

SC/138/2020

April 20, 2020

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

Subject: **Notice of Annual General Meeting for the Year ended December 31, 2019**

Dear Sir,

Enclosed please find a copy of the Notice of the 85th Annual General Meeting of Atlas Insurance Limited to be held on May 14, 2020, at 10:00 a.m. in Lahore, for circulation amongst the TRE Certificate Holders of the Exchange.

Please note that this Notice is intended to be published in the newspapers on April 22, 2020.

Thank you.

Yours Sincerely,



Muhammad Afzal
Company Secretary

Encl: As above.

Atlas Insurance Ltd.

ZONAL OFFICE: Federation House, Shahrah-e-Firdousi, Main Clifton, Karachi-75600. **Phones:** +92 (21) 3536 9394-6, 3537 8806-7 **UAN:** 021-111-245-000
Fax: +92 (21) 3537 8515

HEAD OFFICE: 63/A, Block-XX, Phase-III (Commercial), Khayaban-e-Iqbal, Defence House Authority, Lahore, Pakistan. **Phones:** +92 (42) 37132611-18
UAN: 042-111-245-000 **Fax:** +92 (42) 37132622 **Email:** info@ail.atlas.pk **Website:** www.ail.atlas.pk **N.T.N.** 2396345-0

Notice of Annual General Meeting

Notice is hereby given that the 85th Annual General Meeting of the members of Atlas Insurance Limited will be held on Thursday, May 14, 2020 at 10:00 a.m. at the registered office of the Company situated at 63/A, Block-XX, Phase III (Commercial), Khyaban-e-Iqbal, DHA, Lahore, to transact the following business:

Ordinary Business

1. To confirm minutes of the last Annual General Meeting held on April 26, 2019.
2. 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.
3. To appoint auditors and fix their remuneration for the year ending December 31, 2020. The present auditors M/s. A.F. Ferguson & Co, Chartered Accountants, retire and being eligible, offer themselves for reappointment.
4. To consider and approve cash dividend @ 70% for the year ended December 31, 2019, as recommended by the Board of Directors.

Special Business

5. To consider and, if thought fit, pass with or without modification, the following resolutions as special resolutions:

Resolved:

- 5.1 "that the authorized capital of the Company be and is hereby increased from Rs. 800,000,000/- (Rupees eight hundred million) to Rs. 1,500,000,000/- (Rupees fifteen hundred million only) by creation of 70,000,000 (seventy million) new ordinary shares of Rs. 10/- each."

Further Resolved:

- 5.2 "that the Memorandum and Articles of Association of the Company be and are hereby altered by substituting the figures and words of Rs. 800,000,000/- (Rupees eight hundred million only) divided into 80,000,000 (eighty million) ordinary shares of Rs. 10/- each appearing in clause V of the Memorandum and clause 4 of the Articles of Association with the words and figures of Rs. 1,500,000,000 (Rupees fifteen hundred million) divided into 150,000,000 (one hundred and fifty million) ordinary shares of Rs. 10/- each."

Further Resolved:

- 5.3 "that the ordinary shares when issued shall carry equal voting rights and rank pari passu with the existing ordinary shares of the Company in all respect / matters in conformity with the provisions of the Companies Act, 2017."

Further Resolved:

- 5.4 "that the Chief Executive Officer and Company Secretary be and are hereby authorized singly to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and to file requisite documents with the Registrar to effectuate and implement the aforesaid resolutions."
6. To consider and approve the bonus share issue @ 10% (ten bonus shares for every hundred shares held) for the year ended December 31, 2019 as recommended by the Board of Directors.

To consider and, if thought fit, to pass with or without modification, the following resolutions as ordinary resolutions:

Resolved:

- 6.1 "that a sum of Rs. 77,178 thousand out of Company's profit be capitalized for issuing 7,717,751 fully paid ordinary shares of Rs. 10/- each as bonus shares to be allotted to those shareholders whose names shall appear in the register of the members at the close of the business on June 03, 2020, @ 10% in the proportion of ten (10) ordinary shares of Rs. 10/- each for every hundred (100) shares held by a member. The said shares shall rank pari passu with the existing shares of the Company as regards future dividends, and in all other respects."

Further Resolved:

- 6.2 "that all the fractional bonus shares shall be consolidated and the Directors be and are hereby authorized to consolidate and sell the fractional shares in the stock market and pay the proceeds of sales thereof, when realized, to a charitable institution approved under the Income Tax Ordinance, 2001."

Further Resolved:

- 6.3 "that the Chief Executive Officer and the Company Secretary be and are hereby authorized singly to give effect to the aforesaid resolutions and to do or cause to do all acts, deeds and things that may be necessary or required for the issue, allotment and distribution of the bonus shares."
7. To consider and, if thought fit, pass with or without modification, the following resolution as ordinary resolution:

Resolved:

"that the remuneration of the Chief Executive Officer of the Company, as fixed by the Board, for the financial year ending December 31, 2020 be and is hereby approved."

8. To consider and approve availing investment advisory services from Atlas Asset Management Limited (AAML), a related party, for managing investment portfolio of the Company, as recommended by the Board of Directors.

To consider and, if thought fit, pass with or without modification, the following resolutions as special resolutions:

Resolved:

- 8.1 "that the recommendation of the Board of Directors for availing investment advisory services from AAML for managing investment portfolio of the Company, at the management fees fixed by the Board, be and is approved."

Further Resolved:

- 8.2 "that the Chief Executive Officer and the Chief Financial Officer be and are hereby authorized jointly, to sign, execute and deliver the Portfolio Management Services Agreement (PMA) and Power of Attorney for the execution of PMA and to complete all such legal formalities to give effect to the aforesaid resolution."

9. To consider and, if thought fit, pass with or without modification, the following resolutions as special resolutions:

Resolved:

- 9.1 "that the transactions carried out by the Company in the normal course of business with Atlas Foundation and AAML, related parties, during the year 2019 be and are hereby ratified, approved and confirmed."

Further Resolved:

- 9.2 "that the Board of Directors be and is hereby authorized to approve all the transactions carried out in the normal course of business with Atlas Foundation and AAML during the ensuing year ending December 31, 2020."

Other Business

10. To consider any other business with the permission of the Chair.

The Statement under Section 134(3) of the Companies Act, 2017, pertaining to the special business referred to above is being circulated to the Members along with the Notice of the Meeting.

By Order of the Board



Muhammad Afzal
Company Secretary

Lahore: April 20, 2020

Notes:

1) Closure of Share Transfer Books for the Entitlement of Cash Dividend and for attending the AGM:

The share transfer books of the Company will remain closed from May 07, 2020 to May 14, 2020 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's share registrar, Hameed Majeed Associates (Pvt.) Limited, 7 – Bank Square, Sharah-e-Quaid-e-Azam, Lahore by the close of business on May 06, 2020 will be treated as being in time for attending / voting at the AGM and for the entitlement of cash dividend to the transferees.

2) Closure of Share Transfer Books for the Entitlement of Bonus Shares:

The share transfer books of the Company will remain closed from June 04, 2020 to June 11, 2020 (both days inclusive) when no transfer of shares will be accepted for registration. Transfers in good order, received at the office of Company's share registrar at above-mentioned address by the close of business on June 03, 2020 will be treated as being in time for the entitlement of bonus shares to the transferees.

- 3) A member entitled to attend, speak and vote at the AGM is 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 AGM as are available to the member.
- 4) Duly completed instrument of proxy, and the other authority under which it is signed, or a notarial certified copy thereof, in order to be valid, must be received at the Registered Office of the Company not later than 48 hours before the time of the meeting.
- 5) Any change of address of members should be immediately notified to the Company's share registrar.
- 6) CDC Account Holders will further have to follow the following guidelines laid down in Circular No. 1 dated January 26, 2000 issued by the SECP.

A. For Attending the Meeting:

- i. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per CDC Regulations shall submit the proxy form as per the above requirement showing the original Computerized National Card (CNIC) or original passport at the time of attending the meeting.

- ii. 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.

B. For Appointing Proxies:

- i. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per CDC Regulations shall submit proxy form as per the above requirement.
- ii. The proxy form shall be witnessed by the person whose name, address and CNIC number shall be mentioned on the form.
- iii. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his / her original CNIC or original passport at the time of the meeting.
- v. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

7) Coronavirus Contingency Planning for the AGM

In light of the threat posed by the evolving coronavirus (COVID-19) situation, the SECP vide Circular No. 5 of 2020, dated March 17, 2020 has advised the companies to modify their usual planning for annual general meetings in order to protect the well-being of the shareholders.

In view of the above the shareholders can also provide their comments / suggestions for the proposed agenda items of the AGM by using the following means:

- a) Mobile / WhatsApp: 03002261915
- b) Email: muhammad.afzal@ail.atlas.pk

Shareholders are advised to mention Name, CNIC No, Folio / CDC account number for identification.

8) Availability of Audited Financial Statements at the Company's website

The audited financial statements of the Company for the year ended December 31, 2019, have been made available on the Company's website www.ail.atlas.pk in addition to the annual and quarterly financial statements of prior years.

9) Video-link Facility

As per Section 132(2) of the Companies Act, 2017, the members can also avail video-link facility to attend the Meeting from cities other than the city where the meeting is scheduled via video-link.

In this regard, please fill the following consent and submit at the registered office of the Company at least seven days prior to the date of the meeting:

"I / we, _____ of _____, being a member of Atlas Insurance Limited, holder of _____ ordinary share(s) as per registered Folio No. _____ hereby opt for video conference facility at _____ (Name of the City) _____.

If the Company receives consent from members who hold, in aggregate, at least 10% shareholding of the Company residing at a particular city to participate in the meeting through video-link, the Company will arrange video-link facility in that city.

10) E-Voting

Members can also exercise their right of E-voting subject to the requirements of Sections 143 and 144 of the Companies Act, 2017 and the applicable clauses of the Companies (Postal Ballot) Regulations, 2018.

11) Submission of CNIC (Mandatory)

Pursuant to the directive of the SECP, CNIC numbers of the shareholders are mandatorily required to be mentioned on dividend warrants. Shareholders are therefore requested to submit a copy of their CNIC (if not provided earlier) to the share registrar.

12) E-Dividend Mandate (Mandatory)

In compliance of the Section 242 of the Companies Act, 2017, it is mandatory for a public listed company to pay cash dividend to its shareholders ONLY through electronic mode, directly into bank account designated by the eligible shareholder. Therefore, the shareholders who have still not provided their Bank Account Number / IBAN and other banking details are requested to provide the same to the Company at the earliest. Please be aware that dividends will only be remitted through electronic mode to the designated bank accounts and in absence of E-Dividend mandate, such cash dividends will be withheld by the Company.

13) Unclaimed Dividend

As per the provision of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company which have remained unclaimed / unpaid for a period of three years from the date on which it were due and payable are required to be deposited with the Commission for the credit of Federal Government after issuance of notices to the shareholders to file their claims. The details of the shares issued and dividend declared by the Company which have remained due for more than three years were sent to shareholders, uploaded on the Company website and final notice was issued in the newspapers. In case, if no claim is lodged, the Company shall proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of Companies Act, 2017.

14) Electronic Transmission of Annual Financial Statements and Notices

Pursuant to Notification vide SRO 787(1) / 2014 of September 8, 2014, the 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 email in future. In this respect members are requested to convey their consent via email on a standard request form which is available at the Company website i.e. www.ail.atlas.pk. Please ensure that your email has sufficient rights and space available to receive such email which may be larger than 10 MB file in size. Further, it is the responsibility of the members to timely update the share registrar of any change in the registered email address.

15) Deduction of Withholding Tax on the Amount of Dividend

Pursuant to the directives vide Circular No. 19 / 2014 dated October 24, 2014, the SECP has directed all the companies to inform their shareholders about the changes made in Section 150 of the Income Tax Ordinance, 2001 for deduction of withholding tax on the amount dividend and accordingly the shareholders are advised as under:

The government of Pakistan through Finance Act has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies. For the tax year 2019-20 these tax rates are as under:

- | | | |
|----|---|-----|
| a) | For persons appearing in the Active Tax payers List (ATL) | 15% |
| b) | For persons not appearing in the ATL | 30% |

To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, all the shareholders whose names are not appearing in the ATL available at the FBR website, despite the fact that they are filers, are advised to make sure that their names are entered into ATL for future payment of dividends, if any.

The corporate shareholders having CDC account 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 its share registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

16) Deduction of Withholding Tax on Joint Account Holder(s)

The joint account holders whose shareholding details as to principal shareholder have not yet been determined for deduction of withholding tax on the upcoming dividend of the Company, are requested to please furnish to the Company's share registrar, the shareholding details of yourself as principal shareholder and your joint holder(s) in the following manner, enabling the Company to compute withholding tax of each shareholder accordingly.

CDC Account No. / Folio No.	Name of Principal Shareholder / Joint Holder	Shareholding Proportion (%)	CNIC Number (Copy attached)	Signature

Kindly note that in case of non-receipt of the information each account holder will be assumed to hold equal proportion of the shares and the deduction will be made accordingly.

Statement under Section 134(3) of the Companies Act, 2017

This Statement is annexed to the Notice of the 85th Annual General Meeting of Atlas Insurance Limited to be held on May 14, 2020, 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 No. 5 of the Agenda

The current authorized share capital of the Company is Rs. 800,000,000/- (Rupees eight hundred million) divided into 80,000,000 (Eighty million) ordinary shares of Rs. 10/- each.

In order to cater for increase in paid up share capital including the issuance of bonus shares, the Board of Directors has recommended that the authorized capital be increased from Rs. 800,000,000 to Rs. 1,500,000,000 by creation of additional 70,000,000 ordinary shares of Rs. 10/- each. The proposed increase in the authorized share capital of the Company will also necessitate amendments in Clause V of the Memorandum of Association and Article 4 of the Articles of Association of the Company to reflect the increase in authorized share capital of the Company. For this purpose, a special resolution is required to be considered and approved in the AGM.

The Directors of the Company have no personal interest in the increase of authorized share capital except to the extent of their shareholding in the Company.

Item No. 6 of the Agenda

The Board of Directors has recommended to the members of the Company to approve 10% fully paid bonus shares for the year ended December 31, 2019 and thereby capitalize a sum of Rs. 77,178 thousand.

The Directors have also recommended that all the fractional bonus shares shall be consolidated and the Directors be authorized to consolidate and sell the fractional shares in the stock market and pay proceeds of sales thereof when realized to a charitable institution approved under the Income Tax Ordinance, 2001.

Directors are interested in the business only to the extent of their shareholding in the Company.

The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respects.

Item No. 7 of the Agenda

Approval is being sought for the annual increase in the remuneration of the Chief Executive working whole time with the Company. The Board has fixed the monthly gross remuneration of the Chief Executive at Rs. 1,936,000 per month, for the year ending December 31, 2020, in addition to all the perquisites and other benefits as admissible under the Company's rules.

The Chief Executive is interested only in the remuneration payable to him.

Item No. 8 of the Agenda

Approval is being sought for entering into a contract with Atlas Asset Management Limited (AAML) for availing their investment advisory services for discretionary management of Company's investment portfolio at annual management fee up to 0.35% (not exceeding Rs. 6,000,000) on average market value of Company's non-strategic investment portfolio.

AAML, an Asset Management Company and related party of the Atlas Insurance Limited (AIL), holds license from the SECP to carry out investment advisory services. Separately Managed Accounts (SMA) are designed by AAML for managing portfolios for their clients under this advisory service.

Under the discretionary portfolio management, AIL's investments will be managed by AAML's professional portfolio management team utilizing their research and experience to help achieve better returns on AIL investments. Decisions for investments will be at the discretion of AAML and will be based on investment objectives, permissible instrument choice, asset allocation and risk profile set forth by AIL. All the investment transactions will be executed and settled by AAML on behalf of AIL under this portfolio management contract.

Section 207 (2) of the Companies Act, 2017 requires that if majority of the directors are interested in any contract or arrangement entered into, or to be entered into, by or on behalf of the Company, the matter shall be laid before the general meeting for approval.

Mr. Iftikhar H. Shirazi, Mr. Ali H. Shirazi, Mr. Fahim Ali Khan and Mr. M. Habib-ur-Rahman, the Directors of AIL are also Directors of AAML and as such approval of the members is being sought for entering into the contract with AAML.

The above mentioned Directors are interested in this contract to the extent of management fee to be paid to AAML for investment advisory services under this contract.

Item No. 9 of the Agenda

The transactions carried out in normal course of business with associated companies (related parties) are recommended by the Board Audit Committee and approved by the Board on quarterly basis.

In the case of Atlas Foundation and AAML, a majority of the Directors were interested and in accordance with the provisions of Section 208 of the Companies Act, 2017, and Regulation No. 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, such transactions shall be placed before the general meeting for approval.

In view of the above, the following normal business transactions carried out during the year 2019 with Atlas Foundation and AAML are being placed before the shareholders for approval / ratification:

(Rupees in thousand)

Nature of Transactions	Atlas Foundation	Atlas Asset Management Limited
Premium underwritten	3,817	7,096
Premium collected	4,385	8,230
Claims paid	1,413	2,312
Lease liability paid	1,409	-
Finance cost charged	425	-
Dividend paid	13,505	-
Donations paid	9,891	-
Investments in mutual funds	-	3,144,107
Redemptions of mutual funds	-	2,845,453
Dividend received from mutual funds	-	20,546

Names of the Directors with interest as Directors in the related parties:

Mr. Iftikhar H. Shirazi, Mr. Ali H. Shirazi, Mr. Fahim Ali Khan and Mr. M. Habib-ur-Rahman, the Directors of AIL are also Directors of Atlas Foundation and AAML.