

FAISAL SPINNING MILLS LIMITED
NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary General Meeting (“EOGM”) of the members of **Faisal Spinning Mills Limited** will be held on Saturday, 28th December 2024 at 11:30 am at the registered office of the company located at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi, to transact the following business:

1. To confirm the minutes of the 40th Annual General Meeting of the company held on 28th October, 2024.
2. To elect Directors of the company for a period commencing from December 28, 2024 till December 28, 2027 in terms of section 159 of the Companies Act, 2017.
 - a) Pursuant to section 159(1) and 2(a) of the Companies Act 2017, the existing board through a resolution passed in the board of directors meeting held on 29th October 2024 have fixed the number of Directors in forthcoming elections scheduled for December 28, 2024 at ten (10).
 - b) Pursuant to section 159(2)(b) of the Companies Act 2017 (“Act”), the name of the retiring Directors are:

| | | | |
|----|--|-----|--|
| 1. | Mr. Mohammad Salim (Non-Executive Director) | 6. | Mr. Hamza Shakeel (Non-Executive Director) |
| 2. | Mr. Muhammad Shaheen (Non-Executive Director) | 7. | Mrs. Fatima Amin (Female Director) |
| 3. | Mr. Khurram Salim (Non-Executive Director) | 8. | Mr. Tauqeer Ahmed Sheikh (Independent Director) |
| 4. | Mr. Muhammad Amin (Non-Executive Director) | 9. | Mr. Asif Elahi (Independent Director) |
| 5. | Mr. Bilal Sharif (Executive Director) | 10. | Mr. Mustafa Tanvir (Independent Director) |

All the retiring directors are eligible to offer themselves for re-appointment in their respective categories.

3. To transact any other business with the permission of the chairman.

The statement under 166(3) of the Companies Act, 2017 (“Act”), justification for choosing the appointee for appointment as independent director is annexed to the Notice of EOGM and placed on company website at “www.umergroup.com”.

Karachi:
Dated: 6th December, 2024

(By the order of the Board)

Adeel-ur-Rehman Ansari
Company Secretary

Notes:

1. For attending the meeting electronically

In pursuance of SMD/SE/2(20)2021/117 to ensure the participation of members in the general meeting electronically, the members can attend the meeting through video link facility, "Zoom" which is available on Google Play or Apple App Store. The entitled member(s) can access with following ID and password:

Join Zoom Meeting

<https://us05web.zoom.us/j/3822738660?pwd=T2ppUWYxSctjUXduQ2ErR0INSEMzQT09>

Meeting ID: 382 273 8660

Passcode: fsmcorp

2. Every candidate for election as a director, shall file with the Company not later than 14 (fourteen) days' before the date of Extra Ordinary General Meeting, a notice of his intention to offer himself/herself for election as a director along with the consent to serve as a Director in the prescribed Form 28, a detailed profile along with his/her relevant declarations as required under SRO 1196(1)/2019 and Code of Corporate Governance Regulations, 2019 to his/ her appointment as an independent director or director of the Company.

He / She should also confirm that:

- a. Any person/member who seeks to contest for election in the category of independent director, female director or other, should clearly mention only one category (Independent, Female or Other) in which he/she intends to contest for the election of director.
- b. He/she is aware of duties and powers under the relevant laws, Memorandum & Articles of Association of Company and listing regulations of stock exchanges.
- c. He/she is not ineligible to become a director of a listed company under any provisions of the Act, the Listed Companies (Code of Corporate Governance) Regulations, 2019, any other applicable law, rules and regulations.
- d. He / She is not serving as a director in more than seven listed companies.
- e. Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor director or officer of a corporate brokerage house.

As per Article of Association of the Company a director is required to hold 500 qualification shares in his/her own name. The candidate is required to advise his/her Folio/CDC sub account and Participant ID number.

3. The Shares Transfer Books of the Company will remain closed from 21st December 2024 to 28th December, 2024 (both days inclusive). Transfers received in order at the company address i.e. Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi by 20th December 2024 will be treated in time for the purpose of attendance and vote in the meeting.

4. The Board of Directors of the Company have fixed the number of directors to be elected as ten (10) for the term of three years with effect from 28th December, 2024. As per provisions of Regulation No. 7A of the Listed Companies (Code of Corporate Governance), Regulation, 2019 (“CCG-2019”), it is mandatory that voting for the election of directors of the Company shall be held separately for the following three categories.

| Sr | Category | No of Seats |
|----|----------------------|-------------|
| 1 | Female Director | 1 |
| 2 | Independent Director | 3 |
| 3 | Other Directors | 6 |
| | Total | 10 |

5. A member shall have such number of votes under each category as is equal to the product of voting shares held by him/her and the number of Directors to be elected in that particular category.

| Category | Number of Directors to be elected | Number of Ordinary Shares | Total number of Votes in each category |
|----------------------|-----------------------------------|---------------------------|---|
| Female Director | 1 | | Total votes for female directors = (number of voting shares X 1 female director to be elected) |
| Independent Director | 3 | | Total votes for independent directors = (number of voting shares X 3 independent directors to be elected) |
| Other Directors | 6 | | Total votes for other directors = (number of voting shares X 6 other directors to be elected) |

If the number of persons who offer themselves to be elected in a category is not more than the number of directors to be elected in such category, such persons will be elected unopposed without the voting process.

6. A member entitled to attend and vote at the Extra Ordinary General Meeting is entitled to appoint a proxy to attend and vote instead of him/ her whereas only the member can act as proxy.
7. An instrument appointing a proxy and the power of attorney or other Authority (if any) under which it is signed or a notarized certified copy of such power or authority, in order to be valid, must be deposited at the registered office of the company at least 48 hours before the time of the meeting and must be duly stamped, signed and witnessed.
8. Any individual Beneficial Owner of CDC, entitled to attend and vote at this meeting, must bring his/her original CNIC or Passport, Account and participant’s 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 usual documents required for such purpose. The account/ sub account holders of CDC will further have to follow the guidelines as laid down in Circular No. 1 of 2000 dated January 26, 2000 issued by Securities & Exchange Commission of Pakistan.

9. Members are requested to notify/update with our share Registrar, Hameed Majeed Associates (Private) Ltd, their Computerized National Identity Cards (CNIC), change in their postal addresses and bank details (IBAN) at the earliest.
10. Pursuant to section 132(2) of Companies Act, 2017 the company shall facilitate its members to attend the extraordinary general meeting (EOGM) through video-link by providing video-conference facility, if available, in the city where 10% or more shareholders of the company reside, provided that the Company receives their demand to participate in EOGM through video-link at least seven (07) days prior to the date of meeting.

The Company will intimate the members regarding the venue of video conference facility at least five (5) days before the date of EOGM. In this regard it is requested to fill the following Form and submit at the registered address of the Company at least seven (07) days before holding of the EOGM:

"I/We, _____ being a member of _____, holder of _____ Ordinary Shares vide folio _____ hereby opt for video conference facility at _____."

Signature of Member

11. E-Voting and Postal Ballot

The schedule and procedure of postal ballot / E-Voting will be placed on the company's website i.e., www.umergroup.com before seven (7) days of the meeting. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 -145 of the Act and applicable clauses of Companies (Postal Ballot) Regulations 2018 issued vide amended SRO 254(1)/2018.

a) **E-Voting**

- i) The procedure for e-voting facility will be shared through email with those members of the company who have valid cell numbers/email addresses (Registered email ID) available in the register of members by the end of 20th December, 2024. Thus, those members who intend to exercise their right to vote through E-Voting shall provide their valid cell numbers and email on or before 20th December, 2024 with the registrar of the company or email us at: "fsm.corporate@umergroup.com".
- ii) The web address, login details and security codes will be communicated to members via email by Hameed Majeed Associates (being the e-voting service provider).
- iii) Identity of the Members intending to cast vote through e-Voting shall be authenticated through authentication for email login.
- iv) E-Voting lines will start from December 24, 2024, 9:00 a.m. and shall close on December 27, 2024 at 5:00 p.m. Members can cast their votes any time in this period. Once the vote is casted by a member, he / she shall not be allowed to change it subsequently.

b) **Postal Ballot**

- i) Members may alternatively opt for voting through postal ballot and for their convenience, Ballot Paper will be uploaded on PUCARS and on the Company's website www.umergroup.com for downloading in due course.
- ii) The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting through post at Umer House, 23/1, Sector 23, S. M. Farooq Road, Korangi Industrial Area, Karachi (Attention of the Company Secretary/ Chairman) by Friday, December 27, 2024

before 5:00 p.m. The signature on the ballot paper shall match with the signature on CNIC/record of the Company. A postal ballot received after this time / date shall not be considered for voting.

- c) The board of directors under the clause 5 of SRO 254(1)/2018 have appointed the share registrar of the company M/s Hameed Majeed & Associates (Pvt) Ltd to conduct the e-Voting services. They have their own secured web portal system to perform the services adequately in a smooth manner.
- d) The board of directors under the clause 11 of SRO 254(1)/2018 have appointed Messer's Mushtaq and Company, Chartered Accountants, being eligible with satisfactory QCR rating from ICAP as Scrutinizer. They possess necessary knowledge and experience to independently scrutinize and conduct the voting services.

12. Statement made under section 166(3) of the Companies Act, 2017 in respect of appointment of Independent Directors.

Section 166(3) of the Companies Act, 2017 (the "Act") requires that a statement of material facts be annexed to the notice of EOGM regarding election of directors shall indicate the justification for selecting the contestants for appointment as Independent Directors.

The Company, is required to have Independent Directors on its Board in accordance with Listed Companies (Code of Corporate Governance) Regulations, 2019 "CCG". Accordingly, the Company shall ensure that Independent Directors are elected in accordance with the procedures for election of directors as laid Down in Section 159 of the Companies Act 2017.

Once the contestants have filed their notice/intention for elections, the Company shall apply the following criteria for selecting the appropriate contestants as an independent director under the provisions of CCG and Act:

- Validating the presence of the name of the independent directors in the data Bank maintained by Pakistan Institute of Corporate Governance (PICG) duly authorized by SECP.
- Assessing the competencies, diversity, skill, knowledge and experience of the respective contestants.
- The Company shall exercise due diligence before selecting a person from the data bank that the contestant meets the independence criteria as mentioned in section 166(2) of the Companies Act, 2017.
- The independent director shall be elected in the same manner as other directors are elected in terms of section 159 of the Companies Act, 2017 read with Regulation 7A of Listed Companies (Code of Corporate Governance) Regulations, 2019. The final list of contesting directors will be circulated not later than seven days before the date of said meeting in terms of section 159(4). Further, the website of the company will also be updated with the required information for each contesting directors in terms of note 2 mentioned above.
- The Board has fixed the number of directors to be elected as ten (10) for the term of three years with effect from 28th December, 2024 hence, under the regulation 6 of CCG 2019, the Company shall at least have three (03) independent directors, which is one third of total number of directors fixed by the board.
- Assure that no independent directors have direct or indirect interest in the company except as a shareholder to consent for election of directors accordingly.