AGENDA NOTICE OF RELIANCE WEAVING MILLS LIMITED

Notice is hereby given that the Extraordinary General Meeting of the shareholders of Reliance weaving Mills Limited will be held at 2nd Floor Trust Plaza L.M.Q. Road Multan on October 08, 2018 at 11.00 hours to consider the following agenda:

Ordinary Business

1. To confirm the Minutes of Annual General Meeting held of October 28, 2017.
2. To discuss any other business with the permission of the Chair.

Special Business

To discuss the matter and seek approval of the shareholders of the following resolutions, with or without modifications, in compliance with section 199 of the Companies Act 2017, regarding investment of Rs. 750 million in Associated Company Fatima Holding Ltd ("FHL").

Resolved that pursuant to Section 199 of the Companies Act 2017 the consent of members of the company be and is/are hereby accorded to give/issue loan, Bank Guarantees, mortgage/charge/hypothecation of assets favouring DIB or any other bank, Indemnity, L/Cs, SBLCs, corporate guarantee or any other financial engagement as per requirement of investee Company up to the sum not exceeding Rs. 750 million in Associated Company Fatima Holding Ltd (FHL).

Further Resolved that consent of the members also be and hereby accorded to create mortgage, charge, and hypothecation or otherwise on the immovable & moveable assets/property of the company's Unit No. 3, situated at Rawat (District Rawalpindi) to Dubai Islamic Bank or any other bank (on behalf of Fatima Holding Ltd).

Also Resolved that the Company Secretary and any director of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, seeking any relevant regulatory approvals, and any ancillary matters thereto."

Note. Presently Company M/s Reliance Weaving Mills Ltd has no shares in Fatima Holding Limited (FHL). The following directors and spouse of RWML hold shares in FHL as detailed below:

By the order of the Board

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Aftab Ahmed Qaiser
(Company Secretary)

Dated: 15.09.2018
Place: Multan

NOTES

1. The Share Transfer Books of the company will remain closed from 02.10.18 to 08.10.2018 (both days inclusive). Shares received in order to our Registrar on following address during the office hours dated November 23, 2016 will be treated in time for the transfer.
   CDC Share Registrar Service 307- 2nd Floor Upper Mall, Lahore
2. A member eligible to attend and vote at the Meeting may appoint another member as his/her proxy to attend, and vote instead of him/her. Proxies in order to be effective must be received by the Company at the Registered Office not later than 48 hours before the time for holding the meeting in the working hours.
3. Any individual beneficial owner of C.D.C. entitled to attend and vote at this meeting must bring his/her identity and in case of proxy must enclose an attested copy of his / her National Identity Card (NIC) or Passport. Representatives of corporate members should bring the usual documents required for such purposes.
4. Members are requested to notify any changes in their addresses immediately.

- **Statement U/S 134(3) of the Companies Act 2017**

Fatima Holding Ltd **("FHL")** an associated company of Reliance Weaving Mills Limited ("**RWML**") has requested Dubai Islamic Bank (Pakistan) Ltd (DIB) for a Medium Term Finance Facility of Rs. 500 to augment its business activities. FHL request our company for creation of ranking or second charge over fixed assets of RWML which may extend to Rs. 750 million to the DIB on behalf of FHL. It will also take benefit from the FHL in the form to be agreed upon against issuance of such security. Apparently no cash/funds are involved in such security but RWML has right to charge some extend of fee against providing of such facility and will charge regular mark-up if any time or any manner RWML's funds will involve for such guarantee.

FOR LOANS AND ADVANCE

(i) Name of Investee Company:	Fatima Holding Limited
(a) Registration No and date:	0018591, Dated: 20.09.88
(b) Registered Office Address:	E-110, Khyaban-e-Jinah Lahore
(c) Authorized Share capital:	Rs. 1,180,000,000
(d) Paid up Capital:	Rs. 1,171,554,450
(e) Shareholders:	

Investee Company is an associated company of the Company as it, inter alia, has the following common directors:

Mr. Fawad Ahmed Mukhtar
Mr. Fazal Ahmed Sheikh
Mr. Faisal Ahmed Mukhtar

(ii) Amount of loans or advances;
Overall aggregate limit of investment of Rs.750 million to be utilized as follows:

a) by way of give/issue loan, Bank Guarantees, mortgage/charge/hypothecation of assets favouring DIB or any other bank, Indemnity, L/Cs, SBLCs, corporate guarantee or any other financial engagement as per requirement of investee Company up to the sum not exceeding Rs. 750 million in Associated Company Fatima Holding Ltd (FHL).
Any amount called under a guarantee, indemnity, or financial engagement shall also be considered a advances/loan.

b) for creation of mortgage, charge, and hypothecation or otherwise on the immovable & moveable assets/property of the company's Unit No. 3, situated at Rawat (District Rawalpindi) to Dubai Islamic Bank (on behalf of Fatima Holding Ltd).

(iii) Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances;
Fatima Holding Ltd **("FHL")** an associated company of Reliance Weaving Mills Limited ("**RWML**") has requested Dubai Islamic Bank (Pakistan) Ltd (DIB) for a Medium Term Finance Facility of Rs. 500 to augment its business activities. FHL request our company for creation of ranking or second charge over fixed assets of RWML which may extend to Rs. 750 million to the DIB or any other bank on behalf of FHL. It will also take benefit from the FHL in the form to be agreed upon against issuance of such security. Apparently no cash/funds are involved in such security but RWML has right to charge some extend of fee against providing of such facility and will charge regular mark-up if any time or any manner RWML's funds will involve for such guarantee.

(iv) In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof;
NA

(v) Latest Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking;

Total Equity (Excluding revaluation surplus)	19,851,664,918
Surplus on revaluation of fixed assets	N/A
Non-Current Liabilities:	N/A
Current Liabilities:	4,673,067,363
Non-Current Assets:	N/A
Current Assets:	5,703,324,732
Sales/ Turnover/ Revenue	1,317,265,896
Gross profit/ loss:	1,314,063,300
Net Profit/ loss:	1,022,570,460
Breakup value per share (Rs.)	169.45 per share
Earnings per share (Rs.)	8.73
Current Ratio	1.2

(vi) Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period;
KIBOR + 1.25%

(vii) Rate of interest, mark up, profit, fees or commission etc. to be charged;
KIBOR + 2.5% but not less than the borrowing cost.

(viii) Sources of funds from where loans or advances will be given;
Retained earnings and cash flow of the Company

(ix) Where loans or advances are being granted using borrowed funds,-
NA

(a) Justification for granting loan or advance out of borrowed funds;
NA

(b) Detail of guarantees / assets pledged for obtaining such funds, if any; and
Directors will issue guarantee favouring RWML in case of default made by FHL

(c) Repayment schedules of borrowing of the investing company;
NA

(x) Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any;

N/A Directors are the guarantors

(xi) 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;

NA

(a) Conversion Formula:-

NA

(b) Circumstances in which conversion may take place:-

NA

(c) Time when the conversion may be exercisable:-

NA

(xii) repayment schedule and terms of loans or advances to be given to the investee company;

FHL will re-pay all outstanding amount along with mark-up with in the period of three years in equal installments to RWML.

(xiii) Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment;

Draft attached "Annexure A"

(xiv) 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 are sponsors of the investee Company.

(xv) Any other important details necessary for the members to understand the transaction; and

NA

(xvi) In case of investment in 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,-

NA

(V) Funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts

Non-cash

- **<u>Other information to be disclosed to the members.-</u>**

The information about interest of the associated company, its sponsors and directors in the investing company. Fatima Holding Ltd has 845705 shares in RWML and RWML has no share in FHL such that following directors & spouse of RWML & FHL shares in each company:-

Name	Remarks	No. of Shares in FHL
Mr. Fawad Ahmed Mukhtar	Director	14641102
Mr. Fazal Ahmed Sheikh	Director	35165830
Mr. Faisal Ahmed Mukhtar	Director	35165826
Mr. Fahd Mukhtar	Director	5582870
Mrs. Ambreen Fawad	Spouse	3366236
Miss Meraj Fatima	Spouse	4295873
Mrs. Farah Faisal	Spouse	27817
Mrs. Fatima Fazal	Spouse	25000
Mr. Muhammad Mukhtar	Spouse	1930495
Mr. Muhammad Asad	Spouse	1930495
Mr. Muhammad Fazeel	Spouse	1286057
Mr. Ibrahim Mukhtar	Spouse	1286057
Mr. Mohid Muhammad	Spouse	1286056
Name	**Remarks**	**No. of Shares in RWML**
Mr. Fawad Ahmed Mukhtar	Director	7854550
Mr. Fazal Ahmed Sheikh	Director	7925722
Mr. Faisal Ahmed Mukhtar	Director	7886071
Mr. Fahd Mukhtar	Director	25000
Mrs. Fatima Fazal	Director	140625
Mrs. Ambreen Fawad	Spouse	115625
Mrs. Farah Faisal	Spouse	112500

Status of the decision regarding resolution already passed for the investment in associated companies and

Detail	**Fatima Transmission Company**	**Fatima Energy Ltd**
Total investment approved	300 million	7,523 million
Amount of investment made to date	87.1 million	872.5 million
Reasons for not having made complete investment so far	As per approved terms & conditions the investment will be made as per requirement of the investee company	As per approved terms & conditions the investment will be made as per requirement of the investee company
Material change in financial statements of associated company	**Rupees in million** Equity 221 Noncurrent Liability 395 Current liability 190 Noncurrent assets 805 Current assets 0.9	**Rupees in million** Equity 5,420 Noncurrent Liability 15,460 Current liability 7,472 Noncurrent assets 26,984 Current assets 1,367

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500
Rupees

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AGREEMENT

This Agreement, dated August 31, 2018 ("Effective Date") is entered into by and between:

a) Reliance Weaving Mills Ltd (RWML) , a company existing under the laws of Pakistan with its offices at 2nd Floor Trust Plaza L.M.Q. Road Multan , Pakistan (hereinafter referred to as "RWML", which term shall include its successors in interest and assigns) of the first part;

and

b) Fatima Holding Limited (FHL), a company existing under the laws of Pakistan with its office at E-110, Khayaban-e-Jinnah Lahore (hereinafter referred to as "FHL", which term shall include its successors in interest and assigns)of the second part.

- RWML and FHL are hereinafter referred to collectively as the "parties" and individually as the "party".
- The above expressions shall, wherever used, unless excluded by or repugnant to the context, be deemed to include their respective executors, administrators, legal representatives and/or assigns.
- Whereas FHL requires funds to augment its business activities;

Whereas FHL has agreed to obtain, and RWML agrees to give/issue loan, Bank Guarantees, mortgage/charge/hypothecation of assets favouring DIB or any other bank, Indemnity, L/Cs, SBLCs, corporate guarantee or any other financial engagement as per requirement of investee Company up to the sum not exceeding Rs. 750 million in Associated Company Fatima Holding Ltd (FHL).

- In consideration of the covenants, conditions and agreements set forth herein, the parties agree as follows:

1. The mark-up which will be charged or accrued at the rate of one month KIBOR+2.50% but not less than the borrowing cost of RWML. Markup will be payable on quarterly basis or otherwise accrued.
2. (I) In the event of default by FHL the Investing company RWML will pay to the bank all liability on behalf of FHL
   (II) FHL will re-pay all outstanding amount along with mark-up with in the period of three years in equal installments to RWML.
3. Mark-up will be charged on outstanding/payable balance and can be accrued till the discharge of all liabilities including mark-up by FHL
4. RWML has right to call-back outstanding amount with one month notice.
5. FHL has the right to pay the entire outstanding amount including mark-up as a lump sum.
6. This Agreement shall stand terminated on the discharge of liability.
7. This Agreement shall be governed by the laws of Pakistan.
8. Any notice given under this Agreement shall be effective, if sent by mail, on the business day following the date of posting the same by courier, and if by personal delivery on the date of such delivery. Any and all notices required under this Agreement shall be in writing and shall be delivered to the Party entitled to receive the same by hand or by courier on the following addresses:
   a. If to RWML, Chief Financial Officer, 2nd Floor Trust Plaza L.M.Q. Road Multan.
   b. If to FHL: Chief Financial Officer, E-110, Khayaban-e-Jinnah, Lahore Cantt. .

IN WITNESS WHEREOF the Parties hereto have made and executed this Agreement on the day, month and year first above written.