



Notice is hereby given that the 22nd Annual General Meeting of the Shareholders of EFU Life Assurance Ltd. will be held at Al-Malik Centre, 70W. F-7/G-7, Blue Area, Jinnah Avenue, Islamabad on April 5, 2014 at 11.00 a.m. to:

A. ORDINARY BUSINESS

1. confirm the minutes of the 21st Annual General Meeting held on April 4, 2013.
2. receive, consider and approve the Audited Financial Statements for the year ended December 31, 2013 together with the Directors' and Auditors' reports thereon.
3. consider and if thought fit to approve the payment of Final Cash Dividend at the rate of Rs.5/- per share i.e. 50% for the year ended December 31, 2013 as recommended by the Board of Directors in addition to the interim dividend of Rs 1/50 i.e. 15% already paid to shareholders, thus making a total of Rs 6/50 per share i.e. 65% for the year ended December 31, 2013
4. appoint Auditors for the year 2014 and fix their remuneration.

B. SPECIAL BUSINESS

5. To consider and if thought fit to pass following Special Resolution with or without modification(s):

RESOLVED that the Authorised Share Capital of the Company be and is hereby increased from Rs. 1,000,000,000 to Rs. 1,500,000,000 by the creation of 50,000,000 new shares of Rs 10/- each and the Memorandum and Articles of Association of the Company be amended as under:

That the words and figures "Rs 1,000,000,000 (Rupees one billion) divided into 100,000,000 Ordinary Shares of Rs 10/- each" appearing in clause V of the Memorandum of Association and Clause 4 of the Articles of Association of the Company be substituted with words and figures "Rs. 1,500,000,000 (Rupees one billion five hundred million) divided into 150,000,000 Shares of Rs 10/- each".

- 6 To consider and approve Employees Stock Option Scheme (ESOS) of the Company and to pass the following Special Resolutions with or without modification(s)

"RESOLVED that as recommended by the Board of Directors, EFU Life Assurance Limited - Employees Stock Option Scheme (ESOS) and as presented before the shareholders, be and is hereby approved and adopted and the Company is hereby authorized to implement the ESOS, subject to procurement of regulatory approval(s) required for implementation of ESOS.

RESOLVED FURTHER THAT the Compensation Committee (defined in the ESOS) is hereby authorized to make such modifications to the ESOS as may be directed by the Securities and Exchange Commission of Pakistan and such modification(s) (if any) shall also be deemed to have been approved by the shareholders of the Company through this resolution.

RESOLVED FURTHER THAT the Company is hereby authorized to issue and allocate 5,000,000 new ordinary shares of the Company of Rs. 10 each (representing 5% of the existing paid up share capital of the Company) which may be adjusted to account for any issue of bonus or rights shares towards the ESOS by way of issuing new shares without a rights offering to the existing shareholders of the Company as per the first proviso to Section 86(1) of the Companies Ordinance, 1984.

RESOLVED FURTHER THAT the CEO, CFO, and the Company Secretary, be and are hereby singly authorized to initiate the regulatory approval process and do all acts, deeds and things, and to sign the required necessary documents in the matter with regard to the ESOS.

- 7 Consider and if thought fit to pass the following Resolution with or without modification(s) as Special Resolution:

"RESOLVED that the approval be accorded for Investment in Shares of EFU General Insurance Ltd., an associated company, of Rs. 100 million and the said amount be invested within a period of two years.

This investment be made from time to time as the Managing Director (Chief Executive) and/or other attorney(s) of the Company may deem fit.

FURTHER RESOLVED that Chief Executive or Corporate Secretary be and are hereby individually authorized to fulfill all legal and corporate formalities for making the above investment.

FURTHER RESOLVED that the Special Resolution be and is hereby passed for the purpose of compliance of Section 208 of the Companies Ordinance, 1984"

- 8 transact any other matter with the permission of the Chair.

The statement of material facts under Section 160(1)(b) of the Companies Ordinance 1984 relating to the aforesaid Special Businesses to be transacted at the Annual General Meeting is being sent to the Members with the Notice.

Karachi February 14, 2014

By Order of the Board
SYED SHAHID ABBAS
Chief Financial Officer &
Corporate Secretary

NOTES

1. A member entitled to attend, and vote at the Meeting is entitled to appoint another member as a proxy to attend and vote on his/her behalf. Form of proxy must be deposited at the Company's Registered Office not later than 48 hours before the time appointed for the meeting.
2. CDC Account holders are advised to follow the following guidelines of the Securities and Exchange Commission of Pakistan:
 - a. For attending the meeting:
 - (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.
 - (ii) 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:
 - (i) In case of individuals, the account holder or sub-account holder and / or the person whose securities are in group account and their registration details are uploaded as per the Regulations, 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 numbers 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 original CNIC or original passport at the time of the meeting.
 - (v) 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.
3. The Share Transfer Books of the Company will be closed from March 28, 2014 to April, 5 2014 (both days inclusive). Transfers received at the office of our Share Registrar, Technology Trade (Pvt) Ltd., situated at Dagia House , 241- C Block 2, P E C H S. Shahrah-e-Quaideen, Karachi, before the close of business on March 27, 2014 will be treated in time for the purpose of above entitlement to the transferees.
4. Shareholders are requested to notify change in their address, if any, to our Share Registrar, Technology Trade (Pvt) Ltd.

Statement under section 160(1)(b) of the Companies Ordinance, 1984 pertaining to the Special business

1. This statement sets out the material facts pertaining to the Special business to be transacted at the Annual General Meeting of the Company to be held on April 5, 2014.
2. Item 5 regarding increase in Authorised Capital:

The Authorised Share Capital of EFU Life assurance Limited at present is Rs. 1,000,000,000. In order to take care of the Employee Stock option Scheme (ESOS) and future expansion, it is considered necessary to increase the Authorised Share Capital from Rs. 1,000,000,000 to Rs. 1,500,000,000

3. Item 6 regarding Employees Stock Option Scheme ESOS

1. The Board of Directors of EFU Life Limited ("EFU Life") has approved the 'Employee Stock Option Scheme' (the "Scheme"). The Scheme has been structured in accordance with the Public Companies (Employees Stock Option Scheme) Rules, 2001 (the "ESOS Rules"). Subject to the shareholders of EFU Life adopting the Scheme vide the passage of special resolution, the Scheme will be presented to the SECP for approval.
2. The purpose of the Scheme is to reward, motivate and retain high performance executives and officers of EFU Life.
3. The Scheme will be administered and superintended by a Compensation Committee constituted from amongst the Board of Directors, who are neither on the payroll nor are employees of EFU Life (the "Compensation Committee").
4. The salient features of the Scheme include:

(i) Total number of options to be granted

The maximum number of ordinary shares of par value of Rs. 10/- of EFU Life (the "Shares") which may be issued and allocated pursuant to the Scheme, shall not in aggregate exceed 5,000,000 (Five Million) Shares (representing 5% of the existing ordinary share capital of EFU Life), provided the number of Shares may be adjusted in terms provided in the Scheme to account for any issue of bonus or right Shares or any other re-organisation of EFU Life's Share capital.

(ii) Identification of classes of employees entitled to participate in the Scheme

The Compensation Committee shall at its discretion select employees who have contributed or could contribute to the success of EFU Life (the "Designated Employees") from amongst the Eligible Employees. "Eligible Employee" mean all regular employees who are from time to time on the payroll of EFU Life working in Pakistan or out of Pakistan who have completed at least six months of confirmed service.

(iii) Requirement of vesting and period of vesting

The Designated Employee is required to remain in the employment of EFU Life in order to exercise his right of option, except under limited circumstances prescribed in the Scheme. The initial vesting period shall be three years from the date the Designated Employee becomes entitled to participate in the Scheme ("Date of Grant"). Following the end of such three year period, the Designated Employees will be entitled to exercise the options granted to them within a period of three years, provided they remain in the employment of the EFU Life.

(iv) Maximum period within which any option shall be vested

The Maximum period in which the Designated Employee shall exercise his/her right of option shall be three years from the Date of Grant.

(v) Exercise Price or Pricing Formula

The Exercise Price to be paid at the time of Exercising the Options shall be calculated as follows (provided under no circumstances shall the Exercise Price be less than the par value of the Share (i.e. Rs. 10 per share):

$$\text{Exercise Price} = M \times (1 - D)$$

Where:

M = the Market Price of Shares on the day immediately preceding the Date of Grant

D = the Discount Factor

For any Options granted but not Exercised, the Exercise Price shall be adjusted if EFU Life issues any bonus shares or issues further capital through rights issue as stipulated in Clause 14 of the Scheme.

The Discount Factor shall be calculated according to the Return on Equity as follows:

Return on Equity	Discount Factor
20% to 24.99%	0
25% to 34.99%	0.10
35% to 44.99%	0.20
45% and above	0.25

Return on Equity (ROE) shall be calculated as follows:

$$\text{ROE} = (P / S) \times 100$$

Where:

P = profit after tax for the financial year 1 January to 31 December immediately preceding a Date of Grant.

S = EFU Life's shareholder's equity as on 31 December immediately preceding the Date of Grant.

(vi) Exercise period and process of exercise

The initial exercise period shall be a period of three years after the initial vesting period of three years. The exercise of option shall be exercised by the option holder, by a notice in writing in the prescribed format accompanied by the full exercise price.

(vii) Appraisal process for determining the Designated Employees and the number of options to be give to such Designated Employees

The Compensation Committee at its discretion shall select the Designated Employees to be offered the options and the number of options to be granted to such employees. For this purpose consideration will be given on the performance and the contribution of such Designated Employees and key performance based appraisal process will also be carried out. The decision of the Compensation Committee shall be final.

5. The accounting treatment of the Scheme in the EFU Life's books of account will be in accordance with accounting policies specified in Rule 13 of the ESOS Rules.
6. No Director (other than the Chief Executive) is an employee or on the payroll of EFU Life and are thus not entitled to participate in the Scheme. The Chief Executive is interested in the Scheme to the extent he may become entitled to benefits under the Scheme.

The copies of the Scheme may be obtained from the registered office of EFU Life Limited Al Malik Centre 70 W, F7/G-7 Jinnah Avenue Blue area Islamabad, during normal office hours on application prior to the meeting of the shareholders.

4. Item 6 regarding investment in associated company:

The information required under Companies (Investment in Associated Companies or Associated Undertakings) Regulation, 2012 is as under:

Regulation No. 3(1)a:

- i) Name of Associated Company along with criteria based on which the associated relationship is established:
EFU General Insurance Ltd. being associated on the basis of more than 20% holding by EFU General Insurance Limited.
- ii) Purpose, benefits and period of investment:
Long-term strategic investment for better return and capital appreciation by way of purchase from time to time from the Stock Exchange at a price ruling on the date of purchase.
- iii) Maximum amount of investment:
Rs. 100 million in Ordinary shares of Rs. 10 each.
- iv) Maximum price at which securities will be acquired:
Not more than the price quoted on Stock Exchange.
- v) Maximum number of securities to be acquired:
Equivalent to the amount of Investment.
- vi) Number of securities and percentage thereof held before and after the proposed investment:
8,516,316 shares (6.81%) held to date i.e. before proposed investment. Number of Shares and percentage after proposed investment will depend on the prevailing prices at the time of actual acquisition of shares which could vary with the market price at which shares are purchased in future.

vii) Average of the preceding twelve weekly average price (December 2013 to February 2014) of the security intended to be acquired:

Rs.101/42 per share

viii) In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1):

Not applicable

ix) Break-up value of securities intended to be acquired on the basis of the latest audited financial statements:

As on December 31, 2013 Rs. 95/26

x) Earnings per share of the associated company or associated undertaking for the last three years:

Year ended December 31, 2011 - Rs. 4/49

Year ended December 31, 2012 - Rs. 12/52

Year ended December 31, 2013 - Rs. 11/14

xi) Sources of fund from which securities will be acquired:

Internal generation.

xii) Where the securities are intended to be acquired using borrowed funds,-

(I) justification for investment through borrowings; and

(II) detail of guarantees and assets pledged for obtaining such funds;

Not applicable

xiii) Salient features of the agreement(s), if any, entered into with its associated company or associated undertaking with regards to the proposed investment;

Not applicable

xiv) Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration:

No Director or Chief Executive has any interest in the proposed investments, except in their individual capacities as "Directors/Chief Executive" and/or as shareholders of the Company.

xv) Any other important details necessary for the members to understand the transaction;

None

xvi) In case of investment in securities of a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further information, is required, namely,-

(I) description of the project and its history since conceptualization;

(II) starting and expected dated of completion of work;

(III) time by which such project shall become commercially operational; and

(IV) expected time by which the project shall start paying return on investment;

Not applicable

Regulation No. 3(3)

The directors of the investing company while presenting the special resolution for making investment in its associated company or associated undertaking shall submit an undertaking to the members of the investing company that they have carried out necessary due diligence for the proposed investment.

The Directors of the Company submit that they have carried out necessary due diligence for the purposed investment in shares of EFU General Insurance Ltd.

Regulation No. 4

Other information to be disclosed to the members.-

- (1) If the associated company or associated undertaking in which the investment is being made or any of its sponsors or directors is also a member of the investing company, the information about interest of the associated company or associated undertaking and its sponsors and directors in the investing company shall be disclosed in the notice of general meeting called for seeking members' approval pursuant to Section 208 of the Companies Ordinance.

EFU General Insurance Ltd. is holding 42,996,940 Shares to date of the investing company EFU Life Assurance Ltd. No Director or Chief Executive has any interest in the investing Company except in their individual capacities as "Directors/Chief Executive" and/or as shareholders of the investing Company. The Shareholding of the Directors is Mr. Saifuddin N. Zoomkawala 500,000. Mr. Hasanali Abdullah 126,646, Mr. Rafique R. Bhimjee 3,482,596, Mr. Jahangir Siddiqui 28,000, Mr. Muneer R. Bhimjee 3,519,981 and Mr. Taher G. Sachak 675,928.

- (2) In case any decision to make investment under the authority of a resolution passed pursuant to provisions of Section 208 of the Companies Ordinance is not implemented either fully or partially till the holding of subsequent general meeting(s), the status of the decision must be explained to the members through a statement having the following details namely,-

- a) total investment approved;

Rs.500 million approved by the shareholders at Annual General Meeting of March 31, 2008.

- b) amount of investment made to date;

Rs. 498,433,391 million

- c) reasons for not having made complete investment so far where resolution required it to be implemented in specified time;

No specific time was mentioned in the previous special resolution therefore a fresh special resolution is being proposed to the shareholders for the additional amount of Rs. 100 million.

- d) any material change in financial statements of associated company or associated undertaking since date of the resolution passed for approval of investment in such company.

Since the date of passing the resolution by the shareholders of the Company on March 31, 2008 the shareholders equity of the investee company has increased to Rs. 11,907 million from Rs. 10,106 million due to issue of Bonus Shares of Rs. 100 million and increase in Reserves of Rs. 1,701 million.