

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the fifty-eighth Annual General Meeting of Security Papers Limited, (the “Company”) will be held on Thursday, October 26, 2023, at 10:00 a.m. at Security Papers Limited, Jinnah Avenue, Malir Halt, Karachi to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended June 30, 2023, together with the Directors’ and Auditors’ Reports thereon.
2. To approve the payment of cash dividend at the rate of Rs 11/- per share i.e., 110% for the year ended June 30, 2023, as recommended by the Board of Directors.
3. To appoint Auditors for the Financial Year 2023-24 and to fix their remuneration.

A notice referred to in sub-section (2) of Section 246 of the Companies Act, 2017 is hereby given to the members that after obtaining consent of the proposed auditors, the Board has recommended the name of A. F. Ferguson & Co., Chartered Accountants as external auditors of the Company in place of retiring auditors KPMG Taseer Hadi & Co., Chartered Accountants.

SPECIAL BUSINESS

4. To consider and, if thought fit, pass, with or without modification(s), the following resolution to enable and authorize Security Papers Limited (the “Company”) to circulate the Annual Report (including the audited financial statements, auditor's report, Directors' report, Chairman's review report) to the members of the Company through QR enabled code and weblink, as permitted by the Securities and Exchange Commission of Pakistan vide its Notification S.R.O. 389(I)/2023 dated March 21, 2023, instead of old technology which has become obsolete for transmission through CD/DVD/USB.

“RESOLVED THAT the Company be and is hereby authorized to circulate its annual report, including annual audited financial statements, auditor's report, Directors' report, Chairman's review and other reports contained therein, to the members of the Company through QR enabled code and weblink, in accordance with S.R.O. 389(I)/2023 issued by the Securities and Exchange Commission of Pakistan, and that the practice of circulation of the annual report through CD / USB be discontinued.”

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS TO BE TRANSACTED AT THE ANNUAL GENERAL MEETING OF SHAREHOLDERS OF THE COMPANY TO BE HELD ON OCTOBER 26, 2023.

Agenda Item 4 - Transmission of Annual Report Including Notice of General Meetings

The Securities and Exchange Commission of Pakistan has allowed listed Companies, through its S.R.O No.389(I)/2023 dated March 21, 2023 to circulate the Audited Annual Financial Statements to their Members through QR-enabled code and weblink instead of transmitting the Audited Annual Financial Statements through CD/DVD/USB. The Company shall circulate Audited Annual Financial Statements through email address in case it has been provided by the member to the Company, and upon demand, supply hard copies of the Audited Annual Financial Statements to the shareholders free of cost upon receipt of a duly completed Request Form, which may be obtained from the Company's Website i.e., <http://www.security-paper.com>

None of the Directors of the Company have any direct or indirect interest in this special business.

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5. To consider and if thought fit, to pass the following as ordinary resolution:

“RESOLVED that the Directors’ remuneration for attending meetings of the Board /Committee(s) of the Board be and is hereby increased from Rs 160,000/= to Rs 200,000/=.”

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 RELATING TO THE SPECIAL BUSINESS:

The existing amount of Directors’ remuneration for attending the meetings of the Board / Committee(s) of the Board is Rs 160,000/= per meeting. The said amount had become inadequate and did not compensate for the increase in responsibilities of the Directors. The proposed resolution seeks to revise the existing fee from Rs 160,000/= to Rs 200,000/= per meeting.

The Directors are interested in the Business to the extent of their remuneration

BY ORDER OF THE BOARD



(RIZWAN UL HAQ KHAN)
COMPANY SECRETARY

KARACHI,

SEPTEMBER 13, 2023

NOTES:

1. Closure of Share Transfer Books

- i. The Share Transfer Books of the Company will remain closed from October 17, 2023, to October 26, 2023 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi by the close of business on October 16, 2023, will be considered in time to determine the above-mentioned entitlement and to attend and vote at the Meeting.

2. Participation in the Annual General Meeting and appointing proxies

- ii. Members whose names are appearing in the register of members as of October 16, 2023, are entitled to attend and vote at the meeting.
- iii. A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on his/her behalf. No person shall act as a proxy (except for a corporation) unless he is entitled to be present and vote in their own right. For appointing proxies, the scanned/hard copy of the proxy form appearing below duly executed and witnessed, along with the relevant supporting documents and the e-mail address of the proxy must be sent to the Company Secretary at comsec@security-papers.com at least 48 hours before the time of the Meeting.

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- iv. The proxy form should be witnessed by two persons whose names, addresses, and CNIC numbers shall be mentioned on the form.
- v. Where possible, attested copies of the CNIC or the identification pages of the passport of the beneficial owners and the proxy should be enclosed with the e-mailed Proxy Form.
- vi. In the case of a corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature should be submitted along with Proxy Form to the Company.
- vii. Shareholders holding shares in physical form are requested to notify the change of their addresses (if any) and provide a copy of their CNIC to Share Registrar, M/s. FAMCO Associates (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi.
- viii. 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.

3. CNIC / NTN Number on Dividend Warrant (Mandatory)

- i. In terms of the Companies (Distribution of Dividends) Regulations, 2017. Regulation 4, Manner of payment of cash dividend, (iv) the Dividend Warrant or cheque should bear identification number. Explanation _ For the purpose of these regulations identification number includes the Computerized National Identity Card Number (CNIC) of the registered shareholder or the authorized person, child registration certificate number or juvenile card number in case of a minor, where applicable and registration number or national tax number of the shareholder is a person other than a natural person.
- ii. In order to comply with the SECP's directives and in terms of Section 243(2)(a) of the Companies Act, 2017, the Company shall be constrained to withhold the Dividend Warrant(s), in case of a non-availability copy of valid CNIC (for individuals) and National Tax Number (for a corporate entity).
- iii. Accordingly, shareholders who have not yet submitted a copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Company or its Share Registrar, M/s. FAMCO Associates (Pvt.) Limited.

4. Updation of shareholder addresses / other particulars

- i. Members holding shares in physical form are requested to promptly notify Shares Registrar of the Company of any change in their addresses or any other particulars. Shareholders maintaining their shares in electronic form should have their address updated with their participant or CDC Investor Accounts Service.
- ii. Further, to comply with requirements of section 119 of the Companies Act, 2017 and Regulation 19 of the Companies (General Provisions and Forms) Regulations, 2018, all CDC and physical shareholders are requested to have their email address and cell phone numbers incorporated / updated in their physical folio or CDC account, as the case may be.

5. Deduction of Income Tax from Dividends under Section 150 of the Income Tax Ordinance, 2001 (Mandatory)

- i. The rates of deduction of Withholding Income Tax from dividend payments under the Income Tax Ordinance, 2001 shall be as follows:
 - Persons appearing in Active Taxpayers List (ATL) ---- 15%.
 - Persons not appearing in Active Taxpayers (ATL) ---- 30%
- ii. To enable the Company to make tax deduction on the amount of cash dividend @ 15% instead of 30%, shareholders whose names are not entered into the Active Taxpayers' List (ATL) provided on the website of FBR, despite the

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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 @ 30% instead of 15%.

- iii. Persons not appearing in the Active Taxpayers' List: The rate of tax required to be deducted/collected, as the case may be, is increased by 100% (as specified in the Tenth Schedule to the Income Tax Ordinance, 2001).
- iv. Withholding Tax will be determined separately on 'person names appearing on ATL/person names not appearing on ATL' status of Principal Shareholder as well as Joint holder(s) based on their shareholding proportions, in case of joint accounts.
- v. In this regard, all shareholders who hold shares jointly are requested to provide shareholding proportions of Principal Shareholder and Joint holder(s) in respect of shares held by them (only if not already provided) to our 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)

- vi. The required information must reach our 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)
- vii. As per FBR Circulars C. No. 1 (29) WHT/2006 dated 30 June 2010 and C. No. 1 (43) DG (WHT)/2008- Vol. II -66417-R dated 12 May 2015, the valid exemption certificate is mandatory to claim exemption of withholding tax U/S 150 of the Income Tax Ordinance, 2001 (tax on dividend amount) where the statutory exemption under clause 47B of part - IV of Second Schedule is available. The shareholders who fall in the category mentioned in the above clause and want to avail exemption U/S 150 of the Ordinance, must provide a valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.
- viii. For any query/problem/information, the investors may contact the Company Secretary at phone: 021-99248285 and email address comsec@security-papers.com and/or FAMCO Associates (Pvt.) Ltd. at phone 021-34380101-5 and email address: info.shares@famco.com.pk.
- ix. The corporate shareholders having CDC accounts are required to have their National Tax Number (NTN) updated with their respective participants, whereas corporate physical shareholders should send a copy of their NTN certificate to the company or FAMCO Associates (Pvt.) Ltd. The shareholders while sending NTN or NTN certificates, as the case may be, must quote the company name and their respective folio numbers.

6. Intimation for Non-Resident Individual Shareholders

- i. Non-Resident individual shareholders shall submit a declaration of undertaking with a copy of a valid passport under the definition contained in Section 82 of the Income Tax Ordinance, 2001 for determination of residential status for the purposes of tax deduction on dividends to the Share Registrar (M/s. FAMCO Associates (Pvt.) Limited at 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi, or email at info.shares@famco.com.pk at the latest by October 16, 2023. A copy of the declaration form can be downloaded at the Shares Registrar website: <https://famco.com.pk/share-registration-services/>

7. Payment of Cash Dividend Electronically (Mandatory)

- i. In accordance with the provisions of Section 242 of the Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividends to its shareholders only through electronic mode directly into their bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

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- ii. Therefore, shareholders are requested to provide the details of their bank mandate information specifying: (a) title of account (b) account number (c) IBAN number (d) bank name, and (e) branch name, code and address to the Company or Share Registrar. Those shareholders who hold shares with participants/Central Depository Company of Pakistan (CDC) are advised to provide the same to their concerned participant/CDC.
- iii. Please note that as per Section 243(3) of the Companies Act, 2017, listed companies are entitled to withhold payment of dividends, if the necessary information is not provided by shareholders.
- iv. For the convenience of shareholders, the e-Dividend Mandate Form is available on the Company's website: <http://www.security-papers.com>.

8. Unclaimed / Unpaid Shares and Dividends

- i. In accordance with the provisions of 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 is due and payable, the Company shall give ninety days notices to the shareholders to file claim if no claim is made before the Company by the shareholders, the Company shall proceed to deposit the unclaimed or unpaid Shares / Dividends with the Federal Government in compliance with the Section 244 of the Companies Act, 2017.
- ii. In this regard, a Notice dated December 28, 2017, was sent by Registered Post acknowledgment due on the last known addresses of the shareholders to submit their claims within 90 days to the Company. In compliance with Section 244(1) (b) of the Companies Act, 2017 a Final Notice had also been published on March 30, 2018, in two daily newspapers i.e. (i) Business Recorder and (ii) Daily Jang in English and Urdu respectively.
- iii. In case no claim is received within the given period from the aforesaid Notice, the Company shall proceed to deposit the unclaimed/unpaid amounts with the Federal Government (as and when the account detail is provided) pursuant to the provisions of sub-section (2) of Section 244 of the Companies Act, 2017.

9. Conversion of Shares from Physical Form to Book-Entry-Form

- i. The Securities and Exchange Commission of Pakistan (SECP) has issued a letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021, addressed to all listed companies referring their attention towards the provision of Section 72 of the Companies Act, 2017 (Act) which requires all the then-existing companies to replace shares issued by them in physical form with shares to be issued in the Book-Entry-form within a period not exceeding four years from the date of the promulgation of the Act.
- ii. In order to ensure full compliance with the provisions of the aforesaid Section 72 and to benefit from the facility of holding shares in the Book-Entry-Form, the shareholders who still hold shares in physical form are requested to convert their shares in the Book-Entry-Form.

10. Placement of Financial Accounts on the Website

- i. Pursuant to the notification of the SECP S.R.O.1196(1)/2019 of 3rd October 2019, the financial statements of the Company have been placed on the Company's website at www.security-papers.com.

11. Consent for Video Link Facility

- i. In accordance with Section 134(1)(b) of the Companies Act, 2017 and the Companies (General Provisions and Forms) Regulations, 2018 Regulation 29 - Video Link facility for meetings, the Company shall provide the facility of video-link for attending the meeting.
- ii. Further to SECP S.R.O. No.1027/(I)2014 dated 13th November 2014 clause 1(b), the Company may provide video link facility to its members for attending the general meeting at places other than the town in which the general meeting is taking place after considering the geographical dispersal of its members:

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- iii. Such facility shall be provided if members, collectively holding 10% or more shareholding residing at a geographical location, provide their consent to participate in the meeting through video link at least 10 days prior to the date of the meeting, the Company shall arrange video link facility in that city subject to availability of such facility in that city.
- iv. The Company will intimate members regarding the venue of the video link facility at least 5 days before the date of the general meeting along with complete information necessary to enable them to access such facility.
- v. I/We, _____ of _____, being a member of the Security Papers Limited, holder of _____ Ordinary Share(s) as per Register CDC/Folio No. _____ hereby opt for video link facility at_____.

12. Zakat Exemption

- i. To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarized copy of Zakat Declaration Form “CZ-50” on NJSP of Rs. 50/- to the Shares Registrar, before the first day of book closure.