

# Notice of Annual General Meeting

Notice is hereby given that the Thirty-Second Annual General Meeting (the AGM) of ORIX Leasing Pakistan Limited ("the Company") will be held on Tuesday, October 23, 2018 at 10:00 a.m. at the Institute of Chartered Accountants of Pakistan, Chartered Accountants Avenue, Karachi, to transact the following business:

## Ordinary Business

1. To receive, consider and adopt Audited Financial Statements of the Company for the year ended June 30, 2018, the report of the Auditors thereon and the report of the Directors.
2. To consider and approve dividend for the year ended June 30, 2018, in cash at PKR 3/- per share of PKR 10, i.e. 30%, as recommended by the Board of Directors.
3. To appoint auditors of the Company for the financial year 2018-19 and fix their remuneration. The present auditors, Messrs KPMG Taseer Hadi & Co., Chartered Accountants, retire and being eligible, have offered themselves for reappointment.

## Special Business

4. To approve the issue of bonus shares in the ratio of 1 share for every 5 shares held (20%) as recommended by the Board of Directors. The Bonus Issue of PKR 278,424,840/- by way of issue of 27,842,484 fully paid bonus shares of PKR 10 each to be capitalized out of the Share Premium Account by passing the following ordinary resolution:

**RESOLVED THAT** a sum of PKR 278,424,840/- be capitalized from the Share Premium Account for issuance of 27,842,484 ordinary shares of PKR. 10/- each and allotted as fully paid-up bonus shares to the Members of the Company, who are registered in the books of the Company as at the close of business on October 15, 2018, in the proportion of 1 share for every 5 shares held.

**FURTHER RESOLVED THAT** Bonus shares shall rank pari passu in every respect with existing ordinary shares of the Company except that the proposed bonus shares shall not be entitled for final cash dividend for the year ended June 30, 2018.

**FURTHER RESOLVED THAT** in the event of any Member holding shares which are not an exact multiple of 5, the Board of Directors be and are hereby authorized to consolidate all such fractions of bonus shares and sell the same on Pakistan Stock Exchange and the sale proceeds thereof shall be donated as deemed appropriate by the Board.

**FURTHER RESOLVED THAT** the Chief Executive Officer and Company Secretary be and are hereby jointly and/or severally authorized to give effect to this resolution and to do or cause to do all acts, deeds and things that may be necessary or required for issue, allotment and distribution of bonus shares.

5. To consider and, if deemed appropriate, approve the amendments in the Company's Memorandum of Association, as recommended by the Board of Directors. For this purpose, it is proposed to consider and, if thought fit, to pass the following resolutions as special resolutions, with or without modifications:

**RESOLVED THAT**, Clause III of the Company's Memorandum of Association shall be deleted in its entirety and replaced with the following clause:

- (i) The principle line of business of the Company shall be to carry on all businesses permitted by the Securities and Exchange Commission of Pakistan (the Commission), for investment finance services in accordance with all applicable laws, rules and regulations, in particular the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003 (as may be amended from time to time), and Non-Banking Finance Companies and Notified Entities Regulations, 2008 (as may be amended from

time to time) subject to the terms and conditions specified by the Commission from time to time.

- (ii) Except for the business mentioned in Clause III (ii) hereunder, the Company shall engage in all the lawful businesses and shall be authorized to take all necessary steps and actions in connection therewith and ancillary thereto.
- (iii) Notwithstanding anything contained in the foregoing sub-clauses of this clause, nothing contained herein shall be construed as empowering the Company to undertake or indulge in the business of a Banking Company, Modaraba Management Company, Insurance Company, Securities Broker or any other business restricted under any law for the time being in force or as may be specified by the Commission.
- (iv) It is hereby undertaken that the Company shall not:
  - (a) engage in any of the business mentioned in Clause III (iii) of the Memorandum of Association or any unlawful operation;
  - (b) launch multi-level marketing (MLM), Pyramid and Ponzi Schemes, or other related activities/businesses or any lottery business; and
  - (c) engaged in any of the permissible business unless the requisite approval, permission, consent or license is obtained from competent authority as may be required under any law for the time being in force.

**FURTHER RESOLVED THAT** the Chief Executive Officer and the Company Secretary of the Company be and are hereby jointly and severally authorized and empowered to do or cause to do all acts, deeds and things that may be necessary or required from time to time to complete all necessary legal and corporate formalities to give effect to this resolution; subject to any change required therein by the Commission.

- 6. To consider and, if deemed appropriate, approve amendments in the Company's Articles of Association, as recommended by the Board of Directors. For this purpose, it is proposed to consider and, if thought fit, to pass the following resolutions as special resolutions, with or without modifications:

**RESOLVED THAT** the Company's Articles of Association be and are hereby altered by excluding/deleting Clause 62 and Clause 79 (e) of the Articles of Association.

**FURTHER RESOLVED THAT** the Company's Articles of Association shall be amended to incorporate the requisite changes of revised governing laws, including the Companies Act, 2017.

**FURTHER RESOLVED THAT** the Chief Executive Officer and the Company Secretary of the Company be and are hereby jointly and severally authorized and empowered to do or cause to do all acts, deeds and things that may be necessary or required from time to time to complete all necessary legal and corporate formalities to give effect to this resolution; subject to any change required therein by the Commission.

- 7. To consider any other business with consent of the Chair.

A statement under the Section 134 (3) of the Companies Act, 2017, pertaining to the special business is a part of this notice.

Karachi  
Tuesday, October 2, 2018

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By order of the Board  
Dr. Fakhara Rizwan  
Company Secretary

## NOTES

### 1. BOOK CLOSURE

- 1.1 The Member's Register of the Company's Members shall remain closed from October 16, 2018 to October 23, 2018 (both days inclusive). Transfers in good order, received at the office of the Company's Share Registrar before close of the business on October 15, 2018, will be treated in time for the purpose of attending the AGM and entitlement of cash dividend and the bonus shares. Address of the Company's Share Registrar is as follows:

THK Associates (Pvt.) Limited  
1<sup>st</sup> Floor, 40-C, Block-6,  
P.E.C.H.S Karachi, 75400  
Pakistan  
Phone: +92 (021) 34168270

- 1.2 All Shareholders are entitled to attend, speak and vote at the AGM. A Shareholder may appoint a proxy to attend, speak and vote on behalf of the Shareholder. The proxy needs to be a Member of the Company. Proxies in order to be effective must be received at the office of the Company's Share Registrar not less than 48 hours before the AGM.
- 1.3 The Shareholders and their proxies are required to produce their Computerized National Identity Card (CNIC) or passport for identification purpose at the time of attending the AGM. The form of proxy must be submitted to 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 or power of attorney with specimen signature of the nominee shall be produced at the time of AGM. The Proxy Form is available on Company's website ([www.orixpakistan.com](http://www.orixpakistan.com)).
- 1.4 Members are requested to intimate any change in address immediately to the Company's Share Registrar.
- 1.5 The Financial Statements for the year ended June 30, 2018 along with the Auditors and Directors Report are available on Company's website ([www.orixpakistan.com](http://www.orixpakistan.com)).
- 1.6 CDC account holders shall also follow the guidelines mentioned hereunder, as laid down by the Securities and Exchange Commission of Pakistan (SECP).

### 2. SUBMISSION OF COPIES OF CNICS / NTN

The Company with reference to SRO 779(1) 2011 dated August 18, 2001 and SRO 831(1)/2012 dated July 5, 2012, has made several requests through advertisements in Urdu and English newspapers having circulation throughout the country, and Share Registrar of the Company has also sent letters to the Shareholders who have not yet provided valid copies of their CNIC, requesting them to provide their CNICs. As per the Companies (Distribution of Dividends) Regulations, 2017, CNIC number of the shareholders is mandatory for the payment of cash dividend and in the absence of such information, the Company would be constrained to withhold dividend payment. Accordingly, the Members who have not yet submitted copy of their valid CNIC/NTN (in case of corporate entities) are again requested to submit the same to the Company's Share Registrar, with Member's folio number mentioned thereon. It may be noted that in case of non-receipt of the copy of CNIC, the Company would be constrained to withhold dividend payment.

### 3. PAYMENT OF CASH DIVIDEND THROUGH ELECTRONIC MODE

In accordance with the provisions of Section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode directly into the bank account designated by the entitled shareholder. Therefore, the physical dividend warrants will not be issued to the Shareholders. In order to receive dividend into respective banks accounts, the Shareholders are requested (if not already provided) to fill in the Dividend Mandate Form for Electronic Credit of Cash

Dividend, available on the Company's website and send the duly signed form, along with a copy of CNIC to the Company's Share Registrar in case of physical shares. In case shares are held in CDC/Brokerage House, Dividend Mandate Form must be directly submitted to CDC investor account services/respective participant accounts. In case of non-receipt of information, the Company will be obliged to withhold payment of dividend to such shareholders.

#### 4. DEDUCTION OF INCOME TAX FROM DIVIDEND UNDER THE SECTION 150 OF THE INCOME TAX ORDINANCE 2001

4.1 Pursuant to the provisions of the Finance Act 2018 effective July 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 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, the tax on their cash dividend will be deducted @ 20% instead of 15%.

4.2 Withholding Tax exemption from the dividend income, shall only be allowed if copy of valid tax exemption certificate is made available to the Company's Share Registrar by the first day of the book closure.

4.3 Withholding tax will be determined separately on "Filer/Non-filer" status of principal shareholder as well as joint-holders(s) based on their shareholding proportions. In this regard, the Shareholders who hold the Company's shares jointly are requested to provide shareholding proportions or principal shareholder and joint-holder(s) in respect of shares held by them (if not already provided) to the Company's Share Registrar in writing, 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).

4.4 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's name and their respective folio numbers.

#### 5. VIDEO CONFERENCE FACILITY

In pursuance to the SECP's circular No. 10/2014, dated May 21, 2014 and the Section 134(1)(b) of the Companies Act 2017, the Members can also avail video conference facility at places other than Karachi (since the AGM is scheduled to be held in Karachi); provided that the Company shall receive 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 days prior to the AGM. The Company will arrange a video conference facility in the city subject to availability of such facility in that city. In this regard, Members are requested to send duly signed Form of Video Conference Facility, available on Company's website to the Company's Share Registrar.

#### 6. AVAILABILITY OF ANNUAL AUDITED FINANCIAL STATEMENTS

The Audited Financial Statements of the Company for the year ended June 30, 2018 have been made available on the Company's website (<http://www.orixpakistan.com>) in addition to the Annual and Quarterly Financial Statements. Further, in accordance with SRO 470(1)/2016 dated May 31, 2018, through which SECP has allowed companies to circulate the annual audited accounts to its members through CD/DVD/USB instead of transmitting the hard copies at their registered addresses, subject to consent of shareholders and compliance with all other conditions, the Company has obtained shareholders' approval in its Annual General Meeting held on October 19, 2017. Accordingly, the Annual Report of the Company for the year ended June 30, 2018 is dispatched to the Shareholders in the form of CD. However, if a Shareholder, in addition, requests for hard copy of the Annual Audited Financial Statements, the same shall be provided free of cost within seven working days of receipt of such request. For the

Shareholders' convenience, a 'Standard Request Form for Provision of Annual Audited Financial Accounts' has also been made available on the Company's website.

## 7. UNCLAIMED DIVIDEND/SHARES

Pursuant to Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Company, which remain unclaimed or unpaid for a period of three years from the date it becomes due and payable shall vest with the Federal Government after compliance of procedures prescribed under the Companies Act, 2017. Section 244(1)(a) of the Act requires the Company to give a 90 days' notice to the Members to file their claims with the Company. Further, SECP vide Direction No. 16 of 2017, issued on July 7, 2017 directed all listed companies to issue such notices to the members and submit statements of unclaimed shares or dividend or any other instrument which remain unclaimed or unpaid for a period of three years from the date it is due and payable as of May 30, 2017. Accordingly, the Company issued notices to the Shareholders and submitted statements of unclaimed shares or dividend or any other instrument with SECP.

## STATEMENTS UNDER SECTION 134 (3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the Special Business to be transacted at the Annual General Meeting of the Company.

### AGENDA ITEM 4: Bonus Shares

The Board of Directors recommends that the members of the Company approve issue of bonus shares in the proportion of 1 share for every 5 shares held by members i.e. 20% by capitalization of PKR 278,424,840/- from Share Premium Account. The proposed bonus shares shall not be entitled for final cash dividend for the year ended June 30, 2018.

The Directors are interested in the business to the extent of their entitlement of bonus shares as shareholders only.

### AGENDA ITEM 5: Amendment in Memorandum of Association

The Board of Directors recommends amendment in Clause III of the Memorandum of Association to bring the Company's Memorandum of Association in line with the revised format provided by the SECP under the Companies Act, 2017. In accordance with Section 32 of the Companies Act, 2017, approval of the shareholders in a General Meeting is required by way of a special resolution to alter the Company's Memorandum of Association.

The Directors of the Company have no personal interest in the business except in their capacity as shareholders of the Company to the extent of their respective shareholding.

### AGENDA ITEM 6: Amendment in Articles of Association

The Board of Directors recommends deletion of Articles 62 and 79 (e) of the Company's Articles of Association for reasons detailed below. In addition, it is proposed to incorporate the requisite changes of revised governing laws, including the Companies Act, 2017 in the Articles of Association. In accordance with Section 38 of the Companies Act, 2017, approval of the shareholders in a General Meeting is required by way of a special resolution to alter the Company's Articles of Association.

Article #		Rationale for deletion
62	<p>The qualification of an elected Director, in addition to his being a Member, where required, shall be his holding shares of the nominal value of Rs. 5,000.00 at least in his own name, but a Director representing the interest of a Member or Members holding shares of the nominal value of Rs. 5,000.00 at least shall require no such share qualification. A Director shall not be qualified as representing the interest of a Member or Members holding shares of the requisite value unless he is appointed as such representative by the Member or Members concerned by notice in writing addressed to the Company specifying the shares of the requisite value appropriated for qualifying such Director. Shares thus appropriated for qualifying a Director shall not, while he continues to be such representatives, be appropriated for qualifying any other Director. A Director shall acquire his shares qualification within two months from the effective date of his appointment.</p>	<p>Section 159 (3) of the Companies Act, 2017 explicitly states that only members of the Company can contest an election of the office. Aforementioned section is reproduced here:</p> <p>“any member who seeks to contest an election to the office of director shall, whether he is a retiring director or otherwise, file with the company, not later than fourteen days before the date of the meeting at which elections are to be held, a notice of his intention to offer himself for election as a director.”</p> <p>Since the law requires a director to be a member of the company, the condition of qualification shares is additional and unwarranted.</p>
79 (e)	<p>A Director shall ipso facto cease to hold office if he fails to obtain within two months from the effective date of his appointment or at any time thereafter ceases to hold, the share qualification necessary for his appointment.</p>	<p>In accordance with the Section 159 (3) of the Companies Act 2017, only those individuals can contest election of the directors who are members of the company; therefore, the clause under discussion becomes irrelevant.</p>

Further, changes in the Articles of Association of the Company are proposed to incorporate the changes required by revised governing laws, including the Companies Act, 2017. Detailed information on the proposed changes will be available for inspection of members at the Company's Head Office, (ORIX Building, Plot No. 16, Sector no. 24, Korangi Industrial Area, Karachi) on working days in office hours between 3 October 2018 and 22 October 2018. In addition, details of proposed changes will be available for inspection of members at the Annual General Meeting of Shareholders to be held on October 23, 2018.

The Directors of the Company have no personal interest in the business except in their capacity as shareholders of the Company to the extent of their respective shareholding.