



# Security Papers LIMITED

## **NOTICE OF 8<sup>TH</sup> RECONVENED EXTRAORDINARY GENERAL MEETING**

By way of background, the shareholders of Security Papers Limited (“Company / SPL”) are hereby informed that the financial year 2024 had commenced with only two independent directors on the Board, namely, Mr. Munir Ahmed and Mr. Sualeh Ahmed Faruqui, due to a casual vacancy being created on the Board. The issue of one-third independent directors had to be addressed at the next elections to be held in the 8<sup>th</sup> Extraordinary General Meeting (“EOGM”) of SPL, which was scheduled to be held on 29 November 2023.

However, a Writ Petition No. 3877 of 2023 was filed against the Company before the Islamabad High Court (IHC) by a shareholder who had also submitted his candidature to contest the election of directors for ‘independent director category’. IHC, vide an interim order dated 28 November 2023, suspended the elections of directors. The said case was finally dismissed by IHC on merit, in favor of the Company. Now that said petition was dismissed and the said interim order was vacated, the 8th EOGM of SPL was once again scheduled to be held on 13 February 2024. However, the Securities and Exchange Commission of Pakistan (“SECP”) passed an Order dated January 26, 2024 (“SECP Order”) through which it had re-classified SPL as Public Sector Company (“PSC”). Subsequently, an email was also received by SPL from the SECP dated 12 February 2024 that contained a direction that SPL had to comply with the provisions of the State-Owned Enterprises Act, 2023.

Before proceeding with the agenda of 8<sup>th</sup> EOGM on 13 February 2024, the Chairman informed the shareholders that SECP had determined SPL to be a PSC and secondly, on 12 February 2024 at 2:15pm., SPL received another directive from the SECP via email stating that the SOE Act is also applicable to SPL and that failure to comply with the provisions of SOE Act would result in necessary action in accordance with law. This determination by SECP requires further deliberations from a legal perspective considering the pendency of appeal before the SECP involving questions as to the determination of the nature of the Company. Given these developments, a resolution was passed by the shareholders that it was prudent to seek legal advice on the matter and therefore, the 8th EOGM of SPL was adjourned with the consent of the members under Article 44 of Article of Association of the Company, until a further date that would be communicated to the shareholders, accordingly.

Therefore, owing to the impediments to conduct the 8<sup>th</sup> EOGM and lack of clarity occasioned by the SECP Order, the Company filed multiple applications, thereby seeking extensions in the due date for holding election of directors and the CRO Karachi – SECP, upon being satisfied as to the merits of the said applications and recognizing the impediments faced by the Company and its Directors, granted three extensions to the Company and the last extension in holding the elections was granted till 3 December 2024. The Company again filed an application dated 4 November 2024, requesting for extension in time for holding its elections on the same grounds as earlier applications which were due to be held on 3 December 2024. However, CRO Karachi, SECP vide its Order dated 12 November 2024, (received by registered post on 13 November

2024), refused to grant any further extension for elections, one day prior to the deadline for issuance of statutory notice for holding the elections on 3 December 2024. As it was not possible to comply with the legal requirements for convening an Extraordinary General Meeting (EOGM) for the purpose of holding election of directors within the prescribed timeframe (i.e. notice of EOGM to be sent to the shareholders at least 21 days before the meeting date) and being aggrieved by the said order, the Company filed an appeal before Registrar of Companies, SECP, under Section 480(A) of the Companies Act, 2017, impugning the rejection of the said application and a hearing date in relation to this appeal is currently awaited.

As stated above, further to the passing of the SECP Order, the Company contested the adjudication and had challenged the determination in Appeal No. 14 of 2024, before the Appellate bench of SECP. The Appellate Bench passed an Order dated 7 February 2025 in Appeal Nos. 14, 15 and 35 of 2024 (“Impugned Order”), which was received by SPL via email on 10 February 2025, whereby it had upheld the SECP Order, which had determined SPL to be a PSC based upon the shareholding of certain entities.

It is pertinent to mention that during the pendency of the appeal related to the election of directors’ matter, the Honorable Sindh High Court (“SHC”) had passed an ad-interim order dated 26 February 2025 in Miscellaneous Appeal No. 27 of 2025, Security Papers Limited vs Appellate Bench Securities and Exchange Commission of Pakistan and another, whereby the operation of the impugned order was suspended. Therefore, in light of the said order granted by the SHC, the Company has decided to proceed with holdings its elections at the 8<sup>th</sup> Reconvened EOGM of the Company.

In light of the aforesaid facts, a Notice is hereby given to the shareholders of Security Papers Limited that the Adjourned 8<sup>th</sup> EOGM for the purpose of election of directors of the Company, is hereby being reconvened on Thursday, 27 March, 2025, at 9:00 a.m. at the Registered Office situated at Jinnah Avenue, Malir Halt, Karachi and also through video link (zoom application), to transact the following business:

## BUSINESS

1. To elect four (4) Directors of the Company out of the ten (10) Directors\* as fixed by the Board of Directors pursuant to Section 159(1) of the Companies Act, 2017, for a term of next three years. The categories of the Directors are as follows:

Category of Directors	Number of Directors to be Elected
Independent Directors	3
Female Director	1

- It is pertinent to mention that six (6) Directors are merely nominee directors of the Company. Art. 69(1) of the Articles of Association of the Company entitles PSPC to have four of its nominees on the Board of Directors. Similarly, the respective shareholders in Iran and Turkiye have the right to nominate one director each to the Board pursuant to Art. 69(2) of the Articles.
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,  
Dated: 6 March 2025

## NOTES:

### 1. Closure of Share Transfer Books

The Share Transfer Books of the Company will remain closed from 21 March 2025 to 27 March 2025 (both days inclusive). Transfers received in order at the office of Share Registrar, FAMCO Share Registration Services (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 20 March 2025, will be considered in time to determine the above-mentioned entitlement and to attend and vote at the 8<sup>th</sup> Reconvened EOGM.

**2. Participation in the 8<sup>th</sup> Reconvened Extraordinary General Meeting electronically and appointing proxies.**

1. Members whose names are appearing in the register of members as of 21 March 2025, are entitled to attend and vote at the EOGM.
2. The shareholders who wish to attend the Extra Ordinary General Meeting are requested to get themselves registered by sending their particulars at the designated email address ([info.shares@famcosrs.com](mailto:info.shares@famcosrs.com)), giving particulars as per below table by the close of business hours (5:00 PM) on 26 March 2025.

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

3. 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 26 March 2025.
4. A member entitled to attend and vote at the above meeting may appoint a proxy to attend and vote on their 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](mailto:yasir@security-papers.com) at least 48 hours before the time of the EOGM.
5. The proxy form should be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
6. 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.
7. 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.
8. 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 to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi. Those shareholdings are in electronic form with CDC must notify change of address to their participants or CDC Investor Accounts Services with whom account is maintained.

9. 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.
10. 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.
11. The Proxy Form is available on the Company's website i.e. <https://security-papers.com/proxy-forms/>.

### **3. Consent for Video Link Facility**

1. 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:
2. 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".
3. 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. Election of Directors**

1. For Elections of Directors, any person who seeks to contest the Election shall, whether he/she is a retiring director or otherwise, send his/her nomination for Election, duly signed by the Member or Members making the nomination or by their duly authorized representative to the Company at its Registered Office, Jinnah Avenue, Malir Halt, Karachi, Pakistan, which should be received not less than fourteen (14) clear days before the date of the EOGM in terms of Section 159(3) of the Companies Act, 2017.
2. The Company shall transmit all notices of intentions to contest elections received by it to the members not later than seven days before the date of the meeting, along with the following information for the independent and female members contesting for the election of director:

- a) Names along with the profile and the category for which he/she is contesting for the election of director;
3. The Company shall annex with the notice to members a statement by a candidate from among the minority shareholders who seeks to contest election to the Board, including a profile of the candidate.

## **5. Categories for Election of Directors**

1. In compliance with the applicable laws, rules and regulations, the Election of Directors of Security Papers Limited, would be held in the following categories:
  - Independent Director
  - Female Director
2. Any member who seeks to contest for election in the category of independent director or a female director, as the case may be whether retiring or otherwise, shall file with the Company not later than fourteen days before the date of the meeting at which the elections are to be held, their candidature / notice of intention and select any one category in which he/she intends to contest for the election of director.
3. Any member while submitting his/her Notice of Intention shall select any one of the above categories i.e. independent director or a female director and clearly mention his Candidature / Notice of Intention for which category he/she seeks to contest the Election of Directors.

## **6. Eligibility Criteria for Election of Directors**

1. As informed above, the election of directors of SPL are being conducted for independent and female director' categories only. Due to aforesaid matter related to the legal status of the Company, the following eligibility criteria as mentioned below, must be complied with by the candidates, who wish to contest the elections.
  - a) The name of the candidates must appear in the databank of independent directors as maintained by Pakistan Institute of Corporate Governance (PICG).
  - b) The candidates must not have any other relationship, whether pecuniary or otherwise, with the Company, its associated companies, subsidiaries, holding company or directors; and he can be reasonably perceived as being able to exercise independent business judgment without being subservient to any form of conflict of interest.
  - c) The candidate must not be in the service of Pakistan or any statutory body or any institution owned or controlled by the Government.
  - d) The candidates must confirm that he/she is not elected or nominated or hold office as a director of a listed company including as an alternate director of more than seven listed companies, simultaneously.

- e) The candidate must not be subjected to an adverse order passed by SECP or any other sector regulator or any competent Court of Law for any offence involving moral turpitude, economic offence, disregard of securities, breach of company laws or fraud or an order for winding up has been passed against a company of which the candidate was a director or officer.
  - f) The candidate must not suffer from a conflict of interest (this includes political office holders, whether or not in a legislative role).
  - g) The candidate's association with the Company is not likely, for whatever reason, to be detrimental to the interest of the Company, or be otherwise undesirable.
  - h) The candidate must be compliant with all the applicable laws and regulations including without limiting the requirements of the Code of Corporate Governance Regulations and eligibility criteria as set out in Section 155 & Section 156 of the Companies Act 2017, to act as director of the listed company.
  - i) The candidate is not ineligible to become Director of a listed company under Section 153 & 177 of the Companies Act 2017 or any other applicable law.
  - j) The candidate is aware of the duties of the directors under the Companies Act 2017, the Memorandum and Articles of Association of the Company and Listing Regulations of the Pakistan Stock Exchange.
2. Every nomination of a candidate for the elections must be accompanied with the following documents:
- a) Consent of the Candidate to act as Director, duly signed by the Candidate, as required by the Companies Act, 2017.
  - b) A detailed profile of the Candidate along with a copy of valid CNIC, Folio or CDC account number, Contact details and Office Address.
  - c) The candidates contesting elections for independent director' category must provide a written declaration or undertaking that they are compliant with all the eligibility requirements as mentioned in Section 6(1), above.
  - d) The candidates contesting elections for female director' category must provide a written declaration or undertaking that they are compliant with the eligibility requirements as mentioned in Section 6(1)(d) to 6(1)(j), above.
  - e) The candidates contesting elections for the independent director category would also provide a declaration in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019.
3. Potential Candidates may contact Mr. Yasir Ali Quraishi, Company Secretary at [yasir@security-papers.com](mailto:yasir@security-papers.com) for any queries or assistance on the above. Further, the website of the Company will also be updated with the required information.
4. The final list of contesting directors will be circulated not later than seven days before the date of the EOGM.

5. While the Company continues to maintain its status as a listed company without falling within the definition of Public Sector Company as defined by the Companies Act 2017 and /or State-Owned Enterprise under the State-Owned Enterprises (Governance and Operations) Act 2023, by way of prudence and abundant caution, the Board of Directors have included eligibility criteria for independent directors and directors generally as per the Public Sector Companies (Corporate Governance) Rules 2013.

## **7. Postal Ballot**

1. If the number of persons who offer themselves to be elected is more than the number of directors fixed under sub-section (1) of Section 159 of the Companies Act, 2017, then, subject to requirements of Sections 143 and 144 of the Companies Act 2017, the Company shall provide its members with options of e-voting or voting by postal ballot in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.
2. Shareholders desirous of voting electronically (e-voting) are requested to have their updated and active email and cell number incorporated in their physical folio with the Share Registrar of the Company and with their Participant or Broker / CDC Investor Account Services where their shares are digitally held.

## **8. Representation of Minority Shareholders**

1. The Company shall:
  - (i) annex to the notice issued under sub-section (4) of section 159 of the Act, a statement by a candidate from among the minority shareholders who seeks to contest election to the Board, including a profile of the candidate(s);
  - (ii) provide information regarding members and shareholding structure to the candidate(s); and
  - (iii) on a request by the candidate(s) and at the cost of the company, annex to the notice issued under sub-section (4) of section 159 of the Act, an additional copy of proxy form duly filled in by such candidate(s).



## **STATEMENT OF MATERIAL FACTS.**

The Term of Office of the Retiring Directors had expired on 1 September 2023 and in terms of Section 161 of the Companies Act, 2017, the existing directors continue to perform their functions until their successors are elected in the forthcoming EOGM of the Company.

Accordingly, the Board of Security Papers Limited would be reconstituted for the term of next three (3) years by electing four (4) directors, which include three (3) independent directors and one (1) female director in the 8<sup>th</sup> Reconvened EOGM to be held on Thursday, 27 March 2025, at 9:00 a.m.

Please note that independent directors will be elected through the process of election of directors, as laid down under Section 159 of the Companies Act, 2017. The Company will ensure that the candidates contesting election of directors under both 'independent and female' categories must comply with the eligibility criteria as stated in Section 6 above and would have the appropriate mix of core competencies, diversity, requisite skills, knowledge, experience and fulfils any other criteria as deemed relevant in the context of the company's operations.

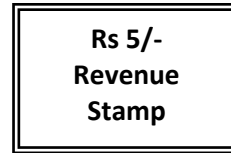




FORM OF PROXY

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 8th Reconvened Extraordinary General Meeting of the Company to be held on Thursday, 27 March 2025, at 9:00 a.m. and at any adjournment thereof.

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2024



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 Meeting.
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. 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) The proxy form shall be witnessed by two persons whose names, addresses and CNIC or Passport Numbers shall be mentioned on the form.
(ii) Attested copies of CNIC or Passport of the beneficial owners and the proxy shall be furnished with the proxy form.
(iii) The proxy shall produce his/her original CNIC or original Passport at the time of the Meeting.
(iv) 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.