

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 52nd annual general meeting of the shareholders of The Searle Company Limited will be held on Friday, October 27, 2017 at 05:30 p.m. at the Building Centre, 2nd Floor, Plot # 1, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of extraordinary general meeting held on July 31, 2017.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2017 together with the directors' and auditors' reports thereon.
3. To consider and approve final cash dividend for the financial year ended June 30, 2017, at the rate of Rs.8/- per share of Rs.10/- each, equivalent to 80%, as recommended by the board of directors. This is in addition to interim cash dividend already paid at Rs.2/- per share i.e. 20%.
4. To appoint auditors for the year ending June 30, 2018 and to fix their remuneration. The present auditors, M/s. A. F. Ferguson & Co., Chartered Accountants being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2018.

SPECIAL BUSINESS

Ordinary Resolutions:

5. To approve the issue of bonus shares in the ratio of twenty shares for every hundred shares held i.e. 20% as recommended by the board of directors, the issue of bonus shares is in addition to interim bonus shares already issued @ 10% and, if thought appropriate, to pass with or without modification(s) the following resolutions as ordinary resolution:

“RESOLVED that a sum of Rs.307,862,670/- out of the un-appropriated profits of the Company be capitalized and applied towards the issue of 30,786,267 ordinary shares of Rs.10/- each and allotted as fully paid bonus shares to the members who are registered in the books of the Company as at the close of business on October 20, 2017, in the proportion of twenty shares for every hundred ordinary shares held and that such new shares shall rank pari passu with the existing ordinary shares but shall not be eligible for the final cash dividend declared for the year ended June 30, 2017.

FURTHER RESOLVED that in the event of any member becoming entitled to a fraction of a share, the Directors be and are hereby authorized to consolidate all such fractions and sell the shares so constituted on the Stock Market and to pay the proceeds 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 to take all necessary actions on behalf of the Company for allotment and distribution of the said bonus shares as he think fit.”

6. To consider and if thought fit, to pass with or without modification(s) the following resolution as an ordinary resolution:



“RESOLVED that the transactions carried out by the Company in the normal course of business with related parties during the year ended June 30, 2017 be and are hereby ratified, approved and confirmed.

FURTHER RESOLVED that the Chief Executive Officer of the Company be and is hereby authorized to approve all the transactions carried out and to be carried out in the normal course of business with the related parties till the next annual general meeting of the Company and in this connection the Chief Executive Officer of the Company be and is hereby authorized to take any and all necessary actions and sign/execute any and all such documents/indentures as may be required in this regard on behalf of the Company.”

7. To approve the remuneration of Executive Director(s) including the Chief Executive Officer and, if thought appropriate, to pass with or without modification(s) the following resolutions as ordinary resolution:

“RESOLVED that the Chief Executive Officer and one full-time working director will be paid an amount not exceeding PKR 75 million which includes allowances and other benefits as per terms of their employment for the year ending June 30, 2018 be and is hereby approved. Further, the Chief Executive Officer and Executive Director are entitled for free use of Company maintained transport for official and private purposes as approved by the Board.”

Special Resolutions:

8. To consider the increase of authorized share capital of the Company from Rs.2,000 million to Rs.3,000 million divided into 300,000,000 ordinary shares of Rs.10/- each and to consider and if thought fit to pass the following resolution as special resolution:

“RESOLVED that the authorized share capital of the Company be and is hereby increased from Rs.2,000,000,000/- divided into 200,000,000 ordinary shares of Rs.10/- each to Rs.3,000,000,000/- divided into 300,000,000 ordinary shares of Rs.10/- each, by the creation of 100,000,000 additional ordinary shares at nominal value of Rs.10/- each to rank pari passu in every respect with the existing ordinary share of the Company.

FURTHER RESOLVED that the Memorandum and Articles of Association of the Company be and are hereby altered for increase in authorized share capital to read as follows:

- Clause V of Memorandum of Association “The authorized capital of the Company is Rs.3,000,000,000/- divided into 300,000,000 ordinary shares of Rs.10/- each.”
- Article 3 of Articles of Association “The authorized capital of the Company is Rs.3,000,000,000/- divided into 300,000,000 ordinary shares of Rs.10/- each.”

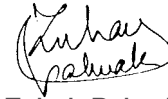
FURTHER RESOLVED that Mr. Zubair Palwala, Secretary of the Company be and is hereby authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal formalities and file all necessary documents as may be necessary or incidental for the purpose of implementation of the aforesaid resolution.”

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OTHER BUSINESS

9. To transact any other ordinary business of the Company with the permission of the Chair.

By order of the Board



Zubair Palwala
Company Secretary

Karachi: October 6, 2017

Pursuant to Section 134(3) of the Companies Act, 2017, this statement sets forth the material facts concerning the special business listed hereinabove, to be transacted at the 52nd Annual General Meeting of the Company to be held on October, 27, 2017.

Item 5

The Directors of the Company are of the view that the Company's financial position justifies issuance of bonus shares in the ratio of twenty shares for every hundred shares held.

The Directors are interested in the business to the extent of the entitlement of bonus shares as shareholders.

Item 6

All transactions of the Company with the related parties were reviewed by the audit committee quarterly and now submitted for approval and adoption for full year.

Item 7

The approval is being sought for fixing the remuneration of Executive Director(s) including the Chief Executive Officer of the Company in accordance with their terms and conditions of service.

None of the Directors of the Company have any, direct or indirect, interest in the above said special business, except that mentioned therein.

Item 8

The amendment in Memorandum and Articles of Association of the Company is proposed to enhance the authorized capital of the Company by Rs. 1,000 million. The enhancement of authorized capital will enable the Company to issue the bonus shares in future.

The Directors have no interest, directly or indirectly, in alteration of the Memorandum and Articles of Association of the Company, except that they are shareholders/directors in the Company.

NOTES:

A. Book closure:

- i) The share transfer books will remain closed from October 21, 2017 to October 27, 2017 (both days inclusive) for entitlement of 80% final cash dividend and 20% bonus shares. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited,



CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 by close of the business on October 20, 2017 will be treated in time for the purpose of attending the annual general meeting and entitlement of cash dividend and stock dividend.

- ii) All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder may appoint a proxy to attend, speak and vote on his/her behalf. The proxy need not be a member of the Company. Proxies in order to be effective must be received by the Company’s Registered Office: First Floor, NIC Building, Abbasi Shaheed Road, Karachi – 75530 not less than 48 hours before the meeting.
- iii) In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

In case of corporate entity, the Board of Directors’ resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

- iv) Members are requested to intimate any changes in address immediately to Company’s Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

B. Payment of Cash Dividend through electronic mode:

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholder only through electronic mode directly into the bank account designated by the entitled shareholder. SECP through its circular # 18/2017 dated August 01, 2017, has granted listed companies one-time relaxation from the aforementioned requirements of the Act, for payment of cash dividend till October 31, 2017. Please note that giving bank mandate for dividend payments is **mandatory** and in order to comply with this regulatory requirement and to avail the facility of direct credit of dividend amount in your bank account, you are requested to **please provide the following information** to your respective CDC Participant / CDC Investor Account Services (in case your shareholding is in Book Entry Form) or to our Share Registrar M/s. Central Depository Company of Pakistan Limited, Share Registrar Department, CDC House, 99-B, Block B, S.M.C.H.S., Main Shahra-e-Faisal, Karachi – 74400 (in case your shareholding is in Physical Form):

	Details of Shareholder
Name of shareholder	
Folio / CDS Account No.	
CNIC No.	
Cell number of shareholder	
Landline number of shareholder, if any	
Email	

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	Details of Bank Account
Title of Bank Account	
International Bank Account Number (IBAN) "Mandatory"	PK _____ (24 digits) (Kindly provide your accurate IBAN number after consulting with your respective bank branch since in case of any error or omission in given IBAN, the company will not be held responsible in any manner for any loss or delay in your cash dividend payment).
Bank's name	
Branch name and address	
It is stated that the above-mentioned information is correct and in case of any change therein, I / we will immediately intimate Participant / Share Registrar accordingly.	
_____ Signature of shareholder	

C. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:

- a) Pursuant to the provisions of the Finance Act 2017 effective July 1, 2017, the rate of deduction of income tax from dividend payments has been revised as follows:
 - i. Rate of tax deduction for filers of income tax return – 15%
 - ii. Rate of tax deduction for non-filers of income tax return – 20%

Shareholders whose names are not entered into the Active Tax-payers List (ATL) available on the website of FBR, despite the fact that they are filers, are advised to immediately make sure that their names are entered in ATL, otherwise tax on their cash dividend will be deducted @ 20% instead of 15%.

- b) Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to Company's Share Registrar by the first day of book closure.
- c) Further, according to clarification received from FBR, 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.

In this regard all shareholders who hold company's shares jointly are requested to provide shareholding proportions or principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

Company Name	Folio/CDS Account #	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 Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

- d) The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders are requested to send a copy of their NTN certificate to the Company's Share Registrar. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

D. Video conference facility:

Members can also avail video conference facility at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the company ten days before holding of the annual general meeting.

If the company receives consent from members holding in aggregate 16% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 day prior to day of meeting, the company will arrange a video conference facility in the city subject to availability of such facility in that city.

<p>I/We, _____ of _____ being a member of the Searle Company Limited, holder of _____ ordinary shares as per registered folio # _____ hereby opt for video conference facility at _____.</p> <p style="text-align: right; margin-top: 20px;">_____</p> <p style="text-align: right; margin-top: 5px;">Signature of Member</p>

The company will intimate members regarding venue of video conference facility at least five days before the date of annual general meeting along with the complete information necessary to enable them to access the facility.

E. Transmission of annual financial statements through email:

In pursuance of the directions given by the Securities and Exchange Commission of Pakistan (SECP) vide SRO 787(1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email, may fill the form attached to the annual report 2017 and send it back to the Company's share registrar along with a copy of CNIC.

F. Unclaimed dividend / Shares

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it become due and payable shall vest with the Federal Government after compliance of procedures prescribed under the Company Act, 2017. Section 244(1)(a) of the ACT requires the Company to give a 90 days' notice to the members to file their claims with the Company. Further, SECP vide Direction No. 16 of 2017 issued on July 7, 2017 directed all listed companies issue such notices to the members and submit statement of unclaimed shares or dividend or any other instrument which remain unclaimed or unpaid for a period of three years from the date it is due and payable as of May 30, 2017.