

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 64th Annual General Meeting of **FEROZSONS LABORATORIES LIMITED** will be held on **Monday, 26 October 2020 at 12:15 P.M.** virtually through video-link (as permitted by Securities and Exchange Commission of Pakistan through Circular 25 of 2020). The instructions for participation in AGM through video-link are mentioned in the notes section.

Ordinary Business:

1. To confirm the Minutes of the Extraordinary General Meeting held on 06 July 2020.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2020 together with the Reports of the Directors, Chairperson and Auditors thereon.
3. To consider and approve the final cash dividend for the year ended 30 June 2020 at the rate of 40% (i.e. Rs. 4 per share) as recommended by the Board of Directors.
4. To appoint Auditors of the Company for the year ending 30 June 2021 and fix their remuneration. The present auditors Messrs. KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, offer themselves for reappointment.

Special Business:

5. To consider and approve the bonus shares at the rate of 20% (i.e. 20 shares for every 100 shares) as recommended by the Board of Directors. In this connection, the following ordinary resolutions (with or without modifications) are proposed to be passed:

Resolved that a sum of Rs. 60,373,690 be capitalized out of the free reserves of the Company for issuance of 6,037,369 ordinary shares of Rs. 10 each as fully paid bonus shares.

Further resolved that the bonus shares shall rank pari passu in all aspects with the existing shares of the Company. However, these shares shall not be eligible for final cash dividend declared by the Company for the year ended 30 June 2020.

Further resolved that fractional entitlements of the members shall be consolidated into whole shares and sold in the stock market and the sale proceeds shall be donated to a charitable institution.

6. To transact any other business with the permission of the Chair.

By order of the Board

Rawalpindi
24 September 2020

Syed Ghausuddin Saif
Company Secretary

NOTES:

1. CLOSURE OF SHARE TRANSFER BOOKS:

The Share Transfer Books of the Company will be closed from 17 October 2020 to 26 October 2020 (both days inclusive). Transfers received at the Company's Share Registrar, M/s CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore, at the close of business on 16 October 2020 will be treated in time for the purpose of above entitlement to the transferees.

2. PARTICIPATION IN THE AGM THROUGH VIDEO LINK FACILITY:

Due to current COVID-19 situation, the AGM proceedings shall be held through video link facility. Only those persons whose names appear in the Register of Members of the Company as at 16 October 2020 are entitled to attend and vote at the Annual General Meeting.

A member entitled to attend and vote at this meeting is also entitled to appoint another member, as a proxy to attend and vote on his/her behalf. In order the proxy to be valid, the instrument of proxy and the power of attorney or any other authority, under which it is signed, must be shared through e-mail on cs@ferozsons-labs.com not less than 48 hours before the time of AGM. The Proxy form is annexed.

3. PROCEDURE FOR ATTENDING THE AGM THROUGH VIDEO LINK FACILITY:

Shareholders interested to participate in the meeting through video link are requested to email their Name, Folio Number, Cell Number and Number of Shares held in their name with subject **"Registration for Ferozsons Laboratories Limited AGM - 2020"** along with valid copy of both sides of Computerized National Identify Card (CNIC) at cs@ferozsons-labs.com. The video link and login credentials will be shared with only those members/designated proxies 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 cs@ferozsons-labs.com.

4. GUIDELINES FOR CENTRAL DEPOSITORY COMPANY OF PAKISTAN LIMITED ('CDC') ACCOUNT HOLDERS:

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated 26 January 2000 issued by the Securities and Exchange Commission of Pakistan (SECP).

A. For attending the AGM:

- (i) In case of individuals, the account holders or sub-account holders whose securities and their registration details are uploaded as per the regulations, shall authenticate his / her identity by sharing a copy of his / her Computerized National Identity Card (CNIC) or Passport through e-mail (as mentioned in the notes) at least 48 hours before the time of the AGM.
- (ii) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be shared through e-mail (as mentioned in the notes) (unless it has been provided earlier) at least 48 hours before the time of the AGM.

B. For appointing proxies:

- (i) In case of individuals, the account holder or sub account holder whose registration details are uploaded as per CDC regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, address and CNIC number 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 share a copy of his / her Computerized National Identity Card (CNIC) or Passport through e-mail (as mentioned in the notes) at least 48 hours before the time of the AGM.
- (v) In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature along with proxy form shall be shared through e-mail (as mentioned in the notes) (unless it has not been provided earlier) at least 48 hours before the time of the AGM.

5. WITHHOLDING TAX ON DIVIDEND:

The Government of Pakistan through Finance Act, 2020 under Section 150 of the Income Tax Ordinance, 2001 whereby following rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. These rates are as under:

a.	Persons appearing in the Active Tax Payers' List (ATL)	15%
b.	Persons not appearing in the Active Tax Payers' List (ATL)	30%

Members whose names are not entered into the Active Tax Payers List (ATL) provided on the website of the FBR, despite the fact that they are filers are advised to make sure that their names are entered into ATL to avoid higher tax deductions against any future payment of dividend.

In case of joint shareholders, each shareholder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each shareholder as may be notified by the shareholders, in writing as follows, to our share registrar or if no such notification is received, each shareholder shall be assumed to have an equal number of shares:

Folio/ CDS ID/ A/C #	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding proportion (No. of Shares)	Name and CNIC No.	Shareholding proportion (No. of Shares)

The required information must reach the shares registrar of the Company by the close of business on 16 October 2020 otherwise it will be assumed that the shares are equally held by principal shareholder and Joint shareholders.

6. EXEMPTION FROM DEDUCTION OF INCOME TAX / ZAKAT:

Members seeking exemption from deduction of income tax or are eligible for deduction at a

reduced rate, are requested to submit a valid tax exemption / reduced rate certificate or necessary documentary evidence as the case may be. Members desiring no deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

7. ELECTRONIC DIVIDEND MANDATE:

Under the Section 242 of the Companies Act, 2017, 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. In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar, M/s. CorpTec Associates (Pvt.) Limited in case of physical shares.

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

8. SUBMISSION OF VALID CNIC:

Pursuant to the SECP directives the dividend of shareholders whose valid CNICs are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNIC immediately, if already not provided, to the Company's Share Registrar without any further delay.

9. UNCLAIMED DIVIDEND:

Shareholders, who by any reason, could not claim their dividend, if any, are advised to contact our Share Registrar, M/s. CorpTec Associates (Pvt.) Limited, 503-E, Johar Town, Lahore to collect / enquire about their unclaimed dividend.

10. TRANSFER OF PHYSICAL SHARES TO CDC ACCOUNT

Pursuant to the section 72 of the Companies Act, 2017 listed companies are required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of the Act, i.e. 30 May 2017.

The Shareholders who hold physical shares are encouraged to open CDC sub- account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

11. ELECTRONIC VOTING:

Members can exercise their right to demand a poll subject to meeting requirements of Section 143–145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

12. CONSENT FOR VIDEO CONFERENCING FACILITY:

Pursuant to Section 132(2) of the Companies Act, 2017, if the Company receives consent from members holding in aggregate 10% or more shareholding residing in a geographical location to participate in the meeting through video conference at least 7 days prior to the date of Annual General Meeting, the Company will arrange video conference facility in that city subject to

availability of such facility in that city. To avail this facility, please submit such request to the Company Secretary.

13. ELECTRONIC TRANSMISSION OF FINANCIAL STATEMENTS AND NOTICES:

Pursuant to notification vide SRO 787(1)/2014 dated 8 September 2014, the SECP has directed all companies to circulate annual financial statements and notices of annual/extraordinary general meetings through Email/CD/DVD or any other media to their shareholders at their registered addresses.

Shareholders, who wish to receive the hardcopy of the annual financial statements, shall email at cs@ferozsons-labs.com. The same shall be provided to the shareholders free of cost within seven days of receipt of such request.

14. PLACEMENT OF FINANCIAL STATEMENTS ON COMPANY'S WEBSITE:

The financial statements of the Company for the year ended 30 June 2020 have been placed on the website of the Company: www.ferozsons-labs.com

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

This statement sets out the material facts pertaining to the special business to be transacted at the upcoming Annual General Meeting of the Company, which is to be held on 26 October 2020.

ITEM NO. 5 OF THE AGENDA - ISSUE OF BONUS SHARES TO MEMBERS:

The Board of Directors in their meeting held on 24 September 2020, have recommended to issue 20% fully paid bonus shares (i.e. 20 shares for each 100 shares held by the members) by capitalizing a sum of Rs. 60,373,690 from free reserves of the Company. The directors are of the view that the Company's financial position and its reserves justify the capitalization of free reserves.

The Directors of the Company are not directly or indirectly interested in this special business, except to the extent of entitlements of bonus shares on their shareholdings.