

East West Insurance Company Limited

NOTICE OF ANNUAL GENERAL MEETING

It is hereby given that the 31st Annual General Meeting of East West Insurance Company Limited will be held on Thursday, May 28, 2020, at 11:30 A.M. at the Registered Office of the Company located at 27, Regal Plaza, Jinnah Road, Quetta, to transact the following business:

ORDINARY BUSINESS:

- To confirm the minutes of Extraordinary General Meeting of the Company held on March 31, 2020.
- To receive, consider and adopt the Audited Financial Statements of the Company together with the Directors' and Auditors' report thereon for the year ended December 31, 2019.
- To consider the appointment of Auditors for the year ending December 31, 2020 and fix their remuneration. Messrs BDO Ebrahim & Co. Chartered Accountants, being eligible have offered themselves for appointment.
- To increase the number of Director from eight (8) to nine (9) as fix by the board of directors in their meeting held on April 29, 2020.
- To approve the interim bonus issue as final distribution for the year ended December 31, 2019 announced on October 15, 2019 and already issued to the shareholders in the proportion of two ordinary shares for every ten ordinary shares held i.e. 20%.

SPECIAL BUSINESS:

6. Investment in Askari Life Assurance Company Limited.

To consider and if thought fit to pass the following resolutions with or without any modification as Special Resolution:

"RESOLVED that consent of the members of Askari Life Assurance Co., Ltd. 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. 75,000,000/- (Rupees Seventy five Million) from time to time in Askari Life Assurance Company Limited, an approved 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 one year from the date of passing of special resolution."

"Further Resolved that Managing Director & Chief Executive of Company Secretary be and are hereby individually authorized to fulfil all legal and corporate formalities for making the above investment."

OTHER BUSINESS:

7. To consider other business with the permission of the chair.

Attached to this notice of meeting being to the members is a statement under section 134(3)(d) Companies Act, 2017.

By the order of the board

Shabbir Ali Kanchwala
Company Secretary
Karachi: 29th April, 2020

NOTES:

- 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.
- CDC Account holders are advised to follow the following guidelines of the Securities Exchange Commission of Pakistan:
 - For Attending the Meeting
 - In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original Passport at the time of attending the meeting.
 - In case of corporate entity, the Board's 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.
 - For Appointing Proxies
 - In case of individuals, the account holder and or sub-account holder and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirements.
 - The proxy form shall be witnessed by two persons whose names, address and CNIC numbers shall be mentioned on the form.
 - Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
 - The proxy shall produce his original CNIC or original passport at the time of the meeting.
 - In case of 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.
- For exercising electronic voting (e-voting) right through E-Voting services provider. Companies (Postal Ballot) Regulation, 2018.
 - If Company receives demand for poll by e-voting from members having not less than one tenth of the voting power the Company will arrange for e-voting exercise.
 - The company shall provide its Members with the option of e-voting by postal ballot in accordance with the provision of Companies (Postal Ballot) Regulation, 2018. Shareholders who wish to participate through e-voting, kindly provide immediately or not later than seven days from the date of Annual General Meeting, through a letter duly signed them, i.e. Name, Folio / CDC AC No., E-mail address, Contact Number to the share Registrar of the Company (M/s. THK Associates (Private) Limited, 1st Floor, C-Block 6, P.E.C.H.S, Karachi).
 - Representative of our share Registrar M/s. THK Associates (Private) Limited, 1st Floor, C-Block 6, P.E.C.H.S, Karachi will be appointed as execution officer for the meeting.
 - The proxy/e-voting form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- The Share Transfer Books of the company will be closed from May 22, 2020 to May 28, 2020, (both days inclusive). Transfers received in order by our Share Registrar, M/s. THK Associates (Private) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi, at the close of business on May 21, 2020 will be considered in time to attend and vote at the meeting.
- 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:
 - Change in their address;
 - Valid and legible photocopies of Computerized National Identity Card (CNIC) for individuals and National Tax Number (NTN) both for individual & corporate entities.
- Electronic Transmission of Financial Statements and Notices
As per SRO 787(1) 2014 dated September 8, 2014, issued by SECP, the members have option to receive Annual Audited Financial Statements and Notices of General Meeting through email. Members can give their consent in this regard on prescribed format to Company's Share Registrar. Hard copy of Audited Financial Statements can be provided free of cost within seven days of receipt of such request.
- Electronic Dividend Mandate
In accordance with the provision of Section 242 of Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to the shareholders only through electronic mode i.e. directly in to the bank account designated by the entitled shareholders. Please note that if Bank account details (IBAN) as per prescribed format have not been provided by the shareholders to their Registrar, Broker (participant) or CDC IAS, the Company would be constrained to act in accordance with the law and withhold the cash dividend.
- Submission of Valid CNIC (Mandatory)
All those shareholders possessing physical shares are requested to submit a photocopy of their valid CNICs along with the Folio Number at the earliest directly to Company's Share Registrar. In case of non-submission of CNIC copy, dividend warrants may be withheld. Corporate are also requested to submit their NTN to Company's Share Registrar.
- Deduction of Withholding Tax on the Amount of Dividend
As per Section 150 of the Income Tax Ordinance, 2001 withholding tax on dividend will be deducted for filer and non-filer of income tax returns of 15% and 30% respectively. According to FBR, withholding tax in case of joint accounts will be determined separately based on the filer and non-filer status of the principal and joint shareholder(s) based on their shareholding proportions.
- Consent for Video Conference
Members holding ten (10) percent individually or in aggregate of the total paid up capital residing in a same city, may demand the Company to provide them the facility of video-link for attending the meeting. If you wish to take benefit of this facility, please fill the attached form and submit it to the Company at its registered address at least ten (10) days prior to the date of meeting. The Company will intimate to the members the venue of the video-link facility at least five (5) days before the date of the General Meeting along with all the information necessary to enable them to access the facility.

I/We (Name) of being a member of East West Insurance Co., Ltd. holder of ordinary share(s) as per registered Folio / CDC account no. hereby opt for video-link facility.

Signature of the Member(s)

(Please affix company stamp in case of corporate entity)

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 May 28, 2020. The details and information to be furnished regarding Item No. 6 investment in associated company under section 199 of the Companies Act, 2017 information to be disclosed to members. (1) The company shall disclose following information in the statement annexed to the notice, pursuant to section 134(3) of the Act, of a general meeting called for considering investment decision under section 199 of the Act.

Regulation No. 3(1)(a) - Disclosures for all types of Investment.

A) Regarding associated company or associated undertaking:

S.No	Description	Information Required
i.	Name of associated company	Askari Life Assurance Co., Ltd (formerly East West Life Assurance Co., Ltd.)
ii.	Basis of relationship	Common directorship
iii.	Earnings per share for the last three years	September 30, 2019 : PKR (1.75) December 31, 2018 : PKR (1.82) December 31, 2017 : PKR (0.0115)
iv.	Break-up value per share, based on latest audited financial statements	Rs. 3.21 on the basis of financial statements for the period September 30, 2019
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	As on September 30, 2019 Total asset base of Askari Life Assurance Co., Ltd is Rs. 806 Million. It's After tax loss for the period September 30, 2019 was Rs.192 Million and Paid-up Capital was Rs. 1102 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 and expected dated of completion of work; (iii) time by which such project shall become commercially operational; and (iv) expected time by which the project shall start paying return on investment; (v) funds invested or to be invested by promoters, sponsors, associated company or associated undertaking distinguishing between cash and non-cash amounts.	Not applicable

Regulation No. 3(1)(a)(b) - General disclosures

i.	Maximum amount of investment	Upto PKR 75 Million
ii.	Purpose, benefit and likely to accrue to the investing company and its members from such investment and period of investment	To subscribe to the right shares to be offered by Askari Life Assurance Co., Ltd to meet minimum capital requirements. 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.	Source of funds to be utilized for investment and where the investment is intended to be made i. justification for investment through borrowings; ii. detail of collateral, guarantees provided and assets pledged for obtaining such funds; and iii. Cost benefit analysis	The investment will be made from Company's own funds. Hence, there is no need to provide justifications.
iv.	Salient features of the agreement(s) if any, with associated company or associated undertaking with regards to the proposed investment	Not applicable as shares will be purchased from time to time on an arms length transaction agreed between buyer and seller or at the prevailing stock exchange price.
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 or their relatives has any interest in the proposed investment, except, in their individual capacities as "Director" 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	Askari Life Assurance Co., Ltd, is an associated company of the Company with 22% shares at a book value of Rs.282 million as at December 31, 2019. The market value of the associate is Rs.213.55 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 disclosure in addition to those provided under clause (a) of sub-regulation (1) of regulation 3 shall be made.

i.	Maximum price at which securities to 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 intended purchase of shares will be on an arms length transaction not more than the market value.
iii.	Maximum number of securities to be acquired	The maximum number of securities will be at the optimum extent, we get the approval.
iv.	Number of securities and percentage thereof held before and after the proposed investment.	24,211,824 shares (22%) 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 purchase.
v.	Current and preceding twelve week's weighted average market price where investment is proposed to be made in listed securities; and	Current market value per share as of December 26, 2018 Rs. 8.20 and weighted average value of twelve weeks is Rs.8.
vi.	fair value determined in terms of sub-regulation 5 for investment in unlisted securities;	Not Applicable

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 has any interest in the investing Company except in their individual capacities as "Director/Chief Executive" and/or as shareholders of the investing Company. The shareholding of Directors is Mr. Javed Yunus 2,500, Mr. Pervez Yunus 400, Mr. Naved Yunus 1,662,091, Mian Mahboob Ahmad 7,427 and Mr. Umeed Ansari 2,500

Status of approval for Investment in Associated undertakings:

associated companies and associated undertakings) Regulations, 2017 the status of approval is as follows:

I. Total Investment approved;

Rs.60 million, Rs. 60 million, Rs.99 million and Rs. 90 million in Askari Life Assurance Co., Ltd were approved by the shareholders at Annual general meeting and Extraordinary general meeting of the company held on January 25, 2019 April 24, 2010, February 04, 2017 and September 10, 2016 respectively

II. amount of investment made to date;

Rs. 282 million

III. reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time; and

The investment was made to date was within the approved limit. However, we had excess approval which was not made due to the price on which shares were available from secondary market were higher than the approval limit and also on the floor the required shares were not offered to sale.

IV. material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment.

There is no material change occurred since the date of approval. However, we expect that Askari Life Insurance will be profitable when the group companies insurance will be underwritten.