

# NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 31<sup>st</sup> Annual General Meeting of Century Insurance Company Limited will be held on Friday April 28, 2017 at 10:30 a.m. at Avari Towers Hotel, Fatima Jinnah Road, Karachi to transact the following business:

## ORDINARY BUSINESS

1. To receive, consider and adopt the audited financial statements of the Company for the year ended December 31, 2016 together with the Directors' and Auditors' reports thereon.
2. To declare final dividend in cash @ 17.50% i.e. Rs.1.75 per share of Rs.10 each and by way of issue of fully paid bonus shares @ 10% i.e. in the proportion of one share for every ten shares held by the members as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration.

All listed Companies in financial sector are required to change their external auditors every five years as per clause xxxvii (a) of the Code of Corporate Governance under Listing Regulations of Pakistan Stock Exchange.

M/s. EY Ford Rhodes, Chartered Accountants, have been auditors of the Company for a period of five years. The Board, on the recommendation of the Audit Committee of the Company has proposed the appointment of M/s. KPMG Taseer Hadi & Company, Chartered Accountants, as auditors for the year ending December 31, 2017. A notice under section 253(1) of the Companies Ordinance, 1984 has also been received from a shareholder of the Company to the same effect.

4. To elect seven Directors as fixed by the Board of Directors for the next term of three years in accordance with the provisions of the Companies Ordinance, 1984. The retiring Directors are M/s. Iqbal Ali Lakhani, Amin Mohammed Lakhani, Anushka Zulfiqar Lakhani, Tasleemuddin Ahmed Batlay, A. Aziz H. Ebrahim, Mohammad Hussain Hirji and Sadrudin Ismail Mohamed. The retiring Directors are eligible for re-election.

## SPECIAL BUSINESS

5. To consider, subject to declaration of the final dividend as above, to capitalize a sum of Rs.45,724,370 by way of issue of 4,572,437 fully paid bonus shares of Rs.10 each and if thought fit to pass an ordinary resolution in the matter.
6. To consider, and if thought fit, to pass with or without modification the following resolutions:

a) **RESOLVED THAT**, "the transactions carried out in normal course of business with associated companies as disclosed in Note No.29 of the audited financial statements for year ended December 31, 2016 be and are hereby ratified and approved."

b) **RESOLVED THAT**, "the Chief Executive of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending December 31, 2017 and in this connection the Chief Executive be and is hereby also authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company."

Statement under Section 160 of the Companies Ordinance, 1984 in the above matters pertaining to item Nos.5 & 6 is annexed.

By Order of the Board



(MANSOOR AHMED)  
Company Secretary

Karachi: March 27, 2017

#### NOTES:

1. The share transfer books of the Company will remain closed from April 22, 2017 to April 28, 2017 (both days inclusive). Transfers received in order by the Share Registrar of the Company, M/s. FAMCO Associates (Private) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi upto the close of business on April 21, 2017 will be treated in time for entitlement of the dividend and bonus shares.
2. A member, who has deposited his/her shares into Central Depository Company of Pakistan Limited, must bring his/her participant's ID number and CDC account/sub-account number along with original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
3. A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend, speak and vote instead of him/her.
4. Forms of proxy, in order to be valid must be properly filled-in/executed and received at the registered office of the Company situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 48 hours before the time of the meeting.
5. Members are requested to promptly notify Share Registrar of the Company of any change in their addresses.
6. Pursuant to the directive of the Securities & Exchange Commission of Pakistan (SECP), CNIC numbers of shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are therefore requested to submit a copy of their CNIC (if not already provided) to the Share Registrar. Henceforth, issuance of dividend warrant(s) will be subject to submission of copy of CNIC by individual shareholders.
7. In compliance with the SECP's Circular No.8(4)SM/CDC 2008 dated April 05, 2013, the Company wishes to inform its shareholders that under the law they are also entitled to receive their cash dividend directly in their bank accounts instead of receiving it through dividend warrants. Shareholders, wishing to exercise this option, may submit their application to the Company's Share Registrar, giving particulars relating to their name, folio number, bank account number, title of account and complete mailing address of the bank. CDC account holders should submit their request directly to their broker (participant)/CDC.

8. Pursuant to Notification vide SRO.787(1)/2014 of September 08, 2014, SECP has directed to facilitate the members of the Company receiving Annual Financial Statements and Notices through electronic mail system (e-mail). We are pleased to offer this facility to our members who desire to receive Annual Financial Statements and Notices of the Company through e-mail in future. In this respect members are hereby requested to convey their consent via e-mail on a standard request form which is available at the Company website i.e. [www.cicl.com.pk](http://www.cicl.com.pk). Please ensure that your e-mail has sufficient rights and space available to receive such e-mail which may be larger than 1 MB file in size. Further, it is the responsibility of the member to timely update the Share Registrar of any change in the registered e-mail address.
9. i. Pursuant to the provisions of the Finance Act 2016 effective July 1, 2016, the rates of deduction of income tax from dividend payments under the Income Tax Ordinance, 2001 have been revised as follows:
  1. For filers of income tax return 12.5%
  2. For non-filers of income tax return 20%

To enable the Company to make tax deduction on the amount of cash dividend @ 12.5% instead of 20%, shareholders whose names are not entered into the Active Taxpayers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered in ATL before the first day of book closure, otherwise tax on their cash dividend will be deducted @ 20% instead of 12.5%.

- ii. Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate or stay order from a competent court of law is made available to FAMCO Associates (Private) Limited, by the first day of Book Closure.
- iii. Further, according to clarification received from Federal Board of Revenue (FBR), with-holding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as Joint-holder(s) based on their shareholding proportions, in case of joint accounts.

In this regard all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them (only if not already provided) to our Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	Total Shares	Principal Shareholder		Joint Shareholder(s)	
			Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

The required information must reach our Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint holder(s).

- iv. For any query/problem/information, the investors may contact the Company Secretary at phone: 35698082 and email address: [mansoor@lakson.com.pk](mailto:mansoor@lakson.com.pk) and/or FAMCO Associates (Private) Ltd. at phone: 34380101-5 and email address: [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk).
- v. Corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Private) Limited. Shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers. Without the NTN the Company would not be in a position to check filer status on the ATL and hence higher tax of 20% may be applied in such cases.
- vi. Members can also avail video conference facility, in this regard, please fill the following and submit to registered address of the Company 10 days before holding of the Annual General Meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

“I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Century Insurance Company Limited, holder of \_\_\_\_\_ ordinary share(s) as per Registered Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.”

10. Form of Proxy is enclosed.

## **STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 160(1)(b) OF THE COMPANIES ORDINANCE, 1984**

This statement sets out the material facts concerning the Special Business, given in agenda item Nos.5 and 6 of the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

### **1. Agenda Item No.5 of the Notice – Issue of Bonus Shares to be passed as an Ordinary Resolution**

The Board of Directors has recommended to the members of the Company to declare a dividend @ 10% by way of issue of 4,572,437 fully paid bonus shares of Rs.10/- each and thereby Capitalized a sum of Rs.45,724,370 out of the profit for the year ended December 31, 2016. Subject to approval of the Board of Directors' recommendation as above, the resolution as under will be considered to be passed by the members as an ordinary resolution:

#### **“RESOLVED THAT:**

- i) a sum of Rs.45,724,370/- out of the profit for the year ended December 31, 2016 be capitalized and applied in making payment in full of 4,572,437 ordinary shares of Rs.10/- each and that the said shares be allotted as fully paid up bonus shares to those members of the Company whose names appear in the register of members on April 28, 2017 @ 10% i.e. in the proportion of ONE share for every TEN existing shares held by the members and that such new shares shall rank pari passu in all respects with the existing ordinary shares of the Company. However, they will not qualify for the final cash dividend for the year ended December 31, 2016;
- ii) in the event of any member holding less than TEN shares or a number of shares which is not an exact multiple of TEN, the fractional entitlements of shares of such members shall be consolidated into whole new shares and the Directors of the Company be and are hereby authorized to arrange sale of the shares constituted thereby in such manner as they may think fit and to pay the proceeds of the sale to such of the members according to their entitlement;
- iii) for the purpose of giving effect to the above, the Directors be and are hereby authorized to take all necessary steps in the matter and to settle any question or difficulties that may arise in regard to the distribution of the said new shares as they think fit.”

### **2. Agenda Item No.6(a) of the Notice – Transactions carried out with associated companies during the year ended December 31, 2016 to be passed as an Ordinary Resolution**

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Code of Corporate Governance, 2012.

During the Board Meeting it was pointed out by the Directors that as the majority of Company Directors were interested in these transactions due to their common directorship and holding of shares in the associated companies, the quorum of directors seemingly could not be formed for approval some of these transactions specifically, therefore, these transactions have to be approved by the shareholders in the General Meeting.

In view of the above, the transactions conducted during the financial year ended December 31, 2016 with associated companies shown in note No. 29 of the financial statements are being placed before the shareholders for their consideration and approval/ratification.

3. **Agenda Item No. 6(b) of the Notice – Authorization to the Chief Executive for the transactions carried out and to be carried out with associated companies during the ensuing year ending December 31, 2017 to be passed as an Ordinary Resolution**

The Company would be conducting transactions with associated companies in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship and shareholding in the associated companies. Therefore, such transactions with associated companies have to be approved by the shareholders.

In order to comply with the provisions of clause 5.19.6 (b) of the Code of Corporate Governance, 2012, the shareholders may authorize the Chief Executive to approve transactions carried out and to be carried out in normal course of business with associated companies during the ensuing year ending December 31, 2017.

The Directors are interested in the resolutions to the extent of their common directorships and shareholding in the associated companies and the privileges attached thereto only.