



Habib Insurance Company Limited

Head Office : Habib Square, M.A. Jinnah Road, P.O. Box # 5217, Karachi.

Tel: 32424211, 32421882, 32420516, 32424030, 38 & 39

UAN : 111-030303 Fax : (92-21) 2421600

Notice of Annual General Meeting

NOTICE is hereby given that the 79th Annual General Meeting of the Shareholders of the Company will be held at Institute of Bankers Pakistan located at Moulvi Tamizuddin Khan Road, Sultanabad, Karachi on Thursday, April 28, 2022 at 11:00 am to transact the following business. The shareholders may also attend the meeting through video conference facility managed by the Company as per instructions given in the notes section.

Ordinary Business

1. To receive, consider and adopt the Annual Audited Financial Statements of the Company for the year ended December 31, 2021 together with the Directors' and Auditors' Report thereon.
2. To consider and approve payment of cash dividend @ 12.5% i.e., Rs. 0.625 per share of Rs. 5/- each for the year ended December 31, 2021 as recommended by the Board of Directors.
3. To appoint Auditors for the year ending December 31, 2022 and to fix their remuneration M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible, offer themselves for re-appointment.
4. To consider any other business of the Company with the permission of the Chair.

Special Business

5. To consider and pass the following resolution for authorizing investment by way of purchase of units of mutual funds managed by our associated company, AL Habib Asset Management Limited.

"RESOLVED that the Company be and is hereby authorised to invest upto Rs. 500 million in the units of Funds, managed by AL Habib Asset Management Limited within a period of two years.

FURTHER RESOLVED that the Chief Executive and the Chief Financial Officer be and are hereby authorised jointly to make the aforesaid investments as and when deemed appropriate and to delegate the aforesaid powers to any officers of the Company as he may deem fit."


6. To consider and pass the following resolutions for authorizing investment by way of purchase of Term Finance Certificates of our associated company Bank AL Habib Limited.

"RESOLVED that the Company be and is hereby authorised to invest upto Rs. 250 million in the Term Finance Certificates of Bank AL Habib Limited within a period of two years.

FURTHER RESOLVED that the Chief Executive and the Chief Financial Officer be and are hereby authorised jointly to make the aforesaid investments as and when deemed appropriate and to delegate the aforesaid powers to any officers of the Company as he may deem fit."

For item # 5 and # 6, a statement under Section 160 of the Companies Act, 2017 relating to the aforesaid Special Business to be transacted at the said Annual General Meeting is being sent to all shareholders.

By order of the Board


Muhammad Maaz Akbar
Company Secretary

Karachi: April 7, 2022

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Notes:

1. Participation in the Annual General Meeting through Video Link Facility:

The entitled shareholders who are interested to attend AGM through online platform and whose names appeared in the Books of the Company by the close of business on April 13, 2022 are hereby requested to get themselves registered with the Company Secretary Office by providing the following details at the earliest but not later than 48 hours before the time of AGM (no account shall be taken of any part of the day that is not a working day) at agm@habibinsurance.net.

Name of shareholder	CNIC No.	Folio No. / CDS No.	Cell Number	Email address

Upon receipt of the above information from interested shareholders, the Company will send the login details at their email addresses. On the AGM day, shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from any convenient location.

The login facility will be opened 30 minutes before the meeting time to enable the participants to join the meeting after identification and verification process.

The entitled shareholders (whose names appeared in the Books of the Company by the close of business on April 13, 2022) along with the details mentioned above may send their comments/suggestions for the proposed Agenda items at the above email address at least 48 hours before the time of AGM (no account shall be taken of any part of the day that is not a working day).

- The share transfer books of the Company will remain closed from Thursday, April 14, 2022 to Thursday, April 28, 2022 (both days inclusive) for the purpose of Annual General Meeting and payment of final dividend.
- A member entitled to attend and vote at this meeting is entitled to appoint another member of the Company as his/her proxy to attend and vote on his/her behalf. Proxy form, in order to be effective, must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the meeting.
- The entitled shareholders are requested to keep with them their original Computerized National Identity Cards (CNICs) / Passport along with their folio numbers / participant(s) ID numbers and CDC account numbers at the time of attending the Annual General Meeting in order to facilitate identification of the respective shareholders. The proxy shall also produce his/her original CNIC or Passport at the time of the meeting. In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures shall be submitted along with Proxy Form.
- Members are requested to promptly communicate any change in their address to our Share Registrar, M/s. CDC Share Registrar Services Limited.
- Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), it is mandatory to mention CNIC number of members on members' register and other statutory returns. Those shareholders who have not submitted copy of their CNIC to the Company are once again requested to submit copy of their CNIC, otherwise the Company will be constrained under section 243(2)(a) of the Companies Act, 2017 to withhold dividend of such shareholders.
- The Government of Pakistan through Finance Act, 2021 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. These tax rates are as under:
 - For filers of income tax returns 15%
 - For non-filers of income tax returns 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 entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of cash dividend i.e., April 28, 2022; otherwise, tax on their cash dividend will be deducted @ 30% instead of 15%.

According to FBR, withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint-shareholder(s) based on their shareholding proportions, in case of joint accounts. Members that hold shares with joint-shareholder(s) are requested to provide shareholding proportions of principal shareholder and joint-shareholder(s) in respect of shares held by them to the Company's Share Registrar in writing in the following format.

In case the required information is not provided to our Share Registrar latest by April 13, 2022, it will be assumed that the shares are equally held by them.

In case of corporate entity, withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar latest by April 13, 2022, whereas physical shareholders should send a copy of their NTN certificate to the Company or Company's Share Registrar, M/s. CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

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

As per instructions of SECP and Central Depository Company of Pakistan (CDC) circular No. 6 of 2018, the shareholders are hereby informed that the CDC has developed Centralized Cash Dividend Register (CCDR) on eServices Web Portal which contains details of cash dividend such as either paid or unpaid, withheld by the Bank, total amount of cash dividend, tax and zakat deductions and net amount credited into designated bank account of shareholders. The shareholders are requested to register themselves to CDC's eServices Portal link, <https://eservices.cdcaccess.com.pk> to obtain the aforesaid information.

The Corporate shareholders having CDC account are required to have their National Tax number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN certificate to the Company or Company's Share Registrar, M/s. CDC Share Registrar Services Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

8. Payment of Cash Dividend through Electronic Mode

Under the provision of Section 242 of Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to their shareholders only through electronic mode directly into the bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

In order to receive cash dividend directly into the designated bank account, members who have not yet provided the bank account details are requested to fill and sign the "E-Dividend Mandate Form" available on the Company's website www.habibinsurance.net and send to the relevant Participants/Investor Account Services of the CDC/Share Registrar of the Bank (as the case may be) latest by April 13, 2022 along with a copy of their valid CNICs.

In case of non-receipt or incorrect International Bank Account Number (IBAN) with other related details or non-availability of valid CNICs, the Bank will withhold cash dividend of such members.

9. Deposit of Physical Shares into CDC Accounts

As per section 72 of the Companies Act, 2017 every existing shareholder 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 the Commission, within a period not exceeding four years from the commencement of Companies Act, 2017.

The shareholder having physical shareholding may open CDC sub-account with any of the brokers or investor account directly with CDC to place their physical shares into scrip less form, this will facilitate them in many ways including safe custody and sale of shares, anytime they want as the trading of physical shares is not permitted as per existing regulations of Pakistan Stock Exchange.

10. Unclaimed/Unpaid Dividend and Share Certificates

Shareholders who could not collect their dividend /physical shares are advised to contact Share Registrar or our Registered Office to enquire and collect their unclaimed dividend/shares, if any. In compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all such unclaimed dividend and shares for a period of 3 years or more from the date it is due and payable shall be deposited to the credit of Federal Government in case of unclaimed dividend and in case of shares, shall be delivered to Securities and Exchange Commission of Pakistan (SECP).

11. Transmission of Financial Statements & Notices through email

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(I)/2014 dated September 8, 2014 has permitted companies to circulate Audited Financial Statements along with Notice of Annual General Meeting to its members through e-mail. Accordingly, members are requested to send their consent and e-mail addresses for receiving Audited Financial Statements and Notices through e-mail. In order to avail this facility, a standard request form is available at the Company's website.

For any query / clarification / information, the shareholder may contact the Share Registrar at the following address:

M/s. CDC Share Registrar Services Limited

CDC House, 99-B, Block-B
SMCHS, Main Shahrah-e-Faisal
Karachi-74400

Habib Insurance Company Limited

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

The statement is annexed to the Notice of the 79th Annual General Meeting to be held on April 28, 2022 at which certain business are to be transacted. The purpose of this statement is to set forth material facts concerning such special business.

ITEM NUMBER 5 OF THE AGENDA

As recommended by the Board of Directors in their meeting held on March 31, 2022, it is proposed to make investment by way of purchase of Term Finance Certificates of our associated companies. In this regard the Company seeks the approval of the shareholders under section 208 of the Companies Act, 2017.

In compliance with Regulations No. 8 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 the following information is annexed with the notice for approval of investment in associated companies.

Bank AL Habib Limited

Regulation No. 3(1)a

Sr. No.	Description	Information Required
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	Bank AL Habib Limited being associated on the basis of common directorship. Mr. Abbas D.Habib and Mr. Qumail R. Habib, Directors of the Company are also Chairman and Director of Bank AL Habib Limited.
2	Purpose, benefits and period of investment	Long term investment to earn dividend income as well as prospective capital gains
3	Maximum amount of investment	Rs. 250 million
4	Maximum price at which securities will be acquired	Not more than the price quoted on the stock exchange
5	Maximum number of securities to be acquired	Equivalent to the amount of investment
6	Number of securities and percentage thereof held before and after the proposed investment	Not Applicable
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	Not Applicable
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	Not Applicable
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Not Applicable
10	Earning per share of the associated company or associated undertaking for the last three years	2021: Rs. 16.83 per share 2020: Rs. 16.03 per share 2019: Rs. 10.05 per share
11	Sources of fund from which securities will be acquired	Own source

Habib Insurance Company Limited

Sr. No.	Description	Information Required
12	Where the securities are intended to be acquired using borrowed funds: i) Justification for investment through borrowings; and ii) Detail of guarantees and assets pledged for obtaining such funds	Not Applicable
13	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	Not Applicable
14	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	No Director or Chief Executive has any interest in the proposed investment, except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the Company
15	Any other important details necessary for the members to understand the transaction	None
16	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely: i) Description of the project and its history since conceptualisation; ii) Starting and expected dates of completion of work; iii) Time by which such project shall become commercially operational; and iv) Expected time by which the project shall start paying return on investment	Not Applicable
17	In case of investment in the form of loans, advances and guarantees, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made: i) category-wise amount of investment; ii) average borrowing cost of the investing company, the Karachi Inter Bank Offered Rate (KIBOR) for the relevant period, rate of return for shariah compliant products and rate of return for unfunded facilities, as the case may be, for the relevant period;	Term Finance Certificates 7.85%
18	rate of interest, mark up, profit, fees or commission etc. to be charged by investing company;	Not Applicable
19	particulars of collateral or security to be obtained in relation to the proposed investment;	Not Applicable
20	if the investment carries conversion feature i.e. it is convertible into securities, this fact along with terms and conditions including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable; and	Not Applicable
21	repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.	6 Months KIBOR + 1.65%

Regulation No. 3(3)

Sr. No.	Description	Information Required
	The directors of the investing company while presenting the special resolution for making investment in its associated company or associated undertaking shall submit an undertaking to the members of the investing company that they have carried out necessary due diligence for the proposed investment	The Directors of the Company submit that they have carried out necessary due diligence for the proposed investment in Term Finance Certificates of Bank AL Habib Ltd.

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ITEM NUMBER 6 OF THE AGENDA

As recommended by the Board of Directors in their meeting held on March 31, 2022, it is proposed to make investment by way of purchase of shares of units of mutual funds managed by our associated company, Habib Asset Management Limited. In this regard the Company seeks the approval of the shareholders under section 208 of the Companies Act, 2017.

In compliance with Regulations No. 8 of Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012 the following information is annexed with the notice for approval of investment in associated companies. Hence the same is set out below:

Sr. No.	Description	Information Required
1	Name of the associated company or associated undertaking along with criteria based on which the associated relationship is established	AL Habib Asset Management Limited being the associated Company on the basis of common directorship. Mr. Abbas D. Habib Non Executive Director of Habib Insurance Company Limited is also a Chairman of AL Habib Asset Management Limited
2	Purpose, benefits and period of investment	Long term investment to earn dividend income as well as prospective capital gains
3	Maximum amount of investment	Upto Rs. 500 million
4	Maximum price at which securities will be acquired	At prevailing Net Asset Value (NAV)
5	Maximum number of securities to be acquired	Equivalent to the amount of investment
6	Number of securities and percentage thereof held before and after the proposed investment	Number of securities and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of units of mutual funds which could vary with the NAV at which funds are purchased in future
7	In case of investment in listed securities, average of the preceding twelve weekly average price of the security intended to be acquired	N/A
8	In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1)	N/A
9	Break-up value of securities intended to be acquired on the basis of the latest audited financial statements	Various
10	Earning per share of the associated company or associated undertaking for the last three years	Various
11	Sources of fund from which securities will be acquired	Own source

Habib Insurance Company Limited

Sr. No.	Description	Information Required
12	Where the securities are intended to be acquired using borrowed funds: i) Justification for investment through borrowings; and ii) Detail of guarantees and assets pledged for obtaining such funds	Not Applicable
13.	Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment	Not Applicable
14	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	No Director or Chief Executive has any interest in the proposed investment, except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the Company
15	Any other important details necessary for the members to understand the transaction	None
16.	In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely: i) Description of the project and its history since conceptualisation; ii) Starting and expected dates of completion of work; iii) Time by which such project shall become commercially operational; and iv) Expected time by which the project shall start paying return on investment	Not Applicable

Habib Insurance Company Limited

Status of approvals for investments in associated companies

Bank AL Habib Limited

Sr. No.	Description	Information Required
1	Information to be disclosed to the members:- If the associate Company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 208 of the Ordinance	Bank AL Habib Limited being the associated company on the basis of common directorship of Mr. Abbas D. Habib and Mr. Qumail R. Habib Director of the Company are also Chairman and Director of Bank AL Habib Limited
2	In case any decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely:	Rs. 75 million approved by the shareholders at Annual General Meeting held on April 29, 2021
a)	total investment approved:	
b)	amount of investment made to date:	Nil
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Remaining amount may be invested on availability of shares at reasonable price within the period specified in the earlier resolution
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company	Various

Habib Insurance Company Limited

Status of approvals for investments in associated companies

Habib Metropolitan Bank Limited

Sr. No.	Description	Information Required
1	Information to be disclosed to the members:- If the associate Company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 208 of the Ordinance	Habib Metropolitan Bank Limited being associated company on the basis of common directorship of Mr. Muhammad Hyder Habib, Director of the company is also Director of Habib Metropolitan Bank Limited.
2	In case any decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely:	Rs. 75 million approved by the shareholders at Annual General Meeting held on April 29, 2021
a)	total investment approved:	
b)	amount of investment made to date:	Rs. 43.953 million
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Remaining amount may be invested on availability of shares at reasonable price within the period specified in the earlier resolution
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company	Various

Habib Insurance Company Limited

Status of approvals for investments in associated companies

Indus Motor Company Limited

Sr. No.	Description	Information Required
1	Information to be disclosed to the members:- If the associate Company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 208 of the Ordinance	Indus Motor Company Limited being the associated company on the basis of common directorship of Mr. Muhammad Hyder Habib, Director of the Company is also a Director of Indus Motor Company Limited.
2	In case any decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely:	Rs. 75 million approved by the shareholders at Annual General Meeting held on April 29, 2021
a)	total investment approved:	
b)	amount of investment made to date:	Nil
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Remaining amount may be invested on availability of shares at reasonable price within the period specified in the earlier resolution
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company	Various

Habib Insurance Company Limited

Status of approvals for investments in associated companies

Shabbir Tiles & Ceramics Limited

Sr. No.	Description	Information Required
1	Information to be disclosed to the members:- If the associate Company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 208 of the Ordinance	Shabbir Tiles & Ceramics Limited being associated company on the basis of common directorship of Mr. Rafiq M. Habib, Chairman of the company is also Chairman of Shabbir Tiles & Ceramics Limited
2	In case any decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely: a) total investment approved:	Rs. 25 million approved by the shareholders at Annual General Meeting held on April 29, 2021
b)	amount of investment made to date:	Nil
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Remaining amount may be invested on availability of shares at reasonable price within the period specified in the earlier resolution
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company	Various

Habib Insurance Company Limited

Status of approvals for investments in associated companies

Thal Limited

Sr. No.	Description	Information Required
1	<p>Information to be disclosed to the members:-</p> <p>If the associate Company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to section 208 of the Ordinance</p>	Thal Limited being associated company on the basis of common directorship of Mr. Rafiq M. Habib, Chairman of the company is also Chairman of Thal Limited
2	<p>In case any decision to make investment under the authority of a resolution passed pursuant to provisions of section 208 of the Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely:</p> <p>a) total investment approved:</p>	Rs. 100 million approved by the shareholders at Annual General Meeting held on April 29, 2021
b)	amount of investment made to date:	Nil
c)	reasons for not having made complete investment so far where resolution required it to be implemented in specified time:	Remaining amount may be invested on availability of units at reasonable price within the period specified in the earlier resolution
d)	material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company	Various