upgraded its manufacturing plant and production capacity while launching new products resulting in increased sales.

Currently, FFL has initiated the process of issuing 300 right shares for every 100 shares proportionately held by the existing shareholders. The purpose of right issue is to meet working capital requirement, new product development, business expansion and product diversification. It is expected that the Company will be in profits by the end of next three years.

The Directors have no interest other than that Fauji Foundation and FFBL are, respectively, an associated undertaking and a holding company, of FFL.

Information pursuant to Regulation 3(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

Information Required	Information Provided
Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	Fauji Foods Limited Fauji Fertilizers Bin Qasim Limited owns 49.12% of voting share capital and 56.94% of non-voting share capital of FFL.
Maximum amount of investment	FFBL being the primary sponsor has undertaken to subscribe 100% of right allotted by FFL and any renounced share if offered. The total investment in FFL is expected to Rs 2,042,500,000/-
Purpose, benefits and period of investment	The purpose of right issue is to meet working capital, product development, business expansion and diversification.
Maximum price at which securities will be acquired	Rs 10/-
Maximum number of securities to be acquired	FFBL has undertaken to subscribe 100% of the rights offered i.e 199,251,321 and any renounced shares if offered
Number of securities and percentage thereof held before and after the proposed investment	Before investment: 66,417,107 (50.28%) After investment: 265,668,428 (50.28%) • Excluding renounced shares if any.
In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Ordinary share Rs. 85.75
In case of investment in unlisted securities, fair market value of such securities	N/A

determined in terms of regulation 6(1)	
Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Rs. 13.63 per share based on audited financial statements for the year ended Dec 31, 2016
Earnings per share of the associated company or associated undertaking for the last three years	Year — Earnings / (loss) Per share June 2013 — (9.18) June 2014 — (10.19) June 2015 — (11.75) Dec 2015 — (1.07) Dec 2016 — (8.75)
Sources of fund from which securities will be acquired	Self-Generated / Borrowed funds
Where the securities are intended to be acquired using borrowed funds,- **(I) justification for investment through borrowings; and** **(II) detail of guarantees and assets pledged for obtaining such funds;**	Long term value addition in the form of capital appreciation and dividends. Charge on Assets of the Company.
Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	N/A.
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	Fauji Foundation is one of the sponsors of FFL and is also an associated concern of FFBL as holding approx. 18.29% of paid up share capital of FFBL. Following directors of FFL are also on the boards of FFBL: - Lt Gen Khalid Nawaz Khan (Retd) - Lt Gen Javed Iqbal (Retd); - Lt Gen Mr. Shafqaat Ahmed (Retd) - Dr. Nadeem Inayat; and - Mr. Qaiser Javed - Mr. Rashid Bajwa
Any other important details necessary for the members to understand the transaction	None
In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely,- **(I) description of the project and its history since conceptualization;** **(II) starting and expected dated of completion of work;** **(III) time by which such project shall become commercially operational; and** **(IV) expected time by which the project shall start paying return on investment**	N/A.

Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

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

- Lt Gen Khalid Nawaz Khan (Retd)
- Lt Gen Javed Iqbal (Retd)
- Lt Gen Shafqaat Ahmed (Retd)
- Dr. Nadeem Inayat
- Mr. Qaiser Javed
- Dr. Rashid Bajwa

The directors have no personal interest in the matter.

Information pursuant to Regulation 5 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

The duly audited latest financial statements of FFL along with the latest reviewed financial statements, if any, shall be made available for inspection of the members at the EOGM.

Investment in Fauji Meat Limited

Fauji Meat Limited (FML) is an unlisted public limited Company incorporated under the Companies Ordinance, 1984. FFBL is the prime sponsor of FML currently holding 75% of the shareholding of the Company, whereas, remaining 25% are being held by Fauji Foundation. The principal objectives of the Company are to establish a meat abattoir/processing unit for halal slaughtering of animals to supply meat for export and local sales.

The Company has commenced its business operations in April 2016. The exports sales of the Company are increasing gradually. However the nature of industry requires working capital to run the plant on full capacity. Currently, the financial position needs sponsor support to secure working capital from the banks. Thus, FFBL to provide collateral in the form of a cash deposit of upto Rs.1,500,000,000 to secure working capital facilities to be extended by the relevant financial institution for the period of three years starting from date of drawdown.

It is expected that injection of the said loan will result in positive improvement in procurement, sales and the financial position of FML.

The Directors have no interest other than that Fauji Foundation and FFBL are, respectively, an associated undertaking and a holding company, of FML.

Information pursuant to Regulation 3(b) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

Information Required	Information Provided
Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	Fauji Meat Limited Company owns 75% shareholding of FML
Amount of loans or advances	Sponsor collateral support in arranging Working Capital facilities for FML upto PKR 1.5 Billion
Purpose of loans or advances and benefits	To meet the working capital requirement of FML

likely to accrue to the investing company and its members from such loans or advances	
In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	N/A
Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	As on 30-06-2017 Property, Plant and Equipment = 6.8 Bln Stock and Trade=65 Mln Trade debts=413 Mln Cash at banks =91Mln Liabilities Equity : FFBL FFL = 1.5 Bln Long Term Loan = 4.5Bln Short Term Loan = 1.7 Mln
Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period	Existing FFBL ST average borrowing cost is relevant KIBOR + 50 bps (6.75%)
Rate of interest, mark up, profit, fees or commission etc. to be charged	Collateral Fee shall be equal to One percent (1%) per annum, for the period from the date on which cash deposit is made until the date when the lien over such deposit is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, and without prejudice to the Company's right to recover from FML the said principal amount, the Collateral Fee shall be equal to the higher of KIBOR (if the Company has no borrowings) or the Company's borrowing cost or any higher rate as may be specified by the Securities and Exchange Commission of Pakistan pursuant to Section 199 of the Companies Act 2017
Sources of funds from where loans or advances will be given	Self-Generated
Where loans or advances are being granted using borrowed funds,- (I) justification for granting loan or advance out of borrowed funds; (II) detail of guarantees / assets pledged for obtaining such funds, if any; and (III) repayment schedules of borrowing of the investing company.	N/A
Particulars of collateral security to be obtained against loan to the borrowing company or	No security over assets of FML will be obtained but the Sponsor Support and Counter Indemnity

undertaking, if any	Agreement will include a commitment and indemnity by FML to the Company to pay the Collateral Fee at the times and in the amount mentioned therein and to repay the full principal amount of the forfeited cash deposit on demand (if the cash deposit is forfeited).
If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable	The Outstanding Debt may, at any time after the cash deposit is forfeited, be converted at the Company's option into ordinary shares of FML of the corresponding value (based on par value of FML's ordinary share) by written notice to FML, subject to the special resolution of FML's shareholders and to the approval of the Securities and Exchange Commission of Pakistan under Section 83(1)(b) of the Companies Act 2017.
Repayment schedule and terms of loans or advances to be given to the investee company	Collateral Tenor of facility: Up to 3 years If the FFBL cash deposit is forfeited, FML to repay the same to FFBL on demand
Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment	The Company and FML will enter into a Sponsor Support and Counter-Indemnity Agreement, which shall specify the nature, purpose and period of the collateral to be furnished by the Company on behalf of FML; the amount and due dates of the Collateral Fee payable by FML to the Company; a commitment and indemnity by FML to the Company to pay the Collateral Fee at the times and in the amount mentioned therein and to repay the full principal amount of the forfeited cash deposit on demand (if the cash deposit is forfeited); and give the Company the option, exercisable by written notice at any time after the cash deposit is forfeited, to convert the Outstanding Debt into ordinary shares of FML of the corresponding value (based on par value of FML's ordinary share), subject to the special resolution of FML's shareholders and to the approval of the Securities and Exchange Commission of Pakistan under Section 83(1)(b) of the Companies Act 2017.
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	N/A
Any other important details necessary for the members to understand the transaction	N/A
In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in	N/A

addition to the information referred to above, the following further information is required, namely,- (I) a description of the project and its history since conceptualization; (II) starting date and expected date of completion; (III) time by which such project shall become commercially operational; (IV) expected return on total capital employed in the project; and (V) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts;	

Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

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

- Lt Gen Khalid Nawaz Khan (Retd)
- Lt Gen Javed Iqbal (Retd)
- Lt Gen Shafqaat Ahmed (Retd)
- Mr Qaiser Javed
- Dr. Nadeem Inayat
- Maj Gen Tahir Ashraf Khan (Retd)
- Maj Gen Kaleem Saber Taseer (Retd)

The directors have no personal interest in the matter.

Declaration pursuant to Section 199(2) of the Companies Ordinance 2017 and Regulations 3(4) and 5 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012

The Directors certify that the said investment is being made after due diligence and the financial health of FML is such that it has the ability to pay the Collateral Fee (and, if required, the principal amount of the cash deposit) to the Company as per the sponsor support and counter-indemnity agreement

The duly signed recommendations of the due diligence report, and the duly audited latest annual financial statements of FML, shall be made available to the members for inspection in the EOGM.

Form of Proxy

Appointing a person/representative as proxy

I/We, _______________________ of _____________, being a Member(s) of FAUJI FERTILIZER BIN QASIM LIMITED, holder of ___________ ordinary shares as per registered Folio No.____________hereby appoint Mr. _____________________Folio No (if member)________________ of _______ or failing him/her Mr.________________________ Folio No (if member)________________ of _____________as my/our proxy in my/ our absence to attend and vote for me/us, and on my/our behalf at the Extraordinary General Meeting of the Company to be held on 28th day of August 2017 and at any adjournment thereof.

As witness my/our hand this _____ day of ___________2017.

Signature should agree with the specimen signature registered with the Company

Signed in the presence of:

________________ ________________

Signature of Witness Signature of Witness

Notes:

1. This instrument appointing a proxy under option 1 shall be in writing under the hand of the appointer or his attorney duly authorized in writing, or if the appointer is a corporation either under the common seal or the under the hand of an official or attorney so authorized. No person shall be appointed as proxy who is not a member of the Company qualified to vote except that a corporation being a member may appoint a person who is not a member.

2. The instrument appointing a proxy under section 1 and the power of attorney or other authority (if any) under which it is signed or it notarially certified copy of that power of attorney shall be deposited at the office of the company, FFBL tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, not less than 48 (forty eight) hours before the time for holding the meeting at which the person named in the instrument purposes to vote, and in default the instrument of a proxy shall not be treated as valid.

AFFIX
CORRECT
POSTAGE

The Company Secretary
Fauji Fertilizer Bin Qasim Limited
Shares Department
C1/C2, Sector B, Jinnah Boulevard,
Phase II, DHA, Islamabad.

Book Post

If undelivered please return to:

FFBL
Fauji Fertilizer Bin Qasim Limited

Company Secretary
Fauji Fertilizer Bin Qasim Limited
Shares Department
C1/C2, Sector B, Jinnah Boulevard,
Phase II, DHA, Islamabad.
Ph: 051-8763325 Fax: 051-8763340