

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting (EOGM) of shareholders of FATIMA FERTILIZER COMPANY LIMITED (the 'Company' or 'FATIMA') will be held on Tuesday, December 27, 2022 at 11:30 a.m. at Avari Hotel 87-Shahrah-e-Quaid-e-Azam, Lahore as well as through electronic means to transact the following business:

Ordinary Business

1. To confirm the minutes of the Annual General Meeting held on April 29, 2022.

Special Business

2. To consider and approve the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger of Pakarab Fertilizers Limited with and into Fatima Fertilizer Company Limited in terms of provisions of Sections 279 to 282 and all other enabling provisions of the Companies act, 2017 (the "Scheme") and to pass the following Special Resolution(s) with or without modification(s):

"Resolved, that pursuant to the provisions of the Sections 279 to 283 read with Section 285 and all other applicable provisions, of the Companies Act, 2017, ("the Act"), the provisions of the Memorandum and Articles of Association of the Company and subject to the requisite approvals, sanctions, consents, observations, no objection from the Creditors of the Company, Securities and Exchange Commission of Pakistan (SECP), the relevant High Court or such other competent authority as may be applicable, approval be and is hereby accorded for the Scheme of Compromises, Arrangement and Reconstruction for Amalgamation/Merger of Pakarab Fertilizers Limited with and into Fatima Fertilizer Company Limited (the "Scheme"), as approved by the Board of Directors and circulated to the members of the Company.

3. To consider and approve the enhancement of running finance facility limit extended to Pakarab Fertilizers Limited from July 01, 2022 onwards during the proceedings in the Court for its approval of the Scheme and to pass the following Special Resolution(s) with or without modification(s):

"Resolved, that the consent and approval be and is hereby accorded under Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for enhancement of existing Running Finance Facility limit extended to Pakarab Fertilizers Limited (PFL), an associated company, from PKR 2,000 million to an aggregate amount of PKR 5,000 million, in order to facilitate PFL in meeting its financial obligations towards the lenders/financial institutions/Government/Corporate bodies from July 01, 2022 onwards during the proceedings in the Court for its approval of the Scheme, on terms as are noted in the statement of material facts under Section 134(3) annexed herewith. The limit in the nature of Running Finance Facility shall be renewable in the next general meeting(s) for a further period(s) of one year, if needed.

Resolved further, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto."

4. To consider and approve additional facility limit in the nature of Corporate Guarantee(s) extended to Pakarab Fertilizers Limited and to pass the following Special Resolution(s) with or without modification(s):

"Resolved, that the consent be and is hereby accorded under Section 199 of the Companies Act, 2017 and Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017 for approval/ratification for additional Facility limit in the nature of Corporate Guarantee(s) extended to Pakarab Fertilizers Limited up to an aggregate amount of PKR 3,000 million, issued/to be issued by Fatima Fertilizer Company Limited in favor of any bank / financial institution//Government/Corporate bodies, etc. in connection with financing or other facilities availed / to be availed by Pakarab Fertilizers Limited, on terms as are noted in the statement of material facts under Section 134(3) of the Act annexed herewith. The limit in the nature of the Corporate Guarantee(s) Facility shall be renewable in the next general meeting(s) for a further period(s) of one year, if needed.

Resolved further, that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, and/or Company Secretary of the Company be and are each hereby authorized singly to take all steps necessary in this regard, including but not limited to negotiating and executing any necessary agreements/documents, and any ancillary matters thereto."

Other Business

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

The statements under Section 134(3) and Section 281 of the Companies Act, 2017 setting out the material facts are annexed herewith.

By order of the Board



Lahore
December 6, 2022

Anil Zia
Deputy Company Secretary

Notes:

1. The Share Transfer Books of the Company will remain closed from December 21, 2022, to December 27, 2022 (both days inclusive). Transfers received in order at the office of our Share Registrar/Transfer Agent CDC Share Registrar Services Limited by the close of business on December 20, 2022, will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account, and Participant's I.D. numbers to prove his/her identity. A representative of corporate members from CDC, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.
4. The statement under section 281 of the Companies Act, 2017 ("Act") read with the statement of material facts under section 134(3) of the Act setting forth, inter alia, the terms of the Compromises, Arrangement and Reconstruction and explaining the effect thereof, along with a copy of the Scheme of Compromises, Arrangement and Reconstruction are being circulated along with the Notice of the EOGM to the members and other person(s), entitled to receive the Notice of the EOGM.

5. Online participation in the Meeting

- a) For online participation in the Extraordinary General Meeting, the shareholders are requested to get themselves registered with the Company's Share Registrar latest by December 25, 2022 till 05:00 p.m. on cdcsr@cdcsrsl.com by providing the following details:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	Fatima Fertilizer Company Limited				

****Shareholders/proxyholders are requested to provide active email addresses and mobile phone number.**

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the EOGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

- b) Shareholders may send their comments and suggestions relating to the agenda items of the EOGM to the Company's share registrar latest by December 25, 2022 till 05:00 p.m., at above-given email address or WhatsApp # 0321-820-0864. Shareholders are required to mention their full name, CNIC No and Folio No. for this purpose.
- c) Shareholders will be encouraged to participate in the EOGM to consolidate their attendance and participation through proxies.

6. Proxy

1. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a attested copy of power of attorney must be deposited at the Registered Office of the Company situated at E 110 Khayaban e Jinnah Lahore Cantt. at least 48 hours before the time of the meeting.
2. For appointing proxies, the shareholders will further have to follow the under mentioned guidelines:
 - a. In case of individuals having physical shareholding or the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form accordingly.
 - b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.

- c. Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- d. In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

Statements under Section 134(3) and Section 281 of the Companies Act, 2017

Item 2 of the Agenda:

The Board of Directors in their meeting held on December 5, 2022 has decided to amalgamate its associated company, Pakarab Fertilizers Limited ("PFL") with and in to Fatima w.e.f. July 01, 2022 subject to receipt of all requisite corporate and regulatory authorizations, consents and approvals (the "Amalgamation"). The proposed Amalgamation is part of the business expansion plan of Fatima wherein it intends to consolidate all the fertilizer business.

The Board of Directors of the Company has approved the Scheme under Sections 279 to 283 read with section 285 of the Companies Act, 2017 between Fatima and PFL and their respective members. As required by Section 179(2) of the Act, the resolution specified in the notice has to be passed by a majority representing three fourth in value of the issued shares held by the shareholders present in person or by proxy and voting at the meeting. The sanctioning of the Scheme and the making of other appropriate orders in connection therewith will be considered by the Court after the Scheme is approved by the members.

The principal object of the Scheme is to effect the amalgamation of PFL, by transfer to and vesting in Fatima, the whole of business and undertaking of PFL together with all the property, assets, rights, liabilities, quotes and obligations of every description of PFL as described in the Scheme.

The Amalgamation would lead to an increased asset base and size of Fatima and as a result, Fatima will be in a position to effectively and efficiently benefit from economies of scales with respect to the combined business and assets base of PFL and Fatima which is expected to result in further business expansion opportunities for Fatima. Accordingly, post-merger Fatima Packaging Limited, a wholly owned subsidiary of PFL and the main supplier of packing material to the Company, will also become a wholly owned subsidiary of Fatima.

Further, the following directors of the Company are also the directors in PFL and the following relative of the director is also the shareholder of PFL, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in PFL:

Directors	Relative
1) Mr. Arif Habib	
2) Mr. Fawad Ahmed Mukhtar	1) Mrs. Ambreen Fawad
3) Mr. Fazal Ahmed Sheikh	
4) Mr. Faisal Ahmed Mukhtar	
5) Mr. Muhammad Kashif Habib	

Item 3 of the Agenda:

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors	Relative
1) Mr. Arif Habib	
2) Mr. Fawad Ahmed Mukhtar	1) Mrs. Ambreen Fawad
3) Mr. Fazal Ahmed Sheikh	
4) Mr. Faisal Ahmed Mukhtar	
5) Mr. Muhammad Kashif Habib	

The Directors have carried out the required due diligence for the purpose of this loan.

The information required under S.R.O. 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required
(a) Disclosure for all types of Investments		

(A) Disclosure regarding associated company		
(i)	Name of associated company or associated undertaking	Pakarab Fertilizers Limited (PFL)
(ii)	Basis of relationship	Due to common directorship by the following: 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib
(iii)	Earnings per share for the last three years	PKR (9.17) for the year 2019 PKR 2.46 for the year 2020 PKR 5.76 for the year 2021 PKR 1.21 for the half year ended June 30, 2022
(iv)	Break-up value per share, based on latest audited financial statements	PKR 28.62
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	As per the audited Financial Statements for the half year ended June 30, 2022 <div style="text-align: right;">PKR in Billion</div> <div style="display: flex; justify-content: flex-end;"> <div style="width: 80%;"></div> <div style="text-align: right;"> Authorized Capital 10.0 Total Equity (Paid up capital & reserves) 12.877 Non-Current Liabilities 7.776 Current Liabilities 23.794 Current Assets 19.726 Non-Current Assets 24.721 Revenue 29.193 Gross Profit 2.061 Finance Cost 0.846 Profit After Tax 0.543 </div> </div>
(vi)	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; and (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts	Not applicable
(B) General Disclosures		
(i)	Maximum amount of investment to be made	Loan Investment up to PKR 5,000 Million (PKR 2,000 Million already made).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To facilitate PFL in meeting its financial obligations towards the lenders/financial institutions/Government/Corporate bodies from July 01, 2022 onwards during the proceedings in the Court for its approval of the Scheme.
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	Own sources of the Company.

	(I) justification for investment through borrowings; (II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and (III) cost benefit analysis	
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	<ol style="list-style-type: none"> 1. The parties agree to enhance the existing running finance facility limit from PKR 2,000 million to an aggregate amount of PKR 5,000 million. 2. Markup will be charged on the Loan at the rate of 6M KIBOR+2% per annum but not less than the borrowing cost of Fatima. Markup is payable on a six monthly basis.
(v)	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>The following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:</p> <p>Directors</p> <ol style="list-style-type: none"> 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib <p>Relative</p> <ol style="list-style-type: none"> 1) Mrs. Ambreen Fawad
(vi)	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	Long term loan of an aggregate amount of up to PKR 3,000 million and a corporate guarantee facility limit of up to PKR 4,000 million is already given to PFL. There is no impairment or write-offs for this loan.
(vii)	Any other important details necessary for the members to understand the transaction	None
(b) Additional Disclosures regarding Loan Investment		
(i)	Category-wise amount of investment	Loan Investment up to PKR 5,000 Million (PKR 2,000 Million already made).
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	The average borrowing cost of investing company is 12.112%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	6M KIBOR+2% per annum but not less than the borrowing cost of Fatima.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	None
(v)	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	None
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	Upon sanction of the merger Scheme by the Court.

Item 4 of the Agenda:

As per the disclosure requirement of Para 4(1) of the S.R.O. 1240(I)/2017 dated December 06, 2017, it is informed that the following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company:

Directors

- 1) Mr. Arif Habib
- 2) Mr. Fawad Ahmed Mukhtar
- 3) Mr. Fazal Ahmed Sheikh
- 4) Mr. Faisal Ahmed Mukhtar
- 5) Mr. Muhammad Kashif Habib

Relative

- 1) Mrs. Ambreen Fawad

The Directors have carried out the required due diligence for the purpose of issuance of corporate guarantees.

The information required under S.R.O. 1240(I)/2017 is provided below:

Sr. No.	Description	Information Required
(c) Disclosure for all types of Investments		
(C) Disclosure regarding associated company		As given in item no. 3 above
(D) General Disclosures		
(i)	Maximum amount of investment to be made	Additional Corporate Guarantee(s) facility limit of PKR 3,000 million.
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To support the functionality and operations of the associated undertaking.
(iii)	Sources of funds to be utilized for investment and 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	NA
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	Approval/ratification for additional Facility limit in the nature of Corporate Guarantee(s) extended to Pakarab Fertilizers Limited up to an aggregate amount of PKR 3,000 million, issued/to be issued by Fatima Fertilizer Company Limited in favor of any bank / financial institution//Government/Corporate bodies, etc. in connection with financing or other facilities availed / to be availed by Pakarab Fertilizers Limited
(v)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration	The following directors of the Company are also the directors in the investee company and the following relative of the director is also the shareholder of the investee company, however, the directors/relative have no direct or indirect interest except to the extent of shareholding/directorship in the investee company: Directors 1) Mr. Arif Habib 2) Mr. Fawad Ahmed Mukhtar 3) Mr. Fazal Ahmed Sheikh 4) Mr. Faisal Ahmed Mukhtar 5) Mr. Muhammad Kashif Habib

		Relative 1) Mrs. Ambreen Fawad
(vi)	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	Long term loan of an aggregate amount of up to PKR 3,000 million and a corporate guarantee facility limit of up to PKR 4,000 million is already given to PFL. There is no impairment or write-offs for this loan.
(vii)	Any other important details necessary for the members to understand the transaction	None
(d) Additional Disclosures regarding Loan Investment		
(i)	Category-wise amount of investment	Additional Corporate Guarantee(s) facility limit of PKR 3,000 million.
(ii)	Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period	The average borrowing cost of investing company is 12.112%.
(iii)	Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company	In line with prevailing commercial rates for similar unfunded facilities.
(iv)	Particulars of collateral or security to be obtained in relation to the proposed investment	None
(v)	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	None
(vi)	Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	The limit of Corporate Guarantee(s) will be for a period of one year.