

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Forty-ninth Annual General Meeting of Security Papers Limited will be held on Friday, the 29 August 2014 at 11:00 AM at Hotel Ramada Plaza, Karachi, Star Avenue, Terminal No.1, Jinnah International Airport, Karachi to transact the following business:

A. ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 30 June 2014 together with the Reports of the Auditors and the Directors.
2. To approve the (i) payment of final cash dividend at the rate of Rs 3.50 per share i.e. 35% for the year ended 30 June 2014 as recommended by the Board of Directors in addition to the interim cash dividend already paid at the rate of Rs 1.50 per share i.e. 15% making a total of Rs 5/- per share i.e. 50% and (ii) issue of bonus shares in the proportion of two shares for every ten shares held i.e. 20% which is considered under "Special Business" set out below.
3. To appoint Auditors for the year 2014-15 and to fix their remuneration.
4. To elect four Directors as fixed by the Board for a term of three years [other than those nominated by (i) Pakistan Security Printing Corporation (Pvt.) Limited (PSPC), (ii) Sumer Holding A.S. Genel Mudurlugu, Turkey (SHAS) and (iii) Industrial Development & Renovation Organization of Iran (IDRO)] in place of the following retiring Directors who are eligible for re-election:
 1. Mr. Mustapha A. Chinoy
 2. Sheikh Mohammad Aijaz Akhtar
 3. Mr. Jamal Nasim
 4. Mr. Ajaz Ali Khan

B. SPECIAL BUSINESS

1. To consider and, if deemed fit and proper, pass the following as ordinary resolution:

"RESOLVED that a sum of Rs 98,759,980/- out of Company's reserve for issue of Bonus Shares be capitalized and applied to the issue of 9,875,998 ordinary shares of Rs 10/- each and allotted as fully paid Bonus Shares to the members of the Company whose names appeared in the Members' Register of the Company on 20 August 2014 in the ratio of two for ten shares held and that such shares shall rank pari passu as regards future dividends and in all other respects with the existing ordinary shares of the Company.

FURTHER RESOLVED that aggregate of the fractions of a share arising on such allotment be sold and that the net proceeds thereof be donated to any registered charitable / welfare institution.

FURTHER RESOLVED that the Chief Executive Officer and/or the Company Secretary be and are hereby authorized and empowered to give effect to this resolution and to do or cause to be done all acts, deeds and things that may be necessary for the issue, allotment and distribution of the Company's shares and the payment of the sale proceeds of the fractions."

STATEMENT UNDER SECTION 160 OF THE COMPANIES ORDINANCE, 1984, REGARDING THE SPECIAL BUSINESS

The Directors have recommended capitalization of reserve for issue of Bonus Shares. The Directors are interested in the business to the extent of Bonus Shares which they will be entitled to receive on their respective shareholding in the Company.

The Directors of the Company have no interest in the Special Business and/or the Resolution except to the extent of their respective shareholdings and remuneration in the Company.

By Order of the Board

(Muhammad Abdul Aleem)
Company Secretary

Karachi,
25 July 2014

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 21 August to 29 August 2014 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi by the close of business on August 20, 2014 will be considered in time to determine the above mentioned entitlement and to attend and vote at the Meeting.

2. For Candidates participating in the Election of Directors

Any person who seeks to contest an election to the office of Director shall, whether he/she is a retiring Director or otherwise, file with the Company at its Registered Office not later than fourteen days before the date of the meeting, (i) a notice of his/her intention to offer himself/herself for election as a Director; (ii) a declaration on the matters required by the Code of Corporate Governance and the Company (specimen may be obtained from Registered Office); (iii) a consent on prescribed Form 28 and (iv) attested copy of CNIC and NTN.

3. Participation in the Annual General Meeting

A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf. The instrument appointing proxy must be received at the Registered Office of the Company duly stamped and signed not later than 48 hours before the meeting.

CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No.1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

A. For Attending the Meeting:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the 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.

- (ii) In case of corporate entity, the Board of Directors' 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:

- (i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall submit the proxy form as per the above requirement.
- (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC Numbers shall be mentioned on the form.
- (iii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his / her original CNIC or original Passport at the time of the meeting.
- (v) 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.

4. Notice to members who have not provided their CNIC/NTN

Shareholders who have not submitted copy of valid CNIC (individuals) / NTN (corporate entities) are once again advised to submit the same without further delay to ensure compliance with the Securities and Exchange Commission of Pakistan (SECP) Notification S.R.O. 19(I)/2014 dated 10th January 2014 read with Notification S.R.O. 831(1)/2012 dated 5th July 2012.

IMPORTANT:

Pursuant to the Finance Act 2014, all individuals/companies/association of persons whose CNIC/NTN is not included in the list of 'FILERS' available at Federal Board of Revenue's (FBR) website <http://www.fbr.gov.pk> are liable to deduction of tax at source at higher rate on dividend(s).

5. Payment of Cash Dividend Electronically (e-Dividend)

The SECP has initiated e-dividend mechanism through its letter No: 8(4) SM/CDC/2008 dated April 05, 2013. In order to avail benefits of e-dividend (such as instant credit of dividends, no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address etc.), shareholders are hereby advised to provide details of their bank mandate specifying: (i) title of account, (ii) account number, (iii) bank name, (iv) branch name, code and address.

6. Change of Address

Members are requested to notify any change in their addresses immediately.

Shareholders are requested to provide **CNIC/NTN, e-dividend information and change of address** to (i) respective Central Depository System (CDS) Participants and (ii) in case of physical securities to the Company / Share Registrar.