

NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that an Extra Ordinary general meeting of Security Investment Bank Limited will be held at the registered office of the Company located at Suite number 4, 3rd floor, Al-Baber Centre, Main Markaz, F-8, Islamabad, on 30th of September 2016 at 9:00 a.m. to transact the following business:

ORDINARY BUSINESS

- 1) To confirm the minutes of the Extra Ordinary General Meeting held on 29 June 2016.

SPECIAL BUSINESS

- 2) To consider and approve the investment of Rs. 50,000,000/- (Rupees : Fifty Million) in 5,000,000 ordinary shares of the Security Capital & Investments (Private) Limited (SCIPL) an unquoted company by transferring TREC, number 1,602,953 unblocked ordinary shares of Pakistan Stock Exchange Limited and Corporate Membership of the Pakistan Mercantile Exchange Limited at the value as determined in compliance with International Accounting Standard and remaining amount in cash, so as to make SCIPL 100% fully owned subsidiary of Security Investment Bank Limited, subject to approval from regulators and for this purpose, to pass a Special Resolution as contained in the attached Statement under Section 160(1)(b) of the Companies Ordinance, 1984.
- 3) To consider and approve payment of remuneration to Non Executive Directors for attending board meetings from exiting Rs. 25,000/- to 35,000/- per meeting, as recommended by the Board of Director.

ANY OTHER BUSINESS

- 4) To transact such other business as may be placed before the meeting with the permission of the chair.

BOOK CLOSURE

The share transfer book of the company will remain closed from 24th of September 2016 to 30th of September 2016 (both days inclusive). Transfer applications received in order at the office of the Share Registrar of the Company (i.e. C & K Management Associates (Private) Limited, room number 404, Trade Tower, Abdullah Haroon road, Karachi) by the close of business on 23rd of September 2016 will be treated in time for determining

the entitlement of members to attend the Extra Ordinary General Meeting of the Company.

By order of the board

Shakeel Ahmed
Company secretary

Karachi:
September 10, 2016

NOTES:

- 1) A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend and vote on his/her behalf. Proxies in order to be effective must be received at the office of the share registrar of the company duly stamped and signed not less than **48** hours before the meeting. A member may not appoint more than one proxy.
- 2) Members are requested to promptly communicate to the Share Registrar of the Company any change in their addresses.
- 3) Members who have not already submitted attested photocopies of their Computerized National Identity Cards (CNICs) are requested to send the same to our Shares Registrar at the earliest.
- 4) CDC account holders and sub-account holders are required to follow the under mentioned guidelines as laid down by the Securities & Exchange Commission of Pakistan.
 - a) For attending the meeting.
 - i) In case of individuals, the account holder or sub-account holder shall bring his or her original CNIC or original passport at the time of attending meeting.
 - ii) 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 meeting.
 - b) For appointing proxies
 - i) In case of individuals, the account holder or sub-account holder 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 number shall be mentioned on the form.
- iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- iv) The proxy shall produce his or her original CNIC or original passport at the time of meeting.
- v) In case of corporate entity, the board of directors' resolution / power of attorney with specimen signature shall be submitted to the company along with proxy form.

**STATEMENT UNDER SECTION 160 (1) (b) OF THE COMPANIES
ORDINANCE, 1984**

This statement sets out the material facts concerning the special business, given in agenda items, to be transacted at the Extra Ordinary General Meeting of the Company to be held on 30th day of September 2016.

**INVESTMENT IN UNQUOTED SHARES OF SECURITY CAPITAL &
INVESTMENTS (PRIVATE) LIMITED, AN UNQUOTED COMPANY, TO
MAKE IT 100% FULLY OWNED SUBSIDIARY**

- a) The board of directors of the Company had resolved to start brokerage business, by making Security Capital & Investments (Private) Limited a 100% fully owned subsidiary, in accordance with the SECP's requirement under Rule 7(2)(n) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. Security Capital & Investments (Private) Limited was incorporated on 23 day of February, 2015 under the Companies Ordinance 1984 by some individuals.
- b) Approval of shareholders is sought for making investment of Rs. 50,000,000/- (Rupees : Fifty Million) by subscribing 5,000,000 ordinary shares of Rs.10/- each of Security Capital & Investments (Private) Limited (SCIPL) , an unquoted company, to make SCIPL 100% fully owned subsidiary of Security Investment Bank Limited, subject to approval from the regulators.

- c) The information required to be disclosed to the members under the Companies (Investment in Associated Companies or Associated Undertakings) Regulations, 2012, is as follows:-

(i)	Name of the Associated Company and criteria of relationship	Security Capital & Investments (Private) Limited, which will become wholly owned subsidiary of the Company due to subscription of 100% of its issued shares.
(ii)	Purpose, benefits and period of investments	To undertaking brokerage business at Pakistan Stock Exchange, to meet the requirement under Rule 7(2)(n) of the Non-Banking Finance Companies (Establishment and Regulation) Rules, 2003. The subsidiary company will be engaged in stock brokerage business for clients after fulfilling all legal and regulatory formalities. The investment will therefore be beneficial for the Company.
(iii)	Maximum amount of investment.	Rs:50,000,000/-
(iv)	Maximum price at which securities would be acquired.	Par value i.e. @ Rs:10/- per share.
(v)	Maximum number of securities to be acquired.	5,000,000 Ordinary Shares of Rs:10/- each.
(vi)	Number of securities and percentage thereof held before and after the proposed investment.	The company does not have any assets at book. Investment is being made in a new company. The Company will hold 100% of the issued shares of Security Capital & Investments (Private) Limited.
(vii)	In case of investment in listed securities, average of the preceding 12 weekly average price of the security intended to be acquired.	Not applicable
(viii)	In case of investment in unlisted	

	securities, fair market value of such securities in terms of regulation 6(1).	Not applicable
(ix)	Break up value of the securities intended to be acquired on the basis of latest audited financial statements.	Not applicable
(x)	Earning per share of the associated company for the last three years.	Not applicable
(xi)	Sources of funds from which securities will be acquired.	Out of equity
(xii)	Whether securities are intended to be acquired from borrowed fund.	No
(xiii)	Salient features of the Agreement, if any.	No Agreement as the subsidiary is the newly incorporated company.
(xiv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any.	The Directors, Chief Executive, the Sponsors and the majority shareholders have no direct personal interest in the subsidiary, except in their capacities as being Directors, Chief Executive and the sponsors of Security Investment Bank Limited.
(xv)	Any other important details for the members to understand the transaction.	The Company is a TREC holder of the Pakistan Stock Exchange and has been conducting its own proprietary business in stock market operations. Since the Company intends to start brokerage business therefore as per the requirements of NBFC Rule 7(2)(n) the Company is forming a separate subsidiary
(xvi)	Project of the associated company has not commenced operation	(i) Security Capital & Investments (Private) Limited would be operating as a stock brokerage house. (ii) The brokerage business is

		<p>expected to commence operational in the year 2016.</p> <p>(iii) Same as above</p> <p>(iv) In the first year of operation a nominal profit is expected which will be increased gradually.</p>
(xvii)	Interest of directors of the subsidiary in the Company.	Non of the nominee directors of the company on the Board of subsidiary will have any personal interest in the company

For this purpose, it is intended to propose the following resolution to be passed as Special Resolution with or without modifications:

“**RESOLVED THAT** the Company be and is hereby authorized to invest an amount of Rs. 50,000,000/- (Rupees: Fifty Million only), out of its equity, by subscribing 5,000,000 (Five million) ordinary shares of Rs.10/- each of Security Capital & Investments (Private) Limited (SCIPL), an unquoted company, to make SCIPL 100% fully owned subsidiary of Security Investment Bank Limited, subject to approval from regulators.”

“**RESOLVED FURHTER THAT** the Company is authorized to take all appropriate steps and execute all necessary documents in connection with the making Security Capital & Investments (Private) Limited, 100% fully owned subsidiary of Security Investment Bank Limited.

RESOLVED FURTHER THAT the Chief Executive, and the Company Secretary, be and are hereby authorized jointly and severally to do all the acts, deeds and things necessary to implement this Special Resolution and also jointly and severally empowered to make amendments / modifications to the Resolutions as may be required by the members or by the regulators and such amendments / modifications shall also be deemed as having been approved by the shareholders.

TRANSFER OF TREC OF THE PAKISTAN STOCK EXCHANGE LIMITED, NUMBER 1,602,953 UNBLOCKED ORDINARY SHARES OF PAKISTAN STOCK EXCHNAGE LIMITED AND CORPORATE MEMBERSHIP OF THE PAKISTAN MARCANTILE EXCHANGE LIMITED

The Board of Directors has resolved to transfer TREC and number 1,602,953 unblocked ordinary shares of Pakistan Stock Exchange Limited and the Corporate Membership of the Pakistan Mercantile Exchange Limited to our subsidiary Security Capital & Investments (Private) Limited. The transfer is being effectuated to meet the

SECP's requirement under Rule 7(2)(n) of the Non-Banking Finance Companies (Establishment and Regulation) Rules 2003 for conducting brokerage business by setting up a separate subsidiary.

The information required to be disclosed to the members under the SECP's SRO 1227/2005 for effectuating the transaction under section 196(3)(a) of the Companies Ordinance 1984, is as follows:

(i)	Detail of Asset to be disposed off	TREC of Pakistan Stock Exchange Limited, number 1,602,953 unblocked ordinary shares of Pakistan Stock Exchange Limited and corporate membership of the Pakistan Mercantile Exchange Limited Carrying value of both as determined by the evaluator. The transaction shall be made at arm's length basis.
(ii)	Manner of disposal	Transfer of TREC to proposed subsidiary Security Capital & Investments (Private) Limited shall be effectuated in accordance with the procedures of the Pakistan Stock Exchange Limited and the Pakistan Mercantile Exchange Limited and in line with the recommendations of our Company's Board of Directors
(iii)	Reasons for sale	To comply with the requirement of Rule 7(2)(n) of the Non-Banking Finance Companies (Establishment and Regulations) Rules 2003, for conducting brokerage business (including proprietary business) by setting up a separate subsidiary
(iv)	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any	The Directors, Chief Executive, the Sponsors and the majority shareholders have no direct personal interest in the subsidiary, except in their capacities as being Directors, Chief Executive and the sponsors of Security Investment Bank Limited

For this purpose, it is intended to propose the following resolutions to be passed as Special Resolutions with or without modifications:

“RESOLVED THAT the Company be and is hereby authorized to transfer / sale the TREC of Pakistan Stock Exchange Limited, number 1602,953 unblocked ordinary shares of Pakistan Stock Exchange Limited and the Corporate Membership of the Pakistan Mercantile Exchange Limited to proposed 100% fully owned subsidiary Security Capital & Investments (Private) Limited in line with recommendations of our Company’s Board of Directors.”

“RESOLVED FURTHER THAT the Company is authorized to take all appropriate steps and execute all necessary documents in connection with the transfer/sale the TREC of Pakistan Stock Exchange Limited, number 1,602,953 unblocked ordinary shares of Pakistan Stock Exchange Limited and the Corporate Membership of the Pakistan Mercantile Exchange Limited.”

“RESOLVED FURTHER THAT the Chief Executive and the Company Secretary be and are hereby authorized jointly and severally to do all acts, deeds and things necessary to implement this Special Resolution and also jointly and severally empowered to make amendments / modifications to the Resolutions as may be required by the members or by the regulators and such amendments/modifications shall also be deemed as having been approved by shareholders.”