

NOTICE OF THE 27TH ANNUAL GENERAL MEETING

Notice is hereby given that the 27th Annual General Meeting of the Company will be held on Friday, October 05, 2018 at 10.00 am at Marriott Hotel, Abdullah Haroon Road, Karachi to transact the following business:

A. ORDINARY BUSINESS

1. To receive and adopt the Annual Audited Financial Statements of the Company for the year ended June 30, 2018 together with the Directors' and Auditor's Reports thereon.
2. To approve and declare the final dividend of PKR 2.80 (28%) per share as recommended by the Board of Directors for the year ended June 30, 2018.
3. To appoint A.F.Ferguson & Co., Chartered Accountants as Auditors of the Company and to fix their remuneration for the year ending June 30, 2019.
4. To elect 9 (Nine) Directors in accordance with the Companies Act, 2017 for a term of three years commencing from the date of holding of AGM i.e. October 05, 2018.

The following Directors of the Company will cease to hold office upon the election of a new Board of Directors:

- 1) Mr. Muhammad Habibullah Khan
- 2) Mr. Aly Khan
- 3) Ms. Aleeya Khan
- 4) Mr. Tabish Gauhar
- 5) Mr. Shafiuddin Ghani Khan
- 6) Mr. Qaiser Javed
- 7) Mr. Iqbal Alimohamed
- 8) Mr. Andalib Alavi
- 9) Mr. Manzoor Ahmed
- 10) Mr. Javed Akbar
- 11) Mr. Muhammad Waseem Mukhtar
- 12) Mr. Owais Shahid

B. SPECIAL BUSINESSES

To consider and if thought appropriate, to pass with or without modification, the following resolution as special resolution:

1. **Approval for Issuance of Letter of Support (LOS) Guarantee to Private Power & Infrastructure Board (PPIB) for Thar Energy Limited (TEL)**

RESOLVED that the approval of the members of the Company be and is hereby accorded in terms of Section 199 to authorize the Company to arrange and provide a bank guarantee to Private Power & Infrastructure Board ("PPIB") to cover the obligations of Thar Energy Limited ("TEL") to USD 2,310,000. The bank guarantee shall be for a period up till June 2019.

FURTHER RESOLVED that, subject to Shareholders' approval, the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary, acting jointly or severally are authorized to procure finance facility(ies)

from banks/financial institution(s) for the issuance of Bank Guarantee to PPIB on such terms and conditions as may be deemed appropriate including creation of charge, or hypothecation for the guarantee amount with appropriate margin over (movable or immovable) assets of the Company and for the said purposes execute agreements, security documents, confirmations, notices, filings and certificates as may be agreed with the financiers, including any amendments thereto, or as required by law.

C. OTHER BUSINESS

1. To transact any other business with the permission of the Chair

By Order of the Board

Date: August 20, 2018
Place: Karachi

Shaharyar Nashat
Company Secretary

NOTES:

- i All members are entitled to attend and vote at Meeting.
- ii The Share Transfer Books of the Company will remain closed from Friday, September 28, 2018 to Friday, October 05, 2018 (both days included) and the final dividend will be paid to the shareholders whose names appear in the Register of Members on September 27, 2018.
- iii Members may exercise their right to vote as per provision of the Companies (Postal and Ballot) Regulations 2018, subject to the requirements of Section 143 & 144 of the Companies Act 2017. Further details in this regard will be communicated to the shareholders within legal time frame as stipulated under these Regulations if required.
- iv A member entitled to attend and vote at the meeting may appoint a proxy in writing to attend the meeting and vote on the member's behalf. A Proxy need not be a member of the Company.
- v Duly completed forms of proxy must be deposited with the Company Secretary at the Head Office of the Company no later than 48 hours before the time appointed for the meeting.
- vi Shareholders (Non-CDC) are requested to promptly notify the Company's Registrar of any change in their addresses and submit, if applicable to them, the Non-deduction of Zakat Form CZ-50 with the Registrar of the Company M/s. Famco Associates (Pvt.) Ltd, 8F, Next to Hotel Faran, Nursery, Block 6, PECHS, Shakra-e-Faisal, Karachi. All the Shareholders holding their shares through the CDC are requested to please update their addresses and Zakat status with their Participants. This will assist in the prompt receipt of Dividend.

A. For Attending the Meeting

- i. In case of individuals, the Account Holders of Sub-account Holders and / or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate their identity by showing original Computerized National Identity (CNIC) or original passport at the time of attending the Meeting.
- ii. In case of a corporate entity, the Board of Directors resolution / Power of Attorney with specimen signature of the nominee shall be produced (if it has not been provided earlier) at the time of attending the Meeting.

B. For Appointing Proxies

- i. In case of individuals, the Account Holders of Sub-account Holders and / or the persons whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit their proxy forms as per the above mentioned requirements.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- iv. In case of a 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.

C. Election of Directors Procedure

The term of the office of the present Board of Directors of the Company will expire on October 04, 2018. In terms of Section 159(1) of the Companies Act, 2017 ("Act") the Board of Directors in its 155th meeting held on August 20, 2018 has fixed the number of elected Directors at 9 (Nine) to be elected in the Annual General Meeting of the Company for the period of next three years

Any person who seeks to contest the election to the office of a Director, whether he is retiring director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company located at 11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi, not later than 14 days before the date of Annual General Meeting.

- a) Notice of his / her intention to offer him / herself for the election to the Office of Director in terms of section 159(3).
- b) Consent to act as director of the Company along with consent on Form 28 prescribed under the Act.
- c) A detail profile along with office address as required under SECP' SRO 634(1)2014 dated July 10, 2014.

- d) Declaration under Clause 3 of the Listed Companies (Code of Corporate Governance) Regulations 2017.
- e) Declaration that he/she is not ineligible to become a director of Hubco in terms of Section 153 of the Act.
- f) A director must be holding 1 qualification share of the Company at the time of filing of his / her consent to act as director. The aforesaid qualification shall not be applicable for instances mentioned in Section 153(i) of the Companies Act 2017.
- g) Independent Director(s) will be elected through the process of election of director in terms of section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations 2018, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an independent director:
 - Declaration by Independent Director(s) under Clause 6(2) of the Listed Companies (Code of Corporate Governance) Regulation 2017.
 - Undertaking on non-judicial stamp paper that he / she meet the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

D. Consent for Video Conference Facility

- (i) In compliance with Section 134(1)(b) of the Companies Act, 2017, if the Company receive consent from members holding aggregate 10% or more shareholding residing at geographical location to participate in the meeting through video link facility at least 10 days prior to the date of general meeting, the Company will arrange video link facility in that city. To avail this facility, please provide following information and submit to registered address of the Company.
- (ii) The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access the facility

<p>I/We, _____ of _____ being a member of The Hub Power Company Limited, holder of _____ Ordinary Shares as per Register Folio No. _____ hereby opt for video conference facility at _____</p> <p style="text-align: right;">Signature of member</p>
--

STATEMENT PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

Pursuant to Section 134 (3) of the Companies Act, 2017, this Statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the Annual General Meeting of The Hub Power Company Limited (the "Company") to be held on Friday, October 05, 2018.

1. Approval for Issuance of Letter of Support (LOS) Guarantee to Private Power & Infrastructure Board (PPIB) for Thar Energy Limited (TEL)

TEL was incorporated in Pakistan on May 17, 2016 as a wholly owned subsidiary of the Company under the repealed Companies Ordinance, 1984. The principal activities of TEL are to develop, own, operate and maintain a 330 MW mine-mouth coal fired power plant to be established at Thar Block II, Thar Coal Mine, Sindh ("Project").

TEL has received commitment from Sindh Engro Coal Mining Company Limited ("SECMC") for mining of coal in Thar Block II (Phase II) for supply of 1.9 million ton per annum of Thar Lignite coal for sustainable operations of the Thar Plant.

The Company has entered into the Shareholders' Agreement on March 15, 2018 with Fauji Fertilizer Company Limited ("FFC"), CMEC TEL Power Investments Limited Emirates ("CMEC Dubai") as shareholder and China Everbest Development International Limited ("CMEC HK") as Sponsor. The Shareholders' Agreement provides for investment in equity of TEL by each of the shareholders such that the shares of TEL will be distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%. The Company, FFC and CMEC HK would be collectively referred as ("Sponsors").

Pursuant to the proposal submitted by TEL on April 05, 2016 for setting up the Project, Private Power & Infrastructure Board ("PPIB") issued Letter of Support ("LOS") on December 9, 2016. As per the terms of the LOS, the Company provided performance guarantee amounting to USD 1.65 million in favour of PPIB.

TEL requested PPIB to provide extension in the Financial Closing date i.e. till September 8, 2018 (Extended Financial Closing date). On June 21, 2018, PPIB approved the extension in the financial closing date till September 8, 2018 and also approved the extension in the COD till March 31, 2021. To fulfil the requirements to obtain LOS extension from PPIB, the Company doubled the performance guarantee amount from USD 1.65 million to USD 3.30 million till December 31, 2018.

TEL is currently in negotiations with its lenders for the finalization of financing arrangements, however, considering the challenges faced with regards to financing arrangements, TEL has requested PPIB for further extension in the Financial Closing Date under LOS for at least six months from September 8, 2018 to March 8, 2019. Therefore, Company is required to extend the tenure of the Performance Guarantee from Dec 2018 to June 2019.

Previously, the guarantee was based on Hubco's 100% Shareholding in TEL as at that time the equity was not injected by FFC and CMEC. FFC has injected its equity portion in TEL on April 17, 2018. CMEC Dubai has yet to contribute its portion of equity representing 10% of the total equity interest in TEL which has resulted in HUBCO and FFC holding 70% and 30%, respectively. Based on the equity contribution, the company is required to extend the guarantee for 70% of the LOS guarantee amount i.e. USD 2,310,000/- for which shareholders' approval is being sought.

INFORMATION PURSUANT TO THE COMPANIES

(Investment in Associated Companies or Associated Undertakings) Regulations 2017
(The “Regulations”)

(A) PERFORMANCE GUARANTEE TO PPIB

Investment for an amount not exceeding USD 2,310,000 (USD Two Million Three Hundred Ten Thousand) (or PKR equivalent)

(i) Investment in the form of debt

(a) Disclosures under Regulation 3(a)

Information Required	Information Provided												
Name of the “associated company	Thar Energy Limited (TEL)												
Basis of relationship;	The Company holds 70% of the total issued shares of TEL. Mr. Khalid Mansoor, CEO, and Mr. Iqbal Alimohamed, Director of the Company, are also on the Board of TEL.												
Earnings per share for the last three years;	<table> <tr> <td>2018</td> <td>(0.17)</td> </tr> <tr> <td>2017</td> <td>(2.27)</td> </tr> <tr> <td>2016*</td> <td>(0.49)</td> </tr> </table> *Being the first year of incorporation	2018	(0.17)	2017	(2.27)	2016*	(0.49)						
2018	(0.17)												
2017	(2.27)												
2016*	(0.49)												
Break-up value per share, based on latest audited financial statements;	Rs. 9.62 per share as of June 2018												
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	<table> <tr> <td>Position as of June 30, 2018</td> <td>In ‘000’</td> </tr> <tr> <td>Total Assets</td> <td>4,399,988</td> </tr> <tr> <td>Equity</td> <td>3,527,156</td> </tr> <tr> <td>Current Liabilities</td> <td>872,832</td> </tr> <tr> <td>General and Administration Expenses</td> <td>(100,672)</td> </tr> <tr> <td>Loss for the Period</td> <td>(62,545)</td> </tr> </table>	Position as of June 30, 2018	In ‘000’	Total Assets	4,399,988	Equity	3,527,156	Current Liabilities	872,832	General and Administration Expenses	(100,672)	Loss for the Period	(62,545)
Position as of June 30, 2018	In ‘000’												
Total Assets	4,399,988												
Equity	3,527,156												
Current Liabilities	872,832												
General and Administration Expenses	(100,672)												
Loss for the Period	(62,545)												
In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely:-													
(I) Description of the project and its history since conceptualization;	(I) Please see preamble above for project description												
(II) Starting date and expected date of completion of work;	(II) Work has commenced on the Project, and the Project is expected to achieve Commercial Operations Date (“COD”) by March 31, 2021												
(III) Time by which such project shall become commercially operational;	(III) The Project is expected to achieve Commercial Operations Date around March 2021												
(IV) Expected time by which the project shall start paying return on investment; and	(IV) The Project is expected to start paying return on investment after the project completion date and subject to TEL lenders’ approval.												
(V) Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	(V) Non-Funded: Performance guarantee of USD 2,310,000/-												
Maximum amount of investment to be made;	USD 2,310,000/- (in equivalent Pakistan Rupees)												

STATEMENT PURSUANT TO SECTION 134(3) OF THE COMPANIES ACT, 2017

Information Required	Information Provided
<p>Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment</p>	<p>To construct, own, and operate 330 MW at the Thar Site in the province of Sindh Pakistan ('Project') at a total cost of about USD 520 Million.</p> <p>In terms of Commercial Operations Date of the Project, the commissioning of the facility is anticipated by March 2021. In terms of the benefits to the Company, the Project is being set under the 2015 Power Policy which is anticipated to offers an IRR of 20% in USD following the COD.</p> <p>The investment would be made as and when needed till the project completion date of the Project being set up by TEL as required by the lenders of TEL.</p>
<p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds;-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p>	<p>(I) The cost of funds if provided through borrowings would be much less than 20% IRR. Further where the Company takes long term debt to fund such investments, the Company is able to share the risk of loss with the lenders</p> <p>(II) The facility is secured by 3rd ranking charge over all present and future plant and machinery of the Company</p> <p>(III) Project is anticipated to offers an IRR of 20% in USD following COD</p>
<p>Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment</p>	<p>Equity investment equivalent to 70% of the total issued shares of TEL</p> <p>The Shareholders' Agreement contemplates investment in equity of TEL by each of the shareholders such that the shares of TEL are distributed as follows: the Company holds 60% of the total shareholding of TEL, FFC holds 30% and CMEC Dubai holds 10%</p> <p>CMEC Dubai has yet to contribute its portion of equity representing 10% of the total equity interest in TEL which has resulted in HUBCO and FFC holding 70% and 30%, respectively</p>
<p>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;</p>	<p>Mr. Khalid Mansoor, is the CEO of the Company and Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Iqbal Alimohamed is a Director of the Company and Chairman of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Tahir Jawaid is an employee of Hub Power Services Ltd. (which is a wholly-owned subsidiary of Hubco) and a Director of TEL and holds 1 qualifying share as nominee of the Company.</p> <p>Mr. Abdul Nasir is the CFO of the Company and Director of TEL and holds 1 qualifying share as a nominee of the Company.</p> <p>Mr. Saleemullah Memon is an employee of the Company and has been seconded as the CEO of TEL</p>

Information Required	Information Provided
<p>In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs;</p>	<p>All major project agreements including offshore supply contract, onshore construction contract, coal supply agreement, power purchase agreement, implementation agreement and supplemental implementation agreement have been signed. With regards to achievement of financial close of the project, foreign and local term sheets have been signed and TEL is expected to achieve the financial close within the timelines required. TEL is committed to ensuring Commercial Operations Date of the Project by March 2021.</p> <p>In terms of the benefits to the Company, the Project is being set up under the 2015 Power Policy. Project is offering an IRR of 20% in USD, following the Commercial Operations Date.</p> <p>No impairment conditions exist on the investment; accordingly, no charge/write offs have been made till date.</p>
<p>Any other important details necessary for the members to understand the transaction;</p>	<p>The Shareholders' Agreement entered between the Company, CMEC Dubai, CMEC HK, and FFC is available for your perusal. Sponsor.</p>
(b) Disclosures under Regulation 3(c)	
<p>Category-wise amount of investment;</p>	<p>As mentioned above in preamble</p>
<p>Average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for Shariah compliant products and</p>	<p>Commission of 0.05% per annum approximately and in case of any default; Liquidated Damages at the rate of one-month KIBOR plus 4% per annum on all amounts outstanding.</p>
<p>Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company</p>	<p>In the event any amount is invested as a loan the Company shall require TEL to pay interest at the standard bank rates, to be mutually agreed between the parties</p>
<p>Particulars of collateral or security to be obtained in relation to the proposed investment</p>	<p>No security will be obtained from the borrowing company as it will be a subordinated loan from the Company to TEL</p>
<p>if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable;</p>	<p>N/A</p>
<p>Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking</p>	<p>Any amount paid as loan to TEL pursuant to Performance Guarantee shall be marked as subordinated debt to the TEL project Lenders and shall be repayable after the repayment of amounts due to the Lenders of TEL</p> <p>Since it is a non-funded obligation, there is no repayment schedule</p>

PROXY FORM

The Company Secretary,

The Hub Power Company Limited

11th Floor, Ocean Tower, Block 9 Main Clifton Road Karachi

I/We _____
of _____ being a member of THE HUB POWER COMPANY LIMITED and holder of _____
Ordinary Shares as per the Share Register Folio No. _____ and/or CDC Participant ID No. _____
and Account / Sub-Account No. _____ hereby appoint _____
of _____ or failing him/her _____ as my/our proxy for me & on my/our behalf at the 27th
Annual General Meeting of the Company to be held on Friday, October 05, 2018 at 10:00 am at Marriott Hotel, Karachi.

Signature on
Revenue Stamp
of PKR 5/-

Signature of Shareholder
Folio / CDC Nos.

Witnesses:

(1) Signature _____

(2) Signature _____

Name _____

Name _____

Address _____

Address _____

CNIC / Passport No. _____

CNIC / Passport No. _____

Notes:

- A member entitled to attend the meeting may appoint a proxy in writing to attend the meeting on the member's behalf. A Proxy need not be a member of the Company.
- If a member is unable to attend the meeting, they may complete and sign this form and send it to the Company Secretary, The Hub Power Company Limited, Head Office at 11th Floor, Ocean Tower, Block-9, Main Clifton Road, Karachi-75600 so as to reach no less than 48 hours before the time appointed for holding the Meeting.

-For CDC Account Holders / Corporate Entities

In addition to the above, the following requirements have to be met:

- (i) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be stated on the form.
- (ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be provided with the proxy form.
- (iii) The proxy shall produce his original CNIC or original passport at the time of the meeting.

In case of a 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.



AFFIX
CORRECT
POSTAGE

The Company Secretary
The Hub Power Company Limited
11th Floor, Ocean Tower, Block 9,
Main Clifton Road P.O. Box No. 13841,
Karachi - 75600

تشکیل نیابت داری

جناب کمپنی سیکریٹری
دی حب پاور کمپنی لمیٹڈ
11 فلور، اڈمین ٹاور، بلاک 9، مین کلفشن روڈ، کراچی

میں / ہم _____
ساکن _____
بجائیت دی حب پاور کمپنی لمیٹڈ کے رکن و حامل _____
عام حصص برطانیہ شیئر رجسٹرڈ فولیو نمبر _____ اور ایسی ڈی سی کے شراکتی آئی ڈی نمبر _____
اور ذیلی کھاتہ نمبر _____ محترم / محترمہ _____
ساکن _____ یا بصورت دیگر محترم / محترمہ _____
ساکن _____ کو اپنی جگہ بروز جمعہ مورخہ 05 اکتوبر 2018 بوقت 10:00 بجے صبح بمقام میرٹھ ہوٹل، کراچی میں منعقد یا ملتوی ہونے والے سالانہ اجلاس عام میں رائے دہندگی کیلئے اپنا نامندہ مقرر کرتا / کرتی ہوں۔

گواہ:

(1) دستخط _____
نام _____
پتہ _____
سی این آئی سی یا پاسپورٹ نمبر _____

(2) دستخط _____
نام _____
پتہ _____
سی این آئی سی یا پاسپورٹ نمبر _____

ریونیٹنگ چسپاں کریں۔

دستخط

(دستخط کمپنی میں پہلے سے موجود
نمونہ کے مطابق ہونے چاہئے)

نوٹ: نیابت داروں کے موثر ہونے کے لیے ضروری ہے کہ انکی تفصیل اجلاس شروع ہونے سے 48 گھنٹے قبل کمپنی کو موصول ہو جائے۔
سی ڈی سی شیئر ہولڈرز اور ان کے نیابت داروں سے گزارش ہے کہ وہ اپنے سی این آئی سی یا پاسپورٹ کی تصدیق شدہ فوٹو کاپی کمپنی کو پیش کرنے سے قبل اس پر کسی فارم کے ساتھ منسلک کریں۔



AFFIX
CORRECT
POSTAGE

The Company Secretary
The Hub Power Company Limited
11th Floor, Ocean Tower, Block 9,
Main Clifton Road P.O. Box No. 13841,
Karachi - 75600