



CENTURY INSURANCE COMPANY LIMITED

REGISTERED OFFICE & CORPORATE DEPARTMENT
LAKSON SQUARE, BUILDING NO.2, SARWAR SHAHEED ROAD, KARACHI-74200 PAKISTAN
NTN : 0710008-6

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Century Insurance Company Limited (hereinafter referred to as 'Century Insurance') will be held on Tuesday, 31 July 2018 at 10:30 a.m. at Auditorium of the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Clifton, Karachi to transact the following business:

SPECIAL BUSINESS

To consider and, if deemed fit, to pass with or without modification, the following resolutions as Special Resolution, in accordance with the provisions of Section 199 of the Companies Act, 2017, for the purpose of authorizing Century Insurance to invest, by way of equity investments, in an un-listed Closed-end fund named as Lakson Private Equity Fund, registered as a notified entity under the Private Funds Regulations, 2015 (S.R.O. 1159/2015), and regulated by the Securities & Exchange Commission of Pakistan and managed by Lakson Investments Limited - an associated company:

"RESOLVED THAT, in accordance with the provisions of Section 199 of the Companies Act, 2017, the Company (Century Insurance) be and is hereby authorized to invest upto an amount of Rs. 200 Million (Rupees Two Hundred Million Only) in an un-listed Closed-end fund named as Lakson Private Equity Fund, registered as a notified entity under the Private Funds Regulations, 2015 (S.R.O. 1159/2015), and regulated by the Securities & Exchange Commission of Pakistan and managed by Lakson Investments Limited - an associated company.

RESOLVED FURTHER THAT, any two Directors and/or any one Director and the Chief Executive of the Company (Century Insurance) be and are hereby empowered and authorized to invest/disinvest the Company's (Century Insurance's) funds at one time or from time to time as above and to make whole or any part of the aforesaid investment on such terms and conditions and in any manner as they may deem fit and to take and do and/or cause to be taken or done any/all necessary actions, deeds and things which are or may be necessary for giving effect to the aforesaid resolution and to do all acts, matters, deeds and things which are necessary, incidental and/or consequential to the investment of the Company's (Century Insurance's) funds as above."

Statement under Section 134(3) of the Companies Act, 2017 concerning special business is annexed.

By Order of the Board

(MANSOOR AHMED)
Company Secretary

Karachi : 05 July, 2018

Notes:

1. The share transfer books of the Company will remain closed from 25 July 2018 to 31 July 2018 (both days inclusive). Transfers received in order by the Share Registrar of the Company, M/s. FAMCO Associates (Private) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shakra-e-Faisal, Karachi up to the close of business on 24 July 2018 will be considered in time for the purposes of attending and voting at the meeting.

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 alongwith original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting. In case of corporate entity, the Board of Directors' 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.
3. A member entitled to attend and vote at this 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 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 Extraordinary 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 _____."

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of the Extraordinary General Meeting along with complete information necessary to enable them to access the facility.

6. Members can exercise their right to demand a poll subject to meeting requirements of Section 143 to Section 145 of the Companies Act, 2017 and applicable clauses of the Companies (Postal Ballot) Regulations, 2018 which inter-alia states that before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting of his own motion, and shall be ordered to be taken by him on a demand made in that behalf by the members present in person or through video-link or by proxy, where allowed, and having not less than one-tenth of the total voting power. Pursuant the Companies (Postal Ballot) Regulations, 2018, where poll is demanded in the general meeting, members can also exercise the said right through e-voting and Century Insurance will disseminate the requisite details at least 7 days from the day on which it is demanded.
7. Form of Proxy is enclosed.

Statement of Material Facts pertaining Special Business pursuant to Section 134 (3) of the Companies Act, 2017:

This statement sets out the material facts pertaining to the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on 31 July 2018.

Introduction

About the Fund & the Asset Management Company

Lakson Private Equity Fund (the "Fund") is an un-listed closed-end fund in the category of Private Equity and Venture Capital Fund under the Private Funds Regulations, 2015. The Fund has been created by the Fund Management Company, Lakson Investments Limited, a Non-Banking Finance Company incorporated under the repealed Companies Ordinance, 1984 and licensed by the SECP to undertake private equity and venture capital fund management business. The fund has been constituted by a Trust Deed between the

Fund Management Company and Central Depository Company of Pakistan Limited, incorporated in Pakistan under the repealed Companies Ordinance, 1984 and registered with the SECP as a Trustee of the Fund.

Investment transaction

Century Insurance Company Limited ("Century Insurance") intends to make an investment upto Rs.200 million in the Fund, subject to approval under section 199 of the Companies Act, 2017, from the members of Century Insurance. Both, the Lakson Investments Limited and Century Insurance are associated companies, under the definition of section 2(4) of the Companies Act, 2017.

Overview of the Fund

The Fund will offer Eligible Investors an opportunity to participate in private equity investments in Pakistan with a long-term capital appreciation by investing in a portfolio of companies via instruments denominated in Pakistan Rupees. The Fund will issue Units to Eligible Investors at the subscription price against monies received for these Units.

The duration and term of the Fund is seven (7) years and will include a five (5) years investment period followed by two (2) years Distribution Period, in accordance with the Term Sheet. All assets, properties, or investments of whatsoever nature forming part of the Fund, shall constitute the Trust Property. During the Placement Period, Units in the Fund shall be offered at the Subscription Price of PKR One Million (Rs. 1,000,000/-) per Unit. The Units once issued shall not be redeemable by the Unit Holders until the expiry of the Term of the Fund, or until the Fund is revoked, terminated or wound up, whichever is earlier.

Investment return

The Fund will invest in high growth companies across most economic sectors that have a discernible competitive advantage, strong management and credible sponsors. Investment will adhere to the Fund's investment duration of a five (5) years Investment period followed by two (2) years of distribution period and a target IRR return of 25% over the fund's life.

Information pursuant to Regulation 3 and Regulation 4 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

(a)	Disclosure for all types of investments:	
(A)	Regarding associated company or associated undertaking :	
(i)	Name of associated company or associated undertaking;	Lakson Private Equity Fund ('Fund') (managed by the Lakson Investments Limited - an associated company).
(ii)	Basis of relationship;	SIZA Services (Private) Limited, the holding company of Lakson Investments Limited, owns 23.56% shares in Century Insurance. Mr. Iqbal Ali Lakhani and Mr. Amin Mohammed Lakhani, Directors of Century Insurance, are also directors on the board of Lakson Investments Limited. They are also interested to the extent of their and their relatives' shareholding in Lakson Investments Limited.
(iii)	Earnings per share for the last three years;	Not applicable (The Fund has not yet commenced operations).

(iv)	Break-up value per share, based on latest audited financial statements;	Not applicable as the Fund has not drawdown any capital. The par value of each unit is Rs. 1,000,000.
(v)	financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and	Not applicable
(vi)	In the case of investment in relation to a project of the associated company or associated undertaking that has not commenced operations, following further information, namely:	
	<p>I. Description of the project and its history since conceptualization;</p>	<p>The Fund is un-listed closed-end fund, constituted as a private fund by a Trust Deed entered into at Karachi on 23 May 2017 between Lakson Investments Limited being Fund Management Company of the Fund and the Central Depository Company of Pakistan Limited being the Trustee of the Fund, in terms of the Private Funds Regulations, 2015.</p> <p>The Fund will offer eligible investors an opportunity to participate in private equity investments in Pakistan.</p> <p>Investment strategy of the Fund The investments by the Fund will typically be made by direct plain-vanilla equity or a structured or other equity-related instruments, example preferred equity, convertible bonds in companies operating in Pakistan/investing companies. It is expected that investments will be made in a total of 2 to 5 investee companies with a minimum size of 10% and a maximum size of 50% of a total committed capital (accounting for additional follow-on investments). Initial investment thresholds may be lower.</p> <p>The Fund may make temporary cash deposits or investments in short-dated yielded instruments to effectively manage its cash and disbursement requirements. The Private Fund can invest up to 50% of the total capital commitments in cash deposits, money market funds or short dated yielded instruments with a maturity less than or equal to 6-months. This amount and duration can be extended with approval from SECP.</p>
	II. Starting date and expected date of completion of work;	<p>- The Fund will start its operations by 01 August 2018 (tentative). - Completion date: 7 years after the start date.</p>

	III.	Time by which such projects shall become commercially operational;	The Fund will become operational by 01 August 2018 (tentative) and is expected to make its first investment within 60 days.
	IV.	Expected time by which the project shall start paying return on investment; and	The Fund's distribution period will commence after the termination of the Investment period (i.e. 5 years) and unless terminated earlier or extended in accordance with the Constitutive Documents and Term Sheet, will terminate on the second anniversary after the end of the investment period.
	V.	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts;	The sponsor and associated company are collectively investing Rs. 400 million in cash.
(B)	General Disclosures:		
(i)	Maximum amount of investment to be made;		Rs. 200 million (Rupees Two Hundred Million Only).
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;		<p>Century Insurance aims to earn potential capital gains over a long term investment horizon.</p> <p>The Fund will invest in high growth companies across most economic sectors that have a discernible competitive advantage, strong management and credible sponsors. The Fund is targeting an IRR of 25% over the Fund's life.</p> <p>The period of investment would be 7 years from the start date of the fund.</p>
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds;		Investment in the Fund would be made from the company's self-generated funds and no borrowings from external or internal sources are intended.
	I.	Justification for investment through borrowings;	Not applicable
	II.	Detail of collateral, guarantees provided and assets pledged for obtaining such funds; and;	Not applicable
	III.	Cost benefit analysis;	Not applicable
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;		No written agreement has been entered into with the Fund or Lakson Investments Limited (the associated company). However, the Fund has made an offer to Century Insurance, based on the placement memorandum of the Fund, to invest Rs. 200 million in units of the fund at a face value of Rs. 1,000,000 per unit. The offer has been accepted by the Company, subject to shareholders'

		approval, by Special Resolution in accordance with the provisions of Section 199 of the Companies Act, 2017 and grant of any applicable regulatory approval(s). Other details are included in introduction paragraph to the statement.
(v)	Direct or Indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration;	SIZA Services (Private) Limited, the holding company of Lakson Investments Limited, owns 23.56% shares in the Century Insurance. Mr. Iqbal Ali Lakhani and Mr. Amin Mohammed Lakhani, Directors of Century Insurance, are also directors on the board of Lakson Investments Limited. They are also interested to the extent of their and their relatives' shareholding in Lakson Investments Limited.
(vi)	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	Not applicable.
(vii)	Any other important details necessary for the members to understand the transaction;	None
(b)	General Disclosures:	
(i)	Maximum price at which securities will be acquired;	Rs. 1,000,000 per unit at face value.
(ii)	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;	Not Applicable as the units are being issued at their face value.
(iii)	Maximum number of securities to be acquired	200 Units in the Fund will be acquired by Century Insurance.
(iv)	Number of securities and percentage thereof held before and after the proposed investment;	Century Insurance does not currently hold any units in the Fund. After the completion of the capital draw down, Century Insurance will eventually be holding 200 units at the face value of Rs. 1,000,000 per unit i.e. an investment of Rs. 200 million at face value which constitutes 8% of the total capital commitment of approximately Rs. 2,500 million to be raised from Eligible Investor.
(v)	Current and preceding twelve weeks weighted average market price where investment is proposed to be made in listed securities; and	Not Applicable.
(vi)	Fair values determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;	Not applicable, the Fund has not yet commenced operations, therefore fair value of the units is not available.

The Directors of the Company have carried out the necessary due diligence for the purpose of this investment in Lakson Private Equity Fund and is available with the Company for review.

The duly signed recommendations of the due diligence report shall be made available to the members for inspection in the general meeting called for approval of the special resolution for investment pursuant to section 199 of the Act.

Interest of the Investing Company, its sponsors and Directors in the Company

As required by Regulation 4(1) of the Regulations, it is declared that:

- 1) The investee undertaking, Lakson Private Equity Fund, holds no shares of the Company and no interest in the Company; and
- 2) The information about interest of the associated company or associated undertaking and its sponsors and directors in Century Insurance is tabulated below:

Categories of shareholders	Designation / Relationship	No. of shares held	% of booking
Directors, their spouses and minor children			
Mr. Iqbal Ali Lakhani	Chairman/Director	1,837	0.003%
Mr. Amin Mohammed Lakhani	Director	1,765	0.003%
Mr. Tasleemuddin Ahmed Batlay	Director	32,595	0.065%
Mrs. Ronak Iqbal Lakhani	W/o Mr. Iqbal Ali Lakhani	396	0.0008%
Mrs. Saira Amin Lakhani	W/o Mr. Amin Mohammed Lakhani	301	0.0006%
Associated Companies, Undertaking and Related parties			
M/s. SIZA Services (Pvt.) Limited	Associated Company	11,852,141	23.56%