

ENGRO FOOD LIMITED
NOTICE OF MEETING

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Engro Foods Limited will be held at Karachi Marriott Hotel, Abdullah Haroon Road, Karachi on Monday, April 27, 2015 at 10 a.m. to transact the following business:

A) ORDINARY BUSINESS

- (1) To receive and consider the Audited Accounts for the year ended December 31, 2014 and the Directors' and Auditors' Reports thereon.
- (2) To appoint Auditors and fix their remuneration.
- (3) To elect nine directors in accordance with the Companies Ordinance, 1984. The retiring Directors are Messrs Aliuddin Ansari, Abdul Samad Dawood, Muhammed Amin, Mujahid Hamid, Roshaneh Zafar, Ruhail Mohammed, Sabrina Dawood, Shahzada Dawood and Zafar Ahmed Siddiqui.

B) SPECIAL BUSINESS

- (4) To consider, and if thought fit, to pass the following Resolution as a Special Resolution:

“RESOLVED that the amended Rules of the Employee Share Option Scheme (ESOS) of the Company, placed in draft form before this meeting, be and are hereby approved subject to any amendments that may be required by the SECP or recommended by the Company and approved by the SECP.”

N.B.

- (1) The Directors of the Company have fixed, under sub-section (1) of Section 178 of the Companies Ordinance, 1984, the number of elected directors of the Company at nine.
- (2) The Share Transfer Books of the Company will be closed from Tuesday, April 14, 2015 to Monday, April 27, 2015 (both days inclusive). Transfers received in order at the office of our Registrar, M/s. FAMCO ASSOCIATES (PVT.) LTD, 8-F, next to Hotel Faran, Nursery, Block 5, PECHS, Shakra-e-Faisal, Karachi [PABX Nos. (92-21) 34380101-5 and email info.shares@famco.com.pk by the close of business (5:00 p.m) on Monday, April 13, 2015 will be treated in time to entitle the transferees to attend and vote at the meeting.

- (3) A member entitled to attend and vote at this Meeting shall be entitled to appoint another person, as his/her proxy to attend, speak and vote instead of him/her, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the Meeting as are available to a member. Proxies, in order to be effective, must be received by the Company not less than 48 hours before the Meeting. A proxy need not be a member of the Company.

Statement under Section 160 of the Companies Ordinance, 1984

This Statement is annexed to the Notice of the Tenth Annual General Meeting of Engro Foods Limited to be held on Monday, April 27, 2015, at which certain Special Business is to be transacted. The purpose of this Statement is to set forth the material facts concerning such Special Business.

ITEM (4) of the Agenda

The ESOS Rules of the Company were approved by the shareholders of the Company at an EGM held on March 22nd 2013.

In accordance with Rule 7 of the Public Companies (Employee Stock Option Scheme) Rules 2001, and the terms of the ESOS Rules (as approved previously), the Company now wishes to vary certain terms of the ESOS Rules such that the definition of 'Additional Option Year' is amended. Additional Option Year is defined in the ESOS Rules as meaning April 2014 and April 2015 and the Company wishes to seek approval to amend the definition such that Additional Option Year shall also include April 2016, April 2017 and April 2018. All other terms and conditions of the ESOS Rules shall remain substantially unchanged, including calculations of the Exercise Price. In accordance with the Public Companies (Employee Stock Option Scheme) Rules 2001, the amendment proposed is not in any way detrimental to the interest of the Company's employees or current option holders.

Of a total of 16.9m shares over which options are to be granted, 4.4m share options have been granted to date. The Vesting and Exercise Periods remain as previously notified and approved at the EGM held on March 22nd 2013. The Company is and shall continue to conform to the accounting policies as set out in rule 13 of the Public Companies (Employee Stock Option Scheme) Rules 2001.

The reasons for the Company wishing to amend the definition of Additional Option Year to include the ability to grant options in April 2016, April 2017 and April 2018 is that due to the Company reviewing its strategy for the next five years, it is not in a position to make decisions with respect to allocation of options by April 2015 (presently the last year where options may be granted). Therefore the Scheme is being extended so that options may be granted in April of 2016, 2017 and 2018 once the strategy for next five years is finalized.

A copy of the amended Scheme/Rules will be available at the Head Office of the Company (in the legal department) for inspection and perusal by any shareholder during office hours. A copy will also be provided to the shareholders who require one, at the meeting. The amended Rules include other necessary amendments which result from the amendment to the Additional Option Year however the main features and mechanics of the Scheme remain substantially unchanged.

The directors of the Company have no personal interest in this amended scheme but executive directors have been granted options under the scheme.

By order of the Board

FAIZ CHAPRA
Company Secretary

Karachi,
January 26, 2015.