

NOTICE OF MEETING

Notice is hereby given that the 91st Annual General Meeting of the Shareholders of EFU General Insurance Limited will be held at **ISE Auditorium, ISE Towers, 55-B, Jinnah Avenue, Blue Area, Islamabad** on **Thursday March 28, 2024** at **11:30 a.m.** and through electronic means to transact the following businesses:

A. ORDINARY BUSINESSES:

1. receive, consider and approve the Audited Financial Statements (Consolidated and Unconsolidated) for the year ended December 31, 2023 together with the Chairman's review, Directors' and Auditors' reports thereon.
2. consider and if thought fit to approve the payment of Final Dividend at the rate of 55% i.e. Rs. 5.50 per share as recommended by the Board of Directors and also approve Interim Cash Dividends of 45 % i.e. Rs. 4.50 per share already paid to the Shareholders for the year ended December 31, 2023.
3. appoint Auditors of the Company for a term ending at the conclusion of the next Annual General Meeting and fix their remuneration. The Board of Directors recommends the appointment of KPMG Taseer Hadi & Co., Chartered Accountants as Auditors of the Company for the year 2024 as suggested by the Audit Committee in place of retiring auditors EY Ford Rhodes, Chartered Accountants. EY Ford Rhodes has not consented to act as auditors for the year 2024 as they are consolidating and restructuring their Audit practice and therefore, focusing on EY global clients operating in Pakistan and limiting industry sectors.

B. SPECIAL BUSINESS:

4. 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 Limited (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 up to Rs. 1,000,000,000 (Rupees One Billion Only) from time to time in EFU Life Assurance Limited (“EFU Life”), a subsidiary 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 Officer or Company Secretary be and are hereby individually authorized to fulfill all legal and corporate formalities for making the above investment.”
5. 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 item no. 4 of the notice.
- b. Status of previous approval of investments in associated company.

By Order of the Board

AMIN PUNJANI
Company Secretary

Karachi: February 28, 2024

NOTES

1. PARTICIPATION IN AGM THROUGH ELECTRONIC MEANS:

In light of the clarification issued by the Securities and Exchange Commission of Pakistan vide Circular No. 4 of 2021 for ensuring the participation of members in general meeting through electronic means as a regular feature, the Company has also provided the facility for attending the meeting via a video-link to its shareholders. The members are encouraged to participate in the meeting online by following the below guidelines.

The shareholders who intend to attend and participate in the Annual General Meeting through video-link are requested to please provide the below information to our Company Secretary at e-mail address: amin.punjani@efuinsurance.com, at least 24 hours before the time of AGM i.e. latest by 11:30 a.m. on Wednesday March 27, 2024.

Folio / CDC Account No.	Name	CNIC No.	Cell No.	Email Address

Upon receipt of the above information from shareholders, the Company will send login details to their email address, which will enable them to join the said AGM through video conference on Thursday March 28, 2024 at 11:30 a.m.

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

A. For attending the meeting:

- (i) In case of individuals, the account holder and/or sub-account holder(s) and their registration details are uploaded as per the Regulations, shall authenticate his/her identity by showing original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
- (ii) In case of a 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 a 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.
4. The Share Transfer Books of the Company will be closed from March 22, 2024 to March 28, 2024 (both days inclusive). Transfers received in order by our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 by the close of business on March 21, 2024 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 and corporate entities.

6. ELECTRONIC DIVIDEND MANDATE

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

In order to receive dividends 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 Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 in case of physical shares.

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

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

7. SUBMISSION OF VALID CNIC / SNIC (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, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 without any further delay.

8. ZAKAT DECLARATION (CZ-50)

Zakat will be deducted from the dividends at source under the Zakat and Usher Laws and will be deposited within the prescribed period with the relevant authority. In case you want to claim exemption, please submit your Zakat declarations under Zakat and Usher Ordinance, 1980 and Rule 4 of Zakat (Deduction & Refund) Rules, 1981 CZ-50 Form with our Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 or in case of book-entry securities in CDC to respective CDC participants. The shareholders while sending the Zakat Declarations must quote the company name and their respective CDS A/C # or Folio No.

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 Section 150 of the Income Tax Ordinance. We hereby advise shareholders as under;

- (i) The Government of Pakistan through the Finance Act, 2019 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for the deduction of withholding tax on the amount of dividend paid by the companies. These tax rates are as under:
 - a. for filers of income tax returns: 15 %
 - b. 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 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 @ 30% 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 based on 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 and email address. The contact number of Company Secretary is 021-32313471-90

(Ext: 9444) and email: amin.punjani@efuinsurance.com and the contact numbers of Share Registrar, CDC Share Registrar Services Limited is 0800-23275 & email: info@cdcsrsl.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, 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.

10. CONSENT FOR VIDEO CONFERENCING FACILITY

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

I / We, _____ of _____, being a member of EFU General Insurance Limited holder of _____ ordinary share(s) as per registered folio / CDC no. _____ hereby opt for a 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 that 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 dividends declared by the Company which have remained due for more than three years were sent to shareholders, uploaded on the Company website and a Final notice was issued in the newspaper. In case, no claim is lodged with the Company in the given time, the Company will deposit the unclaimed/unpaid amount and shares with the Federal Government pursuant to the provision of Section 244 (2) of the Companies Act, 2017.

12. TRANSMISSION OF THE ANNUAL AUDITED FINANCIAL STATEMENTS THROUGH QR-ENABLED CODE:

The Annual Report, including the Financial Statements of the Company, can be viewed using the following QR-enabled code. The same will be shared via email in case an email address is provided by the members. A printed copy of the above referred statements can be provided to members upon request.



13. AVAILABILITY OF AUDITED FINANCIAL STATEMENT ON THE COMPANY'S WEBSITE:

The audited financial statement of the Company for the year ended December 31, 2023 has been made available on the Company's website www.efuinsurance.com which can be viewed using the following link:

<https://efuinsurance.com/conventional/financials/financial-reports.php>

14. REGISTRATION DETAILS OF PHYSICAL SHAREHOLDERS

As per Section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all physical shareholders are advised to provide their mandatory information such as CNIC number, address, email address, contact mobile/telephone number, International Bank Account Number (IBAN), etc. to our Share Registrar at their below address immediately to avoid any non-compliance of law or any inconvenience in future:

CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahr-e-Faisal, Karachi-74400. Tel. Toll Free: 0800-23275, Email: info@cdcsrsl.com, website: www.cdcsrsl.com

15. PROCEDURE FOR E-VOTING

In accordance with the Companies (Postal Ballot) Regulation, 2018, ("the Regulations") the right to vote through electronic voting facility and voting by post shall be provided to members of every listed company for, inter alia, all businesses classified as special business under the Companies Act, 2017, ("the Act") and election of Directors in the manner and subject to conditions contained in the Regulations.

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on March 21, 2024.
- b) The web address, login details, and password will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of CDC Share Registrar Services Limited (being the e-voting service provider).
- c) The identity of the Members intending to cast a vote through e-voting shall be authenticated through electronic signature or authentication for login.
- d) Voting lines will start from March 23, 2024, 09:00 a.m. and shall close on March 27, 2024 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

16. PROCEDURE FOR VOTING THROUGH POSTAL BALLOT

Members may alternatively opt for voting through postal ballot. The members shall ensure that duly filled and signed ballot paper, along with copy of CNIC, should reach the Chairman of the meeting through post on the Company's registered address, EFU General Limited, Chairman, 5th Floor, EFU House, M.A. Jinnah Road, Karachi with attention to the Company Secretary, or email with subject "Voting through Postal Ballot" at amin.punjani@efuinsurance.com no later than March 27, 2024, during working hours. The signature on the ballot paper, shall match with the signature on CNIC For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website www.efuinsurance.com to download.

17. SCRUTINIZER

In accordance with clause 11 of the Companies (Postal Ballot) Regulation, 2018, the Board has appointed M/s PKF F.R.A.N.T.S & Co., Chartered Accountants, to act as the Scrutinizer of the Company to undertake other responsibilities as defined in Regulation 11A of the Regulations.

18. DEPOSIT OF PHYSICAL SHARES INTO CDC ACCOUNTS:

As per Section 72 of the Companies Act, 2017 all existing companies are required to convert their physical shares into book-entry form within a period not exceeding four years from the date of commencement of the Companies Act, 2017.

The Securities and Exchange Commission of Pakistan through its circular # CSD/ED/Misc./2016-639-640 dated March 26, 2021, has advised the listed companies to pursue their such members who still hold shares in physical form, to convert their shares into book entry form.

We hereby request all members who are holding shares in physical form to convert their shares into book-entry form at the earliest. They are also suggested to contact the Central Depository Company of Pakistan Limited or any member/stockbroker of the Pakistan Stock Exchange to open an account in the Central Depository System and to facilitate conversion of physical shares into book-entry form. Members are informed that holding shares in book-entry form has several benefits including but not limited to secure and convenient custody of shares, conveniently tradeable and transferable, no risk of loss, damage or theft, no stamp duty on transfer of shares in book-entry form and hassle-free credit of bonus or right shares.

We once again strongly advise members of the Company, in their best interest, to convert their physical shares into book-entry form at the earliest.

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 March 28, 2024.

1. Item No. 4 regarding investment in an associated company

The details and information to be furnished regarding item No. 4 - investment in associated company under section 199 of the Companies Act, 2017:

Information to be disclosed to members - (1) The Company shall disclose the 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-

Regarding associated company or associated undertaking:

(i) name of associated company or associated undertaking;

EFU Life Assurance Limited

(ii) basis of relationship;

Common Directorship and Shareholding

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

year ended December 31, 2023 - Rs. 20.66

year ended December 31, 2022 - Rs. 16.92

year ended December 31, 2021 - Rs. 15.08

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

Rs. 69.49 on the basis of audited financial statements for the year ended December 31, 2023

(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 one of the leading life insurance companies in the country. As on December 31, 2023, it has an asset base of Rs. 210.22 million. Its After-tax profit for the years 2023, 2022 and 2021 was Rs. 2,066 million, Rs. 1,692 million and Rs. 1,508 million respectively. EFU Life as on December 31, 2023 has a Paid-up Capital of Rs. 1,000 million, General Reserve of Rs. 2,120 million and Accumulated Surplus of Rs. 3,829 million.

(vi) in case of investment in relation to a project of an 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. 1,000 million.

(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 the Company's funds.

(iv) salient features of the agreement(s), if any, with an 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 Officer 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 a Subsidiary Company of the Company with holding of 47.31% shares. The market value of our investment in the subsidiary is Rs. 9,132 million. During the year, the Company received dividend income of Rs. 695.58 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;

47,306,972 shares (47.31%) 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, 2023 is Rs. 193.04 and weighted average value of twelve weeks is Rs. 190.33.

(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 Limited.

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 Officer has any interest in the investing Company except in their individual capacities as "Directors/Chief Executive Officer" and/or as shareholders of the investing Company. The Shareholding of the Directors is Mr. Saifuddin N. Zoomkawala 316,800 shares, Mr. Hasanali Abdullah 374,958 shares, Mr. Taher G. Sachak 14,046 shares and Mr. Ali Raza Siddiqui 800 shares.

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. 1 billion in EFU Life Assurance Limited was approved by the shareholders at Annual General Meeting of the Company held on March 31, 2021 to be invested within a period of three years.

ii. amount of investment made to date;

The Amount of Rs. 541.39 million has been invested out of Rs. 1 billion as at December 31, 2023.

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 March 31, 2024. Investment will be on availability of shares at reasonable price.

iv. and material changes made 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 March 31, 2021 the shareholders equity of the investee company remained Rs. 6,949 million as at December 31, 2023, Rs. 6,349 million as at December 31, 2022 and Rs. 6,178 million as at December 31, 2021.