

THE SEARLE COMPANY LIMITED

Notice of 58th Annual General Meeting

Notice is hereby given that the **58th Annual General Meeting (AGM)** of the members of **The Searle Company Limited** will be held on **Friday, October 27, 2023 at 04:30 p.m.** through **video link facility** 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 extra ordinary general meeting held on July 26, 2023.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2023 together with the Directors' and Independent Auditors' reports thereon.
3. As required under Section 223(7) of the Companies Act 2017, and pursuant to S.R.O. 389(I)/2023 dated March 21, 2023 the Financial Statements of the Company have been uploaded on the website of the Company, which can be downloaded from the following weblink / QR code:



<https://www.searlecompany.com/investor-information/>

4. To appoint external auditors of the Company and to fix their remuneration for the year ending June 30, 2024. The present auditors, M/s. A. F. Ferguson & Co., Chartered Accountants, retire and being eligible, have offered themselves and consented for re-appointment, and the Board of Directors has recommended their 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	v.	Dr. Atta Ur Rahman
ii.	Mr. Munis Abdullah	vi.	Mr. Mufti Zia Ul Islam
iii.	Mr. S. Nadeem Ahmed	vii.	Mrs. Shaista Khaliq Rehman
iv.	Mr. Zubair Razzak Palwala		

The retiring Directors are eligible for re-election.

SPECIAL BUSINESS

6. To consider and if deemed fit, ratify and approve (as the case may be), the following resolutions, as special resolutions, with respect to related party transactions/arrangements conducted, in terms of Section 207 and / or 208 of the Companies Act, 2017 (to the extent applicable), with or without modification:

“RESOLVED that the transactions carried out by the Company with different Related Parties, during the year ended June 30, 2023, as disclosed in note 42 of the unconsolidated financial statements of the Company for the said period and specified in the Statement of Material Information under Section 134(3), be and are hereby ratified and confirmed.

FURTHER RESOLVED that the Company be and is hereby authorized to enter into arrangements or carry out transactions from time to time including, but not limited to, for the purchase and sale of goods and material including chemicals or availing or rendering of services or share subscription, with different related parties to the extent deemed fit and /or approved by the Board of Directors, during the period up to conclusion of next Annual General Meeting. The

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members have noted that for the aforesaid arrangements and transactions some or a majority of the Directors may be interested. Notwithstanding the same, the members hereby grant an advance authorization and approval to the Board Audit Committee and the Board of Directors of the Company, including under Section 207 and/ or 208 of the Companies Act, 2017 (to the extent applicable) to review and approve all related party transactions as per the quantum approved by the Board of Directors from time to time.

FURTHER RESOLVED that the related party transactions, for the period ending June 30, 2024, shall be deemed to have been approved by the members, and shall subsequently be placed before the members in the next Annual General Meeting for ratification and confirmation.”

OTHER BUSINESS

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

“Statement of Material Facts concerning the special business, as required under section 134(3) of the Companies Act, 2017 is being sent to the members along with the notice of the meeting and also available on our website.”

By order of the Board

Zubair Razzak Palwala
Director & Company Secretary

Karachi: October 6, 2023

NOTES:

A. Participation in the AGM through Video Link Facility

The Company intends to convene the Annual General Meeting (AGM) through video link facility managed from 3rd Floor, One IBL Centre, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi. The AGM through video link facility is being held in line with Company’s austerity measures in the wake of the current macroeconomic situation and recent Pink Eye or Conjunctivitis spread in the city. For the foregoing reasons, the Company plans to convene the AGM electronically with a view to providing larger participation of members across the country and lowering attendance costs for shareholders.

Shareholders interested in attending / participating in the AGM through video link facility are hereby advised to get themselves registered with the Company by providing the following information through email sent to cdcsr@cdcsrsl.com or WhatsApp at 0321-8200864 at the earliest, but not later than 48 hours before the time of the AGM i.e. before 4:30 p.m. on October 25, 2023.

Name of Shareholder	CNIC No.	Folio No./CDC Account No.	No. of shares	Cell No.	Email address

The online meeting link and login credentials will be shared with only those members who provide their intent to attend the meeting containing all the required particulars as mentioned above on or before October 26, 2023 by 4:30 p.m.

All members are entitled to attend, speak and vote at the AGM. 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 Centre, Plot No. 1, Block 7 & 8, Tipu Sultan Road, Off Shahrah-e-Faisal, Karachi-75530 not less than 48 hours before the meeting.

An individual beneficial owner of the shares must provide his/her original CNIC or Passport, Account and Participant’s ID numbers to prove his / her identity. In case of corporate entity, the Board of Directors’ Resolution and/or Power of Attorney with specimen signature of the nominee shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

B. Book closure

The share transfer books will remain closed from October 21, 2023 to October 27, 2023 (both days inclusive). Transfers received in order at the office of Company’s Share Registrar, M/s. CDC Share Registrar Services Limited (CDCSR), CDC House, 99 – B, Block ‘B’, S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400 at the close of business on October 20, 2023 shall be considered in time for the purpose of attending the Annual General Meeting.

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C. 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 Shakra-e-Faisal, Karachi-74400.

D. 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 at least ten days before holding of the AGM.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a particular geographical location, to participate in the meeting through video conference at least 10 days prior to day of AGM, 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 AGM along with the complete information necessary to enable them to access the facility.

E. Polling on Special Business Resolutions:

The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 (the "Regulations"), as amended through Notification dated December 05, 2022, issued by the Securities and Exchange Commission of Pakistan ("SECP"), the SECP has directed all the listed companies to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as special business.

Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming AGM to be held on 27th day of October 2023 at 4:30 p.m. in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

For the convenience of the Members, ballot paper is annexed to this notice and the same is also available on the Company's website at www.searlecompany.com. for download.

1. Procedure for E-Voting:

- I. 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 October 20, 2023.
- II. 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).
- III. Identity of the Members intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- IV. E-Voting lines will start from October 24, 2023, 09:00 a.m. and shall close on October 26, 2023 at 5:00 P.M. Members can cast their votes 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.

2. Procedure for Voting Through Postal Ballot:

The members shall ensure that duly filled and signed ballot paper, along with copy of Computerized National Identity Card (CNIC), should reach the Chairman of the meeting through post on the Company's registered address at 2nd Floor, One IBL Centre, Plot No. 1, Block 7 & 8 D.M.C.H.S., Tipu Sultan Road, Karachi or email at muhhammad.suleman@searlecompany.com no later than one day before the AGM on October 26, 2023, during working hours. The signature on the ballot paper shall match the signature on CNIC.

The schedule and procedure of postal ballot / E-Voting will be placed on the Company's website i.e. www.searlecompany.com at least seven (7) days of the meeting.

F. Unclaimed Dividend and Bonus Shares:

Shareholders, who by any reason, could not claim their dividend or bonus shares or did not collect their physical shares, are advised to contact our Share Registrar M/s CDC Share Registrar Services Limited Ltd. to collect/enquire about their unclaimed dividend or pending shares, if any.

Please note that in compliance with Section 244 of the Companies Act, 2017, after having completed the stipulated procedure, all dividend unclaimed for a period of three years from the date due and payable shall be deposited to the credit of the Federal Government and in case of shares, shall be delivered to the Securities & Exchange Commission of Pakistan.

G. Annual Audited Accounts through QR enabled code and weblink:

pursuant to the SECP Notification vide S.R.O. 389(I)/2023 dated March 21, 2023, the Company in the Extra Ordinary General Meeting held on July 26, 2023 obtained the approval of the shareholders to circulate Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink. Accordingly, Financial Statements of the Company has been uploaded on the website of the Company, which can be downloaded from the following link / QR code:

<https://www.searlecompany.com/investor-information/>

H. 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 (3) of the Companies Act, 2017 in the following categories as per new amendments through SECP's SRO dated July 07, 2023, in Regulation 7A of the Listed Companies (Code of Corporate Governance) Regulations, 2019:
 - Female Director
 - Independent Director
 - Other Director
- 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.

Additional Documents for Candidates Intending to Contest the Election as an Independent Director

Independent Director(s) will be elected in terms of section 159 of the Companies Act 2017 and they shall meet the criteria laid down in section 166(2) of the Companies Act, 2017 and the Companies (Manner and Selection of Independent Director) Regulations, 2018.

- (i) Declaration of Independence under Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019;
- (ii) Undertaking on non-judicial stamp paper that he/she meets the requirements of Regulation 4(1) of the Companies (Manner and election of Independent Directors) Regulations, 2018.

The final list of contesting directors will be circulated not later than seven (7) days before the date of the AGM in terms of Section 159(4) of the Companies Act, 2017. Further, the website of the Company will also be updated with the required information.

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.

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

This statement sets out the material facts concerning the Special Business listed at agenda item 6 to be transacted at the Annual General Meeting of The Searle Company Limited (the “**Company**”) to be held on October 27, 2023.

- **Item 6 of the notice - ratification and approval (to the extent applicable) of the related party transactions/arrangements conducted / to be conducted by the Company.**

The Company routinely enters into arrangements and carries out transactions with its related parties in accordance with its policies and the applicable laws and regulations. Certain related party transactions, in which a majority of the Directors are interested, would require members' approval under Sections 207 and / or 208 (to the extent applicable) of the Companies Act, 2017, read with Regulation 15 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

As some/majority of the Directors of the Company may be deemed to be interested in certain arrangements / transactions with related parties, including due to their shareholding or common directorships in related entities/parties, and to promote transparency, an approval from the members was sought during the 58th AGM of the Company, where the members authorized the Board of Directors to approve such related party transactions conducted by the Company from time to time (and on a case to case basis) during the financial year ended June 30, 2023, and such transactions were deemed to be approved by the members. All the related party transactions have been disclosed in Note 42 to the unconsolidated financial statements for the year ended June 30, 2023. Such transactions were to be placed before the members in next AGM for their ratification / confirmation. Accordingly, these transactions are being placed before the AGM for ratification / confirmation by the members.

Name of Related Parties	Nature of Transactions	PKR '1000
International Brands (Private) Limited	- Corporate service charges	135,169
	- Rent income	16,792
	- Income from provision of amenities	13,779
	- Expenses	3,329
	- Right shares subscribed	-
	- Dividend Paid	-
IBL Healthcare Limited	- Revenue	473,611
	- Dividend income	46,811
	- Rent income	3,974
	- Income from provision of amenities	4,015
	- Others	226
	- Bank guarantee	5,488
	- Royalty	41,200
	- Purchases	2,428
Searle Biosciences (Private) Limited	- Revenue	188,570
	- Dividend income	97,000
	- Facility management fee	170,000
	- Reimbursement of expenses	99,303
Searle Pakistan Limited	- Revenue	322,786
	- Rent income	9,583
	- Income from provision of amenities	2,030
	-Dividend income	409,502
	- Sales promotion expenses	9,769
	- Material loan given	2,696
	- Material loan obtained	7,350
	- Purchases	387,881
	- Retention amount	4,325
Nextar Pharma (Private) Limited	-Purchase of property plant & equipment	18,959
	-Reimbursement of expenses	21,626
	-Purchases	1,622
IBL Operations (Private) Limited	-Revenue	18,048,664
	-Rent income	7,217
	-Income from provision of amenities	5,378
	-Carriage and duties	64,552
	-Discounts claimed	401,269
	-Rent expense	67,404

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	-Merchandise expense	34,936
	-Internet services	311
	-Incentive to field force staff	17,784
	-Salaries and wages	6,057
	-Inventory claims	610,521
	-Purchases	9,934
	-Others	6,306
	-Donations	8,913
Universal Ventures (Private) Limited	-Disposal of land	510,000
United Brands Limited	-Purchases	484
IBL Frontier Markets (Private) Limited	-Reimbursement of expenses	5,372
	-Purchases	5,493
	-Income from provision of amenities	23,821
IBL Unisys (Private) Limited	-Rent income	2,242
	-Income from provision of amenities	1,567
	-IT services	7,519
	-Purchases	2,031
Prime Health (Private) Limited	-Product sample expense	4,509
	-Travelling expense	440
Searle I.V Solutions (Private) Limited	-Purchases	126,475
IBL Logistics (Private) Limited	-Carriage and duties	183,605
	-Repair and maintenance	257
	-Purchases	646
United Retail (Private) Limited	-Donation	4,935
	-Salaries and wages	6,963
	-Purchases	1,892
Universal Retail (Private) Limited	-Rent income	29,684
	-Income from provision of amenities	103,953
	-Expenses paid by the Company	1,898
AKAR Hospital	-Donation	29,388
Multinet Private Limited	-Internet services	8,450
The Hunar Foundation	-Donation	6,000
Karachi Relief trust	-Donation	8,000
Rashid Abdullah Foundation	-Donation	8,850
The Citizen Foundation	-Donation	10,000
Staff retirement benefits:	-Contributions to Provident Fund	179,419
	-Benefits paid	200,044
Key management employees' compensation:	-Salaries and other employee benefits paid	340,285
	-Contributions to Provident Fund	26,761

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The Company carries out transactions and enters into arrangements with its related parties primarily 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 / arrangements entered into with related parties require the approval of the Board Audit Committee, which is chaired by an independent director of the Company. Upon the recommendation of the Board Audit Committee, such arrangements / transactions are placed before the Board of Directors for approval.

The nature of relationship with these related parties has also been indicated in the Note 42 to the unconsolidated financial statements of the Company for the year ended June 30, 2023. The Directors are interested in the resolution only to the extent of their common directorships and shareholdings (to the extent applicable) in such related parties.

Accordingly, the members are requested to ratify and confirm the transactions with related parties as disclosed in the unconsolidated financial statements of the Company for the year ended June 30, 2023.

Furthermore, the Company will be entering into arrangements and conducting transactions with its related parties including, but not limited to, those stipulated in the resolution, during the year ending June 30, 2024. As some or a majority of the Directors of the Company may be deemed to be interested in certain arrangements or transactions, inter alia, due to their shareholding or common directorships in related entities, and in order to promote transparent business practices, an approval from the members is being sought to authorize the Company to conduct such related party transactions and enter into arrangements with related parties, and further to authorize and grant power to the Board of Directors to approve related party transactions to be conducted by the Company during the financial year ending June 30, 2024 (irrespective of composition of the Board and interest of the Directors). The related party transactions as aforesaid for the year ending June 30, 2024 shall be deemed to have been approved by the members.

The members should note that it is not possible for the Company or the Directors to accurately predict the nature of related party arrangements / transactions, or the specific related parties with whom the transactions will be carried out. The transactions that may be carried out by the Company include, but are not limited to, the purchase and sale of goods and materials including chemicals or availing or rendering of services or share subscription. The members should also note that, for the Special Resolutions described in the Notice of AGM, it is not possible for the Company to predict the quantum of related party transactions / arrangements to be undertaken in the period ending June 30, 2024; accordingly, the members are also requested to authorize the Board of Directors to determine the quantum of the related party transactions / arrangements that may be undertaken from time to time. The Company will present the actual figures for subsequent ratification and confirmation by the members, at the next AGM.

Based on the aforesaid the members are requested to pass the Special Resolutions (with or without modification) as stated in the Notice.

The Directors are interested in the resolutions only to the extent of their shareholdings and / or common directorships (to the extent applicable) 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.