

DAWOOD HERCULES CORPORATION LIMITED

Notice of Annual General Meeting

Notice is hereby given that the Forty Sixth Annual General Meeting of Dawood Hercules Corporation Limited will be held at Pearl Continental Hotel, Club Road, Karachi, on Monday, April 28, 2014 at 11:00 a.m. to transact the following business:

ORDINARY BUSINESS:

1. To confirm the Minutes of the Forty Fifth Annual General Meeting held on Friday, March 29, 2013.
2. To receive, consider and adopt the Audited Accounts of the Company for the year ended December 31, 2013 together with the Auditors' and Directors' Reports thereon.
3. To consider and, if thought fit, approve payment of final cash dividend at the rate of Rs. 1 per share (10%) for the year ended December 31, 2013 as recommended by the Board of Directors.
4. To appoint Auditors for the year ending December 31, 2014 and to fix their remuneration.
5. To elect ten (10) Directors of the Company as fixed by the Board of Directors in accordance with Section 178(1) of the Companies Ordinance, 1984, for a period of three (3) years commencing from April 29, 2014. The names of the retiring Directors who are eligible for re-election are given below:
 1. Mr. Hussain Dawood
 2. Mr. Shahid Hamid Pracha
 3. Mr. M. Aliuddin Ansari
 4. Mr. Javed Akbar
 5. Mr. M. Abdul Aleem
 6. Mr. A. Samad Dawood
 7. Mr. Shahzada Dawood
 8. Mr. Parvez Ghias
 9. Mr. Saad Raja

SPECIAL BUSINESS:

6. To consider and, if thought appropriate, pass with or without modification, the following special resolution in terms of Section 208 of the Companies Ordinance 1984, to authorize the Company's equity investments in its associated company, Messrs e2e Business Enterprises (Private) Limited:

"RESOLVED that pursuant to Section 208 of the Companies Ordinance, 1984, the Company be and is hereby authorized to invest in 28,000,000 ordinary shares in e2e Business Enterprises (Private) Limited, an associated company, at a price of PKR 10 per share amounting to a value of approximately PKR 280,000,000 in aggregate;

FURTHER RESOLVED that the Chief Executive, Chief Financial Officer and the Company Secretary of the Company be and are hereby authorized to do all such things and acts necessary for this investment in the best interests of the Company,

including but not limited to the execution of all/any documents required for the purposes contemplated in this resolution.”

A statement under section 160(1)(b) of the Companies Ordinance, 1984 relating to the aforesaid special business to be transacted at the said Annual General Meeting is attached.

Any other business

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

By Order of the Board

Shafiq Ahmed
Company Secretary

Karachi
February 27, 2014

NOTES:

1. Closure of Share Transfer Books:

The share transfer books of the Company will remain closed from April 15, 2014 to April 28, 2014 (both days inclusive). Transfers received in order at the office of our Shares Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Next to Hotel Faran, Nursery, Block – 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business (1700 hours) on Monday, April 14, 2014 will be treated in time for the purpose of above entitlement to the transferees.

2. Participation in the Annual General Meeting:

All members of the Company are entitled to attend the Meeting and vote there at in person or through Proxy. A Proxy, duly appointed, shall have such rights in respect to the speaking and voting at the Meeting as are available to a Member. The proxies shall produce their original CNICs or original Passports at the time of the Meeting.

3. Proxy:

A Member of the Company may appoint another member as his/her Proxy to attend and vote instead of him/her. A Corporation being a member may appoint any person, whether or not a member of the Company, as its Proxy. In the case of corporate entities, the Board of Directors' resolution / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity, unless provided earlier, shall be submitted to the Company along with the Proxy Form.

In order to be effective, Proxy Forms, duly filled and signed, must be received at the Registered Office, Dawood Centre, M.T. Khan Road, Karachi, not less than forty eight (48) hours before the Meeting. A blank Proxy Form is attached herewith.

4. For Candidates participating in the Election of Directors

Any person, who seeks to contest an election to the office of Directors, shall whether he/she is a retiring Director or otherwise file with the Company at its Registered Office not later than fourteen days before the date of the meeting, the following documents;

- (a) Notice of his /her intention to offer himself/herself for election as a Director;
- (b) Consent to act as a director u/s 184 of the Companies Ordinance, 1984 (Form 28);
- (c) A detailed profile along with office address as required under SECP's SRO 25(1) 2012 dated January 16, 2012;
- (d) A declaration confirming that:
 - I. He/she is aware of the duties of directors under the Companies Ordinance, 1984, the Memorandum and Articles of Association and listing regulations of the Karachi Stock Exchange.
 - II. He / she is not ineligible to become a director of the Company under any applicable laws and regulations (including listing regulations of the stock exchanges)
 - III. He/she is not serving as a director of more than seven listed companies including this company excluding directorships in listed subsidiaries of listed holding companies

5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down in Circular 1 of 2000, dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- i. In case of Individuals, the account holder or sub-account holder and/or the person whose registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/her original CNIC 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 (unless it has been provided earlier) at the time of the Meeting.

B. For Appointing Proxies

- i. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Regulations, shall submit the proxy form as per above requirements.
- 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 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 (unless it has been provided earlier) along with proxy form to the Company.
6. A copy of the Memorandum and Articles of Association has been kept at the Registered Office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the Annual General Meeting.

7. Notice to members who have not provided their CNIC:

The directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 19 (I) / 2014 dated January 10, 2014 in continuation to S.R.O. 831 (I) / 2012 dated July 5, 2012 provides that the dividend warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC number of the members is, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Share Registrar at the following address without any further delay:

FAMCO Associates (Pvt.) Limited
8-F, Next to Hotel Faran, Nursery
Block – 6, P.E.C.H.S
Shahrah-e-Faisal
Karachi

8. E- dividend mandate:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged by SECP where shareholders can get amount of the dividend credited into their respective bank accounts electronically. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed companies to adopt e-dividend mechanism due to the benefits it entails for their members. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.

9. Change of Address:

Members are requested to notify any change in their addresses immediately to the Share Registrar M/s. FAMCO Associate (Private) Limited.

DAWOOD HERCULES CORPORATION LIMITED

Statement under section 160(1)(b) of the Companies Ordinance, 1984

This statement is to be annexed to the Notice of the Annual General Meeting of the Company to be held on April 28, 2014, and sets forth the material facts pertaining to the foregoing special business.

#	NATURE OF INFORMATION REQUIRED TO BE DISCLOSED PURSUANT TO THE COMPANIES (INVESTMENTS IN ASSOCIATED COMPANIES OR UNDERTAKINGS) REGULATIONS, 2012	RELEVANT INFORMATION
1.	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	e2e Business Enterprises (Private) Limited (e2e BE). The relationship is established based on the common directors and 39% holding of the Company in e2e BE.
2.	Purpose, benefits and period of investment	<p>Purpose & Benefit The objective of the Company is to make equity investment in projects which are new and have a potential of generating profit and increase shareholders' value. It is a greenfield project to produce Rice Bran Oil and is based in the heart of the rice growing area in Punjab.</p> <p>Period of Investment Long term</p>
3.	Maximum amount of investment	PKR 280 million
4.	Maximum price at which securities will be acquired	PKR 10/-
5.	Maximum number of securities to be acquired	28 million ordinary shares
6.	Number of securities/units and percentage thereof held before and after the proposed investment	<p>Before acquisition nil</p> <p>After acquisition 39%</p>
7.	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	N/A
8.	In case of investment in unlisted securities fair market value of such securities determined in terms of regulation 6(1)	e2e BE is a newly set up company and the project is currently in a construction phase. The current fair value of investment is assumed at PKR 10/- due to the above factor. The fair value of the investment will be applicable once the company commences its operations.

9.	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	PKR 8.80/- per share (30 June 2013 audited accounts). The company was incorporated in January 2012)
10	Earning/(Loss) per share of the associated company or associated undertaking for the last three years	N/A
11	Sources of fund from which securities will be acquired	Bank financing
12	<p>If the securities are intended to be acquired using borrowed funds;</p> <p>a. justification for investment through borrowings; and</p> <p>b. detail of the guarantees and assets pledged for obtaining such funds</p>	<p>The investment is expected to earn a high IRR which is expected to substantially exceed the cost of borrowed funds. The project also has a relatively short payback period.</p> <p>Shares of a listed company are pledged for obtaining funds.</p>
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	The Company has signed Shareholders Agreement and Subscription Agreement with five other parties including e2e BE for the investment in the Project. The Company is required to make investment in four tranches equal to 39% of the total equity of e2e BE. In addition, the Company is entitled to nominate four directors, out of a total of ten, on the Board of e2e BE.
14	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	None of the directors, sponsors, majority shareholders and their relatives have any interest in the proposed acquisition, except to the extent of their shareholding in the associated company or associated undertaking or the transaction under consideration.
15	Any other important details necessary for the members to understand the transaction	None
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information	

	<p>referred to above, disclose further information as follows:</p> <p>a. Description of the project and its history since conceptualization.</p> <p>b. Starting and expected date of completion of work.</p> <p>c. Time by which such project shall become commercially viable.</p> <p>d. Expected time by which the project shall start paying return on investment.</p>	<p>The project is to establish 12,000 tons crude Rice Bran Oil (RBO) extraction unit to process 70,000 tons Rice Bran followed by conversion of the crude RBO to recover 9,700 tons of high quality edible oil at full seasonal capacity. The Rice Bran will be sourced from the rice growing areas of Punjab. The total cost of the project is currently estimated at PKR 1.20 billion and involves installation of modern solvent extraction plant. The project is sponsored by e2e Supply Chain Management (Private) Limited, a leading logistics service provider in Pakistan. Other shareholders are Mr. Ibrahim Shamsie, Mr. Ali Al Makky and Mr. Irfan Mustafa.</p> <p>The project company was established in January 2012 and the expected date of completion of the project is November 2014.</p> <p>The project has an estimated payback period of 3 years and is expected to be commercially viable in the first year of its operation.</p> <p>First year of operations</p>
--	---	--