FCML
FAZAL CLOTH MILLS LIMITED

December 3, 2020
FCML/1503psx/20/989

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

Sub: Certified Copies of Resolutions passed at the 55th Annual General Meeting of Fazal Cloth Mills Limited

Dear Sir,

Pursuant to Regulation 5.6.9 (b) of the Rule Book of Pakistan Stock Exchange, we enclose herewith certified copies of resolutions approved and adopted by the members of the company at the 55th Annual General Meeting of the company held on November 26, 2020.

Yours sincerely,

For Fazal Cloth Mills Ltd
Secretary

Asad Mustafa
Company Secretary

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Certified copies of resolutions passed by the shareholders at the 55th Annual General Meeting of the company held on November 26, 2020

Ordinary Business/Resolutions:

1. **Resolved that** the minutes of the last Extra Ordinary General Meeting dated May 30, 2020 were read by Mr. Asad Mustafa, Company Secretary. There being no comments, these minutes were unanimously confirmed by the Meeting.

2. "**Resolved that** Audited Financial Statements of the Company for the year ended 30 June 2020 together with Directors' and Auditors' Reports thereon, as circulated to the members and laid before the Meeting be and are hereby received, adopted and approved."

3. "**Resolved that** KPMG Taseer Hadi & Company, Chartered Accountants be and are hereby re-appointed as Auditors of the Company from the conclusion of this Meeting until the conclusion of the next Annual General Meeting."

Special Business/Resolutions:

1. **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

    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 **"Authorized 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 Authorized 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. **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. **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. **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. **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".

CERTIFIED TRUE COPY
I hereby certify that the above resolution were duly passed at the 55th Annual General Meeting of the company held on November 26, 2020.

For Fazal Cloth Mills Ltd.
Secretary
Company Secretary