

▶ Notice of 28th Annual General Meeting

FOR THE YEAR ENDED JUNE 30, 2021

Notice is hereby given that the 28th Annual General Meeting ("AGM") of Nimir Industrial Chemicals Limited (the "Company") will be held on Tuesday, October 26, 2021 at 11:00 a.m., at Qaser-e-Sultan, Lahore – Faisalabad By-pass, near Housing colony, Sheikhpura to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements (Standalone & Consolidate) of the Company for the year ended June 30, 2021 together with Chairman's review, the reports of the Directors', Statement of Compliance (CCG) and Independent Auditors' reports thereon.
2. To approve the payment of final cash dividend of Rs. 2.0 per share (i.e. 20%) in addition to the interim dividend of Rs. 2.0 per share, in total Rs. 4.0 per share (i.e. 40%) cash dividend for the year ended June 30, 2021.
3. To appoint Auditors for the year ending June 30, 2022 and fix their remuneration. The members are hereby given the notice that the Audit Committee and the Board of Directors have recommended the re-appointment of retiring auditors M/s EY Ford Rhodes – Chartered Accountants as auditors of the Company.

SPECIAL BUSINESS:

4. To consider and, if thought fit, to pass, with or without modifications, a resolution as special resolution as proposed in the statement of material facts annexed hereto, to alter the Memorandum of Association of the Company and to adopt a new set of Articles of Association of the Company in compliance with the new Companies Act, 2017.

Attached to this Notice is a statement of material facts and proposed resolution(s) pertaining to the Special business to be transacted at the AGM.

By Order of the Board

**Sheikhpura
October 5, 2021**

**Muhammad Inam-ur-Rahim
(Company Secretary)**

Notes:

1. Due to COVID-19 situation, the Government has suspended large public gatherings at one place. Additionally, Securities and Exchange Commission of Pakistan (SECP) in terms of its Circular No. 5 issued on March 17, 2020 and Pakistan Stock Exchange Limited (PSX) through its notice Ref. PSX/N-372 dated March 19, 2020 had advised companies to modify their usual planning for general meetings for the safety and well-being of shareholders and the public at large.

Considering the SECP's directives, the Company intends to convene this AGM with minimal physical interaction of shareholders while ensuring compliance with the quorum requirements and requests the members to consolidate their attendance and voting at AGM through proxies.

Shareholders interested to participate in the AGM are requested to share below information at corporate@nimir.com.pk for their appointment and proxy's verification by or before 05:00 p.m. on Tuesday, October 19, 2021.

Name of Shareholder	CNIC No.	Folio No. / CDC Account No.	Cell No.	Email Address

Shareholders who will be registered, after necessary verification as per the above requirement, will be provided a password protected video link by the Company via email. The said link will be open from 11:00 am at the date of AGM till the end of the meeting. Shareholders can also provide their comments and questions for the agenda items of AGM at corporate@nimir.com.pk by or before Tuesday, October 19, 2021 by 05:00 p.m.

- II. The share transfer books of the Company shall remain closed from October 20, 2021 to October 26, 2021 (both days inclusive). Transfers received in order at the office of the Company's shares registrar at the close of business on Tuesday, October 19, 2021 will be treated in time for the purpose of entitlements of final cash dividend and to attend and vote at the AGM.
- III. A member eligible to attend and vote at this meeting is entitled to appoint another member as his/her proxy to attend and vote instead of him/her. A proxy must be a member of the Company and shall produce his/her original Computerized National Identity Card (CNIC) or passport at the time of meeting. Proxies in order to be effective must be received at the registered office of the Company not later than forty-eight (48) hours before the time of holding the meeting.
- IV. The corporate shareholders shall nominate someone to represent them at the AGM. The nominations, in order to be effective must be received by the Company not later than forty-eight (48) hours before time of holding the meeting.
- V. Any individual beneficial owner of Central Depository Company of Pakistan Limited (CDC), entitled to attend and vote at this meeting, must bring his/her original CNIC or passport, Account and participants' I.D numbers to prove his/her identity, and in case of proxy must enclose an attested copy of his / her CNIC or passport. Representatives of corporate members should bring the, Board resolution/power of attorney with specimen signature (unless it had been provided earlier) along with the proxy form to the Company.
- VI. All shareholders who have not yet submitted the valid copies of CNIC and NTN Certificate(s) are requested to send the copies of the same to the Shares Registrar. Shareholders of the Company who holds shares in scrip-less form on CDC are requested to submit/send valid copies of CNIC and NTN Certificate(s) directly to their CDC participant (brokers)/CDC Investor Account Services.
- VII. Shareholders desiring to claim exemption from Zakat deduction may file their Declaration before the closing date of the books i.e., October 16, 2020, duly attested by Oath Commissioner on Stamp paper to Company's Share Registrar, otherwise Company shall have to deduct Zakat according to the Zakat and Ushr Ordinance, 1980; and Shareholders are also requested to immediately notify change in address, if any, to the Company's Share Registrar, at the following address:

M/s Corplink (Pvt.) Limited

Wings Arcade, 1-K (Commercial), Model Town, Lahore.

Tel : 042 35916714, 35916719, 35839182. Fax : 042 35869037

www.corplink.com.pk

Submission of CNIC - (Mandatory)

With reference to the notification of Securities and Exchange Commission of Pakistan (SECP), SRO 779(I)/2011, dated August 18, 2011, the Members/Shareholders who have not yet submitted photocopy of their valid Computerized National Identity Card (CNIC) to the Company are required to send the same at the earliest directly of the Company's Share Registrar, M/s Corplink (Pvt.) Limited.

Kindly comply with the request, in case of non-receipt of the copy of valid CNIC and non-compliance of the above-mentioned SRO of SECP, the Company may be constrained to withhold dividends in the future.

Shareholders are requested to promptly notify any change of address to the Company's Share Register (for Physical shares) or to their respective participant / broker (for CDS shares) as the case may be.

Deduction of withholding Income Tax / Zakat on the amount of Dividend

Pursuant of the provisions of Finance Act, 2020 effective from July 1, 2021, the deduction of income tax from the dividend payments shall be made on the bases of filer and non-filers as follows:

S. No.	Nature of shareholders	Rate of deduction
1	Filers of Income Tax Return	15%
2	Non-Filers of Income Tax Return	30%

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

The shareholders who have joint shareholdings held by filers or Non-filers shall be dealt separately. If the shares are not ascertainable then each account holder will be assumed to hold equal proportion of shares and deduction will be made accordingly.

Payment of Cash Dividend through Electronic Mode (IBAN format)

In accordance with the Section 242 of the Companies Act, 2017 cash dividend can only be paid through electronic mode directly into the respective bank account designated by the entitled Shareholders. Shareholders are requested to provide their bank account details (IBAN format) to our share registrar (for Physical shares) or to their respective participant / broker (for CDS shares) as the case may be. The subject Form is available at Company's website i.e. www.nimir.com.pk. In case of unavailability of IBAN, the Company would be constrained to withhold dividend in accordance with the Companies (Distribution of Dividends) Regulations, 2017.

Availability of Audited Financial Statements on Company's Website

In accordance to Section 223 and 237 of the Company Act, 2017, the audited financial statements of the Company for the year ended June 30, 2021 have been made available on the Company's website www.nimir.com.pk/nicl/financial_reports.html, in addition to annual and quarterly financial statements for the prior years.

Video Conference Facility

Pursuant to the provisions of the Companies Act, 2017 the shareholders residing in other cities and holding at least 10% of the total paid up capital may demand the Company to provide the facility of video link for participation in the meeting. The demand for video-link facility shall be received at Shares Registrar address given hereinabove at least 7 days prior to the date of AGM.

Deposit of Physical Shares in to CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 30, 2017. The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways, including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange Limited.

The statement of material facts under section 134 (3) of the Companies Act, 2017 concerning the special business contained in item No. 4 of the Notice of Annual General Meeting (AGM) to held on October 26, 2021.

Amendments in the Memorandum of Association and Adoption of New set of Articles of Association

Following the enactment of the new Companies Act, 2017, changes have been necessitated in the Memorandum and Articles of Association of the Company. Thus, certain complying changes have been made in the Memorandum to comply with the requirements of the Companies Act, 2017.

As for the Articles of Association, numerous changes were required in the same, thus the Articles of Association have been revised and updated in their entirety. In order to enable the shareholders to compare the existing clauses and provisions of the Memorandum and Articles of Association with the proposed amendments, a comparative draft of the amended Memorandum of Association and Articles of Association identifying the changes proposed in these documents, bearing the initials of the Company Secretary for the purpose of identification, is being circulated along with this Notice to serve as a comparative analysis of the existing clauses of the Memorandum and Articles of Association with the proposed amendments.

Accordingly, the following new Definition and Article have been proposed to be inserted in the existing Articles of Association of the Company:

For this purpose, it is proposed to consider and, if thought fit, to pass the following resolution as a special resolution, with or without modifications, to amend the Memorandum of Association and adopt a new set of updated Articles of Association of the Company:

Resolved That, “subject to requisite approval, the Memorandum of Association of the Company be and is hereby amended by designating para (1) of Clause 3 of the Memorandum of Association as the principal line of business so that the Clause 3 shall read and be and is hereby substituted with existing Clause III, as follows:

3. The objectives for which the Company is established are all or any of the following (and in construing the following sub-clauses, the scope of one sub-clause shall not be deemed to limit or affect the scope of any other sub-clause):
 - (i) The principal line of business of the company shall be to carry-out the business of manufactures, developers , buyers, sellers importers, exporters, wholesalers, retailers, dealers, suppliers, distributors, indenters, transporters, agents, factors, stockiest, commission agents, sub-agents, traders, general merchants, toll manufacturing and marketers of all types of chemicals (including but not limited to chemicals used in the construction business) and chemical by-products and commodities akin to or connected with any of the business of the Company capable of being conveniently carried on or necessary for the promotion of the objects herein contained and, generally, in any goods or products within the scope the objects of the Company, as permissible under the law.
 - (ii) Except for the businesses mentioned in sub-clause (iii) hereunder, the company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
 - (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause nothing contained herein shall be construed as empowering the Company to undertake or indulge, directly or indirectly in the business of a Banking Company, Non-banking Finance Company (Mutual Fund, Leasing, Investment Company, Investment Advisor, Real Estate Investment Trust management company, Housing Finance Company, Venture Capital Company, Discounting Services, Microfinance or Microcredit business), Insurance Business, Modaraba Management Company, Stock Brokerage business, forex, real estate business, managing agency, business of providing the services of security guards or any other business restricted under any law for the time being in force or as may be specified by the Commission.
 - (iv) It is hereby undertaken that the company shall not:
 - a. engage in any of the business mentioned in sub-clause (iii) above or any unlawful operation;
 - b. launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business;
 - c. engage in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.”
- I. **Resolved Further That,** “the Articles of Association of the Company be and are hereby substituted by a new set of Articles of Association, as laid before the members, bearing the initials of the Company Secretary for the purpose of identification and prepared by amending the existing Articles of Association in conformity with the Companies Act, 2017.”;
- II. **Resolved Further That,** “the Chief Executive Officer and/or Company Secretary of the Company be and is hereby authorized to, singly, do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolution.”;
- III. **Resolved Further That,** “the Chief Executive and/or Company Secretary of the Company be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration in the Memorandum and Articles of Association of the Company and implementing this resolution.”; and

- IV. **Resolved Further That**, “the aforesaid alteration in the Memorandum and Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may directed by the SECP, which amendment, modification, addition or deletion shall be deemed part of this special resolution without the need for passing a fresh special resolution.”

No directors or Chief Executive of the Company have any interest, directly or indirectly, in the proposed alterations of the Articles of Association of the Company / special resolution except in their capacities as directors/Chief Executive/shareholders of the Company.

Comparative Analysis

In order to enable the members to compare the existing Memorandum and Articles of Association with the proposed Memorandum and Articles of Association, a comparative draft identifying the proposed changes in the documents, bearing the initials of the Company Secretary for the purposes of identification is being circulated with this notice to serve as a comparative analysis

Reasons for Alteration in Memorandum and Articles of Association:

The existing Articles of Association of the company have been redrafted to align the same with the provisions of the Companies Act, 2017. Further, the Clause 3 of the Memorandum of Association is also proposed to be substituted as per requirements of the Companies Act, 2017.

Availability of Relevant Documents and Inspection

A copy of the existing and proposed Memorandum and Articles of Association indicating the proposed amendments are available for inspection at the registered office of the Company from 9.00 a.m. to 5.00 p.m. on any working day, up to the last working day before the date of the AGM. The same shall also be available for inspection by the members in the AGM.

Statement of the Board of Directors

We, the members of the Board of Directors of the Company hereby confirm that the proposed amendments/alterations in the Memorandum and Articles of Association of the Company are in line with the applicable provisions of the laws and regulatory framework.