



Pakistan Petroleum Limited

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Our reference: CS/PPL/EGM-0232

Your reference:

Date: 30th November 2022

Ms. Asmaa Saleem Malik
Chief Listing Officer
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi

Dear Madam,

Re: Special Resolutions Passed at the Extraordinary General Meeting

Pursuant to Rule 5.6.9 (b) of PSX Rules, we enclose a certified copy of the resolutions passed unanimously at the Extraordinary General Meeting of the Company held today.

Yours truly,

Ali Jaffar
Company Secretary

Enclosure: As above.



SPECIAL RESOLUTIONS UNANIMOUSLY PASSED AT THE EXTRAORDINARY GENERAL MEETING OF THE COMPANY HELD ON 30TH NOVEMBER 2022

SPECIAL BUSINESS

1. To consider, and if thought fit, to approve and authorize an investment of up to 1/3rd of the total paid up and issued capital in a proposed associated company bearing the name of Pakistan Minerals (Private) Limited (or such other name that may be mutually agreed amongst the SOEs) ("**SOE SPV**") incorporated in or outside Pakistan which entity shall act as a holding company through which each of: (i) the Company; (ii) Oil and Gas Development Company Limited; and (iii) Government Holdings (Private) Limited (collectively, the "**SOEs**" and singly "**SOE**") shall participate in the Reconstituted Reko Diq Project. The total issued and paid-up capital of the SOE SPV shall be equally subscribed by each SOE. Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017:

***RESOLVED THAT,** the Company be and is hereby authorized to subscribe up to 33.33% or 1/3rd of the total issued and paid up capital of and act as promoters with respect to the Pakistan Minerals (Private) Limited (or such other name that may be mutually agreed) incorporated in or outside Pakistan which entity shall act as a holding company through which each of: (i) the Company; (ii) Oil and Gas Development Company Limited; and (iii) Government Holdings (Private) Limited, shall participate in the Reconstituted Reko Diq Project.*

2. To consider, and if thought fit, to approve and authorize the acquisition by the SOE SPV of a shareholding in Tethyan Copper Company Pakistan (Pvt) Limited to be re-named as Reko Diq Mining Company (Private) Limited ("**Project Company**") representing 25% of the total issued and paid up capital of the Project Company, from its present holding company Tethyan Copper Company Pty Limited ("**TCCA**") ("**Share Purchase**"). In consideration for the Share Purchase, the SOE SPV shall pay an aggregate sale consideration amounting to USD 562.5 million plus an interest accrued at the rate of US PRIME plus 2% for the period commencing June 30, 2022 until completion of payment to TCCA ("**Accrued Interest**") (in terms of Antofagasta Exit Deed signed between Government of Pakistan, Government of Balochistan and Antofagasta PLC) ("**Sale Consideration**"). The proportionate share of each SOE (including the Company) in the Sale Consideration representing 1/3rd of the total Sale Consideration shall amount to USD 187.5 million plus proportionate Accrued Interest ("**Proportionate Share of Sale Consideration**"). The Proportionate Share of Sale Consideration in entirety shall be funded and contributed by each of the SOEs (including the Company) on behalf of the SOE SPV by utilizing the funds deposited in the Escrow Account on or around March 31, 2022 together



with subsequent payments in respect of the Accrued Interest by each of the SOEs. Further, upon payment of the respective Proportionate Share of Sale Consideration by each of the SOEs, the corresponding amount contributed by each SOE shall be recorded as investment by way of equity in the paid-up capital of the SOE SPV. Pursuant to the terms of the definitive transaction agreements relating to the Reconstituted Reko Diq Project (the “**Definitive Agreements**”), the foregoing transaction shall be subject to the satisfaction of conditions precedent specified in the Definitive Agreements. Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for:

- (1) *Payment to TCCA of sums equal to USD 187.5 million plus proportionate accrued interest in terms of the definitive agreements (which amount represents 1/3rd of the total sale consideration agreed to be paid by the SOE SPV against acquisition of 25% shareholding in the Project Company from TCCA) on behalf of the SOE SPV;*
 - (2) *In respect of the aforesaid payment specified in (1) above, the Company to utilize the funds amounting to USD 187.5 million plus accrued interest, deposited/to be deposited by the Company in the Escrow Account, toward Company’s 1/3rd share in the payment of the total sale consideration required to be made to TCCA against its transfer of 25% shareholding to SOE SPV; and*
 - (3) *In respect of the aforesaid payment specified in (1) above, such payment shall be recorded as investment by way of equity by the Company in the paid-up capital of SOE SPV i.e. Pakistan Minerals (Private) Limited (or such other name that may be mutually agreed amongst the SOEs).*
3. To consider, and if thought fit, to approve and authorize the SOE SPV to restructure its ownership of 25% shareholding in the Project Company such that the beneficial interest of the SOE SPV in the Project Company is held through special purpose vehicles, Holdco 1 and Holdco2, each incorporated in Jersey (the “**Holding Companies**”). Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:



RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for the SOE SPV to restructure its ownership of 25% shareholding in the Project Company such that beneficial interest of SOE SPV's 25% shares in the Project Company is held through two holding companies incorporated in Jersey.

4. To consider, and if thought fit, to approve and authorize the Company to make investment from time to time in the SOE SPV (an associated company of the Company) of up to an aggregate cumulative amount of USD 398 million plus an adjustment for inflation calculated in accordance with the mechanism set out in the Definitive Agreements ("**Shareholder Contribution**"). Each of the other SOEs shall also concurrently invest up to USD 398 million each (plus inflation) by way of shareholder contribution such that aggregate amount that will be invested from time to time by the SOEs collectively shall be upto USD 1,194 plus inflation ("**Aggregate Shareholder Contribution**"). The Aggregate Shareholder Contribution shall be onward invested by way of equity or shareholder loan in the Holding Companies to meet SOE SPV's share of the total committed expenditure of the Project Company amounting to USD 4,297 million plus inflation ("**Committed Expenditure**"). The intention is that the Committed Expenditure may be partially funded by project financing or such other alternative financing arrangement that is approved in accordance with the Definitive Agreements. The Committed Expenditure is intended to fund the initial capital requirements of the Project. The initial focus will be on Phase 1 which is intended to develop a project capable of 40 million tonnes per annum ore processing capacity. Subject to the completion of an updated feasibility study, it is estimated that construction for Phase 1 will start in Year 3 after the signing of Definitive Agreements and end in Year 5 as per the initial overall development plan appended to the Definitive Agreements. Failure to fund the Committed Expenditures may result in two times dilution of defaulting shareholders interest in the Project in terms more fully set out in the Definitive Agreements. The Shareholder Contribution shall be subject to satisfaction of Conditions Precedent. In addition, the Company shall contribute, by way of equity, up to \$1 million/year towards its proportionate share in the administrative expenses of the SOE SPV ("**Administrative Expenses**"). Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for investment by the Company, by way of equity or shareholder loan, in the SOE SPV of an amount up to the equivalent of USD 398 million plus inflation (representing 1/3rd of the total amount of committed expenditure



required to be funded by the SOE SPV in the Project Company by way of equity or shareholder loans from time to time in accordance with the Overall Development Plan as provided in the Definitive Agreements, as may be amended from time to time, which, inter alia, sets out the estimated period and related applicable terms). In addition, the Company shall contribute by way of equity up to \$1 million/year towards its proportionate share in the Administrative Expenses of the SOE SPV;

FURTHER RESOLVED THAT, in the event that any part of the shareholder contribution by the Company is in the form of shareholder loan, then such loan shall be denominated in USD or based on amount equivalent in USD and, unless otherwise agreed pursuant to the Definitive Agreements, bear interest at a rate per calendar year, compounded annually, equal to the greater of (i) the highest interest rate applicable to any third party project financing senior debt outstanding at such time plus 200 basis points, and (ii) 6%; and

FURTHER RESOLVED THAT, the shareholder contribution shall be subject to satisfaction of the Conditions Precedent set out in the Definitive Agreements.

5. To consider, and if thought fit, to approve and authorize the issuance of corporate guarantees, on a several basis, in favor of the Joint Venture (“**JV**”) Shareholders (other than the SOE SPV) and the Holding Companies and the Project Company (collectively, the “**Guarantee Beneficiaries**”), with respect to the Company’s proportionate obligation to fund the SOE SPV and other such matters as are specified in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements. The JV Shareholders shall comprise of: (i) the special purpose company representing the ownership interest of Barrick Gold Corporation in the Holding Companies and the Project Company (“**Barrick Shareholder**”); (ii) the SOE SPV; (iii) the special purpose company representing the ownership interest of Government of Balochistan in the Holding Companies and the Project Company (“**GOB SPV**”); and (iv) Government of Balochistan (“**GOB**”) in its capacity as holder of class B shares of the Project Company (“**GOB**”) (collectively, the “**JV Shareholders**”). Therefore, to pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, approval of the members of the Company be and is hereby accorded in terms of Section 199 of the Companies Act, 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for issuance of corporate guarantees in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements, on a several basis, in favor of the beneficiaries specified therein which as of the date hereof shall comprise of: (i) Barrick Shareholder; (ii) GOB SPV; (iii) the



Holding Companies and the Project Company; and (iv) GOB (collectively the “**Guarantee Beneficiaries**”), in respect of the Company’s proportionate obligation to fund the SOE SPV and other such matters as are specified in the form of the Shareholder Guarantee Agreement appended to the Definitive Agreements, with the following salient features and as per the terms and conditions disclosed to the shareholders:

Salient Features of the corporate guarantees:

The corporate guarantees are to be issued by the Company in favor of the Guarantee Beneficiaries with respect to procuring the performance of the SOE SPV of its financial obligations under the Definitive Agreements and to the extent the SOE SPV fails to fulfil such financial obligations, guarantee the performance of the same as a primary obligor.

The corporate guarantees shall be of a continuing nature and shall remain in force till all obligations of the SOE SPV as stipulated under the Definitive Agreements, are satisfied.

The Corporate Guarantee shall be governed by the laws of England and Wales and disputes shall be subject to arbitration under the LCIA Rules with the seat of arbitration as London, England.

6. To consider, and if thought fit, to approve and authorize the Company to extend financing, jointly or severally, to an SOE that is unable to fund its portion of the funding obligations with respect to the SOE SPV as set out in the Overall Development Plan as provided in the Definitive Agreements, on an arms-length basis and on market competitive terms, pass the following resolution as and by way of a Special Resolution, namely, in accordance with Section 199 of the Companies Act 2017 read with the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017:

RESOLVED THAT, the Company be and is hereby authorized to, if the need arise, extend, jointly or severally, financing to other SOEs (including their permitted successors, transferees and assigns) which may be unable to fund its portion of the funding obligations with respect to the SOE SPV as set out in the Definitive Agreements, on an arms-length basis and on market competitive terms that shall, in all cases, at minimum be as follows (“**Internal Financing**”):

- *Internal Financing may only be extended for a maximum term of 1 year, however, such term may be rolled over at the discretion of the SOE(s) extending the Internal Financing;*
- *Internal Financing will be subject to a minimum annual mark-up of 1% in addition to 3 months KIBOR (to be reset on monthly basis);*



- *Internal Financing shall be secured by shares owned by the SOE utilizing the Internal Financing in the SOE SPV;*
- *Internal Financing shall be extended with market standard debt covenants, including but not limited to, a covenant to the effect that the SOE utilizing the Internal Financing shall use all funds received exclusively for funding its portion of the funding obligations with respect to the SOE SPV as provided in the Definitive Agreements; and*
- *to the extent the SOE utilizing Internal Financing is in default of its obligations under the Internal Financing, it shall not be permitted to declare any dividends till such time as it has cured the default under the Internal Financing.*

FURTHER RESOLVED THAT Mr. Ali Jaffar, Company Secretary, be and hereby is authorised to take all such steps and to do all such acts, deeds, and things and to sign, execute, and file all such applications, forms, receipts, documents and papers, for and on behalf of the Company, as may be necessary or deemed appropriate for giving effect to the letter and spirit of these resolutions.

CERTIFIED TRUE COPY

The foregoing resolutions were passed at the Extraordinary General Meeting of the Company held on 30th November 2022.

Ali Jaffar
Company Secretary