

# NOTICE OF 48th ANNUAL GENERAL MEETING

Notice is hereby given to all the shareholders of Dawood Hercules Corporation Limited (the "Company") that the 48th Annual General Meeting of the Company will be held on 23rd April, 2016 at 1100 hours at Movenpick Hotel, Club Road, Karachi to transact the following business.

## ORDINARY BUSINESS:

1. To confirm the Minutes of the Extra Ordinary General Meeting held on Monday, 8<sup>th</sup> June, 2015.
2. To receive, consider and adopt the Audited Financial Statements of the Company for the year ended 31<sup>st</sup> December, 2015 together with the Auditor's and Directors' Reports thereon.
3. To approve as recommended by the Directors, payment of final cash dividend of Rs. 4 per share i.e. (40%) for the year ended 31<sup>st</sup> December 2015 in addition to Rs. 12 per share i.e. (120%) interim cash dividend already paid.
4. To appoint Auditors for the year ending 31<sup>st</sup> December, 2016 and to fix their remuneration.

## SPECIAL BUSINESS:

5. To consider and, if deemed fit, pass the following resolution as 'Special Resolution' with or without modification for alterations in the Articles of Association of the Company:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law, Articles 66 and Article 74 be amended and a additional new Article 74(A) be added in Articles of Association of the Company, be and are hereby read as under:

66. The Company Secretary will be the Secretary of the General Meeting and shall cause minutes to be made of all resolutions and proceedings of the meeting. The Secretary shall cause the minutes to be entered into a minute book provided for that purpose. The

minutes shall be read to the members attending the next General Meetings, whether Ordinary or Extraordinary, and shall be signed in their presence by the Chairman of the meeting or any other Director of the Board present at the meeting, after which such minutes shall be receivable as evidence of the facts and resolutions therein contained without further proof being required.

74. A person can be appointed as proxy and shall be qualified to vote even if he / she is not a member. Moreover, a corporation or a company being a member of the Company may by a resolution of the Directors authorise any of its official or any other person to act as its representative at any meeting of the Company. Subject to the provision of these Articles an agent duly authorised under a power of attorney shall be entitled to be present and vote on behalf of its appointer notwithstanding that such agent may not be member of the Company.

- 74(A). The provisions and requirements for e-voting as prescribed by the Securities and Exchange Commission of Pakistan (SECP) from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provision of these Articles of Association and notwithstanding anything contradictory therein.

**FURTHER RESOLVED** that the Company Secretary be and is hereby authorized to do all acts, deed and things, take all steps and action necessary, ancillary and incidental for altering the Articles of Association of the Company including filling of all requisite documents/ statutory forms as may be required to filed with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."

A Statements under section 160(1)(b) of the Companies Ordinance, 1984, setting forth all material facts pertaining to the Special Business to be transacted at the said Annual General Meeting is attached.

6. To transact any other business of the Company with the permission of the Chair.

By Order of the Board

Karachi  
February 23, 2016

**Shafiq Ahmed**  
Company Secretary

**Notes:**

**1. Closure of Share Transfer Books:**

The Share Transfer Books of the Company will remain closed from 15<sup>th</sup> April 2016 to 23<sup>rd</sup> April 2016 (both days inclusive). Transfers received in order at the office of the Company's Registrars, Messrs. FAMCO Associates (Pvt) Limited, 8-F, Next to Hotel Faran Nursery, Block-6, P.E.C.H.S, Shahrah-e-Faisal, Karachi by close of business (5:00 p.m.) on 14<sup>th</sup> April 2016, will be in time to entitle the transferees to attend and vote at the Annual General Meeting .

**2. Participation in the Annual General Meeting:**

All members, entitled to attend and vote at the Meeting, are entitled to appoint another person in writing as their proxy to attend and vote on their behalf. A proxy need not be a member of the Company. A corporate entity, being member, may appoint any person, regardless whether they are a member or not, as its proxy. In case of corporate entities, a resolution of the Board of Directors / Power of Attorney with specimen signature of the person nominated to represent and vote on behalf of the corporate entity shall be submitted to the Company along with a completed proxy form. The proxy holders

are required to produce their original CNICs or original passports at the time of the Meeting.

In order to be effective, duly completed and signed proxy forms must be received at the Company's Head Office at least 48 hours before the time of the Meeting.

3. CDC account holders will further have to follow the under mentioned guidelines as laid down by the Securities and Exchange Commission of Pakistan.

**A. For Attending the Meeting**

- a. In case of Individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall authenticate his/her original valid Computerized National Identity Card (CNIC) or the original Passport at the time of attending the meeting.
- b. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

**B. For Appointing Proxies**

- a. In case of individuals, the account holders or sub-account holders whose registration details are uploaded as per the Regulations shall submit the proxy form as per above requirements.
- b. Attested copies of valid CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- c. The proxy shall produce original valid CNIC or original passport at the time of the meeting.
- d. 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.
- e. Proxy form will be witnessed by two persons whose names, addresses and valid CNIC numbers shall be mentioned on the form.

4. New Tax Implications on dividends:

Increased Tax Rates on Filers / Non-Filers:

Through the Finance Act, 2015, enhanced rate of withholding tax on dividend amount has been prescribed in the Income Tax Ordinance, 2001 (Ordinance). New tax rates are as under;

- a. For Filers of Income Tax return : 12.5%
- b. For Non-Filers of Income Tax return : 17.5%

A 'filer' is a taxpayer, whose name appears in the Active Taxpayers List (ATL) issued by FBR from time to time, whereas 'non-filer' is a person other than a 'filer'. FBR has uploaded an ATL on its website, which can be accessed at <http://fbr.gov.pk>

The Company / Share Registrar will check each shareholder's status on the latest ATL available at the first day of Book Closure and, if the shareholder's name does not appear on the ATL, the increased rate of withholding tax at 17.5% would be applied. In case of 'filer' withholding rate of 12.5% will be applicable.

The corporate shareholders having CDC accounts are required to have their NTN updated with their respective participants, whereas corporate physical shareholders should send copy of their NTN certificate to our Share Registrar, mentioning their Folio no. and Company name.

**Taxation for Joint Shareholders:**

The FBR has clarified that where the shares are held in joint accounts / names, each account / joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding. The shareholders who are having joint shareholding status are requested to kindly intimate their joint shareholding proportions to the Share Registrar of the Company i.e. M/s FAMCO Associates (Pvt.) Ltd. as per the following format:

Company Name	Folio/CDS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding proportion (No. of Shares)	Name & CNIC No.	Shareholding proportion (No. of Shares)

If the shareholding proportion is not advised or determined, each joint shareholder will be assumed to hold equal proportion of shares and deduction of withholding tax will be made accordingly.

**Requirement of valid tax exemption certificate for claiming exemption from withholding tax:**

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 above clause and want to avail exemption U/S 150 of the Ordinance, must provide valid Tax Exemption Certificate to our Share Registrar before book closure otherwise tax will be deducted on dividend as per applicable rates.

5. **Notice to members who have not provided their CNIC:**

As instructed by the Securities & Exchange Commission of Pakistan (SECP) vide their letter No. EMD/D-II/ Misc./2009-1342 dated April 4, 2013 dividend warrants cannot be issued without insertion of CNIC Numbers; therefore, all shareholders holding physical shares and have not as yet despite various letters and notices, submitted photocopy of their valid Computerized National Identity Card are once again requested to send a photocopy of their valid CNIC along with the folio numbers to the Company's Share Registrar. In case of non-receipt of the copy of a valid CNIC, the Company would be unable to comply with the said SROs

of SECP and therefore will be constrained under Section 251 (2) (a) of the Companies Ordinance, 1984 to withhold dividend warrants of such Shareholders.

**6. Payment of dividend electronically (e-mandate):**

In order to enable a more efficient method of cash dividend, SECP through its Circular No. 8(4) SM/CDC 2008 of April 5, 2013, the SECP has announced an e-dividend mechanism where shareholders can get their dividend credited directly into their respective bank accounts electronically by authorizing the Company to electronically credit their dividend to their accounts. Accordingly, all non CDC shareholders are requested to send their bank account details to the Company's Registrar. Shareholders who hold shares with CDC or Participants/ Stock Brokers, are advised to provide the mandate to CDC or their Participants/ Stock Brokers.

**7. Audited Financial Statements Through e-mail:**

SECP through its Notification SRO 787 (I)/2014 dated September 8, 2014 has allowed the circulation of Audited Financial Statements along with Notice of Annual General Meeting to the members of the Company through e-mail. Shareholders of the Company are requested to give their consent on prescribed format to our Share Registrar to update their record if they wish to receive Annual Audited Financials Statement and Notice of General Meeting through email. However, if shareholders, in addition, request for hard copy of Annual Audited Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.

**8. Consent for Video Conference Facility**

Members can also avail video conference facility

at Lahore and Islamabad. In this regard, please fill the following form and submit to registered address of the Company 10 days before holding of the Annual General Meeting.

If the Company receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city.

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

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Dawood Hercules Corporation Limited, holder of \_\_\_\_\_ ordinary share (s) as per Register Folio/CDC Account No \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

\_\_\_\_\_  
Signature of members

**9. Change of Address and Non-Deduction of Zakat Declaration Form:**

Physical shareholders are requested to notify any change in their addresses immediately and if applicable provide their non-deduction of Zakat Declaration Form to the Company's Shares Registrar, Messrs Famco Associates (Private) Limited. Furthermore, if not provided earlier, members holding shares in CDC/Participants accounts are also requested to update their addresses and if applicable, to provide their non-deduction of Zakat Declaration Form to CDC or their Participants/Stock Borkers.

# Statement under Section 160 (1) (b) of the Companies Ordinance, 1984

Agenda Item 5: To consider and, if deemed fit, pass the following resolution as 'Special Resolution' with or without modification for alterations in the Articles of Association of the Company:

## Proposed Amendments in Articles of Association:

The Board of Directors has recommended alteration of Articles of Association of the Company pursuant to Section 28 and other applicable provisions if any of the Companies Ordinance, 1984 and any other law, the Articles 66 and Article 74 be amended and a additional new Article 74(A) be added in Articles of Association of the Company detailed as under.

Clause	Existing	Revised	Remarks
66.	The Chairman of the meeting may designate any Director to be the Secretary of the General Meeting, whether Ordinary or Extraordinary and the Secretary shall cause minutes to be made of all resolutions and proceedings of the meeting. The Secretary shall cause the minutes to be entered into a minute book provided for that purpose. The minutes shall be read to the members attending the next General Meetings, whether Ordinary or Extraordinary, and shall be signed in their presence by the Chairman of the meeting or any other Director of the Board present at the meeting and countersigned by the Secretary of the meeting, after which such minutes shall be receivable as evidence of the facts and resolutions therein contained without further proof being required.	66. The Company Secretary will be the Secretary of the General Meeting, shall cause minutes to be made of all resolutions and proceedings of the meeting. The Secretary shall cause the minutes to be entered into a minute book provided for that purpose. The minutes shall be read to the members attending the next General Meetings, whether Ordinary or Extraordinary, and shall be signed in their presence by the Chairman of the meeting or any other Director of the Board present at the meeting, after which such minutes shall be receivable as evidence of the facts and resolutions therein contained without further proof being required.	Amended
74	No person shall be appointed as a proxy or as an agent authorized under a power of attorney who is not himself a Member of the Company and qualified to vote, save that a corporation, being a Member of the Company, may appoint as a representative any person, whether a Member of the Company or not	A person can be appointed as proxy and shall be qualified to vote even if he / she is not a member. Moreover, a corporation or a company being a member of the Company may by a resolution of the Directors authorise any of its official or any other person to act as its representative at any meeting of the Company. Subject	Amended

		to the provision of these Articles an agent duly authorised under a power of attorney shall be entitled to be present and vote on behalf of its appointer notwithstanding that such agent may not be member of the Company	
	Not applicable	74(A). The provisions and requirements for e-voting as prescribed by the Securities and Exchange Commission of Pakistan (SECP) from time to time shall be deemed to be incorporated in these Articles, irrespective of the other provision of these Articles of Association and notwithstanding anything contradictory therein.	New Clause