

**RESOLUTIONS PASSED AND ADOPTED BY THE MEMBERS OF THE HUB POWER COMPANY LIMITED AT THE 25th ANNUAL GENERAL MEETING HELD ON TUESDAY, OCTOBER 18, 2016 AT MARRIOTT HOTEL, KARACHI AT 10.30 AM.**

- 1. To receive and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2016 together with the Directors' and Auditor's Reports thereon.**

The Directors' Report and Annual Audited Accounts of the Company for the year ended June 30, 2016 be and are hereby approved and adopted. The following resolution was passed:

“UNANIMOUSLY RESOLVED that the Annual Audited Financial Statements, both standalone and consolidated, of the Company for the year ended June 30, 2016 together with the Directors and Auditor's Reports, Statement of Compliance with Best Practices of Code of Corporate Governance and Auditor's Reports on Compliance Statement thereon, be and are hereby approved.”

- 2. To approve and declare the final dividend of Rs. 3.00 (30%) per share as recommended by the Board of Directors for the year ended June 30, 2016.**

The payment of a final cash dividend of 30% for the year ended June 30, 2016 be and is hereby approved. The following resolutions was passed:

"UNANIMOUSLY RESOLVED that pursuant to the recommendation of the Board of the Company, the payment of Final Cash Dividend of Rs. 3.00 per share (30%) for the year ended June 30, 2016 amounting to Rs. 3,471,463,161 to those shareholders whose names appear in the Register of Members on 7<sup>th</sup> October 2016 be and is hereby approved”

- 3. To appoint Auditors and to fix their remuneration for the year ending June 30, 2017. The present auditors EY Ford Rhodes , Chartered Accountants, retire and being eligible, have offered themselves for reappointment.**

The retiring Auditors M/s. EY Ford Rhodes, Chartered Accountants being eligible, have offered themselves for reappointment as Auditors of the Company for the year 2016-2017 at the total remuneration of Rs. 3,606,500/- plus out of pocket expenses for the Review of Interim Financial Statements, audit of Financial Statements and Consolidated Financial Statements and Review of Compliance with Code of Corporate Governance. The following resolution was passed:

“UNANIMOUSLY RESOLVED that M/s EY Ford Rhodes, Chartered Accountants, be and are hereby appointed statutory auditors of the Company until the conclusion of 26<sup>th</sup> Annual General Meeting of the Company at a fee of Rs. 3,606,500 plus out of pocket expenses for the audit of the separate and consolidated financial statements, the review of the financial statements and statement of compliance”.

#### **4. Sale and Transfer of Land in Hub, Balochistan**

The meeting then considered approval of the proposed sale and transfer of upto 350 acres of land out of 1458 acres at Hub, having a total book value of Rs.17,750,961 to China Power Hub Generation Company (Private) Limited (CPHGC), evaluated at a fair market value by a valuer appointed by the Power Purchaser for the Hub Plant and the proceeds therefore shall be passed on to the Power Purchaser in consideration of obtaining necessary No Objection Certificate (NOC) under the Implementation Agreement of the Hub Plant. Members were informed as the entire amount of the proceed will be passed on to the Power Purchaser (WAPDA/NTDC) the transaction will result in a loss to the Company. The members have approved the transfer, hence the following resolutions were passed as Ordinary Resolutions

“RESOLVED THAT pursuant to Section 196 (3) of the Companies Ordinance, 1984, the consent of the members be and is hereby accorded for the sale of land measuring 350 acres of land for purposes of constructing, developing and operating a 2x660 MW coal fired power plant and ancillary jetty and such other facilities.

FURTHER RESOLVED THAT the Company be and is hereby authorized, subject to satisfaction of corporate and regulatory requirements (to the extent applicable) and in accordance with the legal and procedural formalities, enter into Deed of Conveyance for the purposes of recording the transfer of title of land in the name of China Power Hub Generation Company (Private) Limited (CPHGC).

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby jointly authorized and empowered to sell the land for and on behalf of the Company to China Power Hub Generation Company (Private) Limited (CPHGC) and complete all legal and regulatory formalities to give effect to the aforesated resolutions and perform all such acts as authorized by the Board with regards to the sale of land.

FURTHER RESOLVED THAT the Board be and hereby is empowered to agree upon modification in these resolutions that may be directed/required by the SECP without the need of any further members' approvals and consents.”

#### **5. Transmission of Annual Accounts:**

The meeting then considered transmission of Annual Accounts through CD/DVD/USB to all members to give effect of S.R.O 470(I)2016 dated May 31, 2016 of the Securities and Exchange Commission of Pakistan (“SECP”),

In this regard, the following resolutions are passed as Ordinary Resolutions:

“RESOLVED that the Company may transmit the annual balance sheet and profit and loss account, auditor's report and directors' report, to its members through CD/DVD/USB instead of in hard copy at their registered addresses.

FURTHER RESOLVED THAT the standard Request Form be and is hereby placed on Company's website for the purpose of communication of the requisition of annual audited accounts through hard copy"

**Special Resolutions:**

**6. Amendment in Articles of Association:**

The Securities and Exchange Commission of Pakistan has issued the Companies (E-Voting) Regulations, 2016 (the "Regulations") on January 22, 2016 vide S.R.O 43(1)/2016 which allows both members and non-members to take part in decision making in the general meeting of the Company through electric means through an Intermediary.

In order to comply with the Regulations, the existing Articles of Associations (AOA) of the Company needs to be amended and the following Special Resolutions were passed to amend the existing Articles of Association by addition of the following new paragraph in Article 56 and reword Article 61 in order to bring the effect of the Companies (E-Voting) Regulations, 2016.

"RESOLVED THAT the following new paragraph be and is hereby added in the existing Article 56 of the AOA of the Company to be read as follows:

**56. Votes of Members**

"The provisions and requirements for e-voting as prescribed by the SECP from time to time shall be deemed to be incorporated in these Articles of Association, irrespective of the other provisions of these Articles and notwithstanding anything contradictory therein."

FURTHER RESOLVED THAT the existing Article 61 be and is hereby reworded to be read as follows:

**61. Form of Proxy:**

"An instrument appointing a proxy shall be in the form specified in Regulation 39 of the Table 'A' in the First Schedule to the Ordinance or Schedule II of the Companies (E-Voting) Regulations, 2016 or in any other form which the Directors may approve."

FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby singly authorized to take or cause to be taken any and all actions necessary and incidental for the purposes of altering the Articles of Association of the Company and make necessary submissions and complete legal formalities, as may be required to implement the aforesaid Special Resolutions."

**7. Investment in SECMC**

The meeting then proceeded to approve investment in Sindh Engro Coal Mining Company Limited (SECMC) of USD 20 million (including Rs.605 million already invested), to arrange and to provide standby Letter of Credit for an amount of up to USD 20 million less the amount already invested and

Bank Guarantee to the lenders of SECMC to cover for the cost overrun of up to USD 4 million till the completion and commissioning of the project to the satisfaction of the lenders of SECMC. Members were informed that at the time of the previous approvals the Shareholders were informed that the Company would fund its investment into SECMC from self-generated funds while now the shareholders were informed that the investment would be through borrowed funding, details of which were provided in the Statement under section 160 of the Companies Ordinance, 1984 and the following Special Resolutions were passed:

“RESOLVED THAT the approval of the members of the Company be and is hereby accorded in terms of Section 208 for making “investments” in SECMC for an amount not exceeding USD 4 million (in equivalent Pakistan Rupees) by way of a sponsor support guarantee to cover cost overruns which, if called, shall result in either a subscription of shares at the rate of Rs.14.82 per share or will be treated as subordinated debt, on terms and conditions to be agreed in writing between the Company, SECMC and the lenders to SECMC.

FURTHER RESOLVED THAT the approval of the members of the Company be and is hereby accorded for an “investment” in SECMC, by way of a sponsor guarantee for provision of a standby letter of credit to cover for the Initial Payment Service Reserve Account Shortfall, of an amount estimated not to exceed USD 6 million, but which could be higher as detailed in the explanation.

FURTHER RESOLVED THAT in the event that a demand for payment is made under the standby letter of credit, the approval of the members of the Company be and is hereby accorded in terms of Section 208 for making investments in SECMC for the demanded amount being up to the Rupees equivalent of USD 6 million (or a higher amount, if necessary) either by way of subscription for shares at the rate of Rs.14.82 per share or by treating such amount as subordinated debt, on terms and conditions to be agreed in writing between the Company, SECMC and the lenders.

RESOLVED THAT the Company be and is hereby authorized to pledge its shares in SECMC with the lenders for providing security to such lenders as required by all the Sponsors of the Mining Project”.

Certified True Copy



**Shamsul Islam**

Company Secretary

The Hub Power Company Limited