

Notice of 55th Annual General Meeting

Notice is hereby given that the 55th Annual General Meeting (AGM) of the members of **The Searle Company Limited** will be held through video link (in compliance with Circular No. 25 of 2020 issued by SECP dated August 31, 2020), on Wednesday, October 28, 2020 at 05:45 p.m. from 3rd Floor, One IBL Center, Plot No. 1, Block 7 & 8, 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 May 18, 2020.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2020 together with the Directors' and Independent Auditors' reports thereon.
3. To declare and approve final cash dividend @ 25% i.e. PKR 2.50 per share of PKR 10/- each for the financial year ended June 30, 2020, as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending June 30, 2021. The present Auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, offer themselves for re-appointment.
5. To elect seven (7) directors of the Company as fixed by the Board of Directors, in accordance with the provisions of Section 159(1) of the Companies Act, 2017, for the next term of three (3) years. The names of retiring Directors are as follows:
 - i. Mr. Adnan Asdar Ali
 - ii. Mr. Rashid Abdulla
 - iii. Mr. S. Nadeem Ahmed
 - iv. Mr. Zubair Razzak Palwala
 - v. Mr. Ayaz Abdulla
 - vi. Mr. Asad Abdulla
 - vii. Mrs. Shaista Khaliq Rehman

The retiring Directors are eligible for re-election.

SPECIAL BUSINESS

6. 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 112 million which includes allowances and other benefits as per terms of their employment for the year ending June 30, 2021 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."
7. To ratify and approve transactions conducted with Related Parties for the year ended June 30, 2020 by passing the following special resolution with or without modification:

"RESOLVED that the transactions carried out with Related Parties as disclosed in the note 43 of the unconsolidated financial statements for the year ended June 30, 2020 and specified in the Statement of Material Information under section 134(3) of the Companies Act, 2017 be and are hereby ratified, approved and confirmed."
8. To authorize the Board of Directors of the Company to approve transactions with Related Parties for the financial year ending June 30, 2021 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 carried out with Related Parties on case to case basis for the financial year ending June 30, 2021.

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."

OTHER BUSINESS

9. To transact any other business with the permission of the chair.

"Attached to this notice is Statement of Material Facts concerning the special business, as required under section 134(3) of the Companies Act, 2017 and ordinary business under Section 166(3) of the Companies Act, 2017"

By order of the Board



Zubair Razzak Palwala
Company Secretary

NOTES:

A. Book closure

The share transfer books will remain closed from October 22, 2020 to October 28, 2020 (both days inclusive). Transfers received in order at the office of Company's Share Registrar, M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 at the close of business on October 21, 2020 shall be considered in time for the purpose of attending the Annual General Meeting and entitlement of cash dividend.

B. Coronavirus contingency planning for general meeting of shareholders

In accordance with SECP Circular No. 5 of 2020 dated March 17, 2020, the Company will be taking measures for managing the annual general meeting of the Company in consonance with the Government's restrictions on public gatherings. Accordingly, the following information is set out below for the convenience of the shareholders of the Company:

- i) Shareholders are urged to send by email, WhatsApp or any other electronic mean or by post or courier their comments/suggestions for the proposed agenda item of the annual general meeting. The details are set out below:

Email address:	muhammad.suleman@searlecompany.com
WhatsApp No.:	+ 92 300 2700130
Cell phone No.:	+ 92 300 2700130
Registered Office Address:	The Searle Company Limited 2nd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahra-e-Faisal, Karachi

- ii) Shareholders of the Company can also attend the annual general meeting via video link to login and participate in the proceedings of the annual general meeting through their smartphones or computer devices from their homes or any convenient location after completing meeting attendance formalities.

Shareholders interested in attending the annual general meeting via video link are requested to have their particulars registered at least 24 hours before the time of annual general meeting with the Company Secretary at the following address:

Email address: muhammad.suleman@searlecompany.com

The login facility will be opened at 4:45 p.m. on October 28, 2020 enabling the participants to join the proceedings which will start at 5:45 p.m. sharp.

The shareholders are requested to provide the information as per the below format. The video link will be sent to the shareholders on the email address provided in the below table:

S. No.	Name of Shareholder	CNIC No.	Folio No.	Cell No.	Email address

In view of the prevailing situation shareholders are urged to provide proxies.

C. Participation in Annual General Meeting

All members are entitled to attend, speak and vote at the annual general meeting. A member 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: 2nd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahra-e-Faisal, Karachi-75530 not less than 48 hours before the meeting.

An individual beneficial owner of the shares must bring his/her original CNIC or Passport, Account and Participant's ID 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.

D. Payment of Cash Dividend electronically (mandatory requirement)

In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, a listed company, is required to pay cash dividend to its shareholder **only** through electronic mode directly into the bank account designated by the entitled shareholder. In this regard, The Searle Company Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices requesting the shareholders to comply with the requirements of providing their International Bank Account Number (IBAN).

Those shareholders who have still not provided their IBAN are once again requested to fill in "Electronic Credit Mandate Form" as reproduced below and send it duly signed along with a copy of valid CNIC to their respective CDC participant / CDC Investor account services (in case of shareholding in Book Entry Form) or to the Company's Share Registrar M/s. CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400 (in case of shareholding 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	
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	

In case of non-provision of IBAN, the Company will have to withhold the cash dividend according to SECP directives.

E. Withholding tax on Dividend

- i) Pursuant to the provisions of the Finance Act 2019 effective July 1, 2019, the rate of deduction of income tax from dividend payment under the Income Tax Ordinance, 2001 have been revised as under:
- i. for filers of income tax return – 15%
 - ii. for non-filers of income tax return – 30%

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 @ 30% instead of 15%.

- ii) 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.
- iii) As per the clarification issued by 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.

If the shares are not ascertainable then each account holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly. Therefore, all shareholders who hold shares jointly are required to provide shareholding proportions of principal shareholder and joint-holder(s) in respect of shares held by them to the Registrar and Share Transfer Agent in writing as follows:

			Principal Shareholder		Joint Shareholder	
Company Name	Folio/CDS Account #	Total Shares	Name and CNIC #	Shareholding Proportion (No. of Shares)	Name and CNIC #	Shareholding Proportion (No. of Shares)

- iv) 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.

F. Election of Directors

Any member, who seeks to contest the election of Directors, whether he/she is retiring Director or otherwise, shall file with the Company at its registered office 2nd Floor, One IBL Centre, Block 7 & 8, D.M.C.H.S., Tipu Sultan Road, off Shahrah-e-Faisal, Karachi not later than fourteen (14) days before the meeting, the following documents:

- i) Notice of his/ her intention to offer himself/herself for election of Directors in terms of Section 159 of the Companies Act, 2017.
- ii) His/her Folio No./CDC Investor Account No./CDC Participation ID No./Sub-Account No.
- iii) Consent to act as a Director in Form-28 under Section 167 of the Companies Act, 2017.
- iv) A detailed profile along with correspondence address and contact information for placement on Company's website as required under SECP's SRO 1196(I)/2019 dated October 3, 2019.
- v) The members who intend to contest election as Independent Directors shall submit a declaration under clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 that he/she qualifies the criteria of eligibility and independence notified under Section 166 of the Companies Act, 2017 and Regulations issued thereunder and that their names are listed on the data bank referred in Section 166(1) of the Companies Act, 2017.
- vi) Detail of other Directorship(s) and office(s) held.
- vii) Attested copy of valid CNIC / Passport and National Tax Number (NTN).
- viii) A declaration confirming that:
 - a) He/she is aware of duties and powers of Directors under the relevant laws, Memorandum & Articles of Association of the Company, the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the listing regulations of Pakistan Stock Exchange Limited;
 - b) He/she is not serving as a Director in more than seven (7) listed companies including this Company; and
 - c) He/she is not ineligible to become a Director of a listed company under Section 153 of the Companies Act, 2017 and any other applicable laws and regulations.The qualification of a Director shall be holding shares in the Company of the nominal value of PKR 5,000/- in terms of Articles 49 of the Articles of Association of the Company.

If the number of persons who offer themselves to be elected is more than the number of Directors fixed under Section 159(1) of the Companies Act, 2017, then the Company shall provide members with the option of e-voting or voting by postal ballot in accordance with the provisions of Companies (Postal Ballot) Regulations, 2018.

G. Request for 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 10% 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.

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 _____.

Signature of Member

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.

H. Electronic transmission of financial statements and notice of annual general meeting

Members who desire to receive financial statements and notice of annual general meeting through email are requested to send their consent on Standard Request Form available on company's website www.searlecompany.com in order to avail the facility. The financial statements and notice of annual general meeting are also available on company's website.

I. Postal Ballot/E-Voting

In accordance with the Companies (Postal Ballot) Regulations 2018, for the purpose of approval of any agenda item, members will be allowed to exercise their vote through postal ballot i-e, by post or e-voting, in the manner and subject to conditions contained in aforementioned regulations.

J. Change of Address

Members are requested to notify changes in their address, if any, immediately to the Company's Share Registrar, CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400.

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

- Item 6 of the notice - approval of the remuneration of Chief Executive Officer

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 7 of the notice - ratification and approval of the related party transactions

All transactions of the Company with the related parties were approved by the Board. Transactions conducted with all related parties have to be approved by the Board of Directors duly recommended by the Audit Committee on quarterly basis pursuant to clause 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019. However, during the year since majority of the Company's Directors were interested in certain transactions due to their common directorships in the group companies, these transactions are being placed for the approval by shareholders in the Annual General Meeting.

All transactions with related parties to be ratified have been disclosed in the note 43 to the unconsolidated financial statements for the year ended June 30, 2020. Party-wise details of such related party transactions are given below:

Name of Related Parties	Nature of Transactions	PKR '1000
IBL Operation (Private) Limited	Revenue	13,730,653
	Rental Income	13,613
	Salaries and wages	4,436
	Purchases	718
	Carriage and duties	74,017
	Discounts claimed	531,429
	Rent expense	16,803
	Stock claims	401,293
	Internet services	414
	Repair and Maintenance	807
	Incentive of Field Force	19,035
	Merchandise Expense	27,462
	Others	8,935
United Brand Limited	Purchases	27,962
	Stock claims	313
	Group Tax Relief	14,325
IBL Frontier Market (Private) Limited	Furnitures and Fixtures purchased	31,581
	Purchase of personal protective equipment	11,934
International Franchises (Private) Limited	Rental Income	12,651
	Renovation	13,749
	Income from provision Amenities	5,342
United Distribution Limited	Rental Income	409
	Rent expense	250
	Income from provision Amenities	165
IBL-Unisys (Private) Limited	Rental Income	695
	Income from provision Amenities	338
AKAR Hospital	Donations	8,374
IBL Logistics (Private) Limited	Revenue	9,301
	Rental Income	697
	Purchases	1,559
Multinet Pakistan (Private) Limited	Internet services	2,865
Hunar Foundation	Donations	11,500
Trax Online Private Limited	Carriage and duties	4,344
Indus Hospital	Donations	10,000
Searle Biosciences (Private) Limited	Revenue	164,529
	Dividend Receivables	332,000
	Advance against financial assistance	115,292
	Advance Refund	3,400

Name of Related Parties	Nature of Transactions	PKR '1000
IBL Healthcare Limited	Revenue	317,739
	Rental Income	1,204
	Dividend Receivables	39,009
	Advance against financial assistance	8,277
	Royalty Paid on Behalf of IBL Health Care Limited	5,464
IBL Identity Private Limited	Income from provision Amenities	586
	Advance against financial assistance	125,750
Searle Laboratories Private Limited	Purchase of Property, plant and equipment	74,060
	Advances refund	8,700
International Brand Limited	Rental Income	13,048
	Income from provision Amenities	9,216
	Corporate Service Charged	240,000
	Computer Expense	2,643
	Others	135
United Retail (SMC-Private) Limited	Group Tax Relief	137,089
	Rental Income	32,054
OBS Pakistan (Private) Limited	Income from provision Amenities	32,521
	Facility Management fee	252,000
	Rental Income	2,814
	Purchases	2,071
Arshad Shahid Abdulla (Private) Limited	Others	111
	Architect fee	7,604
IBL Company Limited	Others	2,440
Sabaq Learning Foundation	Donations	15,000
Key Management Employees Compensation	Salaries and other employee benefits	66,521
	Contributions to Provident Fund	3,869

The Company carries out transactions with its related parties on an arm's length basis as per the approved policy with respect to 'transactions with related parties' in the normal course of business. All transactions entered into with related parties require the approval of the Board of Audit Committee of the Company, which is chaired by an independent director of the Company. Upon the recommendation of the Board of Audit Committee, such transactions are placed before the board of directors for approval.

Transactions entered into with the related parties include, but are not limited to, sale of goods, dividends paid, (in accordance with the approval of shareholders and board where applicable) and salaries and other benefits paid to the key management personnel.

The nature of relationship with these related parties has also been indicated in the note 43 to the unconsolidated financial statements for the year ended June 30, 2020. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

Item 8 of the notice - authorize the Board of Directors to approve the related party transactions during the year ending June 30, 2021

The Company shall be conducting transactions with its related parties during the year ending June 30, 2021 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 June 30, 2021, 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.

STATEMENT UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017

Pursuant to the requirements of Section 166(3) of the Companies Act, 2017, independent directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under Section 166 (2) of the Act.

No Directors have direct or indirect interest in the above said business other than as shareholders of the Company and that they are eligible to contest the election for directorship.