



THE SEARLE COMPANY LIMITED

Notice of Extraordinary General Meeting

Notice is hereby given that an extraordinary general meeting of the shareholders of The Searle Company Limited will be held through video link on Monday, May 18, 2020 at 11:00 a.m. at the Company's Registered Office, 2nd Floor, One IBL Center, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahra-e-Faisal, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of annual general meeting held on October 25, 2019.

SPECIAL BUSINESS

2. To consider and approve the acquisition of 100% of the issued and paid up share capital of Luna Pakistan (Private) Limited, which indirectly (through Lunar Pharma (Private) Limited) owns OBS Pakistan (Private) Limited and if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:

RESOLVED THAT the approval of the members of the Company be and is hereby accorded for the acquisition of 100% (one hundred percent) of the issued and paid up share capital of Luna Pakistan (Private) Limited ("Luna"), which indirectly (through Lunar Pharma (Private) Limited) owns 100% (one hundred percent) of the issued and paid up share capital of OBS Pakistan (Private) Limited ("OBS"), for an aggregate purchase price equal to PKR 8,600,000,000/- (Pak Rupees Eight Billion Six Hundred Million) from Universal Ventures (Private) Limited ("UVPL"), which acquisition is subject to obtaining all necessary regulatory approvals and negotiation and finalization of deal terms and documents with UVPL ("Proposed Transaction"). The consideration for the Proposed Transaction is expected to be paid and settled as follows:

- (i) PKR 4,250,000,000/- (Pak Rupees Four Billion Two Hundred Fifty Million) shall be paid in cash at the time of transfer of shares of Luna to the Company; and
- (ii) PKR 4,350,000,000/- (Pak Rupees Four Billion Three Hundred Fifty Million) shall be paid in cash on a deferred payment basis, such that in the event the amount is paid within 12 (twelve) months, no markup shall be applicable on such amount and in the event the Company pays the same after 12 (months) and in any case within 36 (thirty six) months, the outstanding balance amount shall be paid along with markup calculated at the rate of 6 months KIBOR + 0.5% per annum.

FURTHER RESOLVED THAT UVPL shall be granted a call option by the Company to purchase 25% (twenty five percent) shares of Luna, or in the event that OBS and Lunar have been merged with and into Luna, which merger process is currently in progress, then of the surviving entity, for an amount equivalent to the price per share paid / to be paid by the Company for Luna as part of the Proposed Transaction, which option shall be available for a period of 12 (twelve) months from the date of transfer of shares of Luna to the Company.

FURTHER RESOLVED THAT Mr. S. Nadeem Ahmed – Chief Executive Officer and/or Mr. Zubair Palwala - Director and 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 implementing the aforesaid resolutions.

3. To consider and approve the making of an equity investment up to PKR 7,200,000,000/- (Pak Rupees Seven Billion Two Hundred Million) in Luna for the purposes of settling and swapping the finance facility availed by Luna from Habib Bank Limited ("Proposed Equity Investment"), the funding of which Proposed Equity Investment, is intended to be made through availment of a finance facility from a syndicate of banks and financial institutions arranged by Habib Bank Limited itself and accordingly, if thought fit, to pass with or without modification(s), the following resolutions as Ordinary Resolution:

RESOLVED THAT, the Company be and is hereby authorized to also make an equity investment in the amount of up to PKR 7,200,000,000/- (Pak Rupees Seven Billion Two Hundred Million) in Luna for the purposes of settling and swapping the finance facility availed by Luna from Habib Bank Limited ("Proposed Equity Investment").

FURTHER RESOLVED THAT for the purposes aforesaid, Mr. Syed Nadeem Ahmed, Chief Executive Officer, and / or Mr. Zubair Razzak Palwala, Director of the Company, be and are hereby, jointly and severally, authorized and empowered to do the following on behalf of the Company:

- (i) Prepare, negotiate and finalize the terms and conditions of all necessary documents and agreements for the purposes of the Proposed Equity Injection, as well as to execute the same on behalf of the Company;
- (ii) take all steps and actions for obtaining the requisite consents with respect to the Proposed Equity Investment;
- (iii) generally do all acts, deeds and things including executing all such documents and agreements as may be required with respect to the aforementioned resolutions along with all incidental actions and matters in respect of the same.

OTHER BUSINESS

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

(Attached to this Notice is a Statement of Material Facts covering the abovementioned Special Business, as required under section 134(3) of the Companies Act, 2017)

By order of the Board
Zubair Palwala
Company Secretary
Karachi: April 27, 2020

NOTES:

A. Book closure

The share transfer books will remain closed from May 12, 2020 to May 18, 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 May 11, 2020 shall be treated in time for the purpose of attending the Extraordinary General Meeting.

B. Participation in Extraordinary General Meeting

All members are entitled to attend, speak and vote at the extraordinary 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 # 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi 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.

E. 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 extraordinary 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 extraordinary general meeting along with the complete information necessary to enable them to access the facility.

F. 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.

G. Coronavirus contingency planning for general meetings of shareholders

In accordance with SECP Circular No. 5 of 2020 dated March 17, 2020, the Company will be taking measures for managing the extraordinary 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 items of the extraordinary 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 extraordinary general meeting via video link to login and participate in the proceedings of the extraordinary 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 extraordinary general meeting via video link are requested to have their particulars registered at least 24 hours before the time of extraordinary general meeting with the Company Secretary at the following address

Email address: muhammad.suleman@searlecompany.com

The login facility will be opened at 10:00 a.m. on May 18, 2020 enabling the participants to join the proceedings which will start at 11:00 a.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

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

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

Item No. 2 of the notice

SPECIAL BUSINESS:

The Proposed Transaction provides an inorganic growth opportunity to the Company, which is one of the leading pharmaceutical companies in Pakistan with more than 3,000 medical representatives across the nation. The Company sees tremendous growth opportunity in the existing portfolios of OBS and is appropriately positioned to unlock and realize the same for the benefit of all shareholders. Furthermore, being in the same business, the Proposed Transaction will result in enormous operational synergies which again will improve the business potential of the Company for the benefit of all shareholders.

For the purposes of valuation of the Proposed Transaction, the Company had engaged the services of KPMG Taseer Hadi & Co. and EY Ford Rhodes, and the terms agreed with the seller are supported by the valuations suggested by them. A copy of the valuation report prepared by KPMG Taseer Hadi & Co. and EY Ford Rhodes are being sent on compact disk.

The Proposed Transaction is intended to be partly funded through availment of a finance facility from a syndicate of banks and financial institutions arranged by Habib Bank Limited, with the balance amount to be paid over a period of time and in any case within a period of 3 years.

Certain additional information regarding Proposed Transaction can be found below:

(i)	Earnings per share for the last three years	Loss per share of Luna for the year ended June 30, 2019 is 0.002/share. This entity was incorporated on December 3, 2018.
(ii)	Break-up value per share, based on latest audited financial statements	Breakup value per share for the year ended June 30, 2019 is 7.99/share.
(iii)	Financial position, including main items of statement of financial position and profit and loss account on the basis of its latest financial statements	The main items are as follows (PKR 000's): <ul style="list-style-type: none"> - Total Assets : 14,047,277. - Total Liabilities : 11,148,814. - Total Equity : 2,898,462. - Loss for the year : 652.
(iv)	Price at which securities will be acquired	Shares of Luna are acquired from UVPL at the rate of PKR 26.46/share, while the equity is being injected at PKR 288/share, with a premium of PKR 278/ share, approximately.
(v)	Maximum number of securities to be acquired	100% of the shares of Luna (325,010,000 shares) are to be acquired. While the additional equity against right issue is also being injected into Luna, amounting to PKR 7.2 billion (24,990,000 shares).
(vi)	Number of securities and percentage thereof held before and after the proposed investment	Securities held before transaction : Nil. Securities held after transaction : 350,000,000 shares.

With respect to the Proposed Equity Investment, it may be noted that the same is intended to be injected for the purposes of settling and swapping an existing finance facility availed by Luna from Habib Bank Limited. It is intended that that the Proposed Equity Investment will be made by raising funds through availment of a finance facility from a syndicate of banks and financial institutions arranged by Habib Bank Limited itself and accordingly, the transaction will result in a swapping of finance facility from Luna to the Company and without any additional debt burden on the group.

Other than Mr. Rashid Abdullah who is a related party of UVPL (who for the avoidance of doubt, did not vote on the matter comprising the Special Business), the remaining Board of Directors of the Company have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholding in the Company.