

NOTICE OF THE 53RD ANNUAL GENERAL MEETING

NOTICE is hereby given that the 53rd Annual General Meeting (AGM) of Adamjee Insurance Company Limited (the "Company") will be held at the Institute of Chartered Accountants of Pakistan, Thoker Niaz Baig, Raiwind Road, Lahore on Monday, April 28, 2014 at 11 a.m. to transact the following business:

ORDINARY:

1. To receive, consider and adopt the Audited Annual Separate and Consolidated Financial Statements of the Company for the year ended December 31, 2013 and the Directors' and Auditors' reports thereon.
2. To declare final cash dividend at Rupee 1/- per share i.e. @ 10%.
3. To appoint auditors and fix their remuneration:
A member has given notice under Section 253 of the Companies Ordinance, 1984 for appointing KPMG Taseer Hadi & Company, Chartered Accountants as auditors of the Company for the next term in place of retiring auditors M/s Riaz Ahmed & Company, Chartered Accountants. Audit Committee and the Board of Directors have also recommended their appointment for consideration by the members.

SPECIAL:

4. To consider and approve equity investment of up to PKR 500 million in Nishat Hotels and Properties Ltd., an associated company and pass the following resolution as special resolution under Section 208 of the Companies Ordinance, 1984 with or without modification(s), addition(s) or deletion(s):

RESOLVED THAT "pursuant to the requirements of Section 208 of the Companies Ordinance, 1984, Adamjee Insurance Company Limited (the "Company") be and is hereby authorized to make long term equity investment of up to PKR 500 million (Rupees five hundred million only) by way of acquisition of 50 million shares of Nishat Hotels and Properties Limited, an associated company".

FURTHER RESOLVED THAT "this special resolution shall be valid for three (3) years and the Chief Executive Officer and / or Company Secretary of the Company be and are hereby singly empowered and authorized to undertake the decision of said investment of shares as and when deemed appropriate and necessary in the best interest of the Company and its shareholders and to take all steps and actions necessary, incidental and ancillary for the acquisition of shares of Nishat Hotels and Properties Limited including execution of any and all documents and agreements as may be required in this regard and to do all acts, matters, deeds and things as may be necessary or expedient for the purpose of giving effect to the spirit and intent of this special resolution for making investments from time to time".

FURTHER RESOLVED THAT "subsequent to the above said equity investment, Chief Executive Officer and / or Company Secretary of the Company be and are hereby authorized singly to dispose of, through any mode, a part or all of equity investments made by the Company from time to time as and when deemed appropriate and necessary in the best interest of the Company".

Lahore: 7 April 2014

By Order of the Board

Tameez-ul-Haque
Secretary

NOTES

- 1) The share transfer books of the Company will remain closed from April 22, 2014 to April 28, 2014 (both days inclusive) to determine the entitlement of the members for payment of final cash dividend and to attend the meeting. Transfers received in order at M/s Technology Trade (Pvt.) Ltd., Dagia House, 241-C, Block-2, P.E.C.H.S., off Shahrah-e-Quaideen, Karachi, the Independent Share Registrar of the Company by the close of business on April 21, 2014 will be treated in time.
- 2) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint another member as proxy to attend and vote instead of him / her. A proxy must be a member of the Company. A corporation or a company being a member of the Company may appoint any of its officers or any other person through a resolution of its board of directors to attend and vote at the meeting.
- 3) The instrument appointing a proxy must be received at the Registered Office of the Company not less than 48 hours before the time appointed for the Meeting. A member shall not be entitled to appoint more than one proxy. If a member appoints more than one proxy and more than one instruments of proxy are deposited by a member with the Company, all such instruments of proxy shall be rendered invalid. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of nominee shall be submitted within the above time limit.
- 4) Members who have deposited their shares in the Central Depository System of the Central Depository Company of Pakistan Limited will have to follow the under mentioned guidelines as laid down by Securities and Exchange Commission of Pakistan:

A. For Attending the Meeting

- a. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall authenticate his / her identity by showing his / her original CNIC or original Passport along with Participant ID number and the Account number at the time of attending the Meeting.
- b. 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.

B. For Appointing Proxies

- a. In case of individuals, the account holder and / or sub-account holder whose registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per above requirements.
- b. The proxy form shall be witnessed by two persons, whose names, addresses and CNIC numbers shall be mentioned on the form.
- c. Attested copies of the CNIC or the passport of beneficial owners and the proxy shall be furnished with the proxy form.
- d. The proxy shall produce his original CNIC or original passport at the time of the Meeting.
- e. In case of corporate entity, the Board's resolution / power of attorney with specimen signature shall be furnished (unless it has been provided earlier) along with proxy form to the Company.

5. NOTICE to Shareholders who have not provided CNIC

The directive of the Securities and Exchange Commission of Pakistan contained in S.R.O. 831 (I) / 2012 dated 05 July, 2012 requires that the dividend warrants should bear the Computerized National Identity Card Numbers (CNIC) of the registered shareholders or the authorized person except in the case of minor(s) and corporate shareholders.

CNIC numbers of the shareholders are, therefore, mandatory for the issuance of future dividend warrants and in the absence of such information, payment of dividend may be withheld in term of SECP's above mentioned directive. Therefore, the shareholders who have not yet provided their CNICs are once again advised to provide the attested copies of their CNICs (if not already provided) directly to our Independent Share Registrar at the following address: M/s Technology Trade (Pvt.) Ltd., Dagia House, 241-C, Block-2, P.E.C.H.S., Off Shahrah-e-Quaideen, Karachi without any further delay.

6. Mandate for E-DIVIDENDS FOR SHAREHOLDERS

In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged when shareholders can get amount of the dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated April 05, 2013 has advised all listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favor of e-dividend by providing dividend mandate form duly filled in and signed.

Statement under Section 160 (1) (b) of the Companies Ordinance, 1984.

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 April 28, 2014.

Investment in Nishat Hotels and Properties Limited

Nishat Hotels and Properties Limited (NHPL) was incorporated on October 04, 2007 as a public company limited by shares. The present authorized share capital of the Company is Rs. 5,500 million. The main object of NHPL is to establish hotels and hospitality business in Pakistan. NHPL has undertaken the project of a hotel and a prime shopping mall with name of "Emporium Mall". The project is estimated to be completed in three years' time with estimated cost of around Rs. 16 billion. The development consists of a high quality state-of-the-art shopping mall of international standard as well as a hotel and a large banquet hall.

Adamjee Insurance Company Limited (AICL) is planning to make an equity investment up to Rs. 500 million in NHPL. It is expected that this investment will result in significant returns in the long term which will eventually enhance the profitability of AICL.

The Directors have carried out their due diligence for the proposed investment and duly signed recommendation of due diligence report shall be available for inspection of members in the general meeting along with latest audited accounts of the associated company.

Information under Clause (a) of sub-regulation (1) of regulation 3 of (Investment in Associated Companies or Associated Undertakings) Companies Regulations, 2012.

Ref. No.	Requirement	Information
i	Name of associated company	Nishat Hotels and Properties Limited
	Criteria of associated relationship	Common directorship
ii	Purpose	To participate in the growing hotel business of the country through equity investment
	Benefits	To earn return on equity through dividend income from investment in associated company and capital appreciation
	Period of investment	Strategic long-term investment
iii	Maximum amount of investment	Rs. 500 million (Rupees Five Hundred Million Only)
iv	Maximum price / share	The price to be paid for the equity investment will be par value of Rs. 10/- per share since the project is a green field project and the price is less than the fair value determined by independent firm of Chartered Accountants
v	Maximum number of shares to be acquired	50 million shares
vi	Shareholding before investment	No. of shares: NIL Shareholding percentage: NIL
	Shareholding after investment	No. of shares: 50 million Shareholding percentage: 9.09%
vii	Requirement in case of investment in listed associated company	Not Applicable as Nishat Hotels and Properties Limited is an unlisted company
viii	Fair market value of shares	The fair value of the share determined in terms of Regulation 6(1) is Rs. 53.62 per share
ix	Break-up value of shares	Rs. 10.04 per share as at 30 June, 2013
x	Earnings per share for the last three years	30 June, 2013 was the Company's first year of operations. Loss per share for the year 2012-13 is Re. 0.17
xi	Sources of fund from which shares will be acquired	Own funds of the Company
xii	Requirements if shares are intended to be acquired using borrowed funds	Not applicable
xiii	Salient features of agreement(s) entered into with the associated company	Agreement may be executed after passing of special resolution
xiv	Direct / Indirect interest of Directors in the associated company	One director of Adamjee Insurance Co. Ltd, Umer Mansha currently holds 29.56% shares in Nishat Hotels and Properties Limited. The brothers of Umer Mansha, Hassan Mansha & Raza Mansha, also each hold 29.56% shares in Nishat Hotels and Properties Limited. Three directors of the associated company are interested in the investing company to the extent of their shareholdings which in aggregate is 0.07% of the total paid-up share capital of the Company. No other shareholder of the Company has any shareholding in NHPL.
xv	Any other important detail	None
xvi	Description of the project	Three to four star hundred room hotel, banquet halls, shopping mall, cineplex, etc.
	Starting date of work	15 March, 2013
	Completion of work	14 September, 2015
	Commercial operations date	15 September, 2015
	Expected time by which the project shall start paying return on investment	Financial year 2015 - 16

STATUS OF PENDING INVESTMENT DECISIONS:

The decision to make investment in MCB Bank Limited under the authority of a special resolution passed on July 8, 2008 pursuant to provision of Section 208 of the Companies Ordinance, 1984 was partially implemented.

Total investment approved	Rs. 6 billion
Amount of investment made up December 31, 2013	Rs. 2.49 billion

Reason for not having made complete investment so far:

Prior to issue of The Companies (Investment in Associated Companies or Associated Undertakings) Regulations 2012 ("Regulations, 2012") there was no time limit of making investments under the authority of a special resolution.

To meet the requirement of Regulation 8 of the Regulations, 2012, the members in the extraordinary general meeting held on May 31, 2012 have approved the remaining amount to be invested within a period of three years i.e. up to May 31, 2015. The remaining amount will be invested when overall economic situation improves and depending upon the market price of share.

Material change in financial statements:

- a) Breakup value:
- | | |
|------|-----------|
| 2007 | Rs. 54.31 |
| 2013 | Rs. 96.13 |
- b) EPS
- | | |
|------|-----------|
| 2007 | Rs. 18.26 |
| 2013 | Rs. 21.24 |