

# NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that Annual General Meeting (AGM) of the members of **Security General Insurance Company Limited** (the "Company") will be held on Tuesday, April 16, 2024 at 11:00 A.M. at SGI House, 18-C/E-1, Gulberg III, Lahore to transact the following special business:

1. To receive, approve and adopt the Annual Audited Conventional and Window Takaful Financial Statements of the Company for the year ended December 31, 2023 together with the Directors' and Auditors' reports thereon.
2. To approve Final Cash Dividend @15% (i.e. Rs. 1.5 per share) for the year ended 2023, as recommended by the Board, in addition to 65% interim dividend already paid.
3. To appoint Statutory Auditors of the Company for the year 2024 and fix their remuneration.
4. Special Business:
  - a) **To ratify and approve transactions conducted with the Related Parties during the year ended December 31, 2023 by passing the following special resolution with or without modification:**

**Resolved** that the Related Party Transactions as disclosed in the Annual Audited Conventional and Takaful Financial Statements for the year ended December 31, 2023 and as already approved by the Board of Directors of Security General Insurance Company Limited ("the Company") be and are hereby ratified, approved and confirmed in all respects.

- b) **To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on December 31, 2024 by passing the following special resolution with or without modification:**

**Resolved** that the Board of Directors of Security General Insurance Company Limited ("the Company") be and is hereby authorized to approve the transactions to be conducted with the related parties during the financial year ending on December 31, 2024 and these transactions 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 ratification.

By order of the Board



(Khalid Mahmood Chohan)  
Company Secretary

Lahore  
March 05, 2024

## Notes:

1. The Register of Members of the Company will remain closed from April 10, 2024 to April 16, 2024 (both days inclusive). Transfers received in order at the registered office of the Company by the close of business on April 09, 2024 will be considered in time for entitlement of 1.5% Final Cash Dividend and attending of Annual General Meeting.
2. A member entitled to attend and vote at this meeting may appoint any other member as his/her proxy to attend and vote. The Instrument appointing a proxy and the power of attorney or other authority under which it is signed or a notarial attested copy of the power of attorney must be deposited at the registered office of the Company at least 48 hours before the time of the meeting. A proxy must be a member of the company. A Company or a Corporation being a member of the Company may appoint a representative through a resolution of board of directors for attending and voting at the meeting.

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3. Shareholders are requested to immediately notify the Company of change in address, if any.

## STATEMENT OF MATERIAL FACTS 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 April 16, 2024.

### a) Item No. 4(a)

#### Approval of transactions conducted with the Related Parties during the year ended December 31, 2023

Following transactions carried out with associated companies/related parties as disclosed in Annual Audited Conventional and Takaful Financial Statements for the year ended December 31, 2023 and have been approved by the Board as recommended by the Audit Committee on a quarterly basis pursuant to provisions of applicable laws. However, as majority of Company Directors were interested in certain related party transactions due to their common directorship and holding of shares in the associated companies/related parties, the Board has recommended for placement of the same before the shareholders of the Company in general meeting for ratification/approval.

Conventional Business	2023	2022
	(Rupees in thousand)	
<b>(i) Related parties based on common directorship</b>		
<b>Transactions during the year</b>		
Premium written	2,127,297	1,635,174
Claims paid	80,301	16,143
Dividends received	329,249	19,868
Dividend paid	97,149	46,018
Payment in respect of services	5,046	696
Receipt in respect of services	1,238	-
Commission income	3,079	3,354
<b>(ii) Other related party</b>		
<b>Transactions during the year</b>		
Premium written	187,085	161,732
Claims paid	53,385	24,867
Dividends received	-	229
<b>Participants' Takaful Fund</b>		
<b>(i) Related parties based on common directorship</b>		
<b>Transactions during the year</b>		
Gross contribution written	6,515	8,924
Claims paid	326	1,707
	6,841	10,631

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	2023	2022
	(Rupees in thousand)	
<b>Year end balances</b>		
Contribution due but unpaid	1,158	465
Outstanding claims	952	1,082
	2,110	1,547
<b>(ii) Related party - others</b>		
<b>Transactions during the year</b>		
Gross contribution written	2,088	1,877
	2,088	1,877
<b>Year end balances</b>		
Contribution due but unpaid	-	39
Outstanding claims	441	-
	441	39

All these related party transactions during the mentioned period were executed at Arm's Length Price in a fair and transparent manner and there was no departure from the guidelines mentioned in the Companies (Related Party Transactions and Maintenance of Related Records) Regulations, 2018 and Code of Corporate Governance for such transactions.

Pursuant to the above, these transactions have to be approved/ratified by the shareholders in the General Meeting.

## **b) Item No. 4(b)**

**To authorize the Board of Directors of the Company to approve transactions with the Related Parties during the financial year ending on December 31, 2024**

The Company shall be conducting transactions with its related parties during the year ending December 31, 2023 on an arm's length basis as per approved policy with respect to transactions with related parties in the normal course of business. The majority of Directors are interested in certain transactions due to their relationship with the Company. In order to promote the transparent business practices, the Board of Directors has to be authorized to approve all transactions with the related parties from time to time during the year ending December 31, 2024 and the same will be placed before the Shareholders in the next AGM for their ratification / approval.

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## Statement Under Rule 4(2) of the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2017

Name of Investee Company	Nishat Mills Limited	Nishat Chunia Power Limited	Lalpur Power Ltd.	Pakgen Power Ltd	Hyundai Nishat Motor (Pvt) Limited (HNMPL)		
<b>Total Investment Approved:</b>	PKR 250 Million by way of purchase of shares was approved by members in EOGM held on October 09, 2023. for the period of four (4) years.	PKR 150 Million by way of purchase of shares was approved by members in EOGM held on August 28, 2023. for the period of four (4) years.	PKR 125 Million by way of purchase of shares was approved by members in EOGM held on October 26, 2022. for the period of four (4) years.	PKR 175 Million by way of purchase of shares was approved by members in EOGM held on October 26, 2022. for the period of four (4) years.	Equity investment upto PKR 1,310.944 million was approved by members in EOGM held on November 25, 2020. for the period of four (4) years.	Equity investment upto PKR 1,092.60 million was approved by members in EOGM held on October 26, 2022. for the period of four (4) years.	Guarantee / continuing Stand by Letter(s) of Credit (SBLC) for an amount of up to PKR 1,277.100 Million for a tenure of 7.5years was approved by members in EOGM held on December 12, 2019.
<b>Amount of Investment Made to date:</b>	Rs. 11.752 Million	Rs. 22.955 Million	Rs. 73.647 Million	Rs. 34.937 Million	Rs. 1,310.944 Million	Rs. 1,063.471 Million	Rs. 1,238.37 Million
<b>Reasons for deviations from the approved timeline of investment, where investment decision was to be implemented in specified time:</b>	Partial investment has been made in investee Company. Further Investment will be made depending on market conditions at appropriate time. There is no deviation from the approved timeline.	Partial investment has been made in investee Company. Further Investment will be made depending on market conditions at appropriate time. There is no deviation from the approved timeline.	Partial investment has been made in investee Company. Further Investment will be made depending on market conditions at appropriate time. There is no deviation from the approved timeline.	Partial investment has been made in investee company. Further investment will be made depending on market conditions at appropriate time. There is no deviation from the approved timeline.	Investment has been made in investee company within approved timeline.	Partial investment has been made in investee company. Further investment will be made depending on market conditions at appropriate time. There is no deviation from the approved timeline.	Partial guarantee has been extended after the approval. Further guarantee will be extended on the request of the investee company. There is no deviation from the approved timeline.
<b>Material changes in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company:</b>	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2023, the basic earnings per share was Rs.34.60 and breakup value per share was Rs. 255.30 As per Latest available financial statements for the half year ended December 31, 2023 the basic earnings per share is Rs. 16.02 and breakup value per Share is Rs. 294.01.	At the time of approval, as per available latest audited financial statements for the year ended June 30, 2022, the basic earnings per share was Rs.6.82 and breakup value per share was Rs. 65.28 As per Latest available financial statements for the half year ended December 31, 2023 the basic earnings per share is Rs. 6.60 and breakup value per Share is Rs. 72.65.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2021, the basic loss per share was (Rs.2.12) and breakup value per share was Rs. 41. As per Latest available financial statements for the year ended December 31, 2023 the basic earnings per share is Rs. 12.05 and breakup value per Share is Rs. 41.70.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2021, the earnings per share was Rs.2.82 and breakup value per share was Rs. 60.64. As per Latest available financial statements for the year ended December 31, 2023 the basic earnings per share is Rs. 15.76 and breakup value per Share is Rs. 66.35.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2019, the basic loss per share was Rs.1.183 and breakup value per share was Rs. 8.93. As per Latest available financial statements for the year ended December 31, 2023 the basic earnings per share is Rs. 0.58 and breakup value per Share is Rs. 9.86.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2021, the earnings per share was Rs.1.44 and breakup value per share was Rs. 8.22. As per Latest available financial statements for the year ended December 31, 2023 the basic earnings per share is Rs. 0.58 and breakup value per Share is Rs. 9.86.	At the time of approval, as per available latest audited financial statements for the year ended December 31, 2018, the basic loss per share was Rs.1.44 and breakup value per share was Rs. 9.03. As per Latest available financial statements for the year ended December 31, 2023 the basic earnings per share is Rs. 0.58 and breakup value per Share is Rs. 9.86.