

SHAMS TEXTILE MILLS LIMITED

NOTICE OF EXTRA-ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-Ordinary General Meeting of the shareholders of SHAMS TEXTILE MILLS LIMITED (the "Company") will be held on **Tuesday, 30 May 2017 at 09:30 a. m.** at 7-B/III, Marina Homes, Aziz Avenue, Gulberg-V, Lahore to transact the following business:

Ordinary Business:

To elect seven (7) Directors of the Company as fixed by the Board under Section 178 (1) of the Companies Ordinance, 1984 for a period of three (3) years commencing from May 31, 2017. Following are the names of retiring Directors who are eligible for re-election:

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|----|--------------------|----|--------------------|
| 1. | Mr. Asif Bashir | 2. | Mr. Khalid Bashir |
| 3. | Mr. Khurram Mazhar | 4. | Mr. Muhammad Anwar |
| 5. | Mr. Muhammad Asif | 6. | Mr. Shahid Arshad |
| 7. | Mr. Sharik Bashir | | |

Statement under Section 160 (1) (b) of the Companies Ordinance, 1984 is annexed to the notice of meeting sent to the members.

By order of the Board

Lahore: 08 May 2017

Hashim Tariq
Company Secretary

BOOK CLOSURE:

The share transfer books of the Company will remain closed from May 24, 2017 to May 30, 2017 (both days inclusive).

NOTES

1. Transfer received in order at the Company's Registrar Officer, M/s CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business hours on Tuesday, 23 May 2017 will be considered in time to be eligible for the purpose of attending and voting at the extraordinary general meeting
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarially attested copy of the power of attorney must be deposited at the registered office of the Company 7-B-III, Aziz Avenue, Gulberg V, Lahore at least 48 hours before the time of the meeting.
3. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
4. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting

- a. In case of Individuals, the accountholder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's 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

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. Members are requested to timely notify any change in their addresses.

STATEMENTS UNDER SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984

Election of Directors

The term of office of the present Directors of the Company will expire on 30 May 2017. In terms of Section 178 (1) of the Companies Ordinance, 1984, the directors have fixed the number of elected directors at seven (7) to be elected in the extraordinary general meeting for a period of three years.

The present Directors are interested to the extent that they are eligible for re-election as Directors of the Company.

Any person who seeks to contest election to the office of director shall, whether he is a retiring director or otherwise, file with the Company at its Registered Office, 7-B-III, Aziz Avenue, Gulberg V, Lahore, not later than fourteen days before the day of the meeting, the following documents and information:

- i. His/her Folio No./CDC Investors Account No./CDC Participant No./Sub-Account No;
- ii. Notice of his/her intention to offer himself/herself for election of directors in terms of Section 178(3) of the Companies Ordinance, 1984;
- iii. Consent to act as a director in Form 28 prescribed under Section 184 of the Companies Ordinance, 1984;
- iv. A detailed profile along with his/her office address as required under SECP's SRO 634(1)2015 dated July 10, 2014.
- v. An attested copy of Computerized National Identity Card;
- vi. A director must be a member of the company at the time of filing of his/her consent for contesting election of directors.
- vii. A declaration confirming that:
 - 1) He/she is aware of duties and powers under the relevant laws, Memorandum & Articles of Association of Company and listing regulations of Pakistan Stock Exchange Limited;
 - 2) He/she and his/her spouse does not engage in business of stock brokerage;

- 3) He/she is not serving as a director in more than seven (7) listed companies including this Company excluding directorship in listed subsidiaries of listed holding companies;
- 4) He/she is not ineligible to become a director of a listed company under any applicable laws and regulations.

Notice to members who have not provided their CNIC:

The directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831(I) / 2012 dated 05 July 2012 provides that the dividend warrants should bear the Computerized National Identity Card (CNIC) Numbers of the registered members or the authorized person except in the case of minor(s) and corporate members. CNIC number of the members are, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld. Therefore, the members who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to Independent Share Registrar at the address given above without any further delay:

E-dividend mandate:

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged by SECP where shareholders can get amount of the dividend credited into their respective bank accounts electronically. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed companies to adopt e-dividend mechanism due to the benefits it entails for their members. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.