

February 22, 2022

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

**NOTICE OF THE TWENTY FOURTH ANNUAL GENERAL MEETING OF
ENGRO POLYMER & CHEMCALS LIMITED**

Dear Sir,

We are enclosing herewith the Notice of the Twenty Fourth Annual General Meeting of Engro Polymer & Chemicals Limited held on Wednesday, March 16, 2022 at 10:00 a.m. for circulation amongst the TRE Certificate Holders of the Exchange.

Sincerely,

For and on behalf of

Engro Polymer & Chemicals Limited



KHAWAJA HAIDER ABBAS, ACA
Company Secretary

cc: Director/HOD,
Surveillance, Supervision and Enforcement Department,
Securities and Exchange Commission of Pakistan,
NIC Building, 63 Jinnah Avenue,
Blue Area, Islamabad.



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Twenty Fourth Annual General Meeting of the members of Engro Polymer & Chemicals Limited (the “**Company**”) will be held at Karachi School of Business and Leadership (KSBL), National Stadium Road, Opp. Liaquat National Hospital, Karachi – 74800 on March 16th, 2022, at 10:00 A.M. to transact the following business:

Please note that due to the continuing Covid 19 pandemic and to ensure the safety and health of members, physical attendance will be limited, and shareholders are encouraged to attend the meeting through video conference facility managed by the Company (please see the notes section for details).

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, 2021, together with the Directors' and Auditors' Reports thereon and Chairman's Review Report.

As required under section 223(7) of the Companies Act 2017, Financial statements of the Company have been uploaded on the website of the Company which can be downloaded from the following link:

<https://www.engropolymer.com/shareholder-information/#financial>



2. To declare, as recommended by the Directors, the payment of a final cash dividend at the rate of PKR 5,080,078,331.50 for the year ended December 31, 2021 which shall be distributed as follows:

Final cash dividend for ordinary shareholders for the year ended December 31, 2021 Rs. 5.50 per share i.e. 55%. This is in an addition to interim cash dividend already paid at Rs. 10.80 per share i.e. 108%

Final cash dividend for preference shareholders for the year ended December 31, 2021 Rs. 0.27 per share i.e. 2.70%. This is in an addition to interim cash dividend already paid at Rs. 0.84 per share i.e. 8.40%.

Engro Polymer & Chemicals Limited

12th Floor, Ocean Tower, G-3, Block-9, Clifton, Khayaban-e-Iqbal, Karachi 75600, Pakistan.

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www.engropolymer.com

3. To appoint Auditors for the year 2022 and fix their remuneration. The Members are hereby notified that the Board 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 approve by way of Special Resolution with or without modification the following resolutions with respect to the related party transactions in which majority of Directors of the Company are interested in terms of Sections 207 and 208 (to the extent applicable) of the Companies Act, 2017:

RESOLVED THAT Engro Polymer & Chemicals Limited (the “Company”) be and is hereby authorized to enter into the Service Level Agreement (the “SLA”) with Engro EXIMP FZE (the “Transaction”).

FURTHER RESOLVED THAT for the purposes aforesaid, the Chief Executive Officer, Chief Financial Officer of the Company or their delegates be and are hereby authorized and empowered to do the following on behalf of the Company:

- (i) finalize the terms of the SLA on an arm’s length basis along with all other documents intended to be entered into for the purposes of the above resolutions, as well as to execute the same;
- (ii) terminate, amend, or renew the SLA on an arm’s length basis, and to execute all relevant documentation in relation thereto; and
- (iii) generally do all acts, deeds and things as may be required with respect to the aforementioned resolutions along with all incidental actions and matters in respect of the same.

Attached to this notice is the Statement of Material Facts covering the above-mentioned Special Business, as required under Section 134(3) of the Companies Act, 2017.

By Order of the Board

Karachi,
Dated: February 17, 2022

KHAWAJA HAIDER ABBAS, ACA
Company Secretary

NOTES

1. Participation in the AGM proceeding via physical presence or through video conferencing facility:

Due to the continuing Covid 19 pandemic and to ensure the safety and health of members, physical attendance at the AGM will be limited to 50% of the venue capacity, or 50 members present. Hence, members are encouraged to attend the AGM proceedings via video-conferencing facility, which shall be made available by the Company.

All shareholders/members interested in attending the AGM, either physically or through video-conferencing facility are requested to register their Name, Folio Number, Cell Number, CNIC / Passport number at <https://forms.office.com/r/Svc5bvK4XM>. Members wishing to attend in person must also provide a copy of their vaccination certificates at the above link. Confirmation email for physical meeting or video link and login credentials will be shared with only those shareholders whose registration are received at least 48 hours before the time of AGM.

The Company reserves the right to refuse entry to any member who has not pre-registered for physical attendance or is not carrying their vaccination card with them. These measures are necessary to ensure the safety and health of all present.

Shareholders can also provide their comments and questions for the agenda items of the AGM at the email address agm.epcl@engro.com

2. Electronic transmission of Annual Report 2021

In compliance with the section 223(6) of Companies Act 2017, the Company has electronically transmitted the Annual Report 2021 through email to shareholders whose email addresses are available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited. In those cases, where email addresses are not available with the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited, printed notice of AGM along with the QR enabled code/weblink to download the said financial statements have been dispatched. However, the Company would provide hard copies of the Annual Report to the Shareholders on their demand at their registered addresses, free of cost, within one week of such request.

Further, shareholders are requested to kindly provide the valid email address (along with a copy of valid CNIC) to the Company's Share Registrar, M/s. FAMCO Associates (Private) Limited if you hold shares in physical form or to the respective Participant/Investor Account Services if shares are held in book entry form.

3. The Share Transfer Book of the Company will be closed from Wednesday, March 9, 2022, to Wednesday, March 16, 2022 (both days inclusive). The transfers received in order at the office of the Company's share registrar, M/s. FAMCO Associates (Private) Limited, 8-F, near hotel Faran, Block 6, PECHS, Shakra-e-Faisal, Karachi PABX Nos. (92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m.) on Tuesday, March 8, 2022 will be treated to have been in time for the purposes of payment of final dividend to the transferees and to attend and vote at the meeting.
4. 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 all such rights, (in respect of) 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.

5. Requirements for appointing Proxies

- (a) In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
 - (b) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
 - (c) Attested copies of the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
 - (d) The proxy shall produce his/her valid original CNIC or original passport at the time of the Annual General Meeting.
 - (e) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Company along with the proxy form unless the same has been provided earlier.
6. 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.

7. Electronic dividend mandate

Under the Section 242 of the Act, it is mandatory for all listed companies to pay cash dividend to its shareholders through electronic mode directly into the bank account designated by the entitled shareholders.

To receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Company's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, M/s. FAMCO Associates (Private) Limited, in case of physical shares.

In case of shares held in CDC then Electronic Dividend Mandate Form must be directly submitted to shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

8. 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 30% 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 30% 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, M/s. FAMCO Associates (Private) Limited, of the Company by the first day of book closure.

According to the FBR, withholding tax in case of joint accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) based on their shareholding proportions. Members that hold shares with joint shareholders are requested to provide the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to our Share Registrar, M/s. FAMCO Associates (Private) Limited, in writing. In case the required information is not provided to our Registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

9. Submission of valid CNIC (Mandatory)

As per SECP directives the dividend of shareholders who's valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, M/s. FAMCO Associates (Private) Limited without any further delay.

10. Unclaimed Dividend

As per the provision of section 244 of the Act, any shares issued, or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued, and dividend declared by the Company which have remained due for more than three years was sent to shareholders.

Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Company in the given time, the Company shall after give notice in the newspaper proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Act.

11. Conversion of Physical Shares into CDC Account

The SECP, through its letter No. CSD/ED/Misc/2016-639-640 dated March 26, 2021, has advised all listed companies to adhere to the provisions of Section 72 of the Companies Act, 2017 (the “Act”), which requires all companies to replace shares issued in physical form to book-entry form within four years of the promulgation of the Act.

Accordingly, all shareholders of the Company having physical folios/share certificates are requested to convert their shares from physical form into book-entry form at the earliest. Shareholders may contact a PSX Member, CDC Participant, or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. Maintaining shares in book-entry form has many advantages — safe custody of shares with the CDC, avoidance of formalities required for the issuance of duplicate shares, and readily available for sale and purchase in open market at better rates. The shareholders of the Company may contact the Share Registrar and Transfer Agent of the Company, namely FAMCO Associates (Private) Limited at the following address for the conversion of physical shares into book-entry form.

NOTICE OF 24TH ANNUAL GENERAL MEETING

Statement under Section 134 (3) of the Companies Act, 2017 Pertaining to Special Business

This Statement sets out the material facts pertaining to the Special Resolution described in the Notice of Annual General Meeting (“AGM”), intended to be transacted at the 24th AGM of Engro Polymer & Chemicals Limited (the “Company”) that is scheduled to be held on Wednesday, March 16, 2022.

The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Following related party transaction require Shareholders’ approval under Sections 207 and 208 (to the extent applicable) of the Companies Act, 2017 as majority of Directors on the Company’s Board are interested in the transaction.

The Independent Directors has recommended the transaction, details are as follows:

Name of related party	Engro EXIMP FZE
Names of interested persons or directors	Mr. Ghias Khan, Mr. Nadir Salar Qureshi, Mr. Eram Hasan, Mr. Rizwan Masood Raja, Mr. Hideki Adachi and Mr. Jahangir Piracha
Nature of relationship	100% owned subsidiary of Engro Corporation Limited which is a majority shareholder of the Company. Additionally, the common director between the Company and Engro EXIMP FZE is Mr. Eram Hasan.
T&Cs of transactions	Export finished goods to Engro EXIMP FZE and procure raw material and other trading products from Engro EXIMP FZE on market competitive rates. All transactions to be on arm’s length basis
Amount of transactions	At market competitive rates and on arm’s length basis
Timeframe	1 year – extendable by mutual consent of both parties
Pricing policy	At market competitive rates and on arm’s length basis