

Notice of Annual General Meeting

Notice is hereby given that the Thirty Fourth Annual General Meeting (the AGM) of ORIX Leasing Pakistan Limited (the Company) will be held on Tuesday, October 27, 2020, at 01:15 p.m. at the Company's Head Office, Plot No. 16, Sector No. 24, Korangi Industrial Area, 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 June 30, 2020, the Auditors Report and Directors Report thereon.
2. To consider and approve dividend for the year ended June 30, 2020, in cash at PKR 1.25 per share of PKR 10/- (12.5%), as recommended by the Board of Directors, which is in addition to the 20% Interim Cash Dividend (i.e. PKR. 2 per share) already paid.
3. To elect 09 (Nine) Directors of the Company as fixed by the Board of Directors on August 27, 2020 in accordance with the Section 159(1) of the Companies Act, 2017 for the term of three years commencing from October 27, 2020. Names of retiring Directors are stated hereunder:
 1. Mr. Khalid Aziz Mirza
 2. Mr. Naveed Kamran Baloch
 3. Mr. Nasim Hyder
 4. Ms. Aminah Zahid Zaheer
 5. Mr. Harukazu Yamaguchi
 6. Mr. Yoshiaki Matsuoka
 7. Mr. Masato Takata
 8. Mr. Yohei Honda
 9. Mr. Shaheen Amin
4. To appoint auditors of the Company for the financial year 2020-21 and fix their remuneration. The present auditors, Messrs. A.F Fergusons & Co., Chartered Accountants, retire and being eligible, have offered themselves for reappointment.

SPECIAL BUSINESS

5. To approve the issue of bonus shares in the ratio of 1 share for every 20 shares held (5%) as recommended by the Board of Directors. The Bonus Issue of Rs. 83,527,450/- by way of issue of 8,352,745 fully paid bonus shares of Rs. 10 each to be capitalized out of the share premium account by passing the following ordinary resolution:

RESOLVED THAT a sum of Rs. 83,527,450/- be capitalized from the Share Premium Account and applied for the issuance of 8,352,745 ordinary shares of Rs. 10/- each and allotted as fully paid up Bonus shares to the members of the Company, who are registered in the books of the Company as at the close of the Business on October 19, 2020, in the proportion of one share for every twenty shares held.

FURTHER RESOLVED THAT the bonus share shall rank pari passu in every respect with existing ordinary shares of the Company except that proposed bonus shares shall not be entitled for the final cash dividend for the year ended June 30, 2020.

FURTHER RESOLVED THAT in the event of any member holding shares which are not an exact multiple of twenty, the Board of Directors be and are hereby authorized to consolidate all such fraction of bonus shares and sell the same on Pakistan Stock Exchange and the sale proceed thereof shall be donated as deemed appropriate by the Board.

FURTHER RESOLVED THAT the Chief Executive Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary required for issue, allotment and distribution of bonus shares.

6. To transact any other business as may be placed before the meeting with the consent of the Chair.

A Statement under the section 134 (3) of the Companies Act, 2017, pertaining to the special business is a part of this notice.

Karachi
Tuesday, October 06, 2020

BY ORDER OF THE BOARD

HAIDER ABBAS
Company Secretary

NOTES

1. BOOK CLOSURE

- 1.1 The Members' Register shall remain closed from October 20, 2020 to October 27, 2020 (both days inclusive). Transfers in good order received at the office of the Company's Share Registrar before the close of the business on October 19, 2020, will be treated in time to attend the AGM and entitlement of the dividend. Address of the Company's Share Registrar is as follows:

FAMCO Associates (Pvt.) Ltd.
8-F, Block-6, PECHS
Main Shahra-e-Faisal
Karachi-74400
Pakistan
Phone: +92 (021) 34380101

- 1.2 All Shareholders are entitled to attend, speak and vote at the AGM. A Shareholder may appoint a proxy to attend, speak and vote on behalf of the Shareholder. The proxy needs to be a Member of the Company. A proxy, to be effective, must be received at the office of the Company's Share Registrar not less than 48 hours before the AGM.
- 1.3 The Shareholders and their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose, at the time of attending the AGM. The Proxy Form must be submitted to the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the Proxy Form, along with attested copies of the CNICs or passports of the beneficial owner and the proxy. In case of corporate entity, the resolution of the Board of Directors or power of attorney with specimen signature of the nominee shall be produced at the time of AGM. The Proxy Form is available on Company's website (www.orixpakistan.com).
- 1.4 Members are requested to intimate any change in address immediately to the Company's Share Registrar.
- 1.5 The Financial Statements for the year ended June 30, 2020, along with the Auditors and Directors Report thereon are available on the Company's website (www.orixpakistan.com).
- 1.6 CDC account holders shall also follow the guidelines mentioned hereunder, as laid down by the Securities and Exchange Commission of Pakistan (SECP).

2. ELECTION OF DIRECTORS

Any person who seeks to contest an election for the office of Director, shall whether he/she is a retiring Director or otherwise, file with the Company the following documents at its registered office not later than fourteen (14) days before the date of the meeting:

- (i) His/her intention to offer him/herself for the election of Directors along with duly signed consent, Form 28 under Section 167 of the Companies Act 2017 and declaration to act as Director;
- (ii) Undertaking on non-judicial stamp paper in respect of being compliant with the requirements of the Companies Act, 2017 and Listed Companies (Code of Corporate Governance) Regulations, 2019 to act as the director of a listed company;
- (iii) Declaration by independent director(s) in terms of Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, wherever applicable;

- (iv) 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, wherever applicable;
- (v) Affidavit to, inter alia, meet the requirement of Annexure B of Non-Banking Finance Companies and Notified Entities Regulations, 2008;
- (vi) Fit and Proper Test for appointment of Directors as contained in Annexures A of Non-Banking Finance Companies and Notified Entities Regulations, 2008 along with questionnaire duly completed; and
- (vi) Educational documents, Resume, recent photograph and copy of CNIC / Passport, Wealth Statement and Income tax return.

3. **SUBMISSION OF COPIES OF CNICS/NTN**

The Company with reference to the S. R. O. 779(I) 2011 dated August 18, 2011 and S. R. O. 831(I)/2012 dated July 5, 2012, had made several requests through advertisements in Urdu and English newspapers having circulation throughout the country, and Share Registrar of the Company had also sent letters to the Shareholders who have not yet provided valid copies of their CNICs/NTNs, requesting them to provide the same. As per the Companies (Distribution of Dividends) Regulations, 2017, CNIC/NTN number of a shareholder is mandatory for the payment of cash dividend, and in the absence of such information, the Company would be constrained to withhold dividend payment. Accordingly, the Members who have not yet submitted a copy of their valid CNIC/NTN are again requested to provide the same to the Company's Share Registrar, with Member's folio number mentioned thereon. It may be noted that in case of non-receipt of the copy of CNIC/NTN, the Company would be constrained to withhold the payment of the dividend.

4. **PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE**

As per Section 242 of the Companies Act, 2017, a listed company shall pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the physical dividend warrants will not be issued to the Company's Shareholders. In order to receive dividend into respective banks accounts, the Shareholders are requested (if not already provided) to fill in the Dividend Mandate Form for Electronic Credit of Cash Dividend, available on the Company's website and send the duly signed form, along with a copy of CNIC to the Company's Share Registrar in case of physical shares. In case shares are held in the CDC/Brokerage House, Dividend Mandate Form must be directly submitted to the CDC investor account services/respective participant accounts. In case of non-receipt of information, the Company will be obliged to withhold payment of dividend to such shareholders.

5. **DEDUCTION OF INCOME TAX FROM DIVIDEND UNDER THE SECTION 150 OF THE INCOME TAX ORDINANCE 2001**

- 5.1 According to the provisions of the Finance Act 2020 effective July 2020, the rate of deduction of the Income Tax from dividend payments has been revised as follows:

- i. The Rate of Income Tax deduction for filers of the Income Tax returns is 15%
- ii. The Rate of Income Tax deduction for non-filers of income tax returns is 30%

The Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on FBR's website, despite the fact that they have filed their returns, are advised to ensure that their names be entered in ATL. Otherwise, the tax on their cash dividend will be deducted @ 30% instead of 15%.

- 5.2 Withholding Tax exemption from the dividend income shall only be allowed if a copy of the valid tax exemption certificate is made available to the Company's Share Registrar by the first day of the book closure.
- 5.3 Withholding tax will be determined separately on 'Filer/Non-filer' status of principal shareholder as well as joint-holders(s) based on their shareholding proportions. In this regard, the Shareholders who hold the Company's shares jointly are requested to provide shareholding proportions of the principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to the Company's Share Registrar in writing, within fifteen (15) days of this notice. Otherwise, it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).
- 5.4 The Corporate Shareholders having CDC accounts are required to have their NTN updated with their respective participants, and the corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The Shareholders while sending NTN or NTN certificates, as the case may be, must quote the company's name and their respective folio numbers.

6. VIDEO CONFERENCE FACILITY

In pursuance to the SECP's circular No. 10/2014, dated May 21, 2014, and the Section 134(1)(b) of the Companies Act 2017, the Members can also avail video conference facility at places other than Karachi (since the AGM is scheduled to be held in Karachi); provided that the Company shall receive 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 the AGM. The Company will arrange a video conference facility in the city subject to availability of such facility in that city. In this regard, the Shareholders are requested to send duly signed Form of Video Conference Facility, available on Company's website to the Company's Share Registrar.

7. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements of the Company for the year ended June 30, 2020, have been made available on the Company's website (<http://www.orixpakistan.com>) in addition to the Annual and Quarterly Financial Statements. Further, please note that in accordance with SRO 470(I)/2016 dated May 31, 2016, through which SECP had allowed the companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with all other conditions, the Company had obtained approval from its Shareholders in its AGM held on October 19, 2017. Accordingly, the Annual Report of the Company for the year ended June 30, 2020 has been dispatched to the Shareholders in the form of CD. However, if a Shareholder, in addition, requests for hard copy of the Annual Audited Financial Statements, the same will be provided free of cost within seven working days of receipt of such request. For the Shareholders' convenience, a 'Standard Request Form for Provision of Annual Audited Financial Accounts' has also been made available on the Company's website.

8. CONVERSION OF PHYSICAL SHARES INTO CDC ACCOUNT

The Shareholders having physical shareholding are encouraged to place their physical shares into electronic form as Section 72(2) of the Companies Act, 2017 states that "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act".

STATEMENT OF MATERIAL FACTS UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts regarding the appointment of Independent Directors as required under Section 166(3) of the Companies Act 2017.

Pursuant to Section 166 of the Companies Act, 2017, Independent Directors will be elected through the process of election of directors in terms of Section 159 of the Companies Act, 2017. The following four retiring Independent Directors are proposed as Independent Directors for a term of three years commencing from October 27, 2020:

1. Mr. Khalid Aziz Mirza
2. Mr. Naveed Kamran Baloch
3. Mr. Nasim Hyder
4. Ms. Aminah Zahid Zaheer

Justification for selecting Independent Directors:

- They meet the independence criteria as set out in Section 166(2) of the Companies Act, 2017;
- Their names are included in the data bank maintained by Pakistan Institute of Corporate Governance (PICG) as required under Section 166 (1) of the Companies Act, 2017; and
- They possessed the required experience, competencies and knowledge to carry out their duties and responsibilities to effectively govern the affairs of the Company.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This Statement sets out material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company.

BONUS SHARES

The Board of Directors recommends that the members of the Company approve issue of bonus shares in the proportion of 1 share for every 20 shares held by members i.e. 5% by capitalization of Rs. 83,527,450/- from Share Premium account. The proposed bonus shares shall not be entitled for final cash dividend for the year ended June 30, 2020.

The Directors are interested in the business to the extent of their entitlement of bonus shares as shareholders only.