

ENGRO CORPORATION LIMITED
NOTICE OF MEETING

Notice of Meeting

NOTICE IS HEREBY GIVEN that the Fifty-Third Annual General Meeting of Engro Corporation Limited (the "Company") will be held at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi on Wednesday, April 24, 2019 at 10:00 a.m. to transact the following business:

A) ORDINARY BUSINESS

- (1) To receive, consider and adopt the Standalone and Consolidated Audited Financial Statements of the Company for the year ended December 31, 2018 together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.
- (2) To declare, as recommended by the Directors, the payment of a final cash dividend at the rate of PKR 2.00 (20%) for the year ended December 31, 2018.
- (3) To appoint Auditors of the Company and fix their remuneration. The Members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s A.F.Ferguson & Co. for re-appointment as auditors of the Company.

B) SPECIAL BUSINESS

- (4) To consider, and if thought fit, to pass the following resolution as Special Resolution, with or without modification:

“RESOLVED that the Authorized Capital of the Company be increased from Rs. 5,500,000,000 (Rupees Five Billion Five Hundred Million) divided into 550,000,000 (Five Hundred Fifty Million) ordinary shares of Rs. 10 each to Rs. 7,000,000,000 (Rupees Seven Billion) divided into 700,000,000 (Seven Hundred Million) ordinary shares of Rs. 10 each and that:

- a) Clause 5 of the Memorandum of Association of the Company be and is hereby amended to read as follows:

“5. The Share Capital of the Company is Rs. 7,000,000,000 (Rupees Seven Billion) divided into 700,000,000 Ordinary shares of Rs. 10/- (Rupees ten) each.”

- b) Article 5 of the Articles of Association of the Company be and is hereby amended to read as follows:

“5. The share capital of the Company is Rs. 7,000,000,000 (Rupees Seven Billion) divided into 700,000,000 Ordinary shares of Rs. 10/- (Rupees ten) each.”

RESOLVED FURTHER THAT, the ordinary shares when issued shall carry equal voting rights and rank *pari passu* with the existing ordinary shares of the

company in all respects/matters in conformity with the provisions of the Companies Act, 2017.

RESOLVED FURTHER THAT, the Chief Executive Officer or Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities and file all requisite documents with the Registrar to effectuate and implement this resolution.”

- (5) To consider, and if thought fit, to approve as recommended by the Directors, the issue of bonus shares @ 10% and pass the following resolution as an Ordinary Resolution:

“RESOLVED that

- a) A sum of Rs. 523,784,750 (Rupees Five Hundred Twenty-Three Million, Seven Hundred Eighty-Four Thousand, Seven Hundred and Fifty only) out of the free reserves of the Company be capitalized and applied towards the issue of ordinary shares of Rs. 10/- each as bonus shares in the ratio of one ordinary share for every ten ordinary shares i.e. 10% held by the members whose names appear on the Members Register on Monday, May 06, 2019. These bonus shares will rank *pari passu* in all respects with the existing shares but shall not be eligible for the dividend declared for the year ended December 31, 2018.
- b) Members entitled to fractions of shares shall be given the sale proceeds of their fractional entitlements for which purpose the fractions shall be consolidated into whole shares and sold on the Pakistan Stock Exchange.
- c) For the purpose of giving effect to the foregoing, the Company Secretary be and is hereby authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for the issue, allotment, distribution of bonus shares or payment of the sale proceeds of the fractions.”

By Order of the Board

Karachi,
Dated: February 19, 2019

FAIZ CHAPRA
Company Secretary and General Counsel

N.B.

- (1) **Closure of Share Transfer Books for Dividend Entitlement and for Attending AGM:** The Share Transfer Books of the Company will be closed from Wednesday, April 17, 2019 to Wednesday, April 24, 2019 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Block 6, P.E.C.H.S. Shakra-e-Faisal, Karachi, PABX No. (92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m) Tuesday, April 16, 2019 will be treated as being in time

for the purposes of payment of final cash dividend to the transferees and to attend and vote at the meeting.

- (2) **Closure of Share Transfer Books for Bonus Entitlement:** The Share Transfer Books of the Company will be closed from Monday, May 06, 2019 to Monday, May 13, 2019 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO Associates (Private) Limited, at the address mentioned hereinabove by the close of business (5:00 p.m) on Friday, May 03, 2019 will be treated as being in time for entitlement of bonus shares.
- (3) A member entitled to attend and vote at this Meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A proxy need not be a member of the Company.
- (4) Pursuant to Companies (Postal Ballot) Regulations 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of sections 143 and 144 of the Companies Act 2017, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.
- (5) In accordance with the provisions of section 242 of the Companies Act 2017, a listed Company is required to pay cash dividend only through electronic mode directly in to the bank account designated by the entitled shareholders. Accordingly, the shareholders are requested to provide the information mentioned on an E-Dividend Mandate Form available at the website of the Company to the share registrar. The CDC account holders must submit their information directly to their broker (participant) / Central Depository Company Limited.
- (6) In accordance with the directives of the SECP, the dividends of shareholders whose CNIC copies have not been received by the Company shall not be electronically credited until receipt thereof. Therefore, the individual shareholders who have not submitted their CNIC copies are requested to send the same at the earliest to the share registrar of the Company. Corporate entities are requested to provide their NTN. While providing their CNIC/NTN, shareholders must quote their respective folio numbers. The physical shareholders are requested to notify any change in their addresses to the share registrar of the Company and in case of CDC shareholders to their broker (participant).
- (7) In compliance with section 150 read with Division I of Part III of the First Schedule of the Income Tax Ordinance, 2001 withholding tax on dividend income will be deducted for 'filer' and 'non-filer' shareholders at 15% and 20% respectively. A 'filer' is a taxpayer whose name appears in the Active Taxpayers List (ATL) issued by the FBR from time to time and a 'non-filer' is a person other than a filer. To enable the Company to withhold tax at 15% for filers, all shareholders are advised to ensure that their names appear in the latest available ATL on FBR website, otherwise tax on their cash dividend will be deducted at 20% for non-filers. Withholding tax exemption from the dividend income shall only be allowed if a copy of valid tax exemption certificate is made available to the share registrar of the Company by the first day of book closure.

- (8) The FBR has clarified that in case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to the Company's share registrar, otherwise it will be assumed that the shares are equally held by the joint shareholders:

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder <hr/> Name & CNIC No. Shareholding proportion (No. of Shares)	Joint Shareholder (s) <hr/> Name & CNIC No. Shareholding proportion (No. of Shares)
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- (9) In pursuance to Circular No. 10 of 2014 dated May 21, 2014, if the Company receives consent from members holding in aggregate ten percent (10%) or more shareholding residing at geographical location, to participate in the meeting through video conference at least seven (7) days prior to the date of the 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 five (5) days before the meeting along with complete information necessary to enable them to access such facility. In order to avail this facility please provide the following information to our share registrar:

<p>I/We, of being a member of Engro Corporation Limited holder of Ordinary Share(s) as per Register Folio No. _____ hereby opt for video conference facility at (Please insert name of the City)</p> <p>_____</p> <p>Signature of member</p>
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STATEMENT UNDER SECTION 134 OF COMPANIES ACT 2017.

This Statement is annexed to the Notice of the Fifty-Third Annual General Meeting of Engro Corporation Limited to be held on Wednesday, April 24, 2019 at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

ITEM (4) OF THE AGENDA

The current Authorized Share Capital of the Company is Rs. 5,500,000,000/- (Rupees Five Billion Five Hundred Million) divided into 550,000,000 (Five Hundred and Fifty Million) Ordinary Shares of Rs. 10/- each.

In order to cater for increase in paid up share capital including the issuance of bonus shares, the Board of Directors had recommended that the Authorized Capital be increased from Rs. 5,500,000,000 to Rs. 7,000,000,000 by creation of additional 150,000,000 ordinary shares of Rs. 10 each. The proposed increase in the authorized share capital of the Company will also necessitate amendments in clause 5 of Memorandum of Association and Article 5 of the

Articles of Association of the Company to reflect increase in authorized share capital of the Company.

For this purpose, a Special Resolution is required to be considered and approved in the forthcoming Annual General Meeting.

The Board confirms that the proposed alterations are in line with the applicable provisions of the law and regulatory framework to the best of their knowledge and belief.

The Directors of the Company have no personal interest in the increase of Authorized Share Capital whether directly or indirectly except to the extent of the shareholding held by them in the Company.

The current and proposed altered provisions of the Memorandum and Articles of Association are as follows:

Current	Proposed
<p>Clause 5 of the Memorandum of Association of the Company</p> <p>“5. The Share Capital of the Company is Rs. 5,500,000,000/- (Rupees five billion and five hundred million) divided into 550,000,000 Ordinary shares of Rs. 10/- (Rupees ten) each.</p>	<p>Clause 5 of the Memorandum of Association of the Company</p> <p>“5. The Share Capital of the Company is Rs. 7,000,000,000/- (Rupees Seven Billion) divided into 700,000,000 Ordinary shares of Rs. 10/- (Rupees ten) each.</p>
<p>Article 5 of the Articles of Association of the Company</p> <p>5. The share capital of the Company is Rs. 5,500,000,000/- (Rs. Five billion and five hundred million) divided into 550,000,000 Ordinary shares of Rs. 10/- (Rupees ten) each.</p>	<p>Article 5 of the Articles of Association of the Company</p> <p>5. The share capital of the Company is Rs. 7,000,000,000/- (Rs. Seven Billion) divided into 700,000,000 Ordinary shares of Rs. 10/- (Rupees ten) each.</p>

ITEM (5) OF THE AGENDA

The Board of Directors recommend that the financial position of the Company and its reserves justify the capitalization of free reserves up to Rs. 523,784,750 (Rupees Five Hundred Twenty-Three Million, Seven Hundred Eighty-Four Thousand, Seven Hundred and Fifty only). Therefore, the Directors have recommended the issue of 52,378,475 bonus shares by capitalization of a part of free reserves of the Company in the ratio of one share for every ten shares i.e. @ 10%. After the issue of bonus shares, the total paid up capital of the Company will increase to Rs. 5,761,632,290 divided into 576,163,229 ordinary shares of Rs. 10 each.

The Directors of the Company are interested in the business to the extent of their shareholding in the Company.

The new ordinary shares when issued shall rank *pari passu* with the existing ordinary shares in all respects.

UPDATE UNDER THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017:

In the Annual General Meeting held on April 24, 2018, the shareholders of the Company approved to lend/provide to the following associated companies, short term funded and unfunded financing facilities / security of up to the amounts stated below in respect of each. The facility was approved for one year, but renewal of the same for four further periods of one year each was also approved.

- Engro Fertilizers Limited – PKR 9 billion
- Engro Polymer & Chemicals Limited – PKR 6 billion
- Engro Vopak Terminal Limited – PKR 1 billion
- Elengy Terminal Pakistan Limited – PKR 1 billion
- Engro Elengy Terminal Pvt. Limited – PKR 2 billion
- Engro Powergen Qadirpur Limited – PKR 2 billion

During the year, Engro Fertilizers Limited, Engro Polymer & Chemicals Limited, Engro Powergen Qadirpur Limited and Engro Vopak Terminal Limited utilized the above facility. At the year-end, Engro Powergen Qadirpur Limited has utilized the above facility as security to the extent of PKR 150 million.

The above facility is being renewed as earlier approved by the shareholders.