

Notice of Meeting

Notice is hereby given that the 85th Annual General Meeting of the Shareholders of EFU General Insurance Ltd. will be held at the Registered Office of the Company at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad, on Saturday April 07, 2018 at 10:00 a.m. to:

A. ORDINARY BUSINESS:

1. Confirm the minutes of the 84th Annual General Meeting held on April 15, 2017.
2. Confirm the minutes of the Extra-ordinary General Meeting held on July 8, 2017.
3. Receive, consider and approve the Audited Financial Statements for the year ended December 31, 2017 together with the Chairman's review, Directors' and Auditors' reports thereon.
4. Consider and if thought fit to approve the payment of Final Dividend at the rate of 62.5% i.e. Rs. 6.25 per share as recommended by the Board of Directors and also approve the 37.5% i.e. Rs. 3.75 per share Interim Cash Dividends already paid to the Shareholders for the year ended December 31, 2017.
5. Appoint Auditors of the Company for the year 2018 and fix their remuneration. The Audit Committee and the Board of Directors have recommended the name of M/S KPMG Taseer Hadi & Co., Chartered Accountants for re-appointment as auditors.

B. SPECIAL BUSINESS:

6. To consider, and if thought fit, to pass the following resolutions with or without modification(s) as Special Resolutions:

"Resolved that the transactions carried out by the Company in the normal course of business with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd. (related parties) in 2017 be and are hereby ratified, approved and confirmed."

"Further Resolved that the Managing Director & Chief Executive be and is hereby authorized to approve all the transactions carried out in the normal course of business with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd till the next Annual General Meeting."

7. Consider and if thought fit to pass the following resolutions with or without modification(s) as Special Resolutions:

"RESOLVED that consent of the members of EFU General Insurance Ltd. (the "Company") be and is hereby accorded in terms of section 199 and other applicable provisions of Companies Act, 2017 and the Company be and is hereby authorized to further invest upto Rs. 1,000,000,000 (Rupees One Billion Only) from time to time in EFU Life Assurance Limited ("EFU Life"), an associated company for purchase of ordinary shares of face value of Rs. 10 each at the price ruling in stock exchange at the date of purchase as per terms and conditions disclosed to the members and the resolution shall be valid for a period of 3 years from the date of passing of special resolution."

"FURTHER RESOLVED that Managing Director & Chief Executive or Corporate Secretary be and are hereby individually authorized to fulfill all legal and corporate formalities for making the above investment."

8. Transact any other matter with the permission of the chair.

Attached to this notice of meeting being sent to the members is a statement under Section 134(3) (b) of the Companies Act, 2017 setting forth:

- a. All material facts concerning the resolutions contained in items 6 and 7 of the notice.
- b. Status of previous approval of investments in associated company.

By Order of the Board

ALTAF QAMRUDDIN GOKAL
Chief Financial Officer
& Corporate Secretary

Karachi: 14 February 2018

NOTES

1. A member entitled to attend and vote at the General Meeting is entitled to appoint another member as a proxy to attend and vote in respect of him. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.

2. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan.

A. For attending the meeting:

- (i) In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of corporate entity, 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.

B. For appointing proxies:

- (i) In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his original CNIC or original passport at the time of the meeting.
- (v) In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

3. For exercising electronic voting (E-voting) right through intermediary by providing consent in writing regarding appointment of execution officer as proxy as per the Companies (E-Voting) Regulation, 2016:

- i. If Company receives demand for poll by E-voting from members having not less than one tenth of the voting power the Company will arrange for e-voting exercise.
- ii. The instruction to appoint execution officer and opting to e-vote through Intermediary as per the Companies (E-Voting) Regulations, 2016 shall be deposited to the Company at least ten days before holding of general meeting at Kamran Centre, 1st Floor, 85 East, Jinnah Avenue, Blue Area, Islamabad or through email "altaf.gokal@efuinsurance.com".
- iii. Representative of CDC, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400, Pakistan will be appointed as execution officer for the meeting.
- iv. The proxy / E-voting form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

4. The Share Transfer Books of the Company will be closed from April 01, 2018 to April 07, 2018 (both days inclusive). Transfers received in order by our Share Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 at the close of business on March 31, 2018 will be considered in time to attend and vote at the meeting and for the entitlement of Dividend.

5. Members are requested to notify / submit the following, in case of book entry securities in CDC to respective CDC participants and in case of physical shares, to the Company's Share Registrar, if not earlier provided / notified:

- a. Change in their addresses;
- b. Valid and legible photocopies of Computerized National Identity Card (CNIC) for Individuals and National Tax Number (NTN) both for individual & corporate entities.

6. ELECTRONIC TRANSMISSION OF FINANCIAL STATEMENTS AND NOTICES

Pursuant to Notification vide SRO 787 (I) / 2014 dated September 08, 2014, the Securities and Exchange Commission of Pakistan (SECP) has directed all companies to facilitate their members receiving annual financial statements

and notice of annual general meeting through electronic mail system (E-mail). The Company is pleased to offer this facility to our valued members who desire to receive annual financial statements and notices through email in future.

In this regards, those members who wish to avail this facility are hereby requested to convey their consent via email on a standard request form which is available at the Company's website.

Please ensure that your email account has sufficient rights and space available to receive such email which may be greater than 1 MB in size. Further, it is the responsibility of member(s) to timely update the share registrar of any change in his (her / its / their) registered email address at the address of Company's Registrar.

7. ELECTRONIC DIVIDEND MANDATE

Under section 242 of Companies Act, 2017 it is mandatory for all listed Companies to pay cash dividend to its shareholders only through electronic mode directly in to the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, shareholders are requested (if not already provided) to fill in Bank Mandate Form for Electronic Credit of Cash Dividend available in the Annual Report and also on the Company's website and send it duly signed along with a copy of CNIC to the Share Registrar of the Company, CDC House, 99-B, Block 'B', S.M.C.H.S, Main Shahra-e-Faisal, Karachi-74400, in case of physical shares.

In case shares are held in CDC, electronic dividend mandate form must be directly submitted to shareholder's brokers / participant / CDC account services.

In case of non-receipt of information, the Company will be constrained to withhold payment of dividend to shareholders.

8. SUBMISSION OF VALID CNIC (MANDATORY)

As per SECP directives, the dividend warrants of the shareholders whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are, therefore, advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Company's Share Registrar at the following address, M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 without any further delay.

9. DEDUCTION OF WITHHOLDING TAX ON THE AMOUNT OF DIVIDEND

Pursuant to SECP directives vide Circular No.19/2014 dated October 24, 2014 SECP has directed all companies to inform shareholders about changes made in the section 150 of the Income Tax Ordinance, we hereby advise shareholder as under;

- (i) The Government of Pakistan through Finance Act, 2016 and 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:
- for filers of income tax returns: 15 %
 - for non-filers of income tax returns: 20 %

To enable the Company to make tax deduction on the amount of cash dividend @15% instead of 20%, all the shareholders whose names are not entered into the Active Tax Payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date for payment of the cash dividend otherwise tax on their cash dividend will be deducted @20% instead @15%.

- (ii) In the case of shares registered in the name of two or more shareholders, each joint-holder is to be treated individually as either a filer or non-filer and tax be deducted by the Company on the basis of shareholding of each joint-holder as may be notified to the Company in writing. The joint-holders are, therefore, requested to submit their shareholdings otherwise each joint-holder shall be presumed to have an equal number of shares.
- (iii) For any query / problem / information, the investors may contact the Company and / or the Share Registrar at the following phone numbers & email address. The contact number of Company Secretary is 021-32313471-90 & email: altaf.gokal@efuinsurance.com and the contact numbers of Share Registrar, Central Depository Company of Pakistan Limited is 021-111-111-500 & email: info@cdcpak.com.

- (iv) The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the Company or its Share Registrar, Central Depository Company of Pakistan Limited. The shareholders while sending NTN or NTN certificates, as the case may be, must quote company name and their respective folio numbers.

10. CONSENT FOR VIDEO CONFERENCING FACILITY

Pursuant to the provision to the Companies Act, 2017 the members can also avail the video Conferencing facility. In this regard, please fill the following and submit to registered address of the Company at least 10 days before the holding of annual general meeting. If the Company receives consent from members holding aggregate 10% or more shareholding residing at the geographical location to participate in the meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

I / We, _____ of _____, being a member of EFU General Insurance Ltd. holder of _____ ordinary share(s) as per registered folio no. _____ hereby opt for video conferencing facility.

11. UNCLAIMED DIVIDEND

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 notices to the shareholders to file their claim. The details of the shares issued and dividend declared by the Company which have 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 giving 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 Companies Act 2017.

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 Annual General Meeting of the Company to be held on April 07, 2018.

1. Item No. 6 of the Notice

Transactions carried out with related parties during the year ended December 31, 2017 to be passed as a Special Resolution.

The transactions carried out in normal course of business with associated companies (related parties) are approved by the Board as recommended by the Audit Committee on quarterly basis pursuant to clause 5.19.6 (b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance. In the case of EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd., a majority of the Directors were interested and in accordance with the provisions of Section 208 of the Companies Act, 2017. Such transactions, therefore, are being placed before the shareholders for approval through special resolution proposed to be passed in the annual general meeting.

In view of the above, the normal business transactions conducted during the year 2017 with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd as per following details are being placed before the shareholders for their consideration and approval/ratification.

Amount in PKR 000'

EFU Life Assurance Ltd.	Premium written	27,990
EFU Life Assurance Ltd.	Premium paid	17,008
EFU Life Assurance Ltd.	Claims paid	7,864
EFU Life Assurance Ltd.	Dividend received	678,700
EFU Life Assurance Ltd.	Dividend paid	146,481
Allianz EFU Health Insurance Ltd.	Premium written	2,389
Allianz EFU Health Insurance Ltd.	Premium paid	17,565
Allianz EFU Health Insurance Ltd.	Claims paid	477

The names of Directors with interest as director in related parties:

- i. Mr. Saifuddin N. Zoomkawala director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- ii. Mr. Hasanali Abdullah director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- iii. Mr. Muneer R. Bhimjee director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- iv. Mr. Taher G. Sachak director of the Company is also a director in EFU Life Assurance Ltd. and Allianz EFU Health Insurance Ltd.
- v. Mr. Ali Raza Siddiqui director of the Company is also a director in EFU Life Assurance Ltd.
- vi. Mr. Mahmood Lotia director of the Company is also a director in Allianz EFU Health Insurance Ltd.

Authorization to the Chief Executive for the approval of transactions carried out and to be carried out with EFU Life Assurance & Allianz EFU Health Insurance Ltd (related party) till the next Annual General Meeting to be passed as a Special Resolution.

The Company would be conducting transactions with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd in the normal course of business. The majority of Directors are interested in these transactions due to their common directorship in EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd as detailed herein above. Therefore, in order to comply with the provisions of clause 5.19.6(b) of the Rule Book of Pakistan Stock Exchange Limited under Code of Corporate Governance, the shareholders may authorize the Managing Director & Chief Executive to approve transactions carried out and to be carried out in the normal course of business with EFU Life Assurance Ltd and Allianz EFU Health Insurance Ltd till the next Annual General Meeting.

The names of Directors and nature and extent of their interest in the proposed resolution is the same as mention above.

2. Item 7 regarding investment in associated company:

The details and information to be furnished regarding item No. 7 investment in associated company under section 199 of the Companies Act, 2017:

Information to be disclosed to members.- (1) The company shall disclose 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:

(i) name of associated company or associated undertaking;

EFU Life Assurance Limited.

(ii) basis of relationship;

Common Directorship

(iii) earnings per share for the last three years;

Year ended December 31, 2017 - Rs. 18.12

Year ended December 31, 2016 - Rs. 18.73

Year ended December 31, 2015 - Rs. 14.75

(iv) break-up value per share, based on latest audited financial statements;

Rs. 43.4 on the basis of audited financial statements for the year ended December 31, 2017

(v) financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements; and

EFU Life Assurance Limited (EFU Life) is the leading life insurance company in the country. As on December 31, 2017 it had asset base of Rs. 110 Billion. Its After tax profit for the years 2017, 2016 and 2015 was Rs. 1,812 million, Rs. 1,873 million and Rs. 1,475 million respectively. EFU Life as on December 31, 2017 has Paid-up Capital of Rs. One Billion, General Reserve of Rs. 1,900 million and Accumulated Surplus of Rs. 1,441 million. Its net profit for the year ended December 31, 2017 was Rs. 1,812 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,-

- (I) description of the project and its history since conceptualization;
- (II) starting date and expected date of completion of work;
- (III) time by which such project shall become commercially operational;
- (IV) expected time by which the project shall start paying return on investment; and
- (V) funds invested or to be invested by the promoters, sponsors, associated company or associated undertaking distinguishing between cash and non- cash amounts;

Not Applicable..

Regulations No. 3(1)(a)(B) General disclosures:

(i) maximum amount of investment to be made;

Rs. 1.0 billion.

(ii) purpose, benefits likely to accrue to the investing company and its members from such investment and period of investment;

Long-term strategic investment for return and capital appreciation which will enhance the profitability of the Company and add to the value of the members

(iii) sources of funds to be utilized for investment and where the investment is intended to be made using borrowed funds,-

- I. justification for investment through borrowings;
- II. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and
- III. cost benefit analysis;

Not Applicable. The investment will be made from Company's own funds.

(iv) 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 from time to time from the stock markets at the price ruling on the date of purchase.

(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;

No Director, Chief Executive or their relatives has any interest in the proposed investment, except in their individual capacities as "Directors/Chief Executive" and/or as shareholders of the company

(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; and

EFU Life Assurance Limited is an associated company of the Company with holding of 43.39% shares at a book value of Rs. 12.1 billion as at December 31, 2017. The market value of the associate is Rs. 11 billion. During the year, the Company received dividend income of Rs. 679 million and recorded share of profit of Rs. 786 million

(vii) any other important details necessary for the members to understand the transaction;

None

Regulation No. 3(b) - 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,-

(i) maximum price at which securities will be acquired;

Not more than the price quoted on Stock Exchange.

(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;

The shares will be purchased at market value ruling at Stock Exchange on purchase date.

(iii) maximum number of securities to be acquired;

Equivalent to the amount of investment.

(iv) Number of securities and percentage thereof held before and after the proposed investment;

43,392,040 shares (43.39 %) held to date i.e. before proposed investment. Number of Shares and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of shares which could vary with the market price at which shares are purchased in future.

(v) current and preceding twelve weeks' weighted average market price where investment is proposed to be made in listed securities; and

Current market value per share as of Dec 31, 2017 Rs. 253.49 and weighted average value of twelve weeks is Rs. 253.6.

(vi) fair value determined in terms of sub-regulation (1) of regulation 5 for investments in unlisted securities;

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 Company submit that they have carried out necessary due diligence for the proposed investment in shares of EFU Life Assurance Ltd.

Regulation No. 4(1) - Other information to be disclosed to the members. - (1) If the associated company or associated undertaking 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 199 of the Act.

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 the Directors is Mr. Saifuddin N. Zoomkawala 316,800, Mr. Hasanali Abdullah 369,758, Mr. Muneer R. Bhimjee 15,965,743, Mr. Taher G. Sachak 2,046 and Ali Raza Siddiqui 800.

Status of approvals for investment in Associated undertakings:

As required by Regulation no. 4(2) information under Regulation 3 of the Companies' (investment in associated companies and associated undertakings) Regulations, 2017, the status of approvals is as follows:

i. total investment approved;

Rs. 100 million in EFU Life was approved by the shareholders at Annual General Meeting of the Company held on April 05, 2014 to be invested within a period of two years which was revalidated by a Special Resolution on April 2, 2016 to extend the period of investment up to next three years. i.e. upto April 04, 2019.

ii. amount of investment made to date;

Rs. 95.413 million.

iii. reasons for not having made complete investment so far where resolution required it to be implemented in specified time;

The period in which the investment is to be made as approved by the shareholders is up to April 4, 2019. Investment will be on availability of shares at reasonable price.

iv. and material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.

Since the date of passing the initial resolution by the shareholders of the Company on April 05, 2014 the shareholders equity of the investee company has increased to Rs. 4,341 million from Rs. 2,533 million due to increase in Reserves and un-appropriated profits of Rs. 1,808 million.