



THE UNITED INSURANCE COMPANY OF PAKISTAN LTD.

RATED AA BY PACRA

NOTICE OF THE 60th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 60th Annual General Meeting of THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED will be held on Monday the April 27, 2020 at 10:00 a.m. at the Registered Office of the Company situated at Room No. 204, Madina City Mall, Abdullah Haroon Road, Karachi, to transact the following business:

ORDINARY BUSINESS

- To confirm the minutes of the 59th Annual General Meeting of the Company held on March 29, 2019.
- To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended December 31, 2019 together with the Directors' and Auditors' reports thereon.
- To appoint Auditors and fix their remuneration for the year ending December 31, 2020. The present Auditors M/s. Ilyas Saeed & Co., Chartered Accountants, retires and being eligible, offer themselves for re-appointment.

SPECIAL BUSINESS

- To ratify and approve transactions conducted with Related Parties for the year ended December 31, 2019 by passing the following special resolution with or without modification:
Resolved that the transactions conducted with Related Parties as disclosed in the note 33 & 36 of conventional and takaful operations during the year ended be and are hereby ratified, approved and confirmed.
- To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending December 31, 2020 by passing the following special resolution with or without modification:
Resolved that the Board of Directors of the Company be and is hereby authorized to approve the transactions to be conducted with Related Parties on case to case basis for the financial year ending December 31, 2020.
Further Resolved that these transactions by the Board shall be deemed to have been approved by the shareholders and shall be placed before the shareholders in the next Annual General Meeting for their formal ratification/approval.
- To consider and approve issue of Bonus Shares in the ratio of 13.4172 shares for every 100 shares held i.e. 13.4172% as recommended by the Board of Directors and, if considered appropriate, to pass with or without modification(s) the following resolutions:
Resolved that a sum of Rs. 348,983,180/- out of the profits available for appropriation as at December 31, 2019 be capitalized and adopted to the issue of ordinary shares of Rs.10 each allotted as fully paid Bonus Shares (B-25) @ 13.4172% in the proportion of 13.4172 share for every 100 shares held by Company's members whose names appear on the register of members as at close of business on 20-04-2020 and that the Bonus shares shall rank pari passu in all respects with the existing shares.
Further Resolved that in the event of any member becoming entitled to a fraction of bonus shares the Directors be and are hereby authorized to consolidate all such fraction share(s) so constituted on the stock market and to pay the proceed of the sale when realized to a recognized charitable institution as may be selected by the Directors of the Company.
Further Resolved that the Company Secretary be and is hereby authorized and empowered to give effect to these resolutions and to do or cause to be done all acts, deeds and things that may be necessary or required for issue, allotment and distribution of Bonus Shares.
- To consider and if deemed fit, to pass the following Special Resolution under section 199 of the Companies Act, 2017 with or without modification(s), additional(s) or deletion(s) as recommended by the Directors:-
Resolved that in pursuant of the requirement of Section 199 of the Companies Act, 2017 (the "Act"). The United Insurance Company of Pakistan Limited be and is hereby authorized to enhance investment in Apna Microfinance Bank Limited upto Rs. 500,000,000/- (Rupees Five Hundred Million Only) by way of equity investment to deposit as shares money in the bank.
Further Resolved that subsequent to the above said investment, Management of the Company be and is hereby empowered and authorized to purchase Right/Renunciation Shares offered on the basis of Company's equity investment as deposit share money in Apna Microfinance Bank Limited upto Rs. 500,000,000/- (Rupees Five Hundred Million Only).
- To consider and approve the remuneration of the Executive Directors (including Chief Executive Officer) and fee to the non-executive/independent Directors for attending the Board and its Committee(s) meetings.
RESOLVED that the approval be and is hereby granted to pay remuneration, perquisite and other fringe benefits to the Chief Executive Officer, Executive Director(s) and Fee to the Non-executive/Independent Directors, in addition to boarding, lodging and travelling expenses on actual basis as per Company Policy.
- To transact any other business may be brought forward with the permission of the Chair.

A Statement of material facts under section 134(3) of the Companies Act, 2017, pertaining to the special business contained in Agenda Item 4, 5, 6 & 7 is annexed to this Notice of Meeting.

By Order of the Board

Karachi.
April 03, 2020

Athar A. Khan
(Company Secretary)

NOTES:

Closure of Share Transfer Books

The Register of Members and the Share Transfer Books of the Company shall remain closed from 21-04-2020 to 27-04-2020 (both days inclusive). Transfers received at Company's Share Registrar M/s. F.D. Registrar Services (Private) Limited, Office # 1705, 17th Floor, Saima Trade Tower A, I.I. Chundrigar Road, Karachi by the close of business on 20-04-2020, will be treated in time for the purpose of determine entitlement to the Bonus Shares and to attending the meeting.

Participation in General Meeting

An individual beneficial owner of shares must bring his/her original CNIC or Passport, Account and Participant's I.D. numbers to prove his/her identity. A representative of corporate members, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee. CDC account holders will further have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her. Proxies in order to be effective must be received at the Company's Registered Office, Room # 204, Madina City Mall, Abdullah Haroon Road, Karachi not later than 48 hours before the time of holding the Meeting and no account shall be taken of any part of the day that is not a working day. A member shall not be entitled to appoint more than one proxy.

In light of the direction from the Securities & Exchange Commission of Pakistan (SECP) vide circular # 5 of 2020, dated March 17, 2020 regarding "Coronavirus contingency Planning for Annual General Meeting of the Shareholders" all Shareholders may send their comments/suggestions as per AGM agenda through email accordingly.

In this respect all Shareholders are requested to register their particulars (i.e. Folio No. / Name / CNIC No. / Mobile No. / Email address) to the company secretary 3 days before the AGM on email address uicagmregistration@theunitedinsurance.com

Shareholders comments/suggestions for the proposed agenda of the AGM to be discussed in the meeting and made part of the minutes of the meeting.

Shareholders are requested to consolidate their attendance at AGM into few peoples as possible through proxies.

Deposit of Physical Shares in to CDC Account:

As per Section 72 of the Companies Act, 2017 every existing listed 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 the Commission, within a period not exceeding four years from the commencement of this Act, i.e., May 31, 2017.

The Shareholders having physical shareholding are encouraged to 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, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Pakistan Stock Exchange.

Transmission of Annual Financial Statements through Email

The Securities and Exchange Commission of Pakistan (SECP) through its Notification S.R.O. 787(1)/2014 dated 8th September 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 hereby requested to convey their consent and e-mail address for receiving Audited Financial Statements and Notice through e-mail. In order to avail this facility a Standard Request Form is available at the Company's website www.theunitedinsurance.com, to be sent along with copy of his/her/ its CNIC/Passport to the Company's Share Registrar.

Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional, in case you do not wish to avail this facility please ignore this notice.

Placement of Financial Accounts on Website

Pursuant to the notification of the SECP (SRO 1196(I)/2019) dated October 3, 2019, the financial statements of the Company have been placed on the Company's website at www.theunitedinsurance.com.

Unclaimed Dividend/Shares

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

Change of Address (if any)

Shareholders are requested to immediately notify change in address, if any to the Company's Share Registrar, at the following address:

M/s. F. D. Registrar Services (Pvt.) Limited,
Office # 1705, 17th Floor, Saima Trade Tower – A,
I.I. Chundrigar Road, Karachi – 74000.

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

The statement sets out material facts concerning "Special Business" to be transacted at the Annual General Meeting of the Company to be held on April 27, 2020. The approval of the Members of the Company will be sought for:

Item No. 4 (a) Related Party Transactions

The transactions carried out in normal course of business with associated companies (Related parties) were being approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

The transactions conducted during the financial year ended December 31, 2019 with associated companies as shown in relevant notes of the Audited Financial Statements are being placed before the shareholders for their consideration and approval/ratification. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

Item No. 4 (b) Authorization for the Board of Directors to approve the related party transactions during the year ending December 31, 2020

The Company shall be conducting transactions with its related parties during the year ending December 31, 2020 on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in the holding/associated companies. In order to promote transparent business practices, the shareholders desire to authorize the Board of Directors to approve transactions with the related parties from time-to-time on case to case basis for the year ending December 31, 2020, which transactions shall be deemed to be approved by the Shareholders. The nature and scope of such related party transactions is explained above. These transactions shall be placed before the shareholders in the next AGM for their formal approval/ratification.

The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

Item No. 5 – Issue of Bonus Shares

Bonus issue will be governed by rules and regulations. The Directors being satisfied with the reserves and profits of the Company as at December 31, 2019 have recommended as issue of Bonus Shares. The Directors have no interest directly or indirectly, except that they are Directors of the Company.

Item No. 6 Equity Investment in Apna Microfinance Bank Limited

The Company has disclosed following information in the statement annexed to the notice, pursuant to subsection (3) of sections 134 of the Companies Act, 2017 of general meeting called for considering investment decision under section 199 of the Act:-

Regulation No 3(1) (a) Disclosure for all types of investment: Disclosure regarding associated company

A. Regarding Association Company or Association Undertakings

(i)	Name of Associated Company	Apna Microfinance Bank Limited
(ii)	Basis of Relationship	Associated Company
(iii)	Earnings/(Loss) per share for the last three years	Year ended December, 2017 (0.35) Year ended December, 2018 0.30 Year ended December, 2019 0.17
(iv)	Break-up value per share, based on latest financial statement	Break-up value per share on the basis of latest financial statement as at December 31, 2019 is Rs.10 /-
(v)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statement	As per financial statements for the year ended December 31, 2019: Total Assets Rs.20,543/- Million Total Liabilities Rs.1.874/- Million Revenue Rs.2.899/-Million Profit after tax Rs. 53.525/-Million
(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	Not Applicable
	I Description of the project and its history since conceptualization	Not Applicable
	II Starting date and expected date of completion of work	Not Applicable
	III Time by which such project shall become commercially operational	Not Applicable
	IV Expected time which the project shall paying return on investment	Not Applicable
	V Funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amount	Not Applicable

B. General Disclosures:

(i)	Maximum amount of investment to be made	Rs. 500,000,000/- (Rupees Five Hundred Million)
(ii)	Purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment	These are the long term strategic investment will dividend income as well as prospective capital gain in future
(iii)	Sources of funds to be utilize for investment and where the investment is intended to be made using borrowed funds:	Not Applicable as investments will be made from company's own funds
	(I) Justification for investment through borrowings	
	(II) Detail of collateral, guarantees provided and asset pledged for obtaining such funds	
	(III) Cost benefit analysis	Not Applicable as shares will be purchased time to time
(iv)	Salient features on the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment	
(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	
(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 United Insurance Co of Pakistan Limited is associated undertaking of Apna Micro Finance Bank Limited (AMBL) and holding 44.50% shares in AMBL. Bank has recovered from its loss making operations and posted profit of Rs.23.8 million in 2019 and 23.7 million in 2018
(vii)	Any other important details necessary for the members to understand the transaction	None
(b) Additional disclosure regarding Equity Investment		
(i)	Maximum price at which securities will be acquired	Fair value of Stocks
(ii)	In case the purchase price is higher than the market value in case of limited securities and fair value in case of unlisted securities, justification thereof	Shares will be purchased at face value
(iii)	Maximum number of securities to be acquired	Equivalent to the amount of investment
(vi)	Number of securities and percentage thereof held before and after the proposed investment	The United Insurance Co of Pakistan Limited is currently holding 44.50% in Apna Bank and will maintain its holding up to maximum 47.5% in future
(v)	Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities	Current Market Price 21.78 and weighted average is 21.19
(iv)	Fair value determined in terms of sub-regulation (1) regulation 5 for investment in unlisted securities	Not Applicable

Item No. 7 – Remuneration of Directors

Approval of the House is required for remuneration, perquisite and other fringe benefits to the Chief Executive Officer, Executive Director(s) and fee of the Non-Executive / Independent Directors, in addition to boarding, lodging and travelling expenses on actual basis as per Company Policy.

