

FAUJI FERTILIZER BIN QASIM LIMITED

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Annual General Meeting of the shareholders of Fauji Fertilizer Bin Qasim Limited will be held at 1100 hrs on March 29, 2021 at FFBL Tower, Sector B, Jinnah Boulevard, Phase-II, DHA, Islamabad to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of Extraordinary General Meeting held on 25 Nov 2020.
2. To receive, consider and approve the Audited Accounts of the Company (separate and consolidated) together with the Directors' and Auditors' reports thereon for the year ended 31 December 2020.
3. To appoint auditors of the Company to hold office from the conclusion of the Annual General Meeting until the conclusion of the next Annual General Meeting, and to fix their remuneration. The retiring auditors M/s EY Ford Rhodes, Chartered Accountants have offered themselves for re-appointment.

SPECIAL BUSINESS

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

“RESOLVED THAT the Company be and is hereby authorized to roll-over and extend the time for repayment of the subordinated sponsor support loan of PKR 2.5 billion (**“Sponsor Support Loan”**) granted by the Company to its associated company Fauji Foods Limited (**“FFL”**), for a period of one (1) year, i.e., until March 30, 2022 without otherwise affecting the terms and conditions approved by the shareholders through the special resolution passed on March 30, 2020, except that the conversion of the Sponsor Support Loan into shares of the equivalent value of FFL will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert.

FURTHER RESOLVED THAT the Company be and is hereby authorized to make all such amendments to the Sponsor Support Agreement dated March 30, 2020 between the Company and FFL (**“Existing Sponsor Support Agreement”**) as are necessary to extend the repayment of the Sponsor Support Loan until March 30, 2022 and to give effect to the above resolutions.

FURTHER RESOLVED THAT the Company be and is hereby authorised to 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 the sponsor support agreement to be entered between the Company and FFL, any and all amendments to the Existing Sponsor Support Agreement and any counter-indemnity agreements (collectively, **“Related Contracts”**)) with the relevant financial institution(s), and with FFL, as may be necessary or expedient for the purpose.

FURTHER RESOLVED THAT any two of the MD&CEO, Company Secretary and Chief Financial Officer be and are hereby jointly authorised to take any and all necessary steps and actions for implementing the above resolutions, including, without limitation, to seek any and all consents and approvals, to execute and (where required) file the Relevant Contracts and all other necessary documents, declarations,

certificates and undertakings and to appear and make representations before any regulatory or other authority, as may be necessary or conducive for and in connection with any of the foregoing matters and to sign, issue and dispatch all such documents and notices and do such acts as may be necessary for carrying out the aforesaid purposes and giving full effect to the above resolutions, including entering the details of any investments made by the Company in FFL in the register of investment in associated companies maintained at the Company's registered office; provided that if the Company seal is affixed unto any such document or instrument, the same shall be executed on behalf of the Company by the Managing Director.

FURTHER RESOLVED THAT the MD&CEO, Company Secretary and Chief Financial Officer of the Company be and are hereby authorized to delegate, in writing, by power of attorney or otherwise, all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate

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

“RESOLVED THAT the Company be and is hereby authorized to roll-over and extend, for a further period of one (1) year, i.e., until March 30, 2022, the sponsor support (approved in the Annual General Meeting held on March 30, 2020) of PKR 3,000,000,000/- (Rupees Three Billion Only) to Fauji Meat Limited (“FML”), by extending, by one (1) year as aforesaid, the portion of sponsor support already provided to FML in the form of collateral support and subordinated shareholder loan by the date of this Annual General Meeting (out of the total sponsor support amount of PKR 3,000,000,000 Billion), and by providing the remaining unutilised amount of sponsor support, in each case, on the same terms and conditions as were approved by the shareholders on March 30, 2020, except that the conversion of any sponsor support loan into shares of the equivalent value of FML will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert and with the additional right of FML to use the unutilised amount of sponsor support for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) availed by FML.

FURTHER RESOLVED THAT the Company be and is hereby authorized to make all such amendments to the Sponsor Support Agreement dated March 30, 2020 between the Company and FML (“**Existing Sponsor Support Agreement**”) as are necessary to extend the sponsor support until March 30, 2022 and to give effect to the above resolutions.

FURTHER RESOLVED THAT the Company be and is hereby authorized to invest and provide sponsor support in and to FML the total amount not exceeding in the aggregate PKR 3,500,000,000/- (Rupees Three Billion and Five Hundred Million Only) through either, or a combination of, a subordinated shareholder loan (to meet the working capital and operational expenses requirements of FML and to allow FML to use the proposed subordinated shareholder loan for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended to FML by financial institutions) or collateral support for a period not exceeding one (1) year (including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien) as security for working capital facilities or loans / financing facilities (of whatsoever nature or howsoever described), extended or to be extended by financial institutions to FML, or in any other form.

Without limiting the generality of the foregoing, the Company be and is hereby authorised to:

- i. Provide a subordinated shareholder loan to FML, to be disbursed in one or more tranches over a period of one (1) year, with each such tranche to be repaid by FML, subject to the terms of subordination and to approval of FML's lenders as required, within a period of one (1) year from the date of disbursement of the respective tranche, with the option to prepay all or part of such tranche at any time without any pre-payment penalty.
- ii. Charge interest or mark-up on each such tranche of the subordinated shareholder loan from the date of disbursement to the date of repayment at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.
- iii. Convert, as and when the Company deems fit, the subordinated shareholder loan together with all interest or mark-up that has accrued thereon into fully paid-up ordinary shares of FML of the corresponding value, to be issued by FML to the Company at a price to be determined by the Board at the time the Company decides to exercise its right to convert its debt into equity.
- iv. Provide collateral support including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien.
- v. Charge and recover from FML a fee (the "**Collateral Fee**") on quarterly basis, equal to a maximum of 1.5% per annum, from the date on which such cash deposit is made, or any guarantee or letter of credit is furnished, until the date when the lien over the relevant deposit, or the relevant guarantee or letter of credit, is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, or the relevant guarantee or letter of credit is drawn on, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, or of the guarantee or letter of credit so drawn on, 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 (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.

FURTHER RESOLVED THAT the Company be and is hereby authorised to 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 the sponsor support or subordinated shareholder loan agreements to be entered between the Company and FML, any and all amendments to the Existing Sponsor Support Agreement and any other counter-indemnity agreements (collectively, "**Relevant Contracts**")) with FML, and with the relevant financial institution(s), as may be necessary or expedient for the purpose.

FURTHER RESOLVED THAT any two of the Managing Director & Chief Executive Officer (MD&CEO), Company Secretary and Chief Financial Officer be and are hereby jointly authorised to take any and all necessary steps and actions for implementing the above resolutions, including, without limitation, to seek any and all

consents and approvals, to execute and (where required) file the Relevant Contracts and all other necessary documents, declarations, certificates and undertakings and to appear and make representations before any regulatory or other authority, as may be necessary or conducive for and in connection with any of the foregoing matters and to sign, issue and dispatch all such documents and notices and do such acts as may be necessary for carrying out the aforesaid purposes and giving full effect to the above resolutions, including entering the details of any investments made by the Company in FML in the register of investment in associated companies maintained at the Company's registered office; provided that if the Company seal is affixed unto any such document or instrument, the same shall be executed on behalf of the Company by the Managing Director.

FURTHER RESOLVED THAT the MD&CEO, Company Secretary and Chief Financial Officer of the Company be and are hereby authorized to delegate, in writing, by power of attorney or otherwise, all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate.

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

“RESOLVED THAT the Company be and is hereby authorized to pay the amount of:

- (i) PKR 10,499,232 (Rupees Ten Million, Four Hundred Ninety Nine Thousand, Two Hundred and Thirty Two) to Fauji Foundation, which amount represents the Company's share of the total commission payable on the Standby Letter of Credit amounting to PKR 1.97 Billion, issued by BOP to the lenders of Foundation Wind Energy I Limited and Foundation Wind Energy II Limited; and
- (ii) PKR 4,100,600 (Rupees Four Million, One Hundred Thousand and Six Hundred) to Fauji Foundation, which amount represents the Company's share of the total commission payable on the Standby Letter of Credit amounting to PKR 2.02 Billion, issued by JS Bank to the lenders of Foundation Wind Energy I Limited and Foundation Wind Energy II Limited.

FURTHER RESOLVED THAT the Company be and is hereby authorised to 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), as may be necessary or expedient for the purpose.

FURTHER RESOLVED THAT any two of the Managing Director & Chief Executive Officer (MD&CEO), Company Secretary and Chief Financial Officer be and are hereby jointly authorised to take any and all necessary steps and actions for implementing the above resolution, including, without limitation, to seek any and all consents and approvals, to execute all necessary documents, declarations, certificates and undertakings and to appear and make representations before any regulatory or other authority, as may be necessary or conducive for and in connection with any of the foregoing matters and to sign, issue and dispatch all such documents and notices and do such acts as may be necessary for carrying out the aforesaid purposes and giving full effect to the above resolutions, including entering the details of any investments made by the Company in its associated companies in the register of investment in associated companies maintained at the Company's registered office; provided that if the Company

seal is affixed unto any such document or instrument, the same shall be executed on behalf of the Company by the Managing Director.

FURTHER RESOLVED THAT the MD&CEO, Company Secretary and Chief Financial Officer of the Company be and are hereby authorized to delegate, in writing, by power of attorney or otherwise, all or any of the above powers in respect of the foregoing to any other officials of the Company as deemed appropriate.

OTHER BUSINESS:

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

By Order of the Board
Fauji Fertilizer Bin Qasim Limited

Brig Aamir Hussain Mirza, (Retd)
Company Secretary

Islamabad
March 05, 2021

Statement of Material Facts under Section 134 of the Companies Act, 2017

Extension of Repayment of Sponsor Support Loan of PKR 2.5 Billion

In the Annual General Meeting of the Company held on March 30, 2020, the shareholders of the Company approved sponsor support to Fauji Foods Limited (“FFL”) in the total amount not exceeding PKR 4,500,000,000/- (Rupees Four Billion and Five Hundred Million Only) through either, or a combination of, a subordinated shareholder loan (not exceeding the amount of PKR 2.5 Billion) or collateral support for a period not exceeding one (1) year.

Subsequently, out of the total approved investment of PKR 4.5 Billion, the Company granted a subordinated loan of PKR 2.5 Billion to FFL (the “Sponsor Support Loan”). The Sponsor Support Loan shall become repayable by FFL to the Company after one year from date of disbursement of respective tranche. Keeping in view the limited financial resources of FFL, the management of the Company has decided to roll-over and extend the repayment period of the Sponsor Support Loan by one year, i.e., by March 30, 2022. The Sponsor Support Loan shall be repaid on the same terms and conditions and the Company shall have all such rights in respect of the Sponsor Support Loan as were approved by the shareholders of the Company through the special resolution dated March 30, 2020, except that the conversion of the Sponsor Support Loan into shares of the equivalent value of FFL will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert.

It is expected that the proposed extension will help improve the financial condition of FFL. Being the majority shareholder of FFL, the improvement in the financial condition of FFL will have a positive impact on the Company.

The Directors of the Company have no interest other than that Fauji Foundation and the Company 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, 2017

Name of associated company along with criteria based on which the associated relationship is established	Fauji Foods Limited (FFL) Fauji Fertilizer Bin Qasim Limited (the “Company or FFBL”) holds 67.5% of the issued and paid-up capital of FFL
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Earnings per share for the last three years	<table border="1"> <thead> <tr> <th data-bbox="776 121 1058 155">Year</th> <th data-bbox="1058 121 1339 155">EPS</th> </tr> </thead> <tbody> <tr> <td data-bbox="776 155 1058 189">2020</td> <td data-bbox="1058 155 1339 189">-4.62</td> </tr> <tr> <td data-bbox="776 189 1058 222">2019</td> <td data-bbox="1058 189 1339 222">-10.74</td> </tr> <tr> <td data-bbox="776 222 1058 256">2018</td> <td data-bbox="1058 222 1339 256">-5.39</td> </tr> </tbody> </table>		Year	EPS	2020	-4.62	2019	-10.74	2018	-5.39
Year	EPS									
2020	-4.62									
2019	-10.74									
2018	-5.39									
Break-up value per share, based on latest audited financial statements	PKR -4.97/- Per Share									
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Long Term Loans PPE Short Term Borrowings Sales Cost of Sales Loss	PKR 6,168 M PKR 7,550 M PKR 1,875 M PKR 7,373 M PKR 7,311 M PKR 3,058 M								
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely, <ul style="list-style-type: none"> i) description of the project and its history since conceptualization ii) starting date and expected date of completion of work iii) time by which such project shall become commercially operational iv) expected time by which the project shall start paying return on investment v) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts 	Not Applicable.									
General Disclosures:										
Maximum amount of investment to be made	The Sponsor Support Loan is for PKR 2.5 Billion.									
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>The Sponsor Support Loan was granted to meet the working capital and operational expenses requirements of FFL, whose financial position does not allow it to meet such requirements out of its own, limited cash resources.</p> <p>It is expected that the extension of the repayment date of the Sponsor Support Loan will result in improvement in the financial condition of FFL. Being the majority shareholder of FFL, the improvement in the financial condition of FFL will have a positive impact on the Company.</p>									

<p>Sources of funds to be utilized for investment where the investment is intended to be made using borrowed funds,</p> <p>(i) justification for investment through borrowings;</p> <p>(ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(iii) cost benefit analysis</p>	<p>Companies' own resources/Internal Cash Generations</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>The Company and FFL have entered into a Sponsor Support Agreement dated March 30, 2020 (the "Sponsor Support Agreement"), which specifies the nature, purpose and period (not exceeding one (1) year) of the subordinated loan of PKR 2.5 Billion or sponsor support to be furnished by the Company to FFL. Upon receipt of the shareholder approval, amendments will be made to the Sponsor Support Agreement to allow FFL an extension of one (1) year to repay the Sponsor Support Loan, with the right to convert the Sponsor Support Loan into shares of the equivalent value of FFL at a price to be determined by the Board at the time the Company decides to exercise its right to convert..</p> <p>The key provisions of the existing Sponsor Support Agreement in respect of the Sponsor Support Loan are reproduced below:</p> <p><u>1.1.1 Subordinated Shareholder Loan</u></p> <p>(a) <i>Subject to and in accordance with the terms of this Agreement, FFBL shall disburse the subordinated shareholder loan to FFL in one or more tranches (each, a "Tranche") over a period of one (1) year against written utilisation request by FFL to be issued within the said period and for an aggregate amount not exceeding Rs. 2,500,000,000 (Rupees Two Billion and Five Hundred Million Only). The subordinated shareholder loan shall be unsecured.</i></p> <p>(b) <i>FFBL shall charge interest or mark-up on quarterly basis on the outstanding principal amount of each Tranche at a</i></p>

	<p>rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case. Mark-up will be repaid by FFL in the manner set out in Clause 1.1.1(e).</p> <p>(c) <i>It is agreed that the subordinated shareholder loan shall constitute unsecured indebtedness of FFL, ranking in payment and upon liquidation subordinate to FFL's secured debt obligations but senior to any dividend or other distributions. Without limiting the generality of the foregoing, the Parties agree to comply with the terms of subordination and other conditions prescribed by FFL's secured lenders as a condition of allowing FFL to avail of this subordinated shareholder loan.</i></p> <p>(d) <i>FFL shall at all times indemnify and hold FFBL harmless on demand from and against any loss suffered by FFBL due to non-payment or delayed payment of any Tranche of the subordinated shareholder loan by FFL.</i></p> <p>(e) <i>FFBL shall at all times have the option to Convert, as and when it deems fit, the subordinated shareholder loan together with all interest or mark-up that has accrued thereon into fully paid-up ordinary shares (of Rs.10 per share i.e. at par value) of FFL of the corresponding value, to be issued by FFL to the Company.</i></p>
<p>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</p>	<p>Nothing other than as a shareholder.</p>
<p>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</p>	<p>The Company has determined recoverable amount of FFL, based on value-in-use calculation, which was lower than the carrying amount of investment in the Company's financial statement, accordingly an impairment of PKR 400 Million has been recognized in the</p>

	financial statements, due to challenging trading and economic conditions affecting food sector in Pakistan.
Any other important details necessary for the members to understand the transaction	The subordinated shareholder loan constitutes unsecured indebtedness of FFL, ranking in payment and upon liquidation subordinate to FFL's secured debt obligations but senior to any dividend or other distributions.

Information pursuant to Regulation 3(c) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Information Required	Information Provided
Category wise amount of investment	The Company will, subject to shareholder approval, extend the time period for repayment of the Sponsor Support Loan of PKR 2.5 Billion granted to FFL by one (1) year, i.e., the Sponsor Support Loan shall be payable by March 30, 2022.
Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	KIBOR for the relevant period + 150 Basis Points
Rate of interest, mark up, profit, fees or commission etc. to be charged	Interest will be charged on each tranche of the Sponsor Support Loan at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	No security over assets of FFL will be obtained but the Sponsor Support Agreement between the Company and FFL includes a commitment and indemnity by FFL to the Company to pay the loan along with any interest that has accrued at the times and in the amount mentioned therein, subject to the terms of subordination.
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	FFBL shall have the option to convert the Sponsor Support Loan of PKR 2.5 Billion together with all interest or mark-up that has accrued thereon, as and when the Company deems fit, in to fully paid-up ordinary shares of FFL of the corresponding value, at a price to be determined by the Board at the time the Company decides to exercise its right to convert..

Repayment schedule and terms of loans or advances to be given to the investee company	Repayment of of the Sponsor Support Loan, subject to the terms of subordination and approval of FFL’s lenders as required, shall be by March 30, 2022, with the option to prepay all or part of such tranche at any time without repayment penalty.
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Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

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

- Fauji Foundation
- Lt Gen Tariq Khan, (Retd)
- Mr. Sarfaraz Ahmed Rehman
- Syed Bakhtiyar Kazmi
- Dr. Nadeem Inayat
- Mr Muhammad Munir Malik

Declaration pursuant to Section 199(2) of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The Directors certify to the members of the Company that they have carried out necessary due diligence for the proposed extension of the repayment period of the Sponsor Support Loan before recommending the same for members’ approval.

The duly signed recommendations of the due diligence report together with the latest audited financial statements of FFL shall be made available to the members for inspection in the Annual General Meeting.

Statement of Material Facts under Section 134 of the Companies Act, 2017

Extension of Investment of PKR 3 Billion in Fauji Meat Limited (FML)

In the Annual General Meeting of the Company held on March 30, 2020, the shareholders of the Company approved sponsor support to Fauji Meat Limited (“FML”) in the total amount not exceeding PKR 3 Billion (Rupees Three Billion Only) through either, or a combination of, a subordinated shareholder loan or collateral support for a period not exceeding one (1) year.

Subsequently, out of the total approved investment of PKR 3 Billion, the Company provided collateral support in the form of a corporate guarantee of PKR 1,000,000,000 (Rupees One Billion Only) as security for working capital facilities extended to FML by financial institutions and provided a subordinated shareholder loan to FML. The amount of the subordinated shareholder loan disbursed to FML is PKR 621,994,133 (Rupees Six Hundred Twenty One Million, Nine Hundred Ninety Four Thousand, One Hundred and Thirty Three Only), however, further amounts may be disbursed to FML by the date of the upcoming Annual General Meeting (the “Sponsor Support Loan”). Keeping in view the limited financial resources of FML, the management of the Company has decided to roll-over and extend, for a further period of one (1) year, i.e., until March 30, 2022, the sponsor support (approved in the Annual General Meeting held on March 30, 2020) of PKR 3,000,000,000/- (Rupees Three Billion Only) to FML, by extending, by one (1) year as aforesaid, the portion of sponsor support already provided to FML in the form of collateral support and subordinated shareholder loan (the “Sponsor Support Loan”), on or before the date of the upcoming Annual General Meeting (out of the total sponsor support amount of PKR 3,000,000,000), and by providing the remaining unutilised amount of sponsor support in

each case, on the same terms and conditions as were approved by the shareholders on March 30, 2020 except that the conversion of any sponsor support loan into shares of the equivalent value of FML will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert and with the additional right of FML to use the unutilised amount of sponsor support for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) availed by FML.

It is expected that the proposed extension will help improve the financial condition of FML. Being the majority shareholder of FML, the improvement in the financial condition of FML will have a positive impact on the Company.

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

Information pursuant to Regulation 3(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of associated company along with criteria based on which the associated relationship is established	Fauji Meat Limited (FML) Fauji Fertilizer Bin Qasim Limited (the “Company or FFBL”) holds 90.18% of the issued and paid-up capital of FML.									
Earnings per share for the last three years	<table border="1"> <thead> <tr> <th>Year</th> <th>EPS</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>-2.00</td> </tr> <tr> <td>2019</td> <td>-2.48</td> </tr> <tr> <td>2018</td> <td>-2.93</td> </tr> </tbody> </table>		Year	EPS	2020	-2.00	2019	-2.48	2018	-2.93
Year	EPS									
2020	-2.00									
2019	-2.48									
2018	-2.93									
Break-up value per share, based on latest audited financial statements	PKR 0.74/- Per Share									
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Long Term Loans PPE Short Term Borrowings Sales Cost of Sales Loss	2,210 Million 5,978 Million 3,550 Million 428 Million 898 Million 1,530 Million								
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely, vi) description of the project and its history since conceptualization vii) starting date and expected date of completion of work viii) time by which such project shall become commercially operational ix) expected time by which the project shall start paying return on investment x) funds invested or to be invested by the promoters, sponsors, associated company	Not Applicable.									

or associated undertaking distinguishing between cash and non-cash amounts	
General Disclosures:	
Maximum amount of investment to be made	<p>Maximum amount of investment is PKR 3 Billion, out of which the Company has provided collateral support in the form of a corporate guarantee of PKR 1 Billion to FML and has granted a Sponsor Support Loan of PKR 621.9 Million to FML. Further amounts may be disbursed to FML, as sponsor support loan, on or before the date of the upcoming Annual General Meeting and the remaining unutilised amount of sponsor support, will be provided to FML either in the form of subordinated shareholder loan or as collateral support, in each case, on the same terms and conditions as were approved by the shareholders on March 30, 2020, except that the conversion of any sponsor support loan into shares of the equivalent value of FML will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert and with the additional right of FML to use the unutilised amount of sponsor support for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) availed by FML.</p>
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	<p>The purpose of the proposed extension of the investment (including the extension of the corporate guarantee of PKR 1 Billion and repayment of the Sponsor Support Loan) is to meet the working capital and operational expenses requirements of FML, whose financial position does not allow it to meet such requirements out of its own, limited cash resources and to provide security [for finance facilities availed by FML]. Further, following the extension / roll-over of the unutilised amount of the sponsor support, FML shall have the right to use the unutilised amount of sponsor support for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) availed by FML.</p> <p>It is expected that the investment will result in improvement in the financial condition of FML. Being the majority shareholder of FML, the improvement in the financial</p>

	condition of FML will have a positive impact on the Company.
Sources of funds to be utilized for investment where the investment is intended to be made using borrowed funds, (i) justification for investment through borrowings; (ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefit analysis	Companies' own resources/Internal Cash Generations
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<p>The Company and FML have entered into a Sponsor Support Agreement dated March 30, 2020 for the provision of the sponsor support of PKR 3 Billion by the Company to FML. Upon receipt of the approval of the shareholders of the Company, the parties shall amend the Sponsor Support Agreement by extending, by one (1) year: the portion of sponsor support already provided to FML in the form of collateral support and Sponsor Support Loan by the date of the upcoming Annual General Meeting (out of the total sponsor support amount of PKR 3,000,000,000); and the right to provide the remaining unutilised amount to FML as sponsor support, in each case, on the same terms and conditions as were approved by the shareholders on March 30,2020, except that the conversion of any sponsor support loan into shares of the equivalent value of FML will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert and with the additional right of FML to use the unutilised amount of sponsor support for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) availed by FML.</p> <p>In line with the shareholder approval granted on March 30, 2020, the existing Sponsor Support Agreement allows the Company to invest in, and provide sponsor support to, FML in the total amount not exceeding PKR 3,000,000,000/- (Rupees Three Billion Only) through either, or a combination of, a subordinated shareholder loan or collateral support for a period not exceeding one (1) year (including, without limitation, by way of providing or arranging corporate</p>

guarantee, bank guarantee, standby letter of credit or cash deposit under lien) as security for working capital facilities extended or to be extended by financial institutions to FML, or in any other form. The existing Sponsor Support Agreement, inter alia, authorises the Company to:

(i) Provide a subordinated shareholder loan to FML, to be disbursed in one or more tranches over a period of one (1) year, with each such tranche to be repaid by FML, subject to the terms of subordination and to approval of FML's lenders as required, within a period of one (1) year from the date of disbursement of the respective tranche, with the option to prepay all or part of such tranche at any time without any pre-payment penalty.

(ii) Charge interest or mark up on each such tranche of the subordinated shareholder loan from the date of disbursement to the date of repayment at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case. Markup to be charged on quarterly basis.

(iii) Convert, as and when the Company deems fit, the subordinated shareholder loan together with all interest or mark-up that has accrued thereon into fully paid-up ordinary shares of FML of the corresponding value, to be issued by FML to the Company.

(iv) Provide collateral support including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien.

(v) Charge and recover from FML a fee (the "**Collateral Fee**") on quarterly basis, equal to a maximum of 1.5% per annum, from the date on which such cash deposit is made, or any guarantee or letter of credit is furnished, until the date when the lien over the relevant deposit, or the relevant guarantee or letter of credit, is released, provided that if and to the extent

	that such deposit is forfeited as a result of enforcement of the lien, or the relevant guarantee or letter of credit is drawn on, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, or of the guarantee or letter of credit so drawn on, 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 (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.
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	Nothing other than as a shareholder
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	The Company has determined recoverable amount of FML, based on value-in-use calculation, which was lower than the carrying amount of investment in the Company's financial statement, accordingly an impairment of PKR 3,682 Million has been recognized in the financial statements, due to challenging trading and economic conditions affecting food sector in Pakistan.
Any other important details necessary for the members to understand the transaction	The subordinated shareholder loan constitutes unsecured indebtedness of FML, ranking in payment and upon liquidation subordinate to FML's secured debt obligations but senior to any dividend or other distributions.

Information pursuant to Regulation 3(c) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Information Required	Information Provided
Category wise amount of investment	The Company will roll-over and extend the sponsor support of PKR 3 Billion, including the repayment of the portion of sponsor support already provided to FML in the form of collateral support and subordinated shareholder loan (the "Sponsor Support Loan"), by the date of the upcoming Annual General Meeting, by one year, i.e., until March 30, 2022 and the remaining amount of sponsor support will be provided to FML

	<p>either in the form of a subordinated shareholder loan or through collateral support, in each case, on the same terms and conditions as were approved by the shareholders on March 30, 2020, except that the conversion of any sponsor support loan into shares of the equivalent value of FML will be at a price to be determined by the Board at the time the Company decides to exercise its right to convert and with the additional right of FML to use the unutilised amount of sponsor support for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) availed by FML.</p>
<p>Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period</p>	<p>KIBOR for the relevant period + 150 Basis Points</p>
<p>Rate of interest, mark up, profit, fees or commission etc. to be charged</p>	<p>Interest has been and will be charged on each tranche of the subordinated loan at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.</p> <p>In respect of collateral and other sponsor support, the Company has been charging (for the corporate guarantee) and will charge and recover from FML the collateral fee (the “Collateral Fee”), equal to a maximum of 1.5% per annum, from the date on which such cash deposit is made, or any guarantee or letter of credit is furnished, until the date when the lien over the relevant deposit, or the relevant guarantee or letter of credit, is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, or the relevant guarantee or letter of credit is drawn on, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, or of the guarantee or letter of credit so drawn on, 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</p>

	<p>of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.</p>
<p>Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any</p>	<p>No security over assets of FML has been or will be obtained but the agreement between the Company and FML includes a commitment and indemnity by FML to the Company to pay the loan along with any interest that has accrued at the times and in the amount mentioned therein, subject to the terms of subordination. Further, in respect of collateral or other sponsor support provided by FFBL to FML (including the corporate guarantee of PKR 1 Billion) the Company has been charging and will charge and recover from FML the Collateral Fee in the manner set out above.</p>
<p>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</p>	<p>The investment allows the Company to convert the entire subordinated shareholder loan (including the portion of sponsor support loan already disbursed by the date of the upcoming Annual General Meeting) together with all interest or mark-up that has accrued thereon, as and when the Company deems fit, in to fully paid-up ordinary shares of FML of the corresponding value. The shares will be issued at a price to be determined by the Board of the Company at the time the Company decides to exercise its right to convert its debt into equity.</p>
<p>Repayment schedule and terms of loans or advances to be given to the investee company</p>	<p>Repayment of the Sponsor Support Loan, subject to the terms of subordination, shall be by March 30, 2022, with the option to prepay all or part of such tranche at any time without repayment penalty.</p> <p>Repayment of each tranche of the subordinated loan, granted out of the remaining unutilized sponsor support amount, subject to the terms of subordination and approval of FML's lenders as required, shall be within a period of one (1) year from the date of disbursement of the respective tranche, with the option to prepay all or part of such tranche at any time without repayment penalty.</p>

	Likewise, any collateral or other sponsor support (including the corporate guarantee of PKR 1 Billion) provided by the Company shall be for a period of one (1) year only.
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Additional Investment of PKR 3.5 Billion in FML

The purpose of the proposed investment is to: (i) meet the working capital and operational expenses requirements of FML, whose financial position does not allow it to meet such requirements out of its own, limited cash resources; and (ii) allow FML to use the proposed investment for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended to FML by financial institutions.

To this end, the Company intends to provide sponsor support to FML in the total amount not exceeding PKR 3,500,000,000/- (Rupees Three Billion and five Hundred Million Only) through either, or a combination of, a subordinated shareholder loan (to meet the working capital and operational expenses requirements of FML and to allow FML to use the proposed subordinated shareholder loan for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended to FML by financial institutions) or collateral support for a period not exceeding one (1) year (including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien) as security for working capital facilities or loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended by financial institutions to FML, or in any other form. Without limiting the generality of the foregoing, the Company intends to:

- (i) Provide a subordinated shareholder loan to FML, to be disbursed in one or more tranches over a period of one (1) year, with each such tranche to be repaid by FML, subject to the terms of subordination and to approval of FML's lenders as required, within a period of one (1) year from the date of disbursement of the respective tranche, with the option to prepay all or part of such tranche at any time without any pre-payment penalty.
- (ii) Charge interest or mark-up on each such tranche of the subordinated shareholder loan from the date of disbursement to the date of repayment at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.
- (iii) Convert the subordinated shareholder loan together with all interest or mark-up that has accrued thereon, as and when the Company deems fit, into fully paid-up ordinary shares of FML of the corresponding value, to be issued by FML to the Company at a price to be determined by the Board at the time the Company decides to exercise its right to convert.
- (iv) Provide collateral support including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien.
- (v) Charge and recover from FML a fee (the "**Collateral Fee**") on quarterly basis, equal to a maximum of 1.5% per annum, from the date on which such cash deposit is made, or any guarantee or letter of credit is furnished, until the date when the lien over the relevant deposit, or the relevant guarantee or letter of credit, is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, or the relevant guarantee or letter of credit is drawn on, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, or of the guarantee or letter of credit so drawn on, 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 (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.

It is expected that the investment will result in improvement in the financial condition of FML. Being the majority shareholder of FML, the improvement in the financial condition of FML will have a positive impact on the Company.

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

Information pursuant to Regulation 3(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of associated company along with criteria based on which the associated relationship is established	Fauji Meat Limited (FML) Fauji Fertilizer Bin Qasim Limited (the "Company or FFBL") holds 90.18% of the issued and paid-up capital of FML.	
Earnings per share for the last three years	Year	EPS
	2020	-2.00
	2019	-2.48
	2018	-2.93
Break-up value per share, based on latest audited financial statements	PKR 0.74/ - Per Share	
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Long Term Loans	2,210 Million
	PPE	5,978 Million
	Short Term Borrowings	3,550 Million
	Sales	428 Million
	Cost of Sales	898 Million
	Loss	1,530 Million
(i) In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely, (ii) description of the project and its history since conceptualization (iii) starting date and expected date of completion of work (iv) time by which such project shall become commercially operational (v) expected time by which the project shall start paying return on investment	Not Applicable.	

(vi) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts	
General Disclosures:	
Maximum amount of investment to be made	Maximum amount of investment is PKR 3.5 Billion
Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	The purpose of the proposed investment is: (i) to meet the working capital and operational expenses requirements of FML, whose financial position does not allow it to meet such requirements out of its own, limited cash resources; and (ii) to allow FML to use the proposed investment for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended to FML by financial institutions. It is expected that the investment will result in improvement in the financial condition of FML. Being the majority shareholder of FML, the improvement in the financial condition of FML will have a positive impact on the Company.
Sources of funds to be utilized for investment where the investment is intended to be made using borrowed funds, (i) justification for investment through borrowings; (ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefit analysis	Companies' own resources/Internal Cash Generations
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The Company and FML will enter into a sponsor support and counter-indemnity, or subordinated shareholder loan agreement, which shall specify the nature, purpose and period (not exceeding one (1) year) of the subordinated loan or sponsor support to be furnished by the Company to FML; the amount and due dates for repayment of the loan; the terms of subordination of the loan (which will be subordinated to FML's indebtedness to secured lenders); a commitment and indemnity by FML to the Company to repay the loan (subject to the terms of subordination) on the due dates; as well as the terms on which the Company will provide collateral support to FML. FFBL will also have the option to

convert the subordinated debt into shares of the corresponding value of FML at a price to be determined by the Board at the time the Company decides to exercise its right to convert.

The key commercial terms that will be covered in the agreement will be as follows:

The Company will invest in, and provide sponsor support to, FML in the total amount not exceeding PKR 3.5 Billion through either, or a combination of, a subordinated shareholder loan (to meet the working capital and operational expenses requirements of FML and to allow FML to use the proposed subordinated shareholder loan for repayment (of both the principal and mark-up amounts) of loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended to FML by financial institutions) or collateral support for a period not exceeding one (1) year (including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien) as security for working capital facilities or loans / financing facilities (of whatsoever nature or howsoever described) extended or to be extended by financial institutions to FML, or in any other form. Without limiting the generality of the foregoing, the Company will:

(i) Provide a subordinated shareholder loan to FML, to be disbursed in one or more tranches over a period of one (1) year, with each such tranche to be repaid by FML, subject to the terms of subordination and to approval of FML's lenders as required, within a period of one (1) year from the date of disbursement of the respective tranche, with the option to prepay all or part of such tranche at any time without any pre-payment penalty.

(ii) Charge interest or mark-up on each such tranche of the subordinated

shareholder loan from the date of disbursement to the date of repayment at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case. Mark-up to be charged on quarterly basis.

(iii) Convert, as and when the Company deems fit, the subordinated shareholder loan together with all interest or mark-up that has accrued thereon into fully paid-up ordinary shares of FML of the corresponding value, to be issued by FML to the Company at a price to be determined by the Board at the time the Company decides to exercise its right to convert.

(iv) Provide collateral support including, without limitation, by way of providing or arranging corporate guarantee, bank guarantee, standby letter of credit or cash deposit under lien.

(v) Charge and recover from FML a fee (the “**Collateral Fee**”) on quarterly basis, equal to a maximum of 1.5% per annum, from the date on which such cash deposit is made, or any guarantee or letter of credit is furnished, until the date when the lien over the relevant deposit, or the relevant guarantee or letter of credit, is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, or the relevant guarantee or letter of credit is drawn on, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, or of the guarantee or letter of credit so drawn on, 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 (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged

	on quarterly basis.
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	Nothing other than as a shareholder
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	The Company has determined recoverable amount of FML, based on value-in-use calculation, which was lower than the carrying amount of investment in the Company's financial statement, accordingly an impairment of PKR 3,682 Million has been recognized in the financial statements, due to challenging trading and economic conditions affecting food sector in Pakistan.
Any other important details necessary for the members to understand the transaction	<p>The terms of subordination will be finalized with the lenders, which may affect the interest rate to be charged by the Company to FML and the repayment of the loan. However, it is expected that the rate of mark-up charged will not be less than the borrowing cost of the Company. Repayment of both the principal and mark-up payable by FML will be subordinated to principal/mark-up/interest and other payments due to FML's secured lenders under the terms of FML's senior debt.</p> <p>The subordinated shareholder loan shall constitute unsecured indebtedness of FML, ranking in payment and upon liquidation subordinate to FML's secured debt obligations but senior to any dividend or other distributions. The Company and FML will have to comply with the terms of subordination and other conditions prescribed by FML's and the Company's secured lenders as a condition of allowing FML to avail of the subordinated shareholder loan.</p>

Information pursuant to Regulation 3(c) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Information Required	Information Provided
Category wise amount of investment	The Company will grant a subordinated shareholder loan and / or other sponsor support not exceeding PKR 3.5 Billion to FML.

Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for <i>Shariah</i> compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	KIBOR for the relevant period + 150 Basis Points
Rate of interest, mark up, profit, fees or commission etc. to be charged	<p>Interest will be charged on each tranche of the subordinated loan at a rate which shall be equal to the higher of (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.</p> <p>In respect of collateral and other sponsor support, FFBL will charge and recover from FML the collateral fee, equal to a maximum of 1.5% per annum, from the date on which such cash deposit is made, or any guarantee or letter of credit is furnished, until the date when the lien over the relevant deposit, or the relevant guarantee or letter of credit, is released, provided that if and to the extent that such deposit is forfeited as a result of enforcement of the lien, or the relevant guarantee or letter of credit is drawn on, then from that date onwards until the Company recovers from FML the full principal amount of the cash deposit so forfeited, or of the guarantee or letter of credit so drawn on, 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 (a) the borrowing cost of the Company and (b) 3 Months KIBOR plus a spread of 150 bps in each case, such mark-up to be charged on quarterly basis.</p>
Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any	No security over assets of FML will be obtained but the agreement between the Company and FML will include a commitment and indemnity by FML to the Company to pay the loan along with any interest that has accrued at the times and in the amount mentioned therein, subject to the terms of subordination. Further, in respect of collateral or other sponsor support provided by the Company to FML the Company will charge and recover from FML the collateral fee in the manner set out above.

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	The investment will allow FFBL to convert the subordinated shareholder loan together with all interest or mark-up that has accrued thereon, as and when the Company deems fit, in to fully paid-up ordinary shares of FML of the corresponding value. The shares will be issued at a price to be determined by the Board at the time the Company decides to exercise its right to convert.
Repayment schedule and terms of loans or advances to be given to the investee company	<p>Repayment of each tranche of the subordinated loan, subject to the terms of subordination and approval of FML’s lenders as required, shall be within a period of one (1) year from the date of disbursement of the respective tranche, with the option to prepay all or part of such tranche at any time without repayment penalty.</p> <p>Likewise, any collateral or other sponsor support provided by the Company shall be for a period of one (1) year only.</p>

Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

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

- Fauji Foundation
- Lt Gen Tariq Khan, (Retd)
- Mr. Sarfaraz Ahmed Rehman
- Dr. Nadeem Inayat
- Mr Muhammad Munir Malik

Declaration pursuant to Section 199(2) of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The Directors certify to the members of the Company that they have carried out necessary due diligence for the proposed investment of PKR 3.5 Billion in FML and the roll-over and extension of the sponsor support of PKR 3 Billion to FML for one year, before recommending the same for members’ approval.

The duly signed recommendations of the due diligence report together with the latest audited financial statements of FML shall be made available to the members for inspection in the Annual General Meeting.

Statement of Material Facts under Section 134 of the Companies Act, 2017

Payment of Standby Letter of Credit (SBLC) Commission to Fauji Foundation

Under the financing agreements of Foundation Wind Energy – I Limited and Foundation Wind Energy – II Limited (the “Foundation Wind Companies”), the Foundation Wind Companies were required to maintain a Debt Service Reserve Account Balance in cash form equivalent to one instalment of the loan. However, this requirement was later waived by the

lenders subject to the sponsors providing Standby Letters of Credit (SBLCs) to the lenders. Further, distribution of dividends to the shareholders of the Foundation Wind Companies, which include the Company, is conditional upon the sponsors submitting the SBLCs.

Fauji Foundation, as a sponsor of the Foundation Wind Companies has furnished SBLCs for PKR 1.97 Billion and PKR 2.202 Billion to the lenders, for and on behalf of the sponsors of the Foundation Wind Companies on the understanding that the sponsors, which include the Company, shall reimburse the charges incurred by Fauji Foundation for furnishing the SBLCs in proportion to their shareholding in the Foundation Wind Companies. Accordingly, the Company is required to pay its share of the SBLC charges.

Information pursuant to Regulation 3(a) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of associated company along with criteria based on which the associated relationship is established	Fauji Foundation (FFBL's Parent Organization) Foundation Wind Energy I Limited and Foundation Wind Energy II Limited (FFBL's Associated Companies)														
Earnings per share for the last three years	<table border="1"> <thead> <tr> <th>Year</th> <th>FWEL – I EPS</th> <th>FWEL – II EPS</th> </tr> </thead> <tbody> <tr> <td>2020</td> <td>7.17</td> <td>6.93</td> </tr> <tr> <td>2019</td> <td>3.45</td> <td>3.46</td> </tr> <tr> <td>2018</td> <td>2.68</td> <td>26.68</td> </tr> </tbody> </table>			Year	FWEL – I EPS	FWEL – II EPS	2020	7.17	6.93	2019	3.45	3.46	2018	2.68	26.68
Year	FWEL – I EPS	FWEL – II EPS													
2020	7.17	6.93													
2019	3.45	3.46													
2018	2.68	26.68													
Break-up value per share, based on latest audited financial statements	FWEL – I = 27.39 FWEL – II = 26.95														
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements		FWEL – I (PKR - M)	FWEL – I (PKR-M)												
	Long Term Loans	5,914	5,781												
	PPE	11,439	11,184												
	Sales	4,294	4,212												
	Cost of Sales	1,116	1,124												
	Profit	2,510	2,445												
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely, (i) description of the project and its history since conceptualization (ii) starting date and expected date of completion of work (iii) time by which such project shall become commercially operational (iv) expected time by which the project shall start paying return on investment (v) funds invested or to be	Not Applicable.														

<p>invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts</p>	
<p>General Disclosures:</p>	
<p>Maximum amount of investment to be made</p>	<p>The Company will pay to Fauji Foundation:</p> <p>(i) PKR 10,499,232 (Rupees Ten Million, Four Hundred Ninety Nine Thousand, Two Hundred and Thirty Two), which amount represents the Company's share of the total commission payable and paid on the Standby Letter of Credit dated 2 January 2019 amounting to PKR 1.97 Billion, issued by BOP to the lenders of Foundation Wind Energy I Limited and Foundation Wind Energy II Limited; and</p> <p>(ii) PKR 4,100,600 (Rupees Four Million, One Hundred Thousand and Six Hundred), which amount represents the Company's share of the total commission payable and paid on the Standby Letter of Credit amounting to PKR 2.02 Billion, issued by JS Bank to the lenders of Foundation Wind Energy I Limited and Foundation Wind Energy II Limited.</p>
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>Under the financing agreements of Foundation Wind Energy – I Limited and Foundation Wind Energy – II Limited (the “Foundation Wind Companies”), the Foundation Wind Companies were required to maintain a Debt Service Reserve Account Balance in cash form equivalent to one instalment of the loan. However, this requirement was later waived by the lenders subject to the sponsors providing Standby Letters of Credit (SBLCs) to the Lenders. Further, distribution of dividends to the shareholders of the Foundation Wind Companies, which include the Company, is conditional upon the sponsors submitting the SBLCs.</p> <p>Fauji Foundation, as a sponsor of the Foundation Wind Companies has furnished SBLCs for PKR 1.97 Billion and PKR 2.202 Billion to the lenders, for and on behalf of the sponsors of the Foundation Wind Companies, on the understanding that the sponsors, which include the Company, shall reimburse the charges incurred by Fauji Foundation for furnishing the SBLCs in proportion to their shareholding in the Foundation Wind Companies. Accordingly, the Company is required to pay its share of the SBLC charges.</p>

Sources of funds to be utilized for investment where the investment is intended to be made using borrowed funds, (i) justification for investment through borrowings; (ii) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (iii) cost benefit analysis	FFBL's own sources / funds.
Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Not applicable
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	Nothing other than as shareholder
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	Not applicable
Any other important details necessary for the members to understand the transaction	No.

Information pursuant to Regulation 4 of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Fauji Foundation holds 18.29% shares of FFBL.

FFBL holds 35% shares in both FWEL-I and FWEL-II.

Declaration pursuant to Section 199(2) of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

The directors have reviewed the matter and are of view that payment of the SBLC charges by the Company is necessary, as the declaration and payment of dividends of the Foundation Wind Companies is conditional upon the sponsors of the Foundation Wind Companies furnishing the SBLC to the lenders.

CLOSURE OF SHARE TRANSFER BOOKS: -

Share transfer books of the Company will remain closed from March 22, 2021 to March 29, 2021 (both days inclusive) for the purpose of holding the Annual General Meeting.

NOTES: -

1. A member of the Company entitled to attend and vote at the General Meeting 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 January 26, 2000: -
 - (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.
3. Members are requested to promptly notify any change in their addresses.
4. Shareholders who have not yet submitted photocopies of their Computerized National Identity Cards (CNIC) are requested to send the same at the earliest.
5. Shareholders who wish to receive annual reports and notice of the General Meeting 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) Limited, Wings Arcade, 1-K, Commercial, Model Town, Lahore .

6. 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 registered 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

7. E-Voting

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

8. Participation in AGM through electronic means:

As per directions issued by SECP through Circular No EMD/MISC/82/2012-77 dated February 15, 2021 in the light of the threat posed by evolving COVID-19 situation (Corona Virus) pandemic and to protect the wellbeing of the shareholders, members are also requested to participate in the Annual General Meeting through following means:

1. WhatsApp No 03008713326
2. Email ID shares@ffbl.com
3. Video Link member who wish to participate through video link should intimate through above WhatsApp number / Email ID on or before March 25, 2021.

Members who are intended to participate physically should consolidate their attendance through proxies. Shareholders are requested to mention Name, CNIC No, Folio / CDC A/c No & Number of shares for identification.