

# NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting ("EOGM") of the members of **Adamjee Insurance Company Limited** (the "Company") will be held on March 16, 2021 (Tuesday) at 11:00 A.M. at Nishat Hotel, Mehmood Ali Kasuri Road, Gulberg, Lahore to transact the following special business:

"To consider and if deemed fit, pass a resolution as Special Resolution, as proposed in the Statement of Material Facts, pursuant to the provisions of Section 199 of the Companies Act, 2017 to approve long term equity investment of upto PKR 3.0 Billion (Pak Rupee Three Billion Only) in the shares of MCB Bank Limited, an associated company."

A Statement of Material Facts as required under Section 134(3) of the Companies Act 2017 concerning the aforesaid special business is annexed to the notice of meeting circulated to the members of the Company.

By order of the Board

Lahore  
February 22, 2021

(**Tameez-ul-Haque**)  
Company Secretary

## **NOTES:**

1. The Notice has been placed on the website of the Company: [www.adamjeeinsurance.com](http://www.adamjeeinsurance.com).
2. The Members' Register of the Company will remain closed from 10-03-2021 to 16-03-2021 (both days inclusive). Transfers received in order at the office of the Company's Independent Share Registrar, M/s CDC Share Registrar Services Ltd., CDC House, 99- B, S.M.C.H.S, Main Shahrah e Faisal, Karachi by the close of business (5:00 PM) on 09-03-2021 will be treated in time for the purposes of entitlement of members for attending and voting at the Meeting.
3. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A Company or a Corporation being a member of the Company may appoint a representative through a resolution of board of directors for attending and voting at the meeting.
4. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
5. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.

### **A. For Attending the Meeting**

- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
- b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be provided (unless it has been provided earlier) before the Meeting.

### **B. For Appointing Proxies**

- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

6. Members are requested to timely notify any change in their addresses.

**7. Notice to Shareholders who have not provided CNIC:**

The shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the address given hereinabove without any further delay.

**8. Video-Link Facilities for the Meeting:**

In light of COVID-19 situation, the Securities and Exchange Commission of Pakistan (“SECP”) has advised vide Circular No. 4 of 2021 dated 15 February, 2021 to provide participation of the members through electronic means. The members can attend the AGM via video link using smart phones/tablets/. To attend the meeting through video link, members and their proxies are requested to register themselves by providing the following information along with valid copy of Computerized National Identity Card (both sides)/passport, attested copy of board resolution / power of attorney (in case of corporate shareholders) through email at [zafar.iqbal@adamjeeinsurance.com](mailto:zafar.iqbal@adamjeeinsurance.com) and/or [info@adamjeeinsurance.com](mailto:info@adamjeeinsurance.com) by March 11, 2021.

Name of Member/ proxyholders	CNIC No.	Folio No./ Participant Id/ Account No.	Cell No./ WhatsApp's No.	Email ID.

1. The members who are registered after the necessary verification shall be provided a video link by the Company on the said email address. The login facility will remain open from start of the meeting till its proceedings are concluded. The members who wish to send their comments/ suggestions on the agenda of the EOGM can email the Company at [zafar.iqbal@adamjeeinsurance.com](mailto:zafar.iqbal@adamjeeinsurance.com) and/or [info@adamjeeinsurance.com](mailto:info@adamjeeinsurance.com) or WhatsApp at 03400004421. The Company shall ensure that comments/ suggestions of the shareholders will be read out at the meeting and the responses will be made part of the minutes of the meeting.

**STATEMENT UNDER 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 March 16, 2021.

**Equity Investment in MCB Bank Limited**

MCB Bank Limited (the “Bank”), with more than 70 years of experience is one of the leading Banks in Pakistan. It was incorporated on July 9, 1947. Since privatization, MCB's growth has been phenomenal. MCB works actively in Pakistan, UAE and Sri Lanka through a diverse network of over 1,400 branches and 1,350 ATMs across the globe with a customer base of about 8.22 million accounts. It is Pakistan's first Bank to launch Global Depository Receipts (GDR) in 2006 to access international global financial markets. It has strategic foreign partnership with Maybank of Malaysia which holds 18.78% shares in MCB through its wholly owned subsidiary Maybank International Trust (Labuan) Berhad since 2008. It has regional presence in Dubai (UAE), Bahrain and Sri Lanka. In 2017, Fullerton Financial Holdings (International) of Singapore through Bugis Investments (Mauritius) Pte Ltd acquired 5.49% stake in MCB under merger scheme of NIB Bank with and into MCB Bank Limited. During 2018, the Bank transferred business of its 90 branches to its wholly owned subsidiary, MCB Islamic Bank Limited, to capitalize opportunities for growth in Islamic Banking sector.

MCB is reputed as one of the sound financial institutions and one of the leading Banks in Pakistan with a deposit base of PKR 1,289 billion approximately and total assets of PKR 1,757 billion approximately. The Bank is versed as

one of the oldest and most responsible Banks in Pakistan and has played a pivotal role in representing the country on global platforms.

The Bank has also been acknowledged awards by Euromoney, and the Asian Banker, including Asiamoney who honored MCB as the “Best Domestic Bank of the Year 2018” while Finance Asia conferred upon MCB the “Best Bank in Pakistan 2018” award.

Adamjee Insurance Company Limited holds 47,827,287 ordinary shares of MCB Bank Limited with a shareholding percentage of 4.036%. The average cost of investment of the Company is Rs.166.49 per share as compared to market value of Rs. 184.91 per share on 19 February 2021. Adamjee Insurance Company Limited has received dividend from MCB Bank Limited over the past five year which is shown as under:

	Dividend Received (Rs. in Millions)
Financial Year ended 2020 (2Quarters)	478.273
Financial Year ended 2019	765.237
Financial Year ended 2018	765.237
Financial Year ended 2017	722.075
Financial Year ended 2016	646.645

Considering the excellent growth of the Bank, prospective appreciation of its shares and regular dividend income, the Board of Directors have decided to make recommendation to the members for passing a special resolution for further equity investment in MCB Bank Limited by purchasing up to a maximum of 11,425,713 shares in the next three years from time to time from the stock market at a maximum price of Rs. 262 per share.

#### **Due Diligence:**

As required by the Regulations, the directors have carried out the required due diligence for the proposed equity investment before making recommendation for approval of members and duly signed recommendation of the due diligence report shall be made available for inspection of the members at the EOGM.

#### **Audited Financial Statements of MCB Bank Limited**

As required by the Regulations, the audited financial statements for the year ended 31 December 2020 and latest interim financial statements shall be made available to the members for inspection at the EOGM.

The following resolution is proposed to be passed as special resolution, with or without any modification.

**RESOLVED THAT** approval of the members of Adamjee Insurance Company Limited (**the “Company”**) be and is hereby accorded and the Company be and is hereby authorized in terms of Section 199 and other applicable provisions of the Companies Act, 2017 to make further equity investment up to PKR 3.000 Billion (Rupees Three Billion only) by way of purchase of 11,425,713 ordinary shares of MCB Bank an associated company, from time to time from the stock market at the prevailing market price upto Rs. 262 per share maximum, as per other terms and conditions disclosed to the members.

**RESOLVED FURTHER THAT** this resolution shall be valid for a period of 3 years starting from the date of approval by members and the Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to do all acts, matters, deeds and things, take any or all necessary actions including signing and execution of agreement(s) and to complete all legal formalities including filing of documents as may be necessary or incidental or expedient for the purpose of implementing the aforesaid resolutions.

**RESOLVE FURTHER THAT** subsequent to the above said equity investment, Chief Executive Officer and / or Chief Financial Officer and / or Company Secretary of the Company be and are hereby authorized singly to dispose of, through any mode, a part or all of equity investments made by the Company in MCB Bank Ltd from time to time as and when deemed appropriate and necessary in the best interest of the Company.

**Interest of Investee Company, its sponsors and directors in the Company.**

MCB is a member of the Company and has direct interest in the Company to the extent of their shareholding only which is 70,861,241 shares.

The following sponsors/directors of MCB Bank Limited are directors/members of the Company. They have no other interest except their directorship and remuneration attached thereto and to the extent of their shareholding in the Company detailed as follows:

Name	% of Shareholding in the Company
Umer Mansha	0.017
Imran Maqbool Malik	0.002
Muhammad Ali Zeb	0.002

**The following family member of Umer Mansha have interest in the Company to the extent of their shareholding as under:**

Mian Muhammad Mansha - Father	16,797 shares
Naz Mansha Mother	10,586 "
Raza Mansha Brother	529,577 "
Hassan Mansha Brother	221,835 "
Sadia Younas Mansha Spouse	2,500 "

**Information under Regulation 3 of the 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	MCB Bank Limited (“MCB”)														
(ii)	Basis of Relationship	Common Directorship														
(iii)	Earnings / (Loss) per Share for the last three years	<table><tr><td>Sr.</td><td>Year</td><td>EPS</td></tr><tr><td>1.</td><td>2018</td><td>18.02</td></tr><tr><td>2.</td><td>2019</td><td>20.23</td></tr><tr><td>3.</td><td>2020</td><td>24.50</td></tr></table>			Sr.	Year	EPS	1.	2018	18.02	2.	2019	20.23	3.	2020	24.50
Sr.	Year	EPS														
1.	2018	18.02														
2.	2019	20.23														
3.	2020	24.50														
(iv)	Break-up value per Share, based on last audited financial statements	PKR 160.42 per share as at 31 December 2020.														
(v)	Financial position, including main items of statement of financial position and profit and loss	Statement of Financial Position as on 31 December 2020:														
		Equity & Liabilities	Rs. 000	Assets Rs. 000												

	account on the basis of its latest financial statements	Equity	190,101,955		
		Liabilities	1,567,360,515	Assets	1,757,462,470
			1,757,462,470		1,757,462,470
		Profit and loss account for the year ended 31 December 2020:			
					Rs. 000
		Revenue			89,470,278
		Expenses			33,908,157
		Profit after tax			29,037,301
(vi)	In case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information, namely				
	I	Description of the project and its history since conceptualization		NA	
	II	Starting date and expected date of completion of work		NA	
	III	Time by which such project shall become commercially operational		NA	
	IV	Expected time by which the project shall start paying return on investment		NA	
	V	Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts		NA	
<b>(B) General Disclosures:</b>					
(i)	Maximum amount of investment to be made	PKR 3,000,000,000/- (Rupees Three Billion Only)			
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	To earn dividend income as well as prospective capital gains.  The investment in MCB will be long term.			
(iii)	Sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds:	The investment will be made from surplus funds.			
	(I)	Justification for investment through borrowings		NA	
	(II)	Detail of Collateral, guarantees provided and		NA	

		assets pledged for obtaining such funds										
	(III)	Cost benefit analysis	NA									
(iv)	Salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	The shares will be purchased from the market, hence not applicable.										
(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	<p>Three Directors of Adamjee Insurance Co. Ltd, Umer Mansha, Imran Maqbool Malik and Muhammad Ali Zeb currently hold 31,986,378 shares (2.70%), Nil shares (0%) and 550 shares (0.0%) respectively in MCB Bank Limited. The father of Umer Mansha, Muhammad Mansha holds 0.00% shares (7,834 shares) in MCB Bank Limited. The mother of Umer Mansha, Mrs. Naz Mansha holds 0.54% shares in the Bank.</p> <p>Hassan Mansha brother of Umer Mansha holds 43,363,671 shares (3.66%) in MCB Bank Ltd and wife of Hassan Mansha holds 8,000 shares. May bank International Trust (Labuan) Berhad Malaysia holds 222,606,147 shares (18.78%) of MCB Bank Ltd.</p> <p>The associated companies holding shares of Adamjee Insurance Co. Ltd are interested in MCB Bank Limited to the extent of their shareholding as follows:</p> <table><tr><td></td><td>%</td></tr><tr><td>Nishat Mills Limited</td><td>7.42</td></tr></table> <p>The associated Companies holding shares of MCB Bank Limited are interested in AICL to the extent of their shareholding as follows:</p> <table><tr><td></td><td>%</td></tr><tr><td>Nishat Mills Limited</td><td>0.029</td></tr></table>			%	Nishat Mills Limited	7.42		%	Nishat Mills Limited	0.029	
	%											
Nishat Mills Limited	7.42											
	%											
Nishat Mills Limited	0.029											
(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	The Company currently holds 47,827,287 ordinary shares of MCB at average purchase price of Rs. 166.49 per share. Market value of the share is Rs. 184.91 per share as on 19 February 2021. The Company has received dividend income of Rs. 3.377 billion during the last five years. EPS of MCB Bank for last three years is mentioned hereinabove.										
(vii)	Any other important details necessary for the members to understand the transaction	None										
Additional disclosure regarding Equity Investment												
(i)	Maximum price at which securities will be acquired	Rs. 262 per share.										
(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	Shares of MCB will be purchased through stock market at prevailing prices on the date of each purchase.										
(iii)	Maximum number of securities to be acquired	59,253,000 Shares										
(iv)	Number of securities and percentage thereof held before and after the proposed investment	<table><tr><td></td><td>No. of Shares</td><td>%age</td></tr><tr><td>Before</td><td>47,827,287</td><td>4.036</td></tr><tr><td>After</td><td>59,253,000</td><td>5.000</td></tr></table>		No. of Shares	%age	Before	47,827,287	4.036	After	59,253,000	5.000	
	No. of Shares	%age										
Before	47,827,287	4.036										
After	59,253,000	5.000										

(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	Current market price Rs. 184.91 per share. Last twelve weeks average price is Rs. 189.03 per share.
(vi)	Fair value determined in terms of sub-regulation (1) regulation 5 for investments in unlisted securities	NA

**STATUS OF INVESTMENT UNDER REGULATION 4 (2) OF THE COMPANIES (INVESTMENT IN ASSOCIATED COMPANIES OR ASSOCIATED UNDERTAKINGS) REGULATIONS, 2017:**

Description	Nishat Hotels & Properties Ltd	Nishat Mills Ltd	Hyundai Nishat Motor (Pvt) Ltd
Date of approval	April 28, 2014	May 28, 2016	March 26, 2018
Total Investment	Rs 500 million	Rs 625 million	a) Rs. 1056 million – Equity b) Rs. 1277.10 – standby letter of credit
Amount of Investment made up to 31 December, 2020	-	Rs 161.053 million	a) Rs. 923.6 million – Equity b) Rs. 1209 million – standby letter of credit
Reasons for deviation from the approved timeline of investment, when investment decision was to be implemented in stipulated time	The special resolution is valid for 8 years, hence no deviation	The special resolution is valid for 6 years, hence no deviation	The special resolution is valid for 4 years, hence no deviation.
Material changes in financial statement since date of resolution passed			
a. Breakup value per share	Jun 2013 Rs 12.26 Jun 2020 Rs 20.19	Jun 2015 Rs 216.56 Jun 2020 Rs 203.15	Dec 2017 Rs. 4.85 Dec 2020 Rs. 6.98
b. Earnings (loss) per share	Jun 2013 Rs (0.37) Jun 2020 Rs (0.79)	Jun 2015 Rs 11.13 Jun 2020 Rs 9.97	Dec 2017 Rs. (5.74) Dec 2020 Rs. (2.64)
c. Balance Sheet footing	Jun 2013 Rs 2.86 billion Jun 2020 Rs 39.85 billion	Jun 2015 Rs101.14 billion Jun 2020 Rs 110.66 billion	Dec 2017 Rs. 1.7 billion Dec 2020 Rs. 25.34 billion



# ADAMJEE INSURANCE COMPANY LIMITED

Registered Office: Adamjee House, 80/A, Block E-1, Main Boulevard, Gulberg III, Lahore

## PROXY FORM

I/We ..... of ..... being a member of Adamjee Insurance Company Limited and holder of ..... shares as per Folio No. .... CDC Participant ID#.....and Sub Account #...../ CDC Investors Account #..... hereby appoint Mr./Miss/Mrs. .... Of ..... (Folio No.....CDC Participant ID#..... and Sub Account #...../ CDC Investors Account #.....) or failing him/her Mr./Miss/Mrs. .... of .....(Folio No. ....CDC Participant ID#.....and Sub Account #...../ CDC Investors Account #.....) as my/our Proxy to attend, speak and vote for me/us and on my/our behalf at the Extraordinary General Meeting of the Company to be held on Monday, March 16, 2021 at 11:00 a.m. at Nishat Hotel, Mehmood Ali Kasuri Road, Gulberg, Lahore and any adjournment thereof.

Signed this ..... day of.....2021

## WITNESSES:

1- Signature .....  
Name .....  
Address.....  
.....  
CNIC No. ....

Rupees Five  
Revenue Stamp

2- Signature .....  
Name .....  
Address.....  
.....  
CNIC No. ....

Signature of Member.....

## NOTES

1. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A Company or a Corporation being a member of the Company may appoint a representative through a resolution of board of directors for attending and voting at the meeting.
  2. Members, who have deposited their shares into Central Depository Company of Pakistan Limited, are being advised to bring their original National Identity Cards along with CDC Participant ID and account number at the meeting venue.
  3. Members who have deposited their shares into Central Depository Company of Pakistan Limited ("CDC") will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan in Circular No 1 of 2000.
- A. For Attending the Meeting**
- a. In case of Individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original CNIC or, original Passport at the time of attending the Meeting.
  - b. In case of corporate entity, the Board's resolution / power of attorney with specimen signature of the nominee shall be provided (unless it has been provided earlier) before the Meeting.
- B. For Appointing Proxies**
- a. In case of individuals, the account holder and/or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
  - b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
  - c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
  - d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
  - e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.