

**NOTICE OF ANNUAL GENERAL MEETING**

Notice is hereby given that the 21st Annual General Meeting of Lotte Chemical Pakistan Limited will be held on Thursday, 18 April 2019 at 11:00 a.m. at the Institute of Bankers Pakistan (IBP), M.T. Khan Road, Karachi to transact the following business:

**ORDINARY BUSINESS**

- To receive, consider and adopt the Company's audited financial statements together with the Directors' and Auditors' reports for the year ended 31 December 2018.
- To appoint the Auditors of the Company for the year ending 31 December 2019 and to fix their remuneration.

**SPECIAL BUSINESS**

- To approve House Building Loan to full-time Working Director/Chief Executive of the Company in accordance with the terms and conditions of his employment.

A statement as required by Section 134(3) of the Companies Act, 2017, in respect of the special business to be considered at the AGM is annexed.

25 March 2019  
Karachi

By Order of the Board  
Faisal Abid  
Company Secretary

**Notes:**

- The Share Transfer Books of the Company will be closed from Friday, 12 April 2019 to Thursday, 18 April 2019 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, Famco Associates (Pvt) Ltd, 8-F, Next to Hotel Faran, Nursery, Block 6, P.E.C.H.S., Shahrah-e-Faisal, Karachi, by the close of business on 11 April 2019, will be treated in time for the purpose of attending the Annual General Meeting.

- A member of the Company entitled to attend and vote may appoint another member as his / her proxy to attend and vote instead of him / her. Proxies in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the time of the holding of the Meeting. In calculating the aforesaid period, no account shall be taken of any day that is not a working day. Proxy Form may also be downloaded from the Company's website: [www.lottechem.pk](http://www.lottechem.pk)

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

**a) For Attending the Meeting:**

- 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 Regulation, shall authenticate his / her identity by showing his / her original Computerised National Identity Card (CNIC) or original passport at the time of attending the Meeting.
- In case of corporate entity, the Board of Directors' resolution / power of attorney with signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

**b) For Appointing Proxies:**

- 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.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- In case of 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 to the Company.

- Payment of Cash Dividend through electronic mode.** In accordance with the provisions of section 242 of the Companies Act, 2017 and Companies (Distribution of Dividend) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. Accordingly, shareholders are requested to fill in "Electronic Credit Mandate Form" available on Company's website and send it duly signed along with a copy of valid CNIC/NTN to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. Famco Associates (Pvt) Ltd (in case of shareholding in Physical Form).

In case of non-receipt of valid CNIC/NTN and complete and valid details of designated bank account of entitled shareholder, the Company will be constrained to withhold payment of dividend under the Companies (Distribution of Dividends) Regulations, 2017.

- Zakat Declaration (CZ-50).** Zakat will be deducted from the dividend at source under the Zakat & Ushr Laws and will be deposited within the prescribed period with the relevant authority. To claim exemption, shareholders are requested to submit notarized copy of Zakat Declarations on duly filled in 'CZ-50 Form' to their respective brokers or CDC Pakistan Limited (in case the shares are held in CDS-Sub Account or CDC Investor Account) or to Company's Share Registrar, M/s. Famco Associates (Pvt) Ltd.

- Withholding Tax on Dividend.** Pursuant to the Finance Act, 2017, effective July 01, 2018, the rates of deduction of income tax under Section 150 of the Income Tax Ordinance, 2001 from payment of dividend have been revised as 15% for Filer and 20% for Non-filer of income tax returns.

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 Taxpayers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

Further, according to clarification received from FBR, withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal Shareholder as well as Joint-holder(s) based on their shareholding proportions in case of joint accounts. In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to Company's Share Registrar, in writing as follows.

Folio/CDC Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

Shareholders are advised to ensure that they have provided their CNIC/NTN to their respective Participant/CDC Investor Account Services (if shareholding in Book Entry Form) or Company Share Registrar (if shareholding in Physical Form) for checking the tax status as per the ATL issued by FBR from time to time.

[As per FBR Circulars C. No.1 (29) WHT/2006 dated 30 June 2010 and C. No.1 (43) DG (WHT)/2008-Vol. II -66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part -IV of Second Schedule is available. The shareholders who fall in the category mentioned in above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar M/s. FAMCO Associates (Private) Limited before book closure otherwise tax will be deducted on dividend as per applicable rates.]

- Transmission of Annual Financial Statements through email.** Pursuant to notification vide SRO. 787(I)/2014 dated 8 September 2014, the SECP has allowed the circulation of Audited Financial Statements and notice of AGM to the shareholders via email. Members who wish to avail this facility can communicate their email addresses to the Company Secretary and/or Share Registrar on the Standard Request form available on the Company's website.
- Video Conference Facility.** If the Company receives consent from the members collectively holding at least 10% shareholding residing in a city, to participate in the meeting through video-link at least 7 days prior to date of the meeting, the Company shall arrange facility of video-link in the city subject to availability of such facility in that city. In this regard, members are requested to submit duly filled in "Video Conference Facility Consent Form" available on Company's website to the registered address of the Company.
- Audited accounts of the Company for the year ended 31 December 2018 have been provided on the Company website.

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

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company to be held on Thursday, 18 April 2019.

**Item (3) of the Agenda:**

The approval is being sought for approval of House Building Loan to full-time working director / Chief Executive Mr Humair Ijaz in accordance with the terms and conditions of service.

The relevant details are given below:

a) Amount of loan	Rs 21 million
b) Rate of interest, mark up etc.	Non-interest bearing as per contract of employment and applicable service rules of the Company
c) Security if any, obtained/ to be obtained by the company	Secured against Management Staff Gratuity Fund
d) Repayment schedule	Within five years in equal monthly installments
e) Disclosure regarding mandatory approval of the Commission, in case of a listed company	Yes, to be obtained subsequent to approval from shareholders

None of the Directors of the Company have any, direct or indirect, interest in the above said special business, except that mentioned therein.