

TPL Trakker Limited
Notice of Extra Ordinary General Meeting

Notice is hereby given that the Extra Ordinary General Meeting (“EOGM”) of TPL Trakker Limited (“Company”) will be held on Friday, June 21, 2024 at 11:30 A.M. at PSX Auditorium, Stock Exchange Building, Stock Exchange Road, Karachi to transact the following business:

ORDINARY BUSINESS:

1. To approve the minutes of the Annual General Meeting held on October 23, 2023.

“RESOLVED THAT the minutes of Annual General Meeting of TPL Trakker Limited held on October 23, 2023 at 11:30 A.M. be and are hereby approved.”

SPECIAL BUSINESS:

2. To consider and if thought fit, to pass with or without modification, special resolution for revision of remuneration of non-executive directors, as determined by the Board of Directors of the Company, from PKR 100,000/- to PKR 120,000/- per meeting (including sub-committee meetings).

“RESOLVED THAT pursuant to Section 170 of the Companies Act, 2017 read along with Articles of Association of the Company, approval of the members be and is hereby accorded to the Board of Directors of the Company, for the revision of remuneration of non-executive directors of the Company from PKR 100,000/- to PKR 120,000/- per meeting (including sub-committee meetings).”

3. To consider and, if deemed fit, to pass with or without modification, the following resolutions, as special resolutions, in accordance with Section 199 of the Companies Act, 2017 (the “Act”), in order to amend/supplement the loan agreement / arrangement entered into by the Company with its subsidiary company, Trakker Middle East L.L.C. (“TME”), regarding the advance/loan extended by the Company to TME, to the extent of including conversion features, as well as to authorize the Company to convert the outstanding loan, including the principal amount, accrued interest, and any other related party liabilities, amounting up to Rs. 661,094,368/-, into equity / shares of TME i.e. up to 8,727 shares of AED 1,000/- each.

“RESOLVED THAT, in accordance with Section 199 of the Companies Act, 2017 (the "Act"), the shareholders of the Company be and hereby approve the amendments and/or supplementation of the loan agreement entered into by the Company with its subsidiary, Trakker Middle East L.L.C. (“TME”), regarding the advance/loan extended by the Company to TME, specifically to include conversion features in accordance with the statement of material facts annexed to this notice.”

“FURTHER RESOLVED THAT, subject to obtaining any regulatory approvals, the Company is hereby authorized to convert the outstanding loan, including the principal amount, accrued interest, and any other related party liabilities, amounting up to Rs. 661,094,368/- into equity / shares of TME i.e. up to 8,727 shares of AED 1,000/- each.

“FURTHER RESOLVED THAT, in pursuance of the above, the Company be and is hereby authorized to make equity investments of up to Rs. 661,094,368/-, in its associated company i.e. TME via conversion, in pursuance of Section 199 of the Companies Act, 2017, in one or more tranches as determined by the Board of Directors.”

“FURTHER RESOLVED THAT the Chief Executive Office, Chief Financial Officer and the Company Secretary, be and are hereby authorized, singly, to negotiate, finalize, and execute any and all agreements, documents, and instruments necessary or appropriate to effectuate the conversion of the loan and other amounts into equity shares of TME.”

“FURTHER RESOLVED THAT the Chief Executive Office, Chief Financial Officer and the Company Secretary be and are hereby authorized, singly, to perform all acts and deeds necessary to implement and give effect to above resolutions including, but not limited to, signing and executing any documents or agreements required for the conversion, submitting

necessary filings, applications etc. with regulatory authorities, and taking all other steps, actions, deeds etc. as may be required.”

ANY OTHER BUSINESS

4. To transact any other business with the permission of the Chairman.

By Order of the Board
Shayan Mufti
Company Secretary

Karachi, May 31, 2024

Notes:

1. Registration to attend Extra Ordinary General Meeting through Electronic Means:

a. In the light of relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) from time to time, including vide letter No. SMD/SE/2/(20)/2021/117 date December 15, 2021, members are encouraged to participate in the Extra Ordinary General Meeting (“EOGM”) through electronic facility organized by the Company.

b. To attend the EOGM through electronic means, the Members are requested to register themselves by providing the following information through email at company.secretary@tplholdings.com at least forty-eight (48) hours before the EOGM.

| Name of Shareholder | CNIC/NTN No. | Folio No/CDC A/c No. | Cell Number | Email Address |
|---------------------|--------------|----------------------|-------------|---------------|
| | | | | |

c. Members will be registered, after necessary verification as per the above requirement, and will be provided a video-link by the Company via email.

d. The login facility will remain open from 11:10 A.M. till the end of EOGM.

2. Closure of Share Transfer Books:

The Share Transfer Book of the Company will remain closed from June 14, 2024 to June 21, 2024, (both days inclusive). Share Transfers received at THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan by the close of business hours (5:00 PM) on June 13, 2024, will be treated as being in time for the purpose of above entitlement to the transferees.

3. Participation in the EOGM:

All members, whose names appear in the register of members of the Company as on June 13, 2024, are entitled to attend (in person or by video link facility or through Proxy) the EOGM and vote there at. A proxy duly appointed shall have such rights as respect to the speaking and voting at the EOGM as are available to a member. Duly filled and signed Proxy Form must be received at the Registrar of the Company, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan, not less than 48 hours before the EOGM.

4. For Attending the EOGM:

In case of individual, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by providing copy of his/her valid CNIC or passport along with other particulars (Name, Folio/CDS Account Number, Cell Phone Number) via email to aforementioned ID and in case of proxy must enclose copy of his/her CNIC or passport.

In case of corporate entity, the Board of Directors’ resolution / power of attorney with specimen signature of the nominee shall be provided via email to aforementioned ID.

5. Change of Address:

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar, THK Associates (Pvt.) Limited, Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase VII, Karachi-75500, Pakistan.

6. Conversion of Physical Shares into the Book Entry Form:

The SECP through its letter No. CSD/ED/Misc/2016- 639-640 dated March 26, 2021 has advised listed companies to adhere to provisions of Section 72 of the Companies Act, 2017 by replacing physical shares issued by them into book entry form.

The shareholders of the Company having physical folios / share certificates are requested to convert their shares from physical form into book-entry form as soon as possible. The shareholders may contact their Broker, CDC Participant or CDC Investor Account Service Provider for assistance in opening a CDS Account and subsequent conversion of the physical shares into book-entry form. It would facilitate the shareholders in many ways including safe custody of shares, avoidance of formalities required for the issuance of duplicate shares, etc. For further information and assistance, the shareholders may contact our Share Registrar, THK Associates (Private) Limited.

7. Video Conferencing Facility

The Company shall provide video conference facility to its members for attending the EOGM at places other than the town in which the EOGM is taking place, provided that if members, collectively holding 10% (ten percent) or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video conference at least 7 days prior to date of the EOGM, the Company shall arrange video conference facility in that city, subject to availability of such facility in that city.

In this regard, please fill the enclosed form and submit the same to the registered address of the Company 7 days before holding of the EOGM. The Company will, if such facility is available, intimate members regarding venue of video conference facility at least 5 days before the date of EOGM along with complete information necessary to enable them to access such facility.

8. For Voting for Special Agenda Items:

a. Voting through Ballot Paper:

In accordance with regulation 8(2) of the Companies (Postal Ballot) Regulations, 2018, Members have the option to cast their votes using the enclosed ballot paper, a copy of which is also accessible on the Company's website. The duly filled in ballot paper should reach the chairman of the meeting through email at chairman@tpltrakker.com or through post to 20th Floor, Sky Tower-East Wing, Dolmen City, HC-3, Block 4, Abdul Sattar Edhi Avenue, Clifton, Karachi, no later than one day prior to the EOGM, during working hours.

b. Electronic Voting:

In accordance with Regulation 4(4) of the Companies (Postal Ballot) Regulations, 2018, Members also have the option to cast their votes through e-voting. To facilitate this, THK Associates (Private) Limited, the e-voting service provider, will send an email on June 14, 2024, to members containing the web address, login details, password, and other necessary information. The facility for e-voting shall open on June 14, 2024 and shall close at 1700 hours (Pakistan Standard Time) on June 20, 2024.

Statement of Material Facts under Section 134(3) of the Companies Act, 2017 relating to the said Special Business:

To approve revision of remuneration of non-executive directors from PKR 100,000/- to PKR 120,000/- per meeting (including sub-committee meetings):

The Board of Directors of the Company, in its meeting held on April 26, 2024, approved and recommended to shareholders a revision in the Directors' remuneration for attending Board and Committee meetings. The proposed revision increases the remuneration from PKR 100,000 to PKR 120,000 per meeting (including sub-committee meetings) pursuant to Section 170 of the Companies Act, 2017.

To authorize the Company to amend and / or supplement the existing loan agreement and to convert / invest the outstanding amounts into Equity of its associated company:

TPL Trakker Limited (the "Company") intends to convert the outstanding loan extended to its subsidiary, Trakker Middle East L.L.C. ("TME"), along with ancillary and related liability amounts into equity / shares of TME. By way of background, this loan was approved by the members on October 23, 2023 in accordance with Section 199 of the Companies Act, 2017 (the "Act"). Subsequently, on May 24, 2024, the Board of Directors authorized a fresh equity injection in TME by Gargash Group, a UAE-based conglomerate, and approved signing a binding agreement with them. The Gargash Group will acquire a 50.1% equity stake in TME through the issuance of new shares (on a fully diluted basis). In light of this, the Company seeks shareholder approval to amend and / or supplement the existing Loan Agreement with TME to include conversion features, allowing the outstanding loan, and other amounts, to be converted into equity shares of TME, as well as approval to carry out investment in TME on such basis in accordance with Section 199 of the Act. This conversion will streamline the Company's financial arrangements with its subsidiary and strengthen the subsidiary's capital base.

The strategic partnership with the Gargash Group and new equity injection in TME represent a significant milestone for the Company which will not only accelerate the Company's growth in Middle East but is also expected to provide an excellent platform to showcase our innovative IoT products to a broader audience.

The information required to be annexed to the Notice by Notification No. S. R. O. 1240(I)/2017 dated December 06, 2017 is set out below:

| S. No. | Requirement | Information |
|--------|--|--|
| i. | Name of the associated company or associated undertaking | Trakker Middle East L.L.C. |
| ii. | Basis of relationship | Subsidiary of the Company |
| iii. | Earnings per share for the last three years of the Associated Company | Loss per Share: 2024 (HY): Rs. (18,373.74) 2023: Rs. (24,039.81) 2022: Rs. (32,020.83) 2021 : Rs.(19,702.61) |
| iv. | Break-up value per share, based on latest audited financial statements | June 30, 2023: Rs. (160,919.93) per share |
| v. | Financial position of the associated company | The extracts of the reviewed balance sheet and profit and loss account of the associated company as at and for the half year ended Dec 31, 2023 is as follows: |

| | | Balance Sheet | Rupees |
|------|--|--|-----------------|
| | | Non-current assets | 91,718,916 |
| | | Other assets | 192,536,354 |
| | | Total Assets | 284,255,270 |
| | | Total Liabilities | 1,287,216,505 |
| | | <i>Represented by:</i> | |
| | | Paid up capital | 435,876,714 |
| | | Capital Reserve | 87,181,262 |
| | | Accumulated losses | (1,526,019,211) |
| | | Other components of equity | - |
| | | Equity | (1,002,961,235) |
| | | Profit and (Loss) – HY Dec 31, 2023 | (104,179,101) |
| | | Loss before interest and taxation | (50,834,286) |
| | | Financial charges | (53,344,815) |
| | | Loss before taxation | (104,179,101) |
| | | Taxation | - |
| | | Loss after taxation | (104,179,101) |
| vi | In case of investment in a project of an associated company / undertaking that has not commenced operations, in addition to the information referred to above, the following further information is also required: a) a description of the project and its history since conceptualization; b) starting date and expected date of completion; c) time by which such project shall become commercially operational; d) expected return on total capital employed in the project; and e) funds invested or to be invested by the promoters distinguishing between cash and non-cash amounts; | Not Applicable | |
| vii. | Maximum amount of investment/advance to be made | Equity Conversion: Up to PKR 661,094,368/- (i.e. outstanding amount to be converted into equity / shares of TME, in one or more tranches as determined by the Board of Directors of the Company, subject to obtaining any regulatory approvals, and to the extent that may be permitted) | |

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| | | <p><u>Conversion breakup:</u> Advance: PKR 399,129,574/- Accrued Interest: PKR 155,659,906/- Exchange Gain: PKR 106,304,888/-</p> |
| viii. | Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment; | <p>The purpose of the investment / advance was to be enable TME to meet its operational requirements.</p> <p>The conversion into equity is to facilitate strategic partnership with the Gargash Group and new equity injection in TME to support its growth plan.</p> |
| ix. | <p>Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-</p> <p>(I) justification for investment through borrowings;</p> <p>(II) detail of collateral, guarantees provided and assets pledged for obtaining such funds; and</p> <p>(III) cost benefit analysis;</p> | <p>Own source. It may be noted that the principal amount of the loan was already advanced by the Company to TME subsequent to obtaining the approval of the shareholders on October 23, 2023. Consequently, no fresh investment will be required; instead, the outstanding loan and other amounts are proposed to be converted into equity of TME.</p> |
| x. | Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment; | <p>The advance was provided under the agreement between the Company and TME dated September 12, 2023, subsequent to obtaining the necessary approval from the shareholders of the Company. The proposed amendments to the agreement will enable the conversion of the outstanding loan, including principal, accrued interest and exchange gain, into shares of TME</p> <p>The equity conversion will be at the par value of TME shares which is AED 1,000/- per share.</p> |
| xi. | Direct or indirect interest, of directors, sponsors, majority shareholders and their relatives, if any, in the associated company/undertaking or the transaction under consideration | <p>The directors of the Company are solely interested to the extent of their directorships and shareholdings in the Company.</p> <p>There is no common director.</p> |
| xii. | In case any investment in associated company or associated undertaking has already been made, the performance review of such investment including complete information/justification for any impairment or write offs; and | <p>Please refer to serial nos. (v) and (ix) of the statement of material facts. No impairment or write-off was undertaken during the year.</p> |
| xiii. | Any other important details necessary for the members to understand the transaction; | <p>Upon the conversion of the entire outstanding amount into equity (subject to obtaining necessary approvals), the Company's shareholding in TME will stand at approximately 66%.</p> <p>Thereafter, following the planned investment by the Gargash Group, TME will become a subsidiary of the Gargash Group having 50.1% shareholding</p> |

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| | | in TME, while the Company shall hold up to 30% shareholding. |
| In case of investments in the form of loans, advances or guarantees: | | |
| xiv. | Category-wise amount of investment; | Not applicable |
| xv. | Average borrowing cost of the investing company or in case of absence of borrowing the KIBOR (Karachi Inter Bank Offered Rate) for the relevant period | 6 month KIBOR + 3%. Note that this will not be applicable upon the conversion of the outstanding amount into shares of TME. |
| xvi. | Rate of interest, mark up, profit, fees or commission etc. to be charged by investing company; | 6 month KIBOR + 3%. Note that this will not be applicable upon the conversion of the outstanding amount into shares of TME. |
| xvii. | Particulars of collateral or security to be obtained in relation to the proposed investment; | Letter of comfort was provided for advance, which shall be cancelled upon conversion to equity. |
| xviii. | If the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; | Advance is being converted into equity subject to the approval of the shareholders as per the details provided above. |
| xix. | Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking; | No longer applicable, as the advance is being converted into equity. |
| In case of equity investment: | | |
| xx. | Maximum price at which securities will be acquired; | The equity conversion will be at the par value of TME shares which is AED 1,000/- per share. |
| xxi. | In case the purchase price is higher than market value in case of listed securities and fair value in case of unlisted securities, justification thereof; | The Shares shall be issued in respect of conversion of outstanding amounts into equity. |
| xxii. | Maximum number of securities to be acquired; | Up to 8,727 shares of AED 1,000/- each, based on the outstanding amount detailed above. |
| xxiii. | Number of securities and percentage thereof held before and after the proposed investment; | Pre Conversion: 2,835 Shares (50% Shareholding) Post Conversion: up to 11,562 Shares (up to 66% Shareholding) |
| xxiv. | Fair value of the shares. | AED 894/- Per Share, based on DCF Method |