

# **PIONEER CEMENT LIMITED**

Registered Office: 1st Floor, Al-Falah Building, Shahrah-e-Quaid-e-Azam, Lahore.

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an Extraordinary General Meeting of Pioneer Cement Limited will be held at 66 Garden Block, New Garden Town, Lahore on 31 March, 2011 at 11.30 a.m. to transact the following business:-

### **ORDINARY BUSINESS**

To confirm the minutes of the annual general meeting held on 30 October, 2010.

### **SPECIAL BUSINESS**

#### **1. INCREASE IN THE SHARE CAPITAL - ORDINARY RESOLUTION**

To consider and if thought fit to pass the following resolutions as Ordinary Resolutions pursuant to Article 21 of the Articles of Association of the Company with or without any amendments:

RESOLVED that the authorized share capital of the Company be increased by an amount of Rs.300,000,000 by addition of 30,000,000 Preference Shares of Rs.10/- each.

FURTHER RESOLVED that Clause V of the Memorandum of Association be altered as under:

The figure and words "Rs.3,500,000,000/- (Rupees three billion five hundred million only) divided into 300,000,000 (three hundred million) Ordinary Shares of Rs.10/- each and 50,000,000 (fifty million) Preference Shares of Rs.10/-each" be replaced with "Rs.3,800,000,000/- (Rupees three billion eight hundred million) divided into 300,000,000 (three hundred million) Ordinary Shares of Rs.10/- each and 80,000,000 (eighty million) Preference Shares of Rs.10/-each"

FURTHER RESOLVED that article 4A of the Articles of Association be altered as under:

The figure and words "Rs.3,500,000,000/- (Rupees three billion five hundred million only) divided into 300,000,000 (three hundred million) Ordinary Shares of Rs.10/- each and 50,000,000 (fifty million) Preference Shares of Rs.10/-each" be replaced with "Rs.3,800,000,000/- (Rupees three billion eight hundred million) divided into 300,000,000 (three hundred million) Ordinary Shares of Rs.10/- each and 80,000,000 (eighty million) Preference Shares of Rs.10/-each"

#### **2. ISSUE OF RIGHT PREFERENCE SHARES - SPECIAL RESOLUTION**

To consider and if thought fit to pass the following resolution as Special Resolution with or without any amendments:

RESOLVED that 80,000,000 Cumulative, Convertible, Redeemable and Non Participatory Preference Shares of Rs.10/- each in the ratio of 35.2192 shares for every 100 shares held, on terms and conditions described herein below be offered to the existing shareholders of the Company as right shares at par value of Rs.10/- per share aggregating Rs.800,000,000 in accordance with section 86 of the Companies Ordinance, 1984 and the Companies (Issue of Capital Rules), 1996, subject to

approval by Securities and Exchange Commission of Pakistan under Rule 5 of the Companies Share Capital (Variation in Rights and Privileges) Rules, 2000 .

FURTHER RESOLVED that the fractional right shares entitlements be consolidated and sold and the sale proceeds be distributed to the shareholders in accordance with the entitlements.

FURTHER RESOLVED that the unsubscribed portion of the right issue may be allotted to the underwriters or any other persons as the directors think fit on the same terms and conditions.

FURTHER RESOLVED that Chief Executive Officer, Chief Financial Officer and Company Secretary are authorized jointly or severally to take all steps necessary, ancillary and incidental for issue of the shares including but not limited to obtaining requisite approvals, signing underwriting agreement, appointing banker to the issue, and to take all necessary steps as may be required in this connection.

#### TERMS AND CONDITIONS OF ISSUE OF PREFERENCE SHARES

- i. The preference shares are redeemable wholly or partly at the option of the Company.
- ii. The preference shares carry cumulative dividend @ 13.65% per annum until redeemed or converted and shall be payable on cumulative basis prior to any dividend or other distribution payable to ordinary shareholders. If in a financial year payment of dividend cannot be made out of distributable profits such dividend shall be payable at the same rate without any limit as to accumulation in next financial year out of distributable profits prior to any dividend or other distribution payable to ordinary shareholders.
- iii. After completion of three years from the date of allotment if the preference shares are not wholly redeemed as aforesaid, the remaining part alongwith any unpaid dividend will be convertible at the option of the holder of Preference Shares at par value of Rs.10 each in the manner provided by Article 4C(B) of Articles of Association of the Company into ordinary shares ranking pari-passu in all respect with the existing ordinary shares except for participation In dividend/ bonus declared for the period for which preference dividend has been paid.
- iv. The preference shareholders shall not be entitled to receive notice, attend and vote at general meetings of the Company, except as otherwise provided by the Companies Ordinance, 1984 whereby the holders of such shares would be entitle to vote separately as a class, i.e. with respect to voting entitlement of preference shareholders on matters / issues affecting substantive rights or liabilities of preference shareholders.
- v. The preference shareholders shall not be entitled to bonus or right shares or participate in any profit of the Company except the right of dividend being attached to the preference shares. However, in the event of winding up or liquidation of the Company the paid up amount on preference shares will be paid back to the preference shareholders before any payment is made to the ordinary shareholders.
- vi. The preference shares will be transferable. The Company will apply for listing of these shares on Stock Exchanges and for induction in the Central Depository System.

- vii. The preference shares will be issued soon after completion of all necessary legal formalities and approvals.
3. To transact any other business as may be placed before the meeting with the permission of the Chairman.

#### CLOSURE OF SHARE TRANSFER BOOKS

The share transfer books of the Company will remain closed from 25 March, 2011 to 31 March, 2011 (both days inclusive) for holding the EGM. The Company will announce a separate books closure for entitlement of right shares after passing the above special resolution and approval from Securities and Exchange Commission of Pakistan.

08 March, 2011

By order of the Board  
SYED ANWAR ALI  
Company Secretary

#### NOTES:

1. A member entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend, speak and vote on his/her behalf. Proxies in order to be effective must be received by the Company at the registered office not less than 48 hours before the meeting. The shareholders through CDC are requested to bring original NIC/ Passport for the purpose of identification to attend the meeting. Representatives of corporate members should bring an attested copy of the resolution of board of directors / power of attorney with specimen signature.
2. A statement under section 160(1) (b) of the Companies Ordinance, 1984 with respect to special business contained in the notice of the meeting is annexed. The same is also available on the Company's website: [www.pioneercement.com](http://www.pioneercement.com).
3. The members are requested to notify the change in their address, if any.