

Habib Insurance Company Limited

Notice of Annual General Meeting

NOTICE is hereby given that the 77th Annual General Meeting of the Shareholders of the Company will convene through electronic means on Monday, May 18, 2020 at 12:00 Noon. The Securities and Exchange Commission of Pakistan through its circular No. 5 dated March 17, 2020, has directed the listed companies to modify their usual planning of AGM for the wellbeing of shareholders in light of the threat posed by the evolving COVID-19 situation.

The entitled shareholders whose names appear in the Books of the Company by the close of business on May 12, 2020 and who are interested to attend AGM through online platform are hereby requested to get themselves registered with the Company Secretary Office by providing the following details at the earliest but not later than 24 hours before the time of AGM (i.e before 12:00 Noon on May 17, 2020) 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. The company will convene the meeting through "Zoom Cloud meetings" which can be downloaded from google play or apple app store. Our shareholders are therefore requested to download the application ahead of the meeting. On the AGM day, shareholders will be able to login and participate in the AGM proceedings through their smart phones 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 May 12, 2020) along with the details mentioned above may send their comments/ suggestions for the proposed Agenda items at the above email address at least 24 hours before the meeting.

The meeting will be convened to transact the following business:

1. To receive and adopt the Audited Accounts for the year ended December 31, 2019 together with the Directors' and Auditors' Report thereon.
2. To approve payment of cash dividend @ 10% i.e. Rs. 0.50 per share of Rs. 5/- each for the year ended December 31, 2019 as recommended by the Board of Directors.
3. To appoint Auditors for the year ending December 31, 2020 and to fix their remuneration M/s. KPMG Taseer Hadi & Co., Chartered Accountants, being eligible offer themselves for reappointment.
4. To elect nine Directors as fixed by the Board of Directors vide Resolution by Circular dated March 31, 2020, for the next term of three years commencing from May 10, 2020, in accordance with the provisions of the Companies Act, 2017. The retiring Directors are Messrs. Rafiq M. Habib, Abbas D. Habib, Mansoor G. Habib, Mohamedali R. Habib, Qumail R. Habib, Aun Mohammad A. Habib & Shahid Ghaffar.
5. To consider any other business of the Company with the permission of the Chair.

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Special Business

6. To consider and pass the following special resolution for authorising investment by way of purchase of units of funds managed by our associated company, Habib Asset Management Limited.

“RESOLVED that the Company be and is hereby authorised to invest upto Rs. 750 million in the units of Funds, managed by Habib Asset Management Limited.

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 # 6, a statement under Section 160 of the Companies Act, 2017 is annexed

By order of the Board

Muhammad Maaz Akbar
Company Secretary

Karachi: April 22, 2020

Notes:

1. The share transfer books of the Company will remain closed from Saturday, May 04, 2020 to Monday, May 18, 2020 (both days inclusive).
2. 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.
3. The CDC account/ sub account holders are requested to bring with them their Computerized National ID Cards along with the Participant(s) ID number and their account numbers at the time of attending the AGM in order to facilitate identification of the respective shareholders. In case of corporate entity, the Board of Directors Resolution/ Power of Attorney with specimen signatures be produced at the time of meeting.
4. Members are requested to promptly communicate any change in their address to our Share Registrar, M/s. CDC Share Registrar Services Limited.
5. Pursuant to the directive of the Securities and Exchange Commission of Pakistan (SECP), it is mandatory to mention CNIC number of member 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.
6. The Government of Pakistan through Finance Act, 2017 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:
 - (i) For filers of income tax returns 15 %
 - (ii) For non-filers of income tax returns 20 %

Shareholders who are filers are advised to make sure that their names are entered in to Active Tax Payer List (ATL) provided on the website of FBR at the time of dividend payment, otherwise they shall be treated as non-filers and tax on their cash dividend will be deducted at the rate of 20% instead of 15%.

For shareholder holding their shares jointly, as per the clarification issued by the Federal Board of Revenue, withholding tax will be determined separately on 'Filer/Non-Filer' status of Principal shareholder as well as joint-holder(s) based on their shareholding proportions. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Share Registrar, in writing as follows:

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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)

The required information must reach to the Company's Share Registrar within 10 days of this notice, otherwise it will be assumed that the shares are equally held by principal shareholder and joint holder(s).

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.

7. Mandatory requirement of Bank details for payment of dividend

Pursuant to the provision of Section 242 of the Companies Act, 2017, a listed company is required to pay cash dividend to shareholders only through electronic mode directly into the bank account designated by the entitled shareholders. In order to receive your dividends directly into your Bank account, please complete the particulars of the e-dividend mandate form which is available on the Company's website www.habibinsurance.net and send duly signed to the Share Registrar, M/s. CDC Share Registrar Services Limited. CDC shareholders are requested to submit their Dividend Mandate directly to their broker (participant)/ CDC.

8. 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).

9. 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.

10. Election of Directors

Any person who seeks to contest the election of directors shall, whether he is a retiring director or otherwise, file with the Company, the following documents and information at its registered office not later than fourteen days before the date of the above said meeting:

- a). His/her Folio No./ CDC Investor Account No. /CDC Participant No./ Sub-Account No. The qualification of a director shall be his/her holding shares in the Company of the nominal value of Rs.10,000 in terms of Article 52 of the Articles of Association;
- b). Notice of his/her intention to offer himself/herself for the election of directors in terms of section 159 of the Companies Act, 2017.

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- c). Information on Annexure A, along with the attachments required therein, and Affidavit on Annexure B required under Insurance Companies (Sound and Prudent Management) Regulations, 2012 notified by the Securities and Exchange Commission of Pakistan (SECP) vide S.R.O 15(1) of 2012 dated January 09, 2012. Annexure A and Annexure B are available on SECP's website (www.secp.gov.pk), website of the Company (www.habibinsurance.net) and can also be obtained from the Registered Office of the Company; 1st Floor, State Life Building No.6, Habib Square, M.A. Jinnah Road, Karachi.
 - d). Affidavit on Annexure C required under S.R.O 1165(I) of 2016 dated December 22, 2016. The affidavit is available on Company's website and S.R.O 1165 is available on SECP's website.
 - e). Undertaking on Annexure A required under direction issued vide S.R.O 1525(1) of 2018 dated December 14, 2018. The undertaking is available on Company's website and S.R.O 1525 is available on SECP's website.
 - f). Consent to act as director on Form 28 under section 167 of the Companies Act, 2017.
 - g). A detailed profile alongwith his/her office address as required under SECP's S.R.O 634(1) of 2014 dated July 10, 2014 for placing on website of the Company.
 - h). An attested copy of Computerized National Identity Card (CNIC or NICOP).
 - i). A declaration that:
 - He/she is not ineligible to become a director of the Company under section 153 of the Companies Act, 2017.
 - He/she is not serving as a director of more than seven listed companies.
 - He/she is aware of his/her duties and powers under the relevant laws, Memorandum & Article of Association of Company and Listing Regulations of Pakistan Stock Exchange.
 - j). Please note that as per Regulation 2(2) of the Insurance Companies (Sound and Prudent Management) Regulations, 2012, proposed directors shall not assume the charge of office until their appointment has been approved by the SECP. The above information is required by the SECP for approval of the proposed directors and any other supporting information to evaluate the proposed director's fitness and propriety.
11. Pursuant to Companies (Postal Ballot) Regulations, 2018, for the purpose of election of directors and for any other agenda item subject to the requirements of section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right of vote through postal ballot, i.e. voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulation.

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

Statement of Material Facts under Section 166(3) of the Companies Act, 2017

Persons eligible under Section 153, meet the criteria under section 166 of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Directors) Regulation, 2018, may submit their nominations to be elected as independent directors. However, it is noteworthy to mention that independent directors shall be elected in the same manner as other directors are elected in terms of Section 159 of the Companies Act, 2017.

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STATEMENT UNDER SECTION 160(1)(b) OF THE COMPANIES ACT, 2017

The statement is annexed to the Notice of the 77th Annual General Meeting to be held on April 29, 2020 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, 2020, 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	Habib Asset Management Limited being the associated Company on the basis of common directorship. Mr. Aun Mohammad A. Habib Executive Director of Habib Insurance Company Limited is also a Director of 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. 750 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

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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

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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 is not holding any shares of the investing company. No Director or Chief Executive has any interest in the investing company except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the investing company. The shareholding of Directors and Chief Executive is disclosed in the pattern of shareholding
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, 2019
a)	total investment approved:	
b)	amount of investment made to date:	Rs. 7.815 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	The shareholders equity of the investee company has increased to Rs. 61,503.110 million from Rs. 49,551.680 million due to an increase in reserves of Rs. 11,951.430 million

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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 is not holding any shares of the investing company. No Director or Chief Executive has any interest in the investing company except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the investing company. The shareholding of Directors and Chief Executive is disclosed in the pattern of shareholding
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, 2019.
a)	total investment approved:	
b)	amount of investment made to date:	Rs. 18.308 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	The shareholders equity of the investee company has increased to Rs. 40,890.962 million from Rs. 37,001.956 million due to an increase in reserves of Rs. 3,889.006 million

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 is not holding any shares of the investing company. No Director or Chief Executive has any interest in the investing company except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the investing company. The shareholding of Directors and Chief Executive is disclosed in the pattern of shareholding
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, 2019
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	The shareholders equity of the investee company has increased to Rs. 41,364.044 million from Rs. 40,045.309 million due to an increase in reserves of Rs. 1,318.735 million

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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 is not holding any shares of the investing company. No Director or Chief Executive has any interest in the investing company except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the investing company. The shareholding of Directors and Chief Executive is disclosed in the pattern of shareholding
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. 25 million approved by the shareholders at Annual General Meeting held on April 29, 2019.
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	The shareholders equity of the investee company has decreased to Rs. 1,909.565 million from Rs. 2,113.619 million due to decrease in reserves of Rs.0.204 million

Thal 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	Thal Limited is holding 5,735,396 shares of the investing company. No Director or Chief Executive has any interest in the investing company except in their individual capacities as Directors/ Chief Executive and/ or as shareholders of the investing company. The shareholding of Directors and Chief Executive is disclosed in the pattern of shareholding
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. 100 million approved by the shareholders at Annual General Meeting held on April 29, 2019.
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:	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	The shareholders equity of the investee company has decreased to Rs. 19,155.786 million from Rs. 27,949.848 million due to an decrease in reserves of Rs. 8,749.062 million