



The United Insurance Company of Pakistan Ltd.

Rated 'AA-' by PACRA

NOTICE OF THE 59th ANNUAL GENERAL MEETING

NOTICE is hereby given that the 59th Annual General Meeting of THE UNITED INSURANCE COMPANY OF PAKISTAN LIMITED will be held on Friday the March 29, 2019 at 10:30 a.m. at The Institute of Bankers Pakistan, Iqbal Auditorium 3rd Floor, M.T. Khan Road, Karachi, to transact the following business:

ORDINARY BUSINESS

- To confirm the minutes of the 58th Annual General Meeting of the Company held on April 30, 2018.
- To receive, consider and adopt the Annual Audited Accounts of the Company for the year ended December 31, 2018 together with the Directors' and Auditors' reports thereon.
- To appoint Auditors and fix their remuneration.

SPECIAL BUSINESS

- To consider and approve issue of Bonus Shares in the ratio of 15 shares for every 100 shares held i.e. 15% 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. 339,263,060/= out of the profits available for appropriation as at December 31, 2018 be capitalized and adopted to the issue of ordinary shares of Rs.10 each allotted as fully paid Bonus Shares (B-24) @ 15% in the proportion of 15 share for every 100 shares held by Company's members whose names appear on the register of members as at close of business on 18-03-2019 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 obtain consent of the shareholders in term of S.R.O. 470(I)/2016 dated May 31, 2016 issued by Securities and Exchange Commission of Pakistan, for the transmission of the annual accounts, notices of general meetings and other information contained therein of the Company wither through CD or DVD or USB and to pass the following resolution with or without modification:

Resolved that consent and approval of the members of The United Insurance Company of Pakistan Limited (the "Company") be and is hereby accorded for transmission of annual audited accounts, notices of general meetings and other information contained therein of the Company to the members for future years commencing from the period ended March 31, 2019 through CD or DVD or USB instead of transmitting the same in hard copies.

- To consider and if deemed fit, to pass the following Special Resolutions under section 199 of the Companies Act, 2017 with or without modification, additions(s) or deletions(s) as recommended by the Directors:-

Resolved that in pursuant of the requirements 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 to the extent of Rs. 500,000,000/- (Rupees Five Hundred Million Only) by way of equity investment to deposit in the bank as Share money.

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 investment as deposit share money in Apna Microfinance Bank Limited to the extent of Rs. 500,000,000/- (Rupees Five Hundred Million Only).

- To transact any other business may be brought forward with the permission of the Chair.

A statement under section 134 (3) of the Companies Act, 2017 pertaining to the Special Business is being sent to the members with this notice.

Karachi,
March 07, 2019

By Order of the Board
Athar A. Khan
(Company Secretary)

NOTES:

- The Register of Members and the Share Transfer Books of the Company shall remain closed from 19-03-2019 to 29-03-2019 (both days inclusive). Transfers received at Company's Share Registrar M/s. F.D. Registrar Services (SMC-Pvt.) Limited, Office # 1705, 17th Floor, Saima Trade Tower - A, I. I. Chundrigar Road, Karachi by the close of business on 18-03-2019, will be treated in time for the purpose of determine entitlement to the Dividend & Bonus Shares and to attending the meeting.
- All members are entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote instead of him/her.
 - A proxy must be a member of the Company. Proxies in order to be effective must be received at the Registered Office, situated at 204, Madina City Mall, Abdullah Haroon Road, Karachi not later than forty eight (48) hours before the time fixed for the meeting.
 - The Proxy shall produce his/her original CNIC or Passport at the time of the meeting.
 - Proxy form shall be witnessed by two persons whose, name, CNIC Nos. and addresses shall be mentioned on the proxy form.
- CDC Account holders are required to follow the below mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.
 - In case of individual(s), the account holder (s) or sub-account holder (s) shall authenticate his/her identity by showing his/her original CNIC card or original passport at the time of attending the Meeting.
 - In case of corporate entities, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.
- 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 (SMC-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

This statement set out the material facts concerning the Special Business, given in agenda items Nos. 4, 5 and 6 of the Notice will be considered to be passed by the members. The purpose of the Statement is to set forth the material facts concerning such Special Business.

- Agenda Item No. 4 - 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, 2018 have recommended as issue of Bonus Shares. The Directors have no interest directly or indirectly, except that they are members of the Company.
- Agenda Item No. 5 - Circulation of Annual Report through CD/DVD/USB**
The Securities and Exchange of Pakistan (SECP) vide SRO No. 470(I)/2016 dated May 31, 2016, has allowed listed companies to circulate their Annual Audited Accounts (i.e. the annual balance sheet and profit and loss accounts, auditor's report and director's report) to its members through CD/DVD/USB at their registered address instead of sending them in hard copies, subject to approval obtained from shareholders in General Meeting. Accordingly, approval is hereby sought from members of the Company to comply with the requirements of said SRO vide an ordinary resolutions.
Subject to the approval of resolution in the AGM, the company will circulate its annual accounts in future through CD/DVD/USB. However, members will have the right to request hard copies free of cost at their registered addresses after submitting the Standard Request Form which shall be made available on Company website. While members who wish to receive hard copies for all future annual audited accounts shall also require to give their preference in writing.

3. Agenda 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 sub-section (3) of section 134 of the Act, of a general meeting called for considering investment decision under section 199 of the Act.

Regulation No 3(1)(a) Disclosures for all types of investments.

A. Regarding associated company or associated undertaking:-

- Name of associated company or associated undertaking;**
Apna Microfinance Bank Limited (hereinafter referred as "AMBL")
- Basis of relationship;**
Associated Company
- Earnings per share for the last three years;**

Year ended December 31, 2016	(3.34)
Year ended December 31, 2017	(0.35)
Year ended December 31, 2018	0.21
Year ended December 31, 2018 (diluted)	0.15
- Break-up value per share, based on latest audited financial statements;**
Break-up value of shares on the basis of latest audited financial statements as at Dec 31, 2018 is Rs.5.837/-
- Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements;**
AMBL is performing its operations all over Pakistan with comprehensive branch network. Total Assets of the bank are Rs.17,623/- million including Rs.4,497/- million of cash and Bank balances and Advance of Rs.9,166/- million. During the year it has generated revenue of Rs.2,158/- million. Total liabilities of the Bank are Rs.16,149/- million. During the year 2018 Bank has earned Profit after tax of Rs.53,261/-million.
- in case of investment in relation to a project of associated company or associated undertaking that has not commenced operations, following further information namely-**
 - description of the project and its history since conceptualization;
Not applicable
 - starting date and expected date of completion of work;
 - starting date and expected date of completion of (III) time by which such project shall become commercially operational;
 - expected time by which the project shall start paying return on investment; and
 - funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and noncash amounts;
Not Applicable

B. General disclosures:-

- maximum amount of investment to be made;**
Rs.500/-million (Rupees Five Hundred million)
- purpose, benefits likely to accrue to the investing company its members from such investment and period of investment**
These are long term strategic investments will attract dividends in future period
- sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds-**
 - justification for investment through borrowings;
 - detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
 - cost benefit analysis;
Not applicable as investment will be made from Company own funds.
- salient features of the agreement(s), if any, with associated company or associated undertaking with regards to the proposed investment;**
Not applicable as shares will be purchased time to time.
- 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 directors, chief executive and their relative has any interest in the investment proposed.
- 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; and**
The United insurance Co of Pakistan Limited is associated undertaking of AMBL and is holding 44.50% shareholding of the AMBL. AMBL is performing well as it is recovering its losses and now converted to profitable operations. During the year company has earned profit of Rs.23 million from operations of the bank.
- any other important details necessary for the members to understand the transaction; None**
 - In case of equity investment, following disclosures in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made-**
 - maximum price at which securities will be acquired;**
Face value of stocks
 - 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 will be purchased at face value.
 - maximum number of securities to be acquired;**
Equivalent to the amount of investment.
 - number of securities and percentage thereof held before and after the proposed investment;**
The Company is currently holding 44.50% shareholding of the company and will maintain its holding maximum to 47.5% in future.
 - Current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and**
Current market is Rs. as at December 31, 2018 is Rs.5.80 per share and weighted average price of preceding twelve months is Rs.5.70 per share.
 - Fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;**
Not Applicable

Regulation No 3(1)(b) In case of investments 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-

- category-wise amount of investment;
- 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, forth relevant period;
- rate of interest, mark-up, profit, fees or commission etc. to be charged by investing company;
- particulars of collateral or security to be obtained in relation to the proposed investment;
- 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
- Repayment schedule and terms and conditions of loans or advances to be given to the associated company or associated undertaking.
Not Applicable

Regulation no. 3(3).The directors of the investing company while presenting the special resolution for making investment in an associated company or associated undertaking shall certify to the members of the investing company that they have carried out necessary due diligence for the proposed investment before recommending it for members' approval.

The directors of the investing company submit that they have carried out necessary due diligence for the proposed investment.

