

Notice of Annual General Meeting

Notice is hereby given that the 47th Annual General Meeting of the Shareholders of Island Textile Mills Limited will be held on Thursday the October 20, 2016 at 10:00 A.M. at 5th Floor Textile Plaza M.A. Jinnah Road Karachi, to transact the following business: -

Ordinary Business

1. To confirm the minutes of the 46th Annual General Meeting held on October 28, 2015.
2. To receive, consider and adopt Annual Audited Accounts of the Company for the year ended June 30, 2016 together with the Directors' and Auditors' Report thereon.
3. To appoint Auditors for the year ending June 30, 2017 and fix their remuneration. The retiring auditors, M/s. Deloitte Yousuf Adil, Chartered Accountants, being eligible, have offered themselves for reappointment.
4. To elect Seven Directors of the Company as fixed by the Board for a term of three years in accordance with the provision of Section 178(1) of the Companies Ordinance 1984. Retiring Directors are:
 - (i) Mr. Anwar Ahmed Tata
 - (ii) Mr. Shahid Anwar Tata
 - (iii) Mr. Adeel Shahid Anwar Tata
 - (iv) Mr. Aijaz Ahmed Tariq
 - (v) Mr. Bilal Shahid Anwar
 - (vi) Mr. Muhammad Naseem
 - (vii) Mr. Kausar Ejaz

The retiring Directors are eligible for re-election.

SPECIAL BUSINESS

Special Resolution

5. To consider and if thought fit, pass with or without modification, the Special Resolutions pertaining to the additions/alterations in the Articles of Association of the Company, to the extent set out in the draft Special Resolutions read with the Statement u/s. 160 (1) (b) of the Companies Ordinance, 1984.

Ordinary Resolution

6. To consider and pass the following ordinary resolutions:
 - a) "RESOLVED that the transactions carried out in normal course of business with associated companies as disclosed in Note No. 34 of the audited financial statements for the year ended June 30, 2016 be and are hereby ratified and approved."
 - b) "RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2017 and in this connection the Chief Executive Officer be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."
7. To transact any other ordinary business or businesses with the permission of the **Chairman**.

ISLAND TEXTILE MILLS LIMITED



Statement under section 160 of the Companies Ordinance, 1984 in the above matter mentioned in item No.5 and 6 is annexed.

By Order of the Board of Directors
Island Textile Mills Limited


Farooq Advani
Company Secretary

Karachi:

Dated: September 29, 2016

Notes:

1. The Share Transfer Books of the Company will remain closed from October 12, 2016 to October 20, 2016 (both days inclusive).
2. A member entitled to attend and vote at this meeting is entitled to appoint another person as his/her proxy to attend and vote. Proxies in order to be effective must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the time of holding meeting. A copy of shareholder's attested CNIC must be attached with the proxy form.
3. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her Original CNIC or Passport to prove his/her identity and in case of Proxy must enclose additionally an attested copy of his/her CNIC or Passport. Representatives of corporate members should bring the Board of Directors' resolution/power of attorney with specimen signature of the nominee.
4. Any member who seeks to contest the election for Directorship shall file with the Company, not later than 14 days before the meeting at which elections are to be held, a notice of his/her intention to offer him / herself for election as Director in term of Section 178(3) of the Companies Ordinance 1984. The intention/consent should be accompany the relevant declaration as required under the "Code of Corporate Governance."
5. Members are requested to promptly notify any change in their address.
6. Members who have not yet submitted photocopies of their CNIC to the Company's Share Registrar, are requested to send the same at earliest.
7. **E-Voting:** Pursuant to SECP's Companies (E-Voting) Regulations, 2016, Members can also exercise their right to vote through e-voting by giving their consent in writing at least 10 days before the date of the meeting to the Company on the appointment of Executive Officer by the Intermediary as Proxy.
8. **Video Conference Facility:** Pursuant to provision of SECP Circular No.10 of 2014 dated May 21, 2014, if the Company receives consent from Members holding aggregate 10% or more shareholding residing in geographical location to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

9. **Distribution of Annual Report through Email:** The SECP vide SRO 787(I)/2014 dated September 08, 2014 has provided an option for shareholders to receive audited financial statements along with notice of annual general meeting electronically through email. Shareholders of the Company who wish to receive the Company's Annual Report and notices of annual general meeting by email are requested to provide the completed Electronic Communication Consent Form already dispatched, to the Company' Share Registrar, Central Depository Company of Pakistan Limited.

Statement of Material Facts Concerning Special Business Pursuant to Section 160(1)(b) of the Companies Ordinance, 1984

This statement sets out the material facts concerning the Special Business, given in agenda item No. 5 and 6 the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

1. Agenda No. 5 of the Notice-Amendment / Change in Article of Association of the Company

The existing Articles of Association of the Company are being amended / altered in order to incorporate provisions pertaining to video conferencing, transmission of annual audited accounts to the Members through CD/DVD/USB/email and E-voting in light of various Regulations, Circulars and Notifications issued by the Securities and Exchange Commission of Pakistan and accordingly, pass the following Special Resolutions:

RESOLVED that attendance of the general meeting through video conference to its members at places other than the town in which general meeting is taking place be and is hereby allowed subject to requirements and conditions prescribed by the Commission.

FURTHER RESOLVED that Article 44 A or new paragraph in existing Article 44 be and is hereby added in the Articles of Association to be read as under:

44-A Attendance at General Meeting through Video Conference

The company may provide video conference facility to its Members at places other than the town in which general meeting is taking place after considering the geographical dispersal of its Members, subject to the condition that Members collectively holding ten percent (10%) or more shareholding residing at a geographical location provide their consent to participate in the general meeting through video conference at least ten (10) days prior to the date of the general meeting. The company shall arrange video conference facility subject to availability of such facility in that city and an intimation to the Members shall be given by the Company at least five (5) days before the date of general meeting regarding venue of video conference facility along with complete information. However, the quorum, as required under the Ordinance, as well as the Chairman of the general meeting, shall be present at the place of the general meeting.

FURTHER RESOLVED that both members and non-members be and are hereby given voting rights in the general meeting of the Company through electronic means managed by an Intermediary.

FURTHER RESOLVED that Article 58A or new paragraph in existing Article 58 be and are hereby added in the Articles of Association to be read as under:

58-A E-Voting

The provisions and requirements for E-voting as prescribed by the Commission 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 existing Article 65 of the Articles of Association be and is hereby substituted to be read as under:

65. 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 of the in any other form which the Directors may approve."

FURTHER RESOLVED that Article 74 of Articles of Association be and is hereby substituted to be read as under:

74. Qualification Shares:

The qualification of every Director shall be the holding of 100 shares in the Company in his own name. A Director may act before acquiring his qualification, but shall in any case acquire the same within two months from his appointment.

FURTHER RESOLVED that the transmission for annual balance sheet and profit and loss account, auditor's report and directors' report to its members either through CD/DVD/USB or hard copy at their registered addresses be and is hereby arranged by the Company, subject to requirements and conditions prescribed by the Commission and accordingly.

FURTHER RESOLVED that a new paragraph in existing Article 101 be and is are hereby added in the Articles of Association to be read as under:

101. Transmission of Annual Audited Accounts

The balance sheet, profit & loss accounts, auditors' report, and directors' report etc., ("annual audited accounts") shall be transmitted to the members of the Company through CD/DVD/USB at their registered address, subject to the requirements prescribed by the Securities and Exchange Commission of Pakistan from time to time. The Standard Request Form shall be placed on Company's website for the purpose of communication of the requisition of annual audited accounts through CD/DVD/USB.

FURTHER RESOLVED that the Company Secretary be and is hereby fully authorized and empowered to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required and to sign such documents and take such steps from time to time, as and when necessary.

The Directors of the Company have no direct or indirect interest in the proposed alterations / amendments in the Articles of Association, except to the extent of their shareholdings and remuneration in the Company.

2. Agenda Item No. 6(a) of the Notice – Transactions carried out with associated companies during the year ended June 30, 2016 to be passed as an Ordinary Resolution.

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit

Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Code of Corporate Governance, 2012.

During the Board meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, the quorum of directors could not be formed for approval some of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions carried out during the financial year ended June 30, 2016 with associated companies shown in note No. 34 of the financial statements are being placed before the shareholders for their consideration and approval/ratification.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.

3. Agenda Item No. 6(b) of the Notice – Authorization to the Chief Executive Officer for the transactions carried out and to be carried out with associated companies during the ensuing year ending June 30, 2017 to be passed as an Ordinary Resolution.

The Company is expected to be conducting transactions with associated companies in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

In order to comply with the provisions of clause 5.19.6 (b) of the Code of Corporate Governance, 2012, the shareholders may authorize the Chief Executive Officer to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending June 30, 2017.

The Directors are interested in the resolution to the extent of their common directorships and their shareholding in the associated companies.