



FAZAL CLOTH MILLS LIMITED



FCML/Sect/23/1399

Dated: June 12, 2023

The General Manager,
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: BALLOT PAPER FOR VOTING THROUGH POST

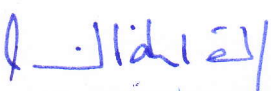

Dear Sir,

We are pleased to enclose herewith a copy of the Ballot Paper as required under Regulation 8 of the Companies (Postal Ballot) Regulations, 2018, which shall be published tomorrow i.e. June 13, 2023 in two newspapers having nationwide circulation for information our respective shareholders. The ballot paper has also been uploaded on Company's website (www.fazalcloth.com).

Further, in compliance with Regulation 4 of the Companies (Postal Ballot) Regulations, 2018, the E-Voting facility will be available to the eligible shareholders in line with the applicable laws.

You may please inform the TRE Certificate Holders of the Exchange accordingly.

Yours sincerely,



Azher Iqbal, ACA
Company Secretary

Head Office: 59/3, Abdali Road, Multan.

Ph: +92 061 4579001-7, +92-61-4782796, +92-61-4573339-8, Fax: +92-061-4541832

E-mail: info@fazalcloth.com, Website: www.fazalcloth.com

Registered Office: 69/7, Abid Majeed Road, Survey # 248/7, Lahore Cantt, Ph: +92 042-36684909

POSTAL BALLOT PAPER
FOR VOTING THROUGH POST FOR SPECIAL BUSINESS AT EXTRA ORDINARY GENERAL MEETING
TO BE HELD ON TUESDAY, JUNE 20, 2023 AT 11:30 A.M. AT FG HEAD OFFICE, E/110,
KHAYABAN-E-JINNAH, DEFENCE CHOWK, LAHORE
(www.fazalcloth.com)

Name of shareholder/joint shareholders	
Registered Address	
Number of shares held and folio number	
CNIC Number (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government.)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (✓) mark in the appropriate box below (delete as appropriate);

Sr. No.	Nature and Description of resolutions	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)
1	<p>RESOLVED THAT the authorized capital of the Company be and hereby increased from Rs. 700,000,000 (Rupees Seven hundred million only) to Rs. 25,000,000,000 (Twenty five billion only) divided into 2,470,000,000 (Two Billion four hundred seventy million) ordinary shares of Rs. 10 each and 30,000,000 (Thirty Million) Cumulative preference shares of Rs. 10 each and Clause V of the Memorandum of Association of the Company and Articles 3 & 84 of the Articles of Association of the Company be and hereby amended to read as under:</p> <p>Clause V of the Memorandum of Association</p> <p>The capital of the Company is Rs. 25,000,000,000 (Twenty five billion only) divided into 2,470,000,000 (Two Billion four hundred seventy million) ordinary shares of Rs. 10 each and 30,000,000 (Thirty Million) Cumulative preference shares of Rs. 10 each. The Ordinary and Cumulative Preference Shares shall have the respective rights and benefits given by and in the article of the Company. The Company shall have the power to increase, reduce or recognize the capital of the Company and divide the Ordinary Share Capital of the Company for the time being into several classes in accordance with the provision of the law applicable for the time being.</p> <p>Article 3 of the Article of Association</p> <p>The present capital of the Company is Rs. 25,000,000,000 (Twenty five billion only) divided into 2,470,000,000 (Two Billion four hundred seventy million) ordinary shares of Rs. 10 each and 30,000,000 (Thirty Million) Cumulative preference shares of Rs. 10 each. The Ordinary Shares and Cumulative Preference Shares shall have the respective rights and benefits given by and in these Articles. The Company shall have the power to increase, reduce, or reorganize the capital of the Company and divide the shares capital of the Company for the time being into several classes in accordance with the provisions of the law applicable for the time being.</p> <p>Article 84 of the Article of Association</p> <p>The Board of Directors' may at any time and from time to time pass a resolution that any sum</p>			

	<p>(a) for the time being standing to the credit of any reserve fund or reserve account of the Company, including premiums received on the issue of any shares or debentures of the Company, or</p> <p>(b) being undivided net profits in the hand of the Company, be capitalized, and that such sum be appropriated as capital to and amongst the ordinary shareholders in the proportions in which they would have been entitled thereto if the same had been distributed by way of dividend on the ordinary shares, effective; and the Directors shall in accordance with such resolution apply such sum in paying up in full any unissued shares as bonus shares or debentures of the Company on behalf of the ordinary shareholders aforesaid, and appropriate such bonus shares or debentures and distribute the same credited as fully paid up to any amongst such shareholders in the proportions aforesaid in satisfaction of the shares and interests of such shareholders in the said capitalized sum or otherwise deal with such sum as directed by such resolution. Where any difficulty arises in respect of any such distribution, the Directors may settle the same as they think expedient, and in particular they may fix the value for distribution of any fully paid-up shares or debentures, make cash payments to any shareholders on footing of the value so fixed in order to adjust rights, and vest any such shares or debentures in trustees upon such trusts for or for the benefit of persons entitled to share in the appropriation and distribution as may seem just and expedient to the Directors.</p> <p>FURTHER RESOLVED THAT additional shares when issue shall carry equal voting rights and rank pari passu with the existing ordinary shares in all respect/matters in conformity with provisions of the Companies Act, 2017.</p> <p>FURTHER RESOLVED THAT the aforesaid alteration in the Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required, and such amendment, modification, addition or deletion shall not require fresh approval.</p> <p>FURTHER RESOLVED THAT the Chief Executive Officer and / or Company Secretary of the Company be and is hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with Securities & Exchange Commission of Pakistan as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.</p>			
2	<p>RESOLVED THAT approval of the shareholders be and is hereby accorded and the Company be and is hereby authorized to change the terms and conditions of long-term investments in the form of loan provided to Fatima Energy Limited (“FEL”) under the authority of special resolutions passed on May 30, 2017, October 27, 2018, November 26, 2020 and March 10, 2022 in terms of Section 199 of the Companies Act, 2017 by conversion of accrued markup (including future mark up till June 30, 2024) amounting to aggregate PKR 2,000 million into 200 million non-voting, non-cumulative, non-participatory, redeemable preference shares of FEL, to be issued by FEL in accordance with the terms and conditions as per statement of material facts annexed to the notice of the meeting.</p> <p>RESOLVED FURTHER THAT the non-voting, non-cumulative, non-participatory, redeemable preference shares of FEL to be issued in conversion of accrued mark-up (including mark up till June 30, 2024) shall be issued otherwise than in cash and otherwise than Right Offering by FEL and shall be subject to approval of Securities and Exchange Commission of Pakistan (the “Commission”).</p> <p>RESOLVED FURTHER THAT the Company be and is hereby authorized and empowered to incorporate any modification in these resolutions and/or the terms and conditions for issuance of preference shares as may be directed</p>	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)

	<p>or advised by the Commission to the Company or the FEL without seeking fresh approval from the shareholders of the Company.</p> <p>RESOLVED FURTHER THAT the Company be and is hereby authorized to make long term equity investment up to PKR 2,000,000,000 for 200,000,000 non-voting, non-cumulative, non-participatory, redeemable preference shares to be issued by the FEL in conversion of accrued mark up (including mark up till June 30, 2024) from time to time and such investment shall be in addition to investment limits already approved by the shareholders on May 30, 2017, October 27, 2018 November 26, 2020 and March 10, 2022 and shall be subject to the terms and conditions as disclosed in the statement of material facts annexed to the notice of the meeting</p> <p>RESOLVED FURTHER THAT Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary be and is/are hereby singly and/or jointly authorized to do all acts, deeds, things and to execute agreement(s), take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.</p> <p>RESOLVED FURTHER THAT each of the aforesaid resolutions shall remain valid and in full force and effect until the Company's obligations are discharged under Sponsors Support and other agreements as amended and executed inter alia with FEL and its lenders as approved by the shareholders through special resolutions or until it is revoked or amended by another resolution.</p>			
3	<p>RESOLVED THAT approval of the shareholders be and is hereby accorded and the Company be and is hereby authorized to make further long term equity investment of upto PKR 282 million in Fatima Energy Limited ("FEL") by way of subscribing 28,200,000 non-voting, non-cumulative, non-participatory, redeemable preference shares of the FEL under Section 199 of the Companies Act, 2017 offered to the Company as right shares or otherwise than right shares in accordance with the terms and conditions provided in statement of material facts annexed to the notice of the meeting.</p> <p>RESOLVED FURTHER THAT directors of the Company be and are hereby empowered and authorized to make investment in preference shares of the FEL which may be made in single or multiple tranches (to be made from time to time over the period of three years from the date of approval) to the extent of PKR 282 million comprising 28,200,000 non-voting, non-cumulative, non-participatory, redeemable preference shares of the FEL as and when rights letter are offered to the Company and/or allocation of shares against unsubscribed rights portion is made by the Board of Directors of the FEL. This approval by the shareholders of the Company accounts for investment in multiple-tranches and does not require a separate individual approval for each tranche of preference right or otherwise than right shares, unless otherwise terms and conditions for issuance of preference shares are changed and reflected in Articles of Association of the FEL. The Board of Directors of the Company are fully authorized to undertake and complete all necessary corporate and regulatory formalities where required in respect of investment in single or multiple tranches for which they are also authorized to delegate their powers to the Chief Executive of the Company.</p> <p>RESOLVED FURTHER THAT Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary be and is/are hereby singly and/or jointly authorized to do all acts, deeds, things and to execute agreement(s), take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.</p>	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)

	RESOLVED FURTHER THAT each of the aforesaid resolutions shall remain valid and in full force and effect until the Company's obligations are discharged under Sponsors Support and other agreements as amended and executed inter alia with FEL and its lenders as approved by the shareholders through special resolutions or until it is revoked or amended by another resolution.			
4	<p>"RESOLVED THAT the terms of the repayment of loans/advances (including mark-up thereon) provided by the Company to Fatima Energy Limited (the "FEL") under the authority of special resolutions passed by the shareholders on May 30, 2017, October 27, 2018, November 26, 2020 and March 10, 2022 are clarified / ratified / confirmed as under:</p> <p>(a) The repayment of loans/advances including mark-up thereon is subordinated to the repayment of loans to FEL lenders and shall be paid only after the FEL lenders are fully discharged;</p> <p>(b) The special resolution passed on 30 May, 2017 authorized the Company to execute the sponsors support and other agreements and to fulfill obligations towards lenders of FEL;</p> <p>(c) The mark up on loans was accrued in view of agreements / approval of the shareholders;</p> <p>(d) The repayment of the loan or markup was by way of four annual installments commencing from December 31, 2026;</p> <p>(e) The principal amount of loans had already been converted into preference shares of the FEL in accordance with the approval of the shareholders on March 10, 2022.</p> <p>(f) Mark up accrued (and to be accrued) shall be converted into preference shares under the authority of special resolutions.</p> <p>(g) This special resolution shall be treated as passed under Section 199 of the Companies Act, 2017.</p> <p>RESOLVED FURTHER THAT Chief Executive Officer and/or Chief Financial Officer and/or Company Secretary be and is/are hereby singly and/or jointly authorized to do all acts, deeds, things and to execute agreement(s), take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementing the aforesaid resolutions.</p>	No. of ordinary shares for which votes cast	I/We assent to the Resolutions (FOR)	I/We dissent to the Resolutions (AGAINST)

Signature of Shareholder(s)

Place:

Date:

NOTES:

1. Dully filled postal ballot should be sent to Chairman, Fazal Cloth Mills Ltd., FG Head Office, E/110, Khayaban-e-Jinnah, Defence Chowk, Lahore or email at corporate@fazalcloth.com.
2. Copy of CNIC / Passport (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach chairman of the meeting on or before June 19, 2023. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC / Passport (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. In case of corporate entity, Ballot Paper Form must be accompanied by the Board of Directors' resolution / power of attorney with specimen signature and copy of CNIC of the nominee etc. in accordance with Section(s) 138 or 139 of the Companies Act, 2017, as applicable.
7. Ballot Paper Form has also been placed on company's website i.e. www.fazalcloth.com. Members may download Ballot Paper Form from the website or use the original / photocopy as published in newspapers.