

KOHAT CEMENT COMPANY LIMITED

KCCL-HO-/PSX/1238

September 29, 2017

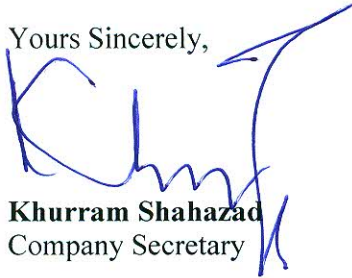
The General Manager
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Subject: Notice of Annual General Meeting

Dear Sir,

Enclosed please find a copy of the Notice of the 38th Annual General Meeting to be held on Monday, October 23, 2017 at 10:00 AM at the registered office of the Company situated at Pindi Road, Kohat, for circulation amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,



Khurram Shahzad
Company Secretary

Encl: As above.



Head Office: 37-P, Gulberg II, Lahore - Pakistan.
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Web: www.kohatcement.com



KOHAT CEMENT COMPANY LIMITED

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that 38th Annual General Meeting of the shareholders of **Kohat Cement Company Limited** ("the Company") will be held on **Monday, October 23, 2017** at 10:00 A.M., at its registered office, Kohat Cement Factory, Rawalpindi Road, Kohat, to transact the following business:

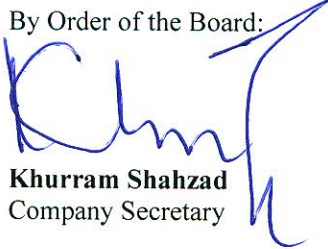
Ordinary Business

1. To receive, consider and adopt the audited financial statements of the Company for the year ended June 30, 2017 together with Auditors' and Directors' Reports and Chairman's Review.
2. To consider and approve, as recommended by the Board of Directors, the payment of cash dividend for the year ended June 30, 2017 @ **20%** i.e. **Rs. 2/-** per ordinary share. This shall be in addition to the 40% 1st Interim Cash Dividend (Rs. 4 per share) and 80% 2nd Interim Cash Dividend (Rs. 8 per share) already declared and paid during the year.
3. To appoint Auditors and to fix their remuneration.
The present Auditors M/s. KPMG Taseer Hadi & Co. Chartered Accountants, retire and being eligible, offer themselves for reappointment. The Audit Committee and the Board of Directors have recommended their reappointment.

Special Business

4. To ratify and approve transactions carried out with Related Parties during the financial year ended June 30, 2017.
5. To authorize the Chief Executive of the Company to approve transactions with Related Parties to be carried during the financial year ended June 30, 2018.
6. To consider and approve the appointments of related parties to their respective offices of profit in the Company.
7. To alter the Articles of Association of the Company in order to empower the members of the Company to appoint either a member or a non-member as Proxy for the purposes of e-voting

By Order of the Board:


Khurram Shahzad
Company Secretary



Statement under Section 134(3) of the Companies Act, 2017

This statement sets out the material facts concerning special business to be transacted at the Annual General Meeting of the Company to be held on October 23, 2017.

1) Ratification / approval of Related Party Transactions

Since, the majority of the Company Directors were interested in the related party transactions carried out during the financial year ended June 30, 2017 with the following related parties due to their common directorship and shareholding in these associated undertakings, therefore, these transactions have been placed before the members of the Company for their approval in the General Meeting. The transactions with all related parties are entered into on arm's length basis.

The following resolution is proposed to be passed as Special Resolution with or without any modification:

“Resolved that following transactions carried out in the ordinary course of business with the Related Parties during the financial year ended June 30, 2017 be and hereby ratified, approved and confirmed.

Name of Related Party	Nature of Transaction	Rupees
Ultra Pack (Private) Limited	Purchases of packing material	255,458,000
	Sale of cement	3,302,348
Palace Enterprises (Private) Limited	Hospitality services received	392,788
Kohat Cement Education Trust	Donations	640,400”

The Directors are interested in this business to the extent of their directorships and /or shareholdings / trusteeship.

2) Authorization to CEO for approving Related Party Transactions

The Company shall continue to carry out transactions with the related parties in its ordinary course of business during the year ending June 30, 2018. The majority of the Directors are interested in these transactions due to their common directorships and / or shareholdings / trusteeship in the related parties. Therefore these transactions with related parties have to be approved by the shareholders.

In order to ensure smooth business operations, the shareholders may authorize the Chief Executive to approve transactions with related parties during the financial year ending June 30, 2018. However, these transactions shall be placed before the shareholders in the next AGM for their approval/ratification.

The following resolution is proposed to be passed as Special Resolution with or without modification:

“Resolved that the Chief Executive of the Company be and is hereby authorized to approve transactions to be conducted with the Related Parties in the normal course of business during the year ending June 30, 2018.

Resolved further that these transactions shall be placed before the shareholders in the next annual general meeting for their ratification/approval.”

The Directors are interested in this business to the extent of their common directorships and/or shareholdings/ trusteeship.



3) Appointment to the Offices of profit

Section 208 (1) (f) of the Companies Act, 2017 provides that appointment of any related party to an office of profit in the Company must be approved by the Board of Directors as per its policy and if the majority of directors are interested, the matter shall be placed for approval of the shareholders through special resolution. The related parties namely, Mr. Omar Aizaz Sheikh, Mr. Faisal Atta Sheikh and Mr. Ibrahim Tanseer Sheikh are holding their respective offices of profit under the Company as executives under their respective contracts of service and applicable service rules of the Company.

Subject to approval of their appointment, they will be holding their respective offices of profit under the Company as detailed above. Accordingly, the following resolution is proposed to be passed by the Shareholders as a Special Resolution for appointment of the above named individuals on the terms outlined above.

“Resolved that pursuant to the requirements of Section 208 read with other applicable provisions of the Companies Act, 2017, the contracts for the appointment of related parties namely, Mr. Omar Aizaz Sheikh, Mr. Faisal Atta Sheikh and Mr. Ibrahim Tanseer Sheikh to their respective offices of profits as executives under their respective contracts of services and applicable service rules of the Company be and are hereby approved, and that they be paid by way of remuneration and benefits their entitlement as may be determined from time to time by the Directors of the Company”.

Some of the directors of the Company are interested in the appointment of the above named related parties to the offices of profit and the remuneration and benefits to be drawn by them from the Company.

Copies of the contracts of services of the related parties have been placed at the registered office of the company which can be inspected during business hours (from 10:00 am to 1:00 pm) till the date of annual general meeting.

4) Amendment in Articles of Association

Securities and Exchange Commission of Pakistan (Commission) through SRO 43(I)/2016 dated January 22, 2016 has issued the Companies (E-Voting) Regulations, 2016 for voting through electronic means. These Regulations are applicable to general meetings of all listed companies for providing voting right to members through electronic means managed by authorized intermediaries. Electronic voting (e-voting) is a term which is used for both electronic means of casting a vote and electronic means of counting votes.

The above Regulations require the Company to make necessary changes in the Articles of the Association of the Company in order to allow the members to appoint both the members and non-members as proxy in case of e-voting. In view of these requirements substitution of Article 74(ii) of the Articles of Association of the Company is placed before the members of the Company for their approval.

The following resolution is proposed to be passed as Special Resolution with or without modification:

“Resolved that Article 74(ii) of the Articles of Association of the Company be and is hereby substituted to read as under.



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‘A proxy shall be a member of the Company who is qualified to vote. However, in case of e-voting both members and non-members can be appointed as proxy.’

Resolved Further that Chief Executive Officer or Company Secretary of the Company be and is hereby singly authorized to do all acts, deeds and things, take or cause to be taken all necessary actions to implement to comply with all legal formalities and requirements and file necessary documents as may be necessary or incidental for the purposes of implementing this resolution.”

A copy of the amended Articles of Association of the Company has been kept at the registered office of the Company which can be inspected during usual business hour till the date of the meeting.

The directors are not interested, directly or indirectly, in this business except to the extent of their investment as has been detailed in the pattern of shareholding annexed the Directors’ Report.

Notes:

1. The register of members and the share transfer books of the Company will be closed from Monday, **October 16, 2017** to Monday, **October 23, 2017** (both days inclusive). Physical transfers / CDS transactions IDs received in order at the Company’s Independent Share Registrar Office, **M/s Hameed Majeed Associates (Pvt.) Limited, HM House, 7-Bank Square, Lahore**, up to the close of business on Friday, **October 13, 2017** will be treated in time for the purpose of entitlement of dividend and to attend the meeting.
2. A member is entitled to appoint proxy in his/her place to attend and vote instead of him/her. The instrument appointing a proxy, duly stamped and signed, and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of the power of attorney or authority must be deposited at the Head Office of the Company, 37-P, Gulberg-II, Lahore not later than 48 hours (working days only) before the time of the meeting. A proxy must be a member of the Company. Form of proxy is enclosed herewith.
3. The Company shall facilitate its members to attend the annual general meeting through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the Company reside, provided the Company receives their demand to participate in the annual general meeting through video-link at least 7 days prior to the date of meeting.
4. The members are requested to notify the change of their registered addresses, Zakat Declaration, and tax exemption status, if any, duly accompanied with its valid certificates, immediately to Company’s Independent Share Registrar.
5. The provisions of Section 242 of the Companies Act, 2017 (the Act) provides that any cash dividend declared by a listed company must be paid through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the shareholders of the Company are requested to provide the following information on the form available on the Company’s website (www.kohatcement.com) to their respective CDS participants (in case of book-entry securities in CDS) and to the Company’s Independent Share Registrar (in case of physical securities) enabling the Company to credit their future cash dividends directly to their designated bank accounts.
 - a) International Bank Account Number (IBAN)
 - b) Name of Bank
 - c) Branch name and address

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6. According to SECP directives, dividend warrant(s) must bear the CNIC number of the registered shareholder. Therefore, the members who have not yet submitted photocopy of their valid computerized national identity cards to the Company are requested to send the same at the office of Independent Share Registrar of the Company failing which the dividend can be withheld which will be released on submission of valid copy of CNIC.
7. The financial statements of the Company for the year ended 30 June 2017 along with Auditors and Directors Report thereon and the Chairman Review have been placed on the company's website: www.kohatcement.com.
8. A corporation or company being a member of the Company may appoint any of its officials or any other person through a resolution of its board of directors to attend and vote at the meeting.
9. The members should quote their folio number/ CDS IDs in all correspondence with the Company and should bring original document at the time of attending the Annual General Meeting.
10. CDC account holders will further have to follow the following guidelines as laid down in Circular No. 1 dated 26th January 2000 issued by the Securities & Exchange Commission of Pakistan.

For attending the meeting

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing his/ her original computerized national identity card (CNIC) or original passport at the time of attending the meeting.
- ii) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature of the nominee along with his original CNIC or original passport shall be produced (unless it has been provided earlier) at the time of the meeting.

For appointing proxies

- i) In case of individuals, the account holder or sub account holder and/ or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the requirements stated above.
 - ii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the Proxy Form.
 - iii) The proxy shall produce his/ her original CNIC or original passport at the time of the meeting.
 - iv) In case of corporate entity, the Board of Directors' resolution/ power of attorney with specimen signature along with his original CNIC or original passport shall be submitted (unless it has been provided earlier) along with proxy form to the Company.
11. The current withholding tax rates on dividend payments as prescribed by the Income Tax Ordinance, 2001 (the Ordinance) are 15% for Filers and 20% for Non-Filers. To enable the Company to make tax deduction on the amount of Cash Dividend @ 15% instead of 20%, all the shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of the Federal Board of Revenue, are advised to make sure that their names are entered into ATL before the date of issuance of Dividend Warrants, otherwise they shall be treated as Non-Filers (despite the fact that they are filers of income tax return) and tax on their Cash Dividend will be deducted @ 20%.

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12. The Corporate Shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificates to the Company or Company's Independent Share Registrar.
13. As per FBR's clarification, the valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47B of Part-IV of Second Schedule to the Ordinance. Those who fall in the category mentioned in above Clause must provide valid Tax Exemption Certificate to our Company's Independent Shares Registrar; otherwise tax will be deducted on dividend amount as per prescribed rates.
14. The FBR has clarified that shareholders' accounts jointly held by Filers and Non-Filers shall be dealt with separately and in such particular situation, each account holder is to be treated as either a Filer or a Non-Filer and tax will be deducted according to his shareholding. If the share is not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, in order to avoid deduction of tax at a higher rate, the joint account holders are requested to provide the below details of their shareholding to the Share Registrar of the Company latest by the AGM date.

Folio/CDC Account No.	Name of Shareholder	CNIC	Shareholding	Total Shares	Principal/Joint Shareholder
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15. Pursuant to the Securities and Exchange Commission of Pakistan's notification S.R.O 470(I)/2016 dated 31 May, 2016, the shareholders of the company in 37th AGM of the Company held on 31st October 2016 had accorded their consent for transmission of annual reports including annual audited accounts, notices of annual general meetings and other information contained therein of the Company through CD or DVD or USB instead of transmitting the same in hard copies. The shareholders who wish to receive hard copy of the aforesaid documents may send to the Company Secretary / Share Registrar, the Standard Request Form available on the website of the Company and the Company will supply hard copies of the aforesaid document to the shareholders on demand, free of cost, within one week of such demand. The shareholders who intends to receive the annual report including the notice of meeting through e-mail are requested to provide their written consent on the Standard Request Form available on the Company's website: www.kohatcement.com.
16. Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, if any, are advised to contact our Share Registrar to collect/enquire about their unclaimed dividend or pending shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such dividend and shares outstanding for a period of 3 years or more from the date due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to the SECP.

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