



Security Papers LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Ninth (9th) Extraordinary General Meeting (“EOGM”) of Security Papers Limited will be held on Friday, 21 February 2025 at 8:00 a.m. at its Registered Office situated at Jinnah Avenue, Malir Halt, Karachi and also through video link (zoom application), to transact the following business:

Special Business

- 1) To consider and pass the following resolution with or without modification:

“RESOLVED THAT the shareholders of Security Papers Limited (“Company”) hereby concur with and approve the decision of the Board of Directors dated 22 January 2025, for upgrade of Paper Manufacturing Plant, which was installed in 2004 to cater to the key customer requirements of banknote paper with enhanced security features for the new upcoming banknote series as announced by the State Bank of Pakistan, recently. The upgradation project will modernize the plant and enable it to produce security featured paper in line with latest international trends and standards. The Board of Directors of the Company has approved an estimated project cost of Rs 3.4 billion (including international tender of Euro 8.297 million being awarded to Giesecke + Devrient (G+D), Germany). The upgradation project will be completed within a period of 18 months.”

- 2) To transact any other ordinary business of the Company with the permission of the Chairman.

By Order of the Board

Yasir Ali Quraishi
Company Secretary & Legal Counsel

Karachi,
Friday, 31 January 2025

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 15 February 2025 to 21 February 2025 (both days inclusive). Transfers received in order at the office of Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrāh-e-Faisal, Karachi by the close of business on February 14, 2025 will be considered in time to determine the above-mentioned entitlement and to attend and vote at the Meeting.

2. Participation in the Extraordinary General Meeting electronically and appointing proxies.

- (i) Members whose names are appearing in the register of members as of February 14, 2025 are entitled to attend and vote at the EOGM.
- (ii) The shareholders who wish to attend the 9th Extra Ordinary General Meeting are requested to get themselves registered by sending their particulars at the designated email address (info.shares@famcosrs.com), giving particulars as per below table by the close of business hours (5:00 PM) on February 14, 2025.

Name of Shareholder	CNIC No./NTN NO.	CDC Participant ID/Folio No.	Cell No.	Email address

- (iii) The zoom link would be provided to the registered shareholders/proxies who have provided all the requested information. The shareholders are also encouraged to send their comments/suggestion related to the agenda items of the EOGM on the above-mentioned email address by the close of business hours (5:00 PM) on February 14, 2025.
- (iv) 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 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 yasir@security-papers.com at least 48 hours before the time of the EOGM.
- (v) The proxy form should be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- (vi) 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.

- (vii) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature should be submitted along with the e-mailed (soft copy) of the Proxy Form to the Company.
- (viii) Shareholders holding shares in physical form are requested to notify the change of their addresses, if any and provide the copy of their CNIC to Share Registrar, M/s. FAMCO Share Registration Services (Pvt.) Limited, 8-F, Near Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. Those whose shares are held in electronic form with CDC must notify change of address to their participants or CDC Investor Accounts Services with whom account is maintained.

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 EOGM.

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.

- (ix) The Proxy Form is available on the Company's website and also attached herewith.

3. Consent for Video Link Facility

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:

Provided that 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 meeting, the Company shall arrange video link facility in that city subject to availability of such facility in that city".

The Company will intimate members regarding venue of video link facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

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 _____.

4. Electronic Voting and Postal Ballot

The shareholders are hereby notified that pursuant to Section 143 and 144 of the Companies Act, 2017 and The Companies (Postal Ballot) Regulations, 2018 amended through Notification dated December 5, 2022, issued by the Securities and Exchange Commission of Pakistan (“SECP”), wherein, SECP has directed all the listed companies to provide the right to vote through the electronic voting facility and voting through postal ballot to the members on all businesses classified as special business.

Accordingly, the shareholders of the Company will be allowed to exercise their right to vote through the electronic voting facility or voting through postal ballot for the special business in its 9th Extraordinary General Meeting to be held on Friday, 21 February 2025, at 8:00 a.m. in accordance with the requirements and subject to the conditions contained in the aforesaid regulations.

For the convenience of shareholders, the ballot paper would be published 7 days prior to the date of 9th EOGM and would also be made available on the Company’s website at <https://security-papers.com/media-2/> for download.

5. Procedure for Electronic Voting:

(a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on February 14, 2025.

(b) The web address, and login details and password, will be communicated to members via email. The security codes (OTP) will be communicated to members through SMS and email from the web portal of M/s FAMCO Share Registration Services (Pvt.) Limited (being the e-voting service provider).

(c) Identity of the Members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

(d) E-Voting lines will start from February 17, 2025, at 5:00 p.m. and shall close on February 20, 2025 at 5:00 p.m. Members can cast their votes at any time during this period. Once the vote on a resolution is cast by a shareholder, he/she shall not be allowed to change it subsequently.

6. Procedure for Voting Through Postal Ballot:

The shareholders shall ensure that duly filled and signed ballot paper along with a copy of the Computerized National Identity Card (CNIC) should reach the Company Secretary through post on the Company's registered address i.e. Jinnah Avenue, Malir Halt, Karachi or via email at yasir@security-papers.com at the latest by 5:00 p.m. on February 20, 2025, one day before the EOGM. The signature on the ballot paper shall match with the signature on CNIC.

For the convenience of shareholders, the ballot paper would be published 7 days prior to the date of 9th EOGM and would also be made available on the Company's website at <https://security-papers.com/media-2/> for download.

STATEMENT OF MATERIAL FACTS UNDER SECTION 166 (3) OF THE COMPANIES ACT, 2017

Security Papers Limited (the "Company") has been manufacturing security featured paper for its key banknote customer since 1967. Alongside banknote paper, security featured paper for other security documents for other customers have also been regularly manufactured and supplied. SPL products are known for its quality which is comparable to international standards and the Company's operations effectiveness, supply reliability and service standards are second to none.

The State Bank of Pakistan (SBP) announced last year that it would be launching a new banknote series with new, modern and latest security features. Security features in banknote paper are ever evolving and innovations are regularly introduced to ensure currency counterfeit resilience. Subsequently, the Company being the sole supplier of banknote paper was informed that in order to cater to the requirements of new banknote series, it should develop on an urgent basis, the capability to provide banknote papers with certain enhanced security features, which are in line with latest international banknote trends and standards.

As a result, the current banknote paper manufacturing plant of the Company, which was installed in 2003/04, requires modernization and upgrade, to accommodate the enhanced security features requirements of our key customer. It was agreed that the Company should proceed with upgrading its banknote paper manufacturing machine to accommodate the new requirements so to ensure sustainability of the Company's operations.

In light of the aforesaid facts, the Company opted for the international tender route instead of limited inquiries option, in order to ensure transparency, competitiveness and fairness.

The Company published the international tender for upgradation of the banknote paper manufacturing machine to cater to the requirement of new banknote series with additional security features on 23 July 2024. In order to ensure maximum participation of bidders, the Company also contacted renowned technology providers in the field of banknote paper manufacturing and also sent letters to major European Embassies, so to enable them to communicate the said tender to potential bidders of their countries.

To ensure an informed decision, extensive due diligence, discussions and deliberations were held at Board and its relevant committee meetings. Finally, the Board of Directors, decided to proceed with the said project in its meeting dated 22 January 2025. However, to ensure further transparency, the Board of Directors recommended that said decision should also be concurred and approved by the shareholders of the Company at the 9th Extraordinary General Meeting of the Company to be held on 21 February 2025.

The shareholders of the Company are requested to record their concurrence and approval of the decision of the Board of Directors, to proceed with banknote paper manufacturing machine upgrade project, in order to cater to the key customer requirements for the new upcoming banknote series as announced by the State Bank of Pakistan, recently. The said project would modernize the banknote paper manufacturing machine and enable it to manufacture enhanced security featured banknote papers in line with the current international trends and standards. The estimated cost of the project is Rs. 3.4 billion (including international tender of Euro 8.297 million being awarded to Giesecke + Devrient (G+D), Germany) to be completed within a period of 18 months.



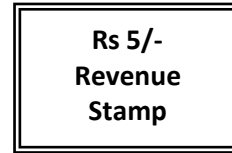
FORM OF PROXY

I/We _____ of _____
_____ being member(s) of SECURITY
PAPERS LIMITED and holder of _____ Ordinary Shares as per Share
Register Folio/CDC Account No. _____ hereby appoint _____
Folio/CDC Account No. _____ of _____ CNIC No. or Passport No:
_____ or failing whom _____ Folio/CDC Account No.
_____ of _____ CNIC No. or Passport No. _____ who is
also a member of the Company as my/our proxy to attend and vote for me/us and on my/our behalf at the
9th EXTRAORDINARY GENERAL MEETING of the Company to be held on Friday, 21 February 2025
at 8:00 am and at any adjournment thereof.

Signed this _____ day of _____ 2025

Witnesses: 1. Signature _____
Name: _____
Address: _____
CNIC or Passport No. _____

2. Signature _____
Name: _____
Address: _____
CNIC or Passport No. _____



Signature _____
(Signature should agree with the
specimen signature registered
with the Company).
CNIC or Passport No. _____

IMPORTANT

1. This form of proxy, duly completed and signed, must be deposited at the Company's Registered Office not later than 48 hours before the EOGM.
2. This form should be signed by the member or by his/her attorney duly authorized in writing. If the member is a corporation, its common seal should be affixed to the instrument.
3. The Proxy Form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
4. A member entitled to attend and vote at the Meeting may appoint any other member as his/her proxy to attend and vote on his/her behalf except that a corporation may appoint a person who is not a member.

For CDC Account Holders/Corporate Entities:

In addition to the above, following requirements have to be met:

- (i) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- (ii) The proxy shall produce his/her original CNIC or original Passport at the time of the Meeting.
- (iii) 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.