

Notice of 68th Annual General Meeting

Notice is hereby given that the Sixty-Eight Annual General Meeting of ICI Pakistan Limited (the "Company") will be held on Saturday, September 21, 2019, at 10.00 a.m. at ICI House, 5 West Wharf Karachi, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the financial statements of the Company for the year ended June 30, 2019, the report of the Auditors thereon and the report of the Directors.
2. To declare and approve Final Cash dividend @ 45% i.e. Rs.4.50/- per ordinary share of Rs.10/- each for the year ended June 30, 2019, as recommended by the Directors, payable to the Members whose names appear in the Register of the Members as at September 12, 2019.
3. To appoint the Auditors of the Company for the year 2019-20 and to fix their remuneration.

SPECIAL BUSINESS:

4. To approve by way of Special Resolution with or without modification the following resolutions in respect of related party transactions in which the majority of Directors of the Company are interested in terms of Section 207 of the Companies Act, 2017:

"RESOLVED THAT related parties transactions in which the majority of the Directors are interested carried out by the Company with Lucky Cement Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, Yunus Textile Mills Limited, Lucky Holdings Limited, Lucky Knits (Private) Limited, NutriCo Pakistan (Private) Limited, NutriCo Morinaga (Private) Limited, Lucky Foods (Private) Limited, Cirin Pharmaceuticals (Private) Limited, ICI Pakistan PowerGen Limited and other such related parties to the extent of Rs.5,487,460,375/- (Rupees five billion four hundred eighty-seven million four hundred sixty thousand three hundred seventy-five only) during the year ended June 30, 2019 reported in the Financial Statements for the said period, be and are hereby ratified and confirmed.

RESOLVED FURTHER THAT the Company may carry out transactions from time to time including, but not limited to, the purchase and sale of goods, materials, sales of various chemicals, soda ash, electricity, purchase of cement, availing or rendering of services, payment of royalty, donations, fees, dividends or subscription of shares with related parties in which the majority of the Directors are interested including but not limited to, Lucky Cement Limited, Gadoon Textile Mills Limited, Lucky Textile Mills Limited, Yunus Textile Mills Limited, Lucky Knits (Private) Limited, NutriCo Pakistan (Private) Limited, NutriCo Morinaga (Private) Limited, Lucky Foods (Private) Limited, Cirin Pharmaceuticals (Private) Limited, and other such related parties to the extent of approximately Rs.7,500,000,000/- (Rupees seven billion five hundred million only) during the financial year ending June 30, 2020.

The Shareholders have noted that for the aforesaid transactions a majority of the Directors may be interested. Notwithstanding, the Shareholders hereby grant an advance authorisation to the Board Audit Committee and the Board of Directors of the Company to review and approve all related party transactions for the aforesaid companies as noted above based on the recommendation of the Board Audit Committee.

RESOLVED FURTHER THAT the related party transactions as aforesaid for the period ended June 30, 2020 would subsequently be presented to the Shareholders at the next Annual General Meeting for ratification and confirmation."

5. To approve by way of Special Resolution, with or without modification investment in NutriCo Morinaga (Private) Limited, an associated concern of ICI Pakistan Limited, as required under section 199 of the Companies Act 2017:

"RESOLVED THAT the approval of the members of the Company is hereby accorded in terms of section 199 of the Companies Act, 2017 and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017, for making an investment in phases amounting upto Rs.1,000,000,000/- (Rupees one billion) in NutriCo Morinaga (Private) Limited by way of subscription of upto 10,000,000 (ten million) ordinary shares of Rs.100/- per share through subscription to rights shares and/or any unsubscribed shares in such tranches and at such times as may be offered by NutriCo Morinaga (Private) Limited.

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FURTHER RESOLVED THAT the Chief Executive Officer, Chief Financial Officer and/or the Company Secretary, be and are hereby jointly or severally authorized to do all acts, deeds, execute such other documents and make necessary corporate and other filings as may be necessary or expedient for the purposes of giving effect to the above resolution and undertake all other matters incidental or ancillary thereto."

The Statement under section 134(3) of the Companies Act, 2017 pertaining to the "Special Resolutions" is being sent along with the Notice to the Members.

By Order of the Board

August 28, 2019
Karachi

Nausheen Ahmad
Company Secretary

Notes:

1. Closure of Share Transfer Books.

Share Transfer Books of the Company will remain closed from September 13, 2019 to September 21, 2019 (both days inclusive). Transfers received in order at the office of our Shares Registrar, FAMCO Associates (Pvt) Limited, 8-F, Block-6, P.E.C.H.S., Shahr-e-Faisal, Karachi, by the close of business on **September 12, 2019**, will be considered in time, to entitle the transferees to the Final Cash dividend and to attend the Annual General Meeting.

2. Participation in the Meeting.

Members whose names appearing in the Register of Members as of September 12, 2019, are entitled to attend and vote at the Meeting. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend, speak and vote for him/her. A proxy must be a Member of the Company.

An instrument of proxy applicable for the Meeting is being provided with the Notice sent to Members. Further copies of the instrument of proxy may be obtained from the Registered Office of the Company during normal office hours. Proxy form may also be downloaded from the Company's website: <http://www.ici.com.pk>.

An instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power or authority, must, to be valid, be deposited at the Registered Office of the Company not less than 48 hours before the time of the Meeting.

Members are requested to submit a copy of their Computerized National Identity Card/Smart National Identity Card (CNIC/SNIC), if not already provided and notify immediately changes, if any, in their registered address to our Shares Registrar, FAMCO Associates (Pvt) Ltd.

3. Guidelines for Central Depository Company of Pakistan Limited ('CDC') Account Holders.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan (SECP).

A. 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 CNIC/SNIC 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 shall be produced (unless it has been provided earlier) at the time of the Meeting.

B. 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 above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC/SNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC/SNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC/SNIC or original passport at the time of the Meeting.
- (v) 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.

4. Consent for Circulation of Audited Financial Statements and Notice of AGM Through E-Mail.

Circulation of Annual Audited Accounts via Email/CD/USB/DVD or any other media pursuant to the directions given by the Securities and Exchange Commission of Pakistan through its SRO 787(1)/2014 dated September 8, 2014 and SRO 470(1)/2016 dated May 31, 2016 that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements, Auditor's and Director's Report) to its members through Email/CD/USB/DVD or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the attached "Standard Request Form" (also available on the company's website <http://www.ici.com.pk>) and send us at the Company address.

5. Consent for Video Conference Facility.

Pursuant to Section 134(1)(b) of the Companies Act, 2017, if the Company receives a request from member(s) holding an aggregate ten percent (10%) or more shareholding residing at another city, such member(s) may request a video conferencing facility for the purposes of participating in the meeting at such a location by sending a request to the Company at least 10 (ten) days prior to the date of meeting, the Company will arrange video conference facility in that city subject to the availability of such facility in that city. To avail such facility, please submit the following form with the requisite information at the registered office of the Company.

I/we _____ of _____ being a member of ICI Pakistan Limited, holding _____ ordinary shares as per registered Folio / CDC Account No. _____ hereby opt for video conference facility at _____.

Name and signature

Date

The Company will intimate members regarding venue of video conference facility at least 7 days before the date of Annual General Meeting along with complete information necessary to enable them to access such facility.

6. Submission of CNIC/SNIC/NTN (Mandatory).

Pursuant to the directives of the SECP, the dividends of Shareholders whose CNIC/SNIC or NTN (in case of corporate entities) are not available with the Share Registrar could be withheld. Shareholders are therefore, requested to submit a copy of their valid CNIC/SNIC (if not already provided) to the Company's Share Registrar, FAMCO Associates (Pvt.) Ltd. 8-F, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi. In the absence of a member's valid CNIC/SNIC, the Company will be constrained to withhold dispatch of dividend warrants to such members.

7. Dividend Mandate (Mandatory).

In accordance with the provisions of Section 242 of the Companies Act 2017, and Regulation 4 of the Companies (Distribution of Dividends) Regulations 2017, a listed company is required to pay cash dividend to the shareholders **ONLY** through electronic mode directly into the bank account designated by the entitled shareholders. In compliance with the above law, in order to receive dividends directly in your bank account, you are requested to provide the information mentioned in the Form placed at the Company's website <http://www.ici.com.pk> otherwise the Company would be constrained to withhold payment dividend (if any) in terms of Regulation 6 of the Companies (Distribution of Dividends) Regulations 2017. Shareholders shall submit the information directly to their brokers / Central Depository Company Ltd. If the shares are held in the electronic form or to the Company's Shares Registrar if the shares are held in physical form.

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8. Revised Treatment of Withholding Tax.

Dividend income on shares is liable to deduction of withholding tax under Section 150 of the Income Tax Ordinance, 2001 and pursuant to Finance Act 2019, effective July 1, 2019, withholding of tax on dividend based on 'Active' and 'Non-Active' status of shareholders shall be @ 15% and 30% respectively where 'Active' means a person whose name appears on the Active Taxpayers List available at e-portal of FBR (<http://www.fbr.gov.pk/>) and 'Non-Active' means a person whose name is not being appeared on the Active Taxpayers List.

Furthermore, according to clarification provided by the FBR; in case a Folio/CDS Account is jointly held, each joint-holder is to be treated separately as Active or Non-Active. In terms of the said clarification, tax of each joint-holder has been deducted on the gross dividend amount determined by bifurcating the shareholding of each joint-holder on equal proportions, except where shareholding proportion of joint-holder(s) is pre-defined as per the records of the Company's Share Registrar and thus tax rates are applied in line with respective proportions.

Those shareholders who are holding Folio/CDS jointly; are requested to notify (in writing) any change in their shareholding proportions to Company's Share Registrar (in case of physical shareholding) or their Participants/CDC Investor Account Services so that their revised shareholding proportions are considered by the Company in all prospective dividend payouts of the Company, if any.

9. Exemption from Deduction of Income Tax / Zakat.

Members seeking exemption from deduction of income tax or are eligible for deduction at a reduced rate, are requested to submit a valid tax exemption certificate or necessary documentary evidence as the case may be. Members desiring non-deduction of zakat are also requested to submit a valid declaration for non-deduction of zakat.

10. Unclaimed Dividend.

As per the provisions of section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed/unpaid for a period of three years from the date on which it was due and payable, are required to be deposited with Securities and Exchange Commission of Pakistan for the credit of Federal Government after issuance of notices to the Shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have remained due for more than three years are available on the Company's website: <http://www.ici.com.pk>. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged, the Company shall proceed to deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of Companies Act, 2017.

Statement Under Section 134(3) of the Companies Act, 2017 Pertaining to Special Resolution

This Statement sets out the material facts pertaining to the Special Resolutions described in items 4 and 5 of the Notice of Annual General Meeting ("AGM"), intended to be transacted at the 68th AGM of ICI Pakistan Limited (the "Company") that is scheduled to be held on September 21, 2019.

Material Facts pertaining to Item 4: **Related Party Transactions**

The Company carries out transactions with its associated companies and related parties in accordance with its policies and applicable laws and regulations. Certain related party transactions require Shareholder approval under Section 207 of the Companies Act, 2017 as majority of Directors on the ICI Pakistan's Board are interested in the transaction (by virtue of being shareholders or directors in related entities).

The details of such transactions are as under:

S/n	Company Name	Transaction Nature
1	Lucky Cement Limited	Purchase of goods, materials and services
2	Gadoon Textile Mills Limited	Sale of goods, materials and dividend
3	Lucky Textile Mills Limited	Sale of goods, materials and dividend
4	Yunus Textile Mills Limited	Sale of goods and materials
5	Lucky Holdings Limited	Royalty
6	Lucky Cement Holdings (Private) Limited	Dividend
7	Gadoon Holdings (Private) Limited	Dividend
8	Yunus Textile Holdings (Private) Limited	Dividend
9	YB Pakistan Holdings (Private) Limited	Dividend
10	Lucky Textile Holdings (Private) Limited	Dividend
11	Lucky Knits (Private) Limited	Sale of goods and materials
12	NutriCo Pakistan (Private) Limited	Reimbursement of expenses / Dividend
13	NutriCo Morinaga (Private) Limited	Sale of electricity and reimbursement of expenses / Dividend / Shares subscription
14	Lucky Foods (Private) Limited	Sale of goods and materials
15	Cirin Pharmaceuticals (Private) Limited	Purchase of goods, materials and services
16	ICI Pakistan PowerGen Limited	Purchase of electricity

All related party transactions are in accordance with ICI Pakistan's policies and comply with all legal requirements. These are primarily transactions conducted in the ordinary course of business. Under ICI Pakistan's Policy for Related Party Transactions all related party transactions are reviewed periodically by the Board Audit Committee which is chaired by an Independent Director. Following review by the Board Audit Committee, the said transactions are placed before the Board of Directors for approval.

The Shareholders are requested to ratify the transactions with related parties in which the majority of the Directors are interested as disclosed in the Financial Statements for the year ended June 30, 2019 and further to authorise the Company to conduct certain related party transactions in which the majority of Directors are interested for the financial year ending June 30, 2020.

Shareholder approval is also sought to authorize and grant power to the Board to periodically review and approve such transactions based on the recommendation of the Board Audit Committee and for the Board Audit Committee to review the same.

The Shareholders are informed that in the Special Resolution described in the Notice of Annual General Meeting, the Company has provided its best estimation of the quantum of related party transactions to be undertaken in the period ending June 30, 2020. The Company will present the actual figures for subsequent ratification and confirmation by the Shareholders, at the next Annual General Meeting.

Based on the aforesaid the Shareholders are requested to pass the Special Resolutions with or without modification as stated in the Notice.

The Directors who are interested in this subject matter are as follows:

- Mr. Muhammad Sohail Tabba
- Mr. Muhammad Ali Tabba
- Mrs. Amina A Aziz Bawany
- Mr. Jawed Yunus Tabba
- Mr. Asif Jooma
- Mr. Muhammad Abid Ganatra

Statement Under Section 134(3) of the Companies Act, 2017 Pertaining to Special Resolution

Material Facts pertaining to Item 5: Investment in Associated Company

The Company seeks Shareholder approval to pass the Special Resolutions provided in item no. 5 of the Notice allowing an investment in phases of upto Rs.1,000,000,000/- (Rupees one billion) in its associated company i.e. NutriCo Morinaga (Private) Limited ('JVCo') pursuant to section 199 of the Companies Act, 2017. The investment shall be made through subscription to rights shares and/or any unsubscribed shares in such tranches and at such times as may be offered by JVCo.

JVCo is a joint venture between ICI Pakistan Limited, Morinaga Milk Industry Co., Ltd. and Unibrands (Private) Limited. JVCo was formed to carry on the business of local manufacturing, marketing and distributing of Morinaga formula products. The manufacturing facility, which commenced construction in 2017 is expected to commence commercial operations in the upcoming fiscal year 2019-2020. The Shareholders had earlier vide Special Resolutions passed at the EOGM held on February 16, 2018 authorized an investment of Rs.958,800,000/- (Rupees nine hundred and fifty eight million and eight hundred thousand) in JVCo, when it became an associated company.

In compliance with the relevant provisions of the Companies Act 2017, and the Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2017, information about the proposed investment is as under:

Name of associated company associated undertaking	NutriCo Morinaga (Private) Limited ('JVCo')
Basis of relationship	The relationship is established based on 51% shareholding of the Company in JVCo and common directorship of Mr. Muhammad Sohail Tabba, Mr. Asif Jooma and Mr. Muhammad Abid Ganatra.
Earnings per share for the last three years	Earnings per share for the year ended June 30, 2019: Rs. 0.81 Earnings per share for the year ended June 30, 2018: Rs. 2.14 Earnings per share for the year ended June 30, 2017: Rs. (0.55)
Break-up value per share, based on latest audited financial statements	Break-up value based on audited financial statements for the year ended June 30, 2019 is Rs.102 per share.
Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	Total Assets as at June 30, 2019; Rs. 5,993,505,000 Total liabilities as at June 30, 2019: Rs. 3,059,554,000 Profit for the year ended June 30, 2019: Rs. 23,283,000
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) ICI Pakistan Limited, Unibrands (Private) Limited and Morinaga Milk Industry Co., Ltd. entered into a joint venture to construct, through JVCo, a state of the art manufacturing facility to manufacture Morinaga's formula products.
(ii) starting date and expected date of completion of work;	(ii) The manufacturing facility is nearing completion and is expected to commence commercial operations in Q2 of the year ending June 30, 2020. The commissioning of the plant was initiated in June 2019.
(iii) time by which such project shall become commercially operational;	(iii) Based on the current feasibility, the project is expected to start paying return on investment by the third year of commercial production.
(iv) expected time by which the-project shall start paying return on investment; and	(iv) Total funds invested to date by the sponsors (ICI Pakistan Limited, Unibrands (Private) Limited and Morinaga Milk Industry Co., Ltd.) is Rs. 2.88 billion.
(v) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts	
Maximum amount of investment	Upto Rs.1,000,000,000/- (Rupees one billion) in tranches from time to time over a period of 24 months as offered by JVCo.

Purpose, benefits and period of investments	The purpose of the additional equity is to improve the profitability of JVCo through reduction of borrowing keeping in mind current inflationary and discount rate trends. The Company shall be offered shares in proportion to its shareholding in JVCo which is 51%.
Source of fund from which securities will be acquired	Funds to be arranged through Company's internal cash generation
Salient features of the agreement(s), if any, entered into with its associated company with regards to the proposed investment	N/A
Direct or indirect interest of Directors, Sponsors, Majority Shareholders and their relatives, if any, in the associated company or the transaction under consideration.	<ul style="list-style-type: none"> • three common directors • The respective directors of ICI Pakistan are interested only to the extent of their directorship in JVCo.
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.	JVCo has not yet initiated commercial operations, as such performance review of the investment is currently not available.
Any other important details necessary for the members to understand the transaction.	NIL
Maximum price at which securities will be acquired.	Rs. 100/- per share (face value of the share)
In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof	N/A
Maximum number of securities to be acquired	10,000,000 (ten million) ordinary shares of Rs. 100/- each
Number of securities and percentage thereof held before and after the proposed investment	ICI Pakistan Limited as at June 30, 2019 holds 51% shareholding in JVCo. The additional investment of upto Rs.1,000,000,000/- (Rupees one billion) shall be made through subscription to rights shares and/or to any unsubscribed shares in such tranches and at such times as issued by JVCo.
Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities.	N/A
Fair value determined in terms of sub-regulation (1) of regulation 5 of the Regulation for investments in unlisted securities	Rs.100/- per share

Other Information:

The associated company or associated undertaking or any of its sponsors or directors is also a member of the investing company	Mr. Asif Jooma, Chief Executive of JVCo holds 456,920 shares in ICI Pakistan Limited as at June 30, 2019.
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