

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 21st annual general meeting of the shareholders of IBL HealthCare Limited will be held on Friday, October 26, 2018 at 06:00 p.m. at 2nd floor, Building Centre, Shakra-e-Faisal, Karachi to transact the following business:

ORDINARY BUSINESS

1. To confirm the minutes of annual general meeting held on October 27, 2017.
2. To receive, consider and adopt the audited financial statements for the year ended June 30, 2018 together with the directors' and auditors' reports thereon.
3. To consider and approve final cash dividend for the financial year ended June 30, 2018, at the rate of Re.1/- per share of Rs.10/- each, equivalent to 10% as recommended by the board of directors.
4. To appoint auditors for the financial year ending June 30, 2019 and to fix their remuneration. The present auditors, A.F. Ferguson & Co., Chartered Accountants, retired, being eligible, have offered themselves for re-appointment. The board has recommended the re-appointment of A. F. Ferguson & Co., Chartered Accountants, as the auditors of the Company for the year ending June 30, 2019.

SPECIAL BUSINESS

5. To approve the remuneration of the Chief Executive Officer of the Company, and, if thought appropriate, to pass with or without modification(s) the following resolution as ordinary resolution:

“RESOLVED THAT the company be and hereby approves and authorizes the payment of remuneration to the Chief Executive Officer for a total sum not exceeding Rs. 11,330,000 per annum inclusive of perquisites and retirement benefits, admissible under the Company’s Rules.

6. To ratify and approve transactions conducted with related parties for the year ended June 30, 2018 by passing the following special resolution with or without modification:

“RESOLVED THAT the transactions conducted with related parties as disclosed in the note 27 of the financial statements for the year ended June 30, 2018 and specified in the Statement of Material Information under section 134(3) be and are hereby ratified, approved and confirmed.”

7. To authorize the Board of Directors of the Company to approve transactions with related parties for the financial year ending June 30, 2019 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 conducted with Related Parties on case to case basis for the financial year ending June 30, 2019.”

“RESOLVED FURTHER 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.”

8. To transact any other business of the company with the permission of the Chair.

(Attached to this notice is a statement of Material Facts covering the above-mentioned Special Business, as required under section 134(3) of the Companies Act, 2017.

By the order of the board



Shariq Zafar
Company Secretary

October 05, 2018

NOTES:

A. Book closure:

- i. The share transfer books will remain closed from October 20, 2018 to October 26, 2018 (both days inclusive) for entitlement of 10% final cash dividend. Transfers in good order, received at the office of Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Shahra-e-Faisal, Karachi-74400 by close of the business on October 19, 2018 will be treated in time for the purpose of attending the annual general meeting and entitlement of cash dividend.

B. Participation in General Meeting:

- i. All members/shareholders are entitled to attend, speak and vote at the annual general meeting. A member/shareholder 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: 9th Floor, NIC Building, Abbasi Shaheed Road, Karachi – 75530 not less than 48 hours before the meeting.
- ii. In pursuance of Circular No. 1. of 2000 of SECP dated January 26, 2000 the beneficial owners of the shares registered in the name of Central Depository Company (CDC) and/or their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the meeting. The form of proxy must be submitted with the Company within the stipulated time, duly witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form, along with attested copies of the CNIC or the passport of the beneficial owner and the proxy.

In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the meeting.

- iii. Members are requested to intimate any changes in address immediately to Company's Share Registrar, Central Depository Company of Pakistan Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Shahra-e-Faisal, Karachi-74400.

C. Payment of Cash Dividends through electronic mode:

In accordance with the provisions of Section 242 of the Companies Act and Companies (Distribution of Dividends), Regulation 2017, a listed company, is required to pay cash dividend to the shareholders ONLY through electronic mode directly into the bank account designated by the entitled shareholders. In this regard, IBL HealthCare Limited has already sent letters and Electronic Credit Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the requirement 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. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 (in case of shareholding in Physical Form).

i.	Shareholder's Details	
	Name of the shareholder (s)	
	Folio # / CDS Account No. (s)	
	CNIC No. (copy attached)	
	Mobile / Landline No.	
ii.	Shareholder's Bank Detail	
	Title of Bank Account	
	International Bank Account No. (IBAN)	
	Bank's Name	
	Branch's Name and Dress	

D. Deduction of Income Tax from Dividend under section 150 of the Income Tax Ordinance, 2001:

- a. Pursuant to the provisions of the Finance Act 2018 effective July 1, 2018, the rate of deduction of income tax from dividend payments has been revised as follows:
 - i. Rate of tax deduction for filers of income tax return – 15%
 - ii. Rate of tax deduction for non-filers of income tax return – 20%

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 @ 20% instead of 15%.

- b. 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.
- c. Further, according to clarification received from FBR, withholding tax will be determined separately on "Filer/Non-filer" status of principle shareholder as well as joint-holder(s) based on their shareholding proportions.

In this regard, all shareholders who hold company's shares jointly are requested to provide shareholding proportions or principle shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to Company's Share Registrar, in writing as follows:

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

The required information must reach Company's Share Registrar within 10 days of this notice; otherwise it will be assumed that the shares are equally held by the principal shareholder and joint-holder(s).

- d. 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.

E. Request for Video conference facility:

In term of SECP's Circular No. 10 of 2014 dated May 21, 2014 read with the provisions contained under section 134(1)(b) of the Act, if the Company receives request /demand 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 days prior to the date of meeting, the Company will arrange video conference facility in that city, subject to availability of such facility in that city.

I/We, _____ of _____ being a member of the IBL HealthCare Limited, holder of _____ ordinary shares as per registered folio # _____ hereby opt for video conference facility at _____

 Signature of Member (s)

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.

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

1. Item Number 6 of the notice – Ratification and approval of the related party transactions

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, 2017. 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 27 to the financial statements for the year ended June 30, 2018. Party-wise details of such related party transactions are given below:

Name of Related Party	Transaction Type	PKR in ‘000
International Brands Limited	Interest income	20,367
	Corporate service charges	14,400
	Dividend paid	158
	Repayment of loan	25,926
The Searle Company Limited	Dividend paid	35,625
	Shared costs	467
	Purchase of goods	2,587
IBL Operations (Private) Limited	Sale of goods	1,012,602
	Shared cost	2,930
IBL Identity (Private) Limited	Rental income	5,456
IBL Unisys (Private) Limited	SAP maintenance fee	2,057
	SAP license fee	1,620
United Distributors Pakistan Limited	Dividend paid	1,081
Employees’ provident fund	Contribution paid	3,659
Key management personnel	Salaries and other benefits	11,330
	Directors’ fee and conveyance	628

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 Audit Committee of the Company, which is chaired by an independent director of the company. Upon the recommendation of the Board 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 27 to the financial statements for the year ended June 30, 2018. The Directors are interested in the resolution only to the extent of their common directorships in such related parties.

2. **Item number 7 – Authorization for the Board of Directors to approve the related party transactions during the year ending June 30, 2019**

The Company shall be conducting transactions with its related parties during the year ending June 30, 2019 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, 2019, 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.