

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the 34th Annual General Meeting of Century Insurance Company Limited will be held on Friday, May 29, 2020 at 10:30 a.m. at the Registered office of the Company at Lakson Square Building No.2, Sarwar Shaheed Road, Karachi through Video Conferencing 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, 2019 together with the Directors' and Auditors' reports thereon.
2. To consider and approve final dividend in cash @ 17.50% i.e. Rs.1.75 per share of Rs.10 each as recommended by the Board of Directors.
3. To appoint Auditors and fix their remuneration.
4. To elect seven (7) Directors on the Company's Board of Directors as fixed by the Board for a term of (3) three years in accordance with the provisions of the Companies Act, 2017. The retiring Directors are M/s. Iqbal Ali Lakhani, Amin Mohammed Lakhani, Anushka Lakhani, Tasleemuddin Ahmed Batlay, Aftab Ahmad, Mohammad Hussain Hirji and Sadrudin Ismail Mohamed. The retiring Directors are eligible for re-election.

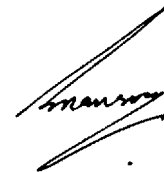
SPECIAL BUSINESS

Special Resolutions

5. To consider to pass the following resolutions:
 - a) **"RESOLVED** that the transactions carried out in normal course of business with associated companies/ related parties as disclosed in Note No.36 of the audited financial statements for the year ended December 31, 2019 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/ related parties during the ensuing year ending December 31, 2020 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 134 of the Companies Act, 2017 is annexed.

By Order of the Board



(MANSOOR AHMED)
Company Secretary

Karachi: April 22, 2020

Notes:

1. The share transfer books of the Company will remain closed from May 23, 2020 to May 29, 2020 (both days inclusive). Transfers received in order by the Shares 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 May 22, 2020 will be treated in time for entitlement of the dividend.
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. Any person who seeks to contest the election to the office of a Director, whether he/she is a retiring director or otherwise, shall file the following documents with the Company Secretary, at the Registered Office of the Company, situated at Lakson Square, Building No.2, Sarwar Shaheed Road, Karachi not later than 14 days before the date of the Annual General Meeting:
 - a) Notice of his/her intention to offer him/her self for the election to the office of Director in terms of Section 159(3) of the Companies Act, 2017;
 - b) Consent to Act as Director in Form-28, as prescribed under the Companies (General Provisions and Forms) Regulations, 2018;
 - c) A detailed profile along with his/her office address;
 - d) Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria, as set out in Section 153 of the Companies Act, 2017 to act as director or an independent director of a listed company;
 - e) Attested copy of valid CNIC and NTN;
 - f) Independent Director(s) will be elected through the process of election of director in terms of section 159 of the Act and they shall meet the criteria laid down in Section 166 of the Act, and the Companies (Manner and Selection of Independent Directors) Regulations, 2018, accordingly the following additional documents are to be submitted by the candidates intending to contest election of directors as an independent director:
 - Declaration by Independent Director(s) under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019;
 - Undertaking on non-judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018.

The final list of contesting directors will be circulated not later than seven days before the date of said meeting, in terms of section 159(4). Further, the website of the Company will also be updated with the required information.

4. In light of the threat posed by the evolving coronavirus (COVID-19) situation, the Securities & Exchange Commission of Pakistan vide Circular No.5 of 2020 dated March 17, 2020 has advised the Company to modify their usual planning for Annual General Meeting in order to protect the well-being of the Shareholders.

The Shareholders who are interested to attend the AGM through Video Conferencing, are hereby requested to get themselves registered with the Company Secretary office by providing the following detail at the earliest but not later than 24 hours before the time of AGM (i.e. before 10.30 a.m. on May 28, 2020) through following means:



- a) Mobile/WhatsApp: 0315 5008228
- b) E-mail: mansoor@lakson.com.pk

Shareholders are advised to mention Name, CNIC Number, Folio/CDC Account Number, cell number and email ID for identification.

Upon receipt of the above information from the interested shareholders, the Company will send the login credentials at their e-mail address. On the date of AGM, shareholders will be able to login and participate in the AGM proceedings through their smartphone / computer devices.

In view of the above the Shareholders can also provide their comments/suggestions for the proposed agenda items of the AGM by using the aforesaid means.

- 5. 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, and a proxy so appointed shall have such rights, as respects attending, speaking and voting at the meeting as are available to a member. A proxy must be a member of the Company.
- 6. 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 excluding holidays.
- 7. Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
- 8. Under the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed Company to pay cash dividend to its shareholders only through electronic mode directly into bank account designated by the entitled shareholders.

In order to receive dividends directly into their bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on Company's website and send it duly signed along with a copy of CNIC to the registrar of the Company M/s. FAMCO Associates (Private) Limited, in case of physical shares.

In case shares are held in CDC then Electronic Credit Mandate Form must be submitted directly to shareholder's broker/participant/CDC account services. No further action is required if IBAN has already been incorporated/updated in the CDC account or physical folio of the shareholder.

- 9. 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. 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.
- 10. (i) Pursuant to the provisions of the Finance Act, 2019 effective July 01, 2019, the rates of deduction of income tax from dividend payments under Section 150 of the Income Tax Ordinance, 2001 have been revised as follows:
 - 1. Persons appearing in Active Tax Payers List (ATL) 15%
 - 2. Persons not appearing in Active Tax Payers List (ATL) 30%

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, 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 @ 30% instead of 15%.

- (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 Shares Registrar, in writing as follows:

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

The required information must reach our Shares 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: 38400000 and email address mansoor@lakson.com.pk and/or FAMCO Associates (Private) Limited at phone: 34380101-5 and email address: 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 company would not be in a position to check filer status on the ATL and hence higher tax of 30% may be applied in such cases.

11. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors, where in case number of contestants are more than the number of directors to be elected, members will be allowed to exercise their right to vote through postal ballot, that is voting by post in accordance with the requirements and procedures contained in the aforesaid Regulations.
12. 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 Companies (Postal Ballot) Regulation, 2018.
13. Form of Proxy is enclosed.

STATEMENT OF MATERIAL FACTS CONCERNING SPECIAL BUSINESS PURSUANT TO SECTION 134 OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the election of Directors to be carried out at the AGM and Special Business, given in agenda item No.5 of the Notice which will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Business.

1 - Agenda Item No.4 of the Notice – Election of Directors

The Company is required to have independent directors on its Board in accordance with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Company shall ensure that its election of independent directors comply with the requirements of Sections 159 and 166(2) of the Companies Act, 2017.

Core competencies; diversity, skill set, knowledge and experience of the election contestants shall also be considered during the finalization of independent Directors.



2 - Agenda Item No.5(a) of the Notice – Transactions carried out with associated companies during the year ended December 31, 2019 to be passed as a Special 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 15 of Listed Companies (Code of Corporate Governance) Regulations, 2019.

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, 2019 with associated companies/related parties shown in Note No.36 of the financial statements are being placed before the shareholders for their consideration and approval/ratification.

3 - Agenda Item No. 4(b) of the Notice – Authorization to the Chief Executive for the transactions carried out and to be carried out with associated companies/related parties during the ensuing year ending December 31, 2020 to be passed as a Special 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/related parties. Therefore, such transactions with associated companies have to be approved by the shareholders.

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/related parties during the ensuing year ending December 31, 2020.

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