

STATEMENT ACCOMPANYING NOTICE TO THE MEMBERS OF FATIMA FERTILIZER COMPANY LIMITED UNDER SECTION 134 (3) & 281 OF THE COMPANIES ACT, 2017

The accompanying copy of the notice is for the purpose of convening the meeting of shareholders for the purpose of passing of the special resolution specified in the notice for obtaining the approval of the Scheme from the shareholders in compliance with the order of the Honourable Lahore High Court, Lahore dated July 12, 2019.

The Board of Directors in their meeting held on October 15, 2018 has decided to amalgamate FFL into Fatima Fertilizer Company Limited ("Fatima") with effect from January 1, 2019 subject to receipt of all requisite corporate and regulatory authorizations, consents and approvals. The proposed amalgamation is part of the business expansion plan of Fatima wherein it intends to consolidate all fertilizer business undertaken by its wholly owned subsidiary.

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 FFL 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 FFL, by transfer to and vesting in Fatima, the whole of business and undertaking of FFL together with all the property, assets, rights, liabilities, quotes and obligations of every description of FFL.

After the proposed amalgamation, significant optimization in the operational synergies shall be achieved some of which are:

- Only a single Board of Directors will be required to manage the affairs of the amalgamated company.
- Only one AGM will be required to be held and one set of annual audited accounts required to be published and circulated by the amalgamated company.
- Only one register of shareholders and one set of books and records will be required to be maintained and one set of forms will be filed with the Regulatory Authorities.
- Single assessment for income tax and sales tax and their filing and record keeping.
- Improvement in the administration of personal affairs of the staff through uniform administrative policies.

Further, the following directors of Fatima Fertilizer Company Limited are also the directors and shareholders in FFL, however, the directors have no direct or indirect interest except to the extent of shareholding/directorship as aforesaid.

Directors

- 1) Mr. Arif Habib
- 2) Mr. Fawad Ahmed Mukhtar-Chief Executive Officer
- 3) Mr. Fazal Ahmed Sheikh
- 4) Mr. Faisal Ahmed Mukhtar
- 5) Mr. Mohammad Abad Khan
- 6) Mr. Muhammad Kashif Habib

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