



ISE Towers REIT Management Company Limited

(Formerly Islamabad Stock Exchange Limited)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that 35th Extraordinary General Meeting (EOGM) of ISE Towers REIT Management Company (ISE RMC or the "Company") will be held on Monday December 06, 2021 at 3:30 p.m., at the Registered Office of the Company, 55-B, ISE Towers, Jinnah Avenue, Blue Area, Islamabad; to transact the following businesses, with or without modifications, subject to approval by Securities and Exchange Commission of Pakistan (SECP):

ORDINARY BUSINESS:

1. To consider and pass the minutes of the 32nd Annual General Meeting of the Company, held on Oct 28th, 2021.

SPECIAL BUSINESS:

2. To consider and approve the following special resolutions, to launch and register the "ISE Towers REIT Scheme" under Real Estate Investment Trust Regulations, 2015, by way of vesting / transfer / disposal the Real Estate measuring 135,142 square feet in ISE Towers owned by ISE Towers REIT Management Company Limited in the Trust and execution / submission of related documents and materials, required under REIT Regulations, 2015, or any other applicable laws and to obtain approval of Securities and Exchange Commission of Pakistan under sub-Clause 49(vi)(b) of Clause III of the Memorandum of the Company for vesting / transferring / disposing off the Real Estate.

"Resolved that the launching and registration of ISE Towers REIT Scheme ("the Scheme"), as proposed by the Board, by way of vesting / transfer / disposal of the Real estate measuring 135,142 square feet in ISE Towers owned by ISE Towers REIT Management Company Limited in the Trust at a value determined by the Valuer and approved by the Board for the purpose to form part of the Scheme and execution / submission of related documents, and materials required under REIT Regulations, 2015 and / or other applicable laws and obtaining of approval of Securities and Exchange Commission of Pakistan under sub clause 49(vi)(b) of Clause III of Memorandum of Association of Company, be and are hereby approved";

Further resolved that the Board of Directors, be and are hereby authorized to compose, modify, alter, add, and/or amend the related documents, as may be deemed necessary or appropriate, to align these with the requirements of applicable laws, or otherwise for the purposes of facilitation of transactions envisaged herein, including registration of the Scheme with the Securities and Exchange Commission of Pakistan;

Further resolved that the Chief Executive Officer and Company Secretary, be and are hereby authorized jointly and severally to do all necessary things and/or take all steps and/or prepare, compose and / or sign relevant



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documents, as may be deemed necessary or appropriate, to effectuate the implementation of above special resolutions”.

3. To consider and approve the following Special Resolutions, to redeem and / or exchange the part of Share Capital of the ISE Towers REIT Management Company Limited by converting it into Units of ISE Towers REIT Scheme through a Scheme of Arrangement or any other means / measures, expedient and permitted under applicable laws at the discretion of the Board and to carry out due diligence for major or substantial shareholder, as consequence of the redemption of the Company’s share capital.

Resolved that redemption, conversion and / or exchange of Part of the Share Capital of ISE Towers REIT Management Company Limited at par value of Rs. 10 each by converting it into Units of ISE Towers REIT Scheme (“Scheme”) to the extent of 75% Scheme units at par value of Rs. 10 each, as allowed under the applicable regulations through a Scheme of Arrangement or any other means/measures expedient and permitted under applicable laws at the discretion of the Board be and is hereby approved.

Resolved further that subsequent to, and as a consequence of the redemption of the Company’s share capital, and due to the reason of subsequently holding the long-term investments in the highly-regulated capital market infrastructure companies, the matter of beneficially owning, holding or controlling the Company’s shares, individually or in concert with associates, related parties, family and/or as part of a group, which are more than the limit prescribed under the threshold of major or substantial shareholding under the Companies Act, 2017, shall be subject to extended due diligence as per the guidelines for AML /FATF as may be introduced / amended by the relevant authorities from time to time.

Further resolved that the Chief Executive Officer and the Company Secretary, are hereby, jointly, and severally, authorized to do all necessary things and/or take all steps and/or prepare, compose, and / or sign relevant documents as may be deemed necessary, or appropriate to effectuate the implementation of the above special resolutions.”

4. To consider and approve the following Special Resolutions for listing of ISE Towers REIT Scheme on the Securities Exchange at a price approved by the Board.

Resolved that listing of the Units of “ISE Towers REIT Scheme” as a Rental REIT Scheme, be and is hereby approved, under applicable law including PSX Rulebook, subject to such modifications, alterations and/or additions, as may be recommended, advised, directed, or approved by the SECP.

Further resolved that the Company, through its Board, be and is authorized to determine a reference price/opening price of the Units of ISE Towers REIT Scheme as per the PSX Rulebook.



Further resolved that the Chief Executive Officer and the Company Secretary, are hereby, jointly, and severally, authorized to do all necessary things and/or take all steps and/or prepare, compose, and / or sign relevant documents as may be deemed necessary, or appropriate to effectuate the implementation of the above special resolutions.”

5. To consider and approve the amendment in Memorandum and Articles of Association of the Company, as recommended by the Board and to obtain approval from Securities and Exchange Commission of Pakistan under sub-clause 49(vi) of Clause III, requiring prior written approval of the Securities and Exchange Commission of Pakistan (SECP).

Resolved that Board of Directors be and are hereby authorized to seek approval from Securities and Exchange Commission of Pakistan under sub-Clause 49(vi)(b) of Clause III of the Memorandum of the Company for vesting / transfer / disposal the Real Estate in the Trust.

Memorandum:

- (a) “Resolved that the name of the Company as appearing in Memorandum Clause I, be and is hereby changed to “ISE REIT Management Company Limited” from its existing name of “ISE Towers REIT Management Company Limited”.

Articles of Association:

- (b) “Resolved that the reference to Companies Ordinance 1984, wherever appearing whether in the Memorandum and the Articles of Association of the Company, be and is hereby changed to Companies Act, 2017, and the existing references to any Section of the Companies Act, 1984, be and are hereby replaced with the subject matter of the relevant Sections of the Companies Act, 2017.
- (c) Resolved that the following new interpretations, be and are hereby approved to be added to appear in the alphabetical sequence of Clause 2 of the Articles of Association of the Company, in compliance with the REIT Regulations and the Companies Act, 2017:
- (i) “Act” means the Companies Act, 2017, as amended from time to time.
- (ii) “Beneficial Ownership” means the limit of 10% or more shares having voting rights in the paid-up capital of the Company, which is beneficially owned, held or controlled by any (natural) person, individually or in concert with associates, related parties, family and/or as part of a group.
- (iii) “Due Diligence” means the process of evaluating a person’s eligibility and justification for choosing a person as an independent director by the Board of the



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Company in compliance with Section 166 of the Companies Act, and that of one additional director having the experience of real estate development as a director as required and to be approved by the Commission under Article 59 of the Articles of Association of the Company.

(iv) "Fit and Proper Criteria" means the criteria as provided in Schedule VIII to the REIT Regulations, 2015, as may be amended, for the promoters, sponsors, major or substantial shareholders, directors and Key Executives of an RMC or an SPV, as may be specified by the Commission from time to time.

(v) "Major or Substantial shareholder" means a (natural) person who, individually or in concert with associates, related parties, family and/or as part of a group, holds 10% or more shares having voting rights in the paid-up capital of the Company.

(A Statement of Material Facts under Section 134 of the Companies Act, 2017 relating to the aforesaid Special is attached herewith).

BY ORDER OF THE BOARD OF DIRECTORS:

Company Secretary

Islamabad

Dated: Nov 15th, 2021

Notes:

- 1) The Share Transfer Books of the Company will remain closed from November 29, 2021, to December 06, 2021 (both days inclusive). Transfers received, in order, at the Company's Shares Registrar, Central Depository Company of Pakistan Limited, CDC House, 99-B, Block B, S.M.C.H.S, Main Shakra-e-Faisal, Karachi, at the close of business on November 28, 2021, will be treated in time to attend the EOGM.
- 2) A member entitled to attend and vote at the above meeting may appoint another member of the Company as proxy to attend and vote on his / her behalf. Proxies, to be effective, must be received at the Registered Office of the Company duly stamped and signed not less than 48 hours before the time of holding the meeting.
- 3) In case of individuals, the account holders or sub-account holders and/or the persons whose securities are in joint account and their registration details are uploaded as per the regulations, shall authenticate their identity by showing their original Computerized National Identity Card (CNIC) or original passport at the time of attending the meeting.



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- 4) In case of corporate entities, the Board of Directors' resolution / power of attorney with specimen signature of the nominees shall be produced at the time of the meeting for participation in the EOGM.
- 5) Members are requested to promptly notify any change of address to the Company's Share Registrar.

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

This statement sets out the material facts pertaining to the special businesses to be transacted at the Extra Ordinary General Meeting of the Company, scheduled to be held on Monday December 06, 2021, at 3:30 p.m.

AGENDA ITEM: 2

2.1 In 2016, ISE Towers REIT Management Co. Limited formerly Islamabad Stock Exchange was licensed as REIT Management Company under the Real Estate Investment Trust Regulations, 2015 (REIT Regulation). The primary objective at that time was to launch the REIT Scheme against the real estate / properties owned by the Company in ISE Towers.

2.2 In terms of REIT Regulations, completion certificate of ISE Towers from Capital Development Authority (CDA) was the pre-requisite to launch the REIT Scheme which was pending since then.

2.3 Now consequent upon revision of REIT Regulations whereby an alternative to completion certificate i.e., report from NESPAK on structural integrity and rentability was introduced. The Board of Directors proposes to launch the REIT Scheme under Trust Structure, as recommended by the Legal Counsel of the Company whereby proposed area of real estate owned by the Company will required to be vested / transferred / disposal in the Trust to form a REIT Scheme:

Area Description	Area Owned by ISE RMC (Sq. ft.)	Area offered to REIT (Sq. ft.)
Ground floor	34,441	28,278
First floor	9,263	9,263
Second floor	940	940
Third floor	2,474	2,474
15 - 19 floors	94,186	94,186
Basements	146,965	-
Total	288,269	135,142

2.4 The area proposed to form a REIT Scheme will be valued by two valuers enlisted on Pakistan Bank's Association and based on this valuation size of REIT Fund will be determined respectively. The fund size of the REIT scheme will be equivalent to the value at which the Real Estate will be vested / transferred / disposed in the Trust, through a duly registered Trust deed. The valuation methodologies will be used as prescribed in REIT Regulations:

- 1) Income capitalization approach;
- 2) Sales comparison approach;
- 3) Cost approach.



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2.5 As in terms of provisions of Companies Act, 2017, approval of the general body is required for vesting / transfer / disposal of the real estate, being significant part of the undertaking / asset of the Company, therefore the matter is being presented by the Board to the general body for its approval to vest / transfer / dispose above mentioned area at a value determined by the Independent Valuer in the Trust.

AGENDA ITEM: 3

3.1 In terms of REIT Regulations, allocation of units (shares) of the REIT Scheme are required in the manner (i) 25% units mandatorily to hold by RMC / Strategic Investor and (ii) out of remaining 75% units, 15% units may be offered to general public for listing. Listing of a REIT Scheme is mandatory

3.2 Consequent upon launch of ISE Towers REIT Scheme the real estate owned by ISE RMC will be replaced with the value of units of REIT Scheme, as per the Fund size of the scheme. In order to pass on maximum benefit to the shareholders of the Company, it is proposed that Redemption of Part of Share Capital of Company by converting it into Units of ISE Towers REIT Scheme equivalent to 75% holding at an agreed swap ratio be made. The redemption of share capital is proposed to be done by way of Scheme of Arrangement or under any other mean as permissible under applicable laws.

3.3 In order for redemption of Part of Share Capital of ISE RMC by converting it into Units of ISE Towers REIT Scheme, par value of both the instruments (i) Share of ISE RMC and (ii) Unit of ISE Towers REIT Scheme is proposed to be opted.

3.4 Par value of both the instruments are Rs. 10/-. Hence, one (1) share of ISE RMC will be converted into one (1) unit of ISE Towers REIT Scheme, resultantly Share Capital of ISE RMC will be redeemed as per provisions of the applicable law and hence Share capital of ISE RMC will stand reduced to the extent of issuance of proportionate units of REIT Scheme.

3.5 The Board therefore recommended the approval of redemption of part of Share Capital of the Company by converting it into equivalent no of units of ISE Towers REIT Scheme.

3.6 Consequent upon launch of ISE Towers REIT Scheme which will be a listed security, and since ISE RMC is operating in a highly regulated sector; therefore, ISE RMC will more particularly have to comply and exercise due diligence in terms of AML Act / FATF requirements. Accordingly, suitable resolutions have been proposed for approval of the general body.

AGENDA ITEM: 4

4.1 As per the REIT Regulations, a REIT Scheme is mandatorily required to be listed on the Stock Exchange. However, time period of three years has been provided for listing. In order for the listing, Rule Book of Pakistan Stock Exchange provide three options for listing:

- 1) Listing on the Main Board through offer for sale / Initial Public Offering, prescribed under Chapter 5 of Rule Book:
- 2) Listing on GEM Board under Chapter 5A of Rule Book:



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3) Direct Listing without offer for sale or IPO under Chapter 5D of Rule Book:

4.2 The Board, after evaluating the different options and after considering that 75% units of ISE Towers REIT Scheme will be offered to the existing shareholders of the Company through redemption of part of Share Capital, recommended the listing in “Direct Listing” model under chapter 5A of PSX Rulebook.

AGENDA ITEM: 5

5.1 As a result of launch of REIT Scheme, ISE Towers building will consequently vest / transferred / disposed in the Trust from books of accounts of ISE RMC. Therefore, it is appropriate to change the name of the Company from “ISE Towers REIT Management Company Limited” to “ISE REIT Management Company Limited.

5.2 Further, in order to align the Articles of Association (AoA) of the Company with all the applicable laws, rules & regulations, it is decided to amend the AoA, mainly by adding interpretations in the in clause 2 of the AoA.

5.3 The Board therefore recommended the changes in Memorandum and Articles of Association to the general body for approval.



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MINUTES OF THIRTY SECOND ANNUAL GENERAL MEETING

The 32nd Annual General Meeting (AGM) of ISE Towers REIT Management Company Limited (the Company) was held on October 28, 2021 at 02:30 p.m. at ISE Towers Auditorium, ISE Towers Building, 55-B, Jinnah Avenue, Islamabad.

PRESENT

Directors:

Mr. Zahid Latif Khan	Chairman - Non-Executive Director
Mr. Adil Khan Swati	Non-Executive Director
Mr. Aftab Ahmad Ch.	Independent Director
Mr. Farrukh Younas Khan	Non-Executive Director
Mr. Masoom Akhtar	Independent Director
Mian Humayun Parvez	Non-Executive Director
Syed Mukhtar Hussain Jaffery	Non-Executive Director
Mr. Sohail Altaf	Non-Executive Director
Mr. Sagheer Mushtaq	Chief Executive Officer – Acting

Invitees:

Mr. Shahzad Ali	Partner, Yousaf Adil, Chartered Accountants
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Others:

Mr. Zeeshan Shafique	Company Secretary - Acting
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Members present:

In total 63 members participated in the meeting, having a total of 212,913,350 shares (58%) in person and through proxies and authorizations, list of which is attached as annexure to the minutes. The Secretary confirmed the presence of required quorum.

Mr. Zahid Latif Khan, the Chairman of the Board, presided over the meeting and welcomed the members in the AGM of the Company. The proceedings of the meeting started with recitation from Holy Quran.

Thereafter the following agenda, as per notice dated October 07, 2021 convening the 32nd Annual General Meeting of the Company, was taken up for consideration.

AGENDA # 1: CONFIRMATION OF MINUTES OF 31st AGM

- 1.1 The draft minutes of 31st AGM of the Company, held on October 28, 2020, were already circulated to the members. The Chairman invited comments of the members. There was no comment. However, with reference to para 5.1 of the minutes under other items, Mr. Saad Bin Khalid inquired the details of the discussion taken place in last AGM. The Chairman replied that the queries of the members about the future prospects of the Company and progress in the matter of enlistment of the ISE Towers REIT scheme will be adequately addressed under relevant agenda item.
- 1.2 There being no other comments, on the proposal of Ch. Muhammad Sharif, which was seconded by Dr. Zahid Mehmood, the minutes were confirmed and following resolution was passed:
“Resolved that the minutes of the 31st Annual General Meeting of ISE Towers REIT Management Company Limited, held on October 28, 2020, be and are hereby confirmed and approved.”



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AGENDA # 2: ANNUAL UNCONSOLIDATED & CONSOLIDATED AUDITED FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED JUNE 30, 2021 TOGETHER WITH DIRECTORS' AND AUDITORS' REPORTS

- 2.1.1 The Chairman briefed the members about the operational & financial performance and the future prospects of the Company. Key points of the presentation were as follows:
- a) The Company posted stellar financial performance this year, despite overall impact of Covid-19 on the economy. The net profit after tax excluding unrealized fair value gain has been recorded at Rs. 309.16 million with EPS of Re. 0.84 showing impressive increase of 31%;
 - b) The financial position of the Company also stood on strong footing with debt free to abundant liquidity. The main achievements of the year are:
 - Enormous earnings' growth – from EPS of Re. 0.09 in 2016 to Re. 0.84 in 2021;
 - Consistent and healthy cash dividend – from Nil in 2016 to Re. 0.60 in 2021, being 94% payout excluding unrealized profit / gains;
 - Return on equity – from 0.74% [2016] to 5.93% [2021];
 - High liquidity – Rs. 43.81 million [2016] to Rs. 624.10 million;
 - c) Significant progress for launch of ISE Towers REIT Scheme, expected to be launched during this financial year as almost all milestones have now been achieved;
 - d) Expansion of REIT business:
 - Participation in the process of acquisition of Jinnah Convention Centre Properties to launch REIT Scheme in JV model, Company has already been pre-qualified and now going through the process of due diligence
 - Initiated the process for acquisition of any other suitable real estate in CDA sector for REIT schemes – already participated in latest auction by CDA;
 - e) Diversification of Company's business - acquired a registered running trustee company namely Digital Custodian Company Limited (DCCL) with majority control on the Board. Apart from the main license additional multiple licenses including Share registrar services, debt trustee securities trustee etc. have been subsequently obtained from SECP under the umbrella of this Company;
 - f) The Covid-19 outbreak continued to disrupt economic activities around the world including Pakistan. The Company however managed to control the menace of the pandemic through proactive measures in the form of rent reliefs to its valuable tenants, cost reduction, safety measures to keep the building and its occupants safe. These measures resulted in maintaining ninety-seven percent occupancy level.
- 2.1.2 The Chairman then invited all the members to consider the annual unconsolidated and consolidated financial statements of the Company for the year ended June 30, 2021, together with Directors' and Auditors' report thereon.
- 2.2 Certain queries were raised by Mr. Saad Bin Khalid with respect to the annual accounts and Directors' report of the Company. The Chairman replied that all such queries raised by your good self will be addressed adequately in the other item agenda of the meeting.
- 2.3.1 With reference to the movement in other reserves of the Company, Mr. Tahir Razzaque Khan inquired as to why the amount collected for asset replacement fee is not routed through the Statement of Profit or Loss and rather taken directly into the revenue reserves of the Company. He added that the same is the operational income and therefore must be treated as income through Statement of Profit or Loss and that the current treatment being adopted is thereby reducing the EPS of the Company.



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- 2.3.2 Mr. Masoom Akhtar, replied that the respective fee represents the reserve created for replacement of fixed assets or any part thereof, relating to ISE Towers. Contribution to the reserve is made at a fixed rate by the tenants/occupants. The Company also set aside / contribute equivalent amount to this reserve from its accumulated profit.
- 2.3.3 Syed Mukhtar Hussain Jaffery further replied that the fee being collected from tenants / occupants has been duly accounted for in the Statement of Profit or Loss and clearly reflected in Note 30 to the Financial Statements. Further, as per policy of the Company approved by the Board, all the contributions received from the tenants, together with equal contribution by the Company, are credited to the revenue reserves of the Company, as shown in the statement of changes in equity.
- 2.3.4 Mr. Tahir Razzaque Khan asked for the opinion of the Company' auditor in this respect. Mr. Shahzad Ali (Partner, Yousaf Adil, Chartered Accountants) replied that creation of a reserve fund, along with appropriation from the profits of the company to that reserve fund, is discretionary upon the policy of the Board and that the accounting treatment in the accounts conforms to the International Accounting Standards.
- 2.4.1 Mr. Farooq Zafar stated that, in addition to my own shareholding, I am also representing the shareholding of Mr. Muhammad Irshad Swati (Mr. Swati), who is not well and couldn't attend the AGM. Mr. Farooq asked the Secretary to confirm that he is holding a proxy of Mr. Swati for 16,982,648 shares and that I am officially being authorized to speak on his behalf. The Secretary confirmed the same.
- 2.4.2 On behalf of Mr. Swati, Mr. Farooq Zafar asked to refer agreement dated May 06, 2016 for payment of outstanding dues in respect of 10th floor (the property) between the Company and Mr. Swati, whereby, Mr. Swati paid an amount of Rs. 6,838,000/- towards outstanding dues of Innovative Investment Bank Limited (IIBL) in the books of the Company and in return the Company transferred the sublease rights of the property in the name of Mr. Swati. Furthermore, it was agreed that upon receipt of the requisite outstanding dues related to 10th floor from the IIBL, the Company shall reimburse that amount to Mr. Swati. He further referred to the correspondences taken place between Mr. Swati and the management of the Company, whereby Mr. Swati, in his last letter, has requested to obtain Auditor's opinion on the subject matter.
- He added that Mr. Swati also stated that the matter is pending since last six years, however, despite the Company is pursuing the litigation case but there is no progress in the recoverability of the said outstanding amount on part of the Company. As the Company is pursuing the case then why the amount is not reflected in the books of accounts of the Company as receivable from IIBL. Further, he added that Mr. Swati is not demanding the refund of the amount but wants to convey that receivable from IIBL and related contingent liability should be recorded retrospectively from the year 2016 in the accounts in order to reflect the true and fair state of affairs of the Company.
- 2.4.3 The Chairman replied that as the payment of outstanding dues against the property was prerequisite for the transfer of the property therefore, through an amicable settlement, Mr. Swati paid the outstanding dues against the property to complete timely transfer of property and acquiring possession of the same. He added that the refund of the said amount is only upon receipt of the amount from IIBL, as mentioned in the referred agreement and that the agreement did not require anywhere to treat this amount as a contingent liability, that too with retrospective effect. The Chairman then asked Mr. Shehzad Ali (Partner, Yousaf Adil Chartered Accountants) to enlighten the members with his opinion on the subject matter, as being inquired by Mr. Farooq Zafar on behalf of Mr. Swati.



- 2.4.4 Mr. Shahzad Ali replied that aforementioned agreement was shared by the management and upon evaluation it was observed that refund of said amount is only upon receipt of the amount from IIBL and that the Company is only playing a role of a custodian under these agreed arrangements with Mr. Swati because any receipt in this respect will not be recognized as asset of the Company, rather it will be passed on to Mr. Swati. He concluded with his opinion that the same is not a contingent liability because IAS do not require the Company to disclose it as contingent liability if outflow of economic resources from the Company is not involved. Mr. Farooq Zafar stated that if the Company is not accepting his demand, then Mr. Swati has demanded a vote on this issue. The Chairman said that the matter has been adequately explained and the external auditor has also shared his opinion on the request of Mr. Farooq Zafar, hence matter should stand as closed. Mr. Farooq Zafar, however, asked that if any other chartered accountant present in the meeting may advise on this matter and as to whether the voting can also be done.
- 2.4.5 Mr. Tahir Razzaque Khan, a member, who is a Chartered Accountant, said that it is not a contingent liability because, IIBL being in liquidation, all the proceeds from liquidation are contingent to subsequent reimbursement and, upon receipt, it will only be a pass-through transaction and does not involve any liability. Moreover, the amount involved is not material hence the authenticity of the accounts cannot be challenged.
- 2.4.6 Dr. Hassan Sarosh Akram said that the matter being raised by Mr. Swati is his personal matter and should not have been brought up for discussion in the general body meeting and moreover since the matter was not even put up for discussion in the general body forum for past six years so how can the general body be expected to vote over the matter therefore no voting should be allowed.
- 2.4.7 The Chairman said that matter has been adequately explained together with audit opinion of the partner of Company's external auditor and an expert opinion of another independent Chartered Accountant, member of the Company i.e., Mr. Tahir Razzaque Khan on the subject matter, therefore the matter does not require any further deliberations. Mr. Farooq Zafar, however, did not agree to the approval of financial statements without incorporating the proposed contingent liability.
- 2.5.1 Mr. Tahir Razzaque Khan inquired as to how DCCL has been classified as the subsidiary of the Company with having 10% investment in it. He added that DCCL should rather be taken as a related party in this context. He further inquired and said that the investment made in DCCL should have been the matter to be presented to general body for its approval. Syed Mukhtar Hussain Jaffery replied that as defined in the Company Act 2017, the Company has become a parent company by virtue of having control through majority of the Directors on the Board of DCCL.
- 2.5.2 Mr. Aftab Ahmad Ch. further explained that as per NBFC (Establishment & Regulations) Rules 2003, an NBFC shall not own shares of any unlisted company in excess of 10% of the issued capital of that company. Therefore, the Company has restricted its investment up to 10% of the issued capital of DCCL. The Company, however, is a parent Company by virtue of SECP approval vide its letter dated October 09, 2020 that the investee company shall remain a subsidiary of ISE RMC through control of the composition of the Board of Directors. Moreover, Section 68 of Companies Act, 2017 allows to treat a Company as Subsidiary if a Company controls the composition of the Board. He further added that under section 183 of the Companies Act, 2017, the Board is authorized to make the initial equity investment, however, if the company requires to make an additional investment in the subsidiary or the associated company, then approval of general body is required.



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- 2.5.3 Mr. Saad Bin Khalid sought the external auditor’s opinion on the same subject matter. Mr. Shehzad Ali replied that structure is defined through shareholders agreement as well as in the approval of SECP and the same is also in line with requirements of Companies Act, 2017. Mr. Saad Bin Khalid praised the efforts of the Board in obtaining SECP’s approval.
- 2.6 Thereafter, there being no further questions, on the proposal of Dr. Hassan Sarosh Akram, which was seconded by Dr. Zahid Mehmood, the following resolution was passed:

“Resolved that the annual unconsolidated & consolidated audited financial statements of ISE Towers REIT Management Company Limited for the financial year ended June 30, 2021 together with Auditors' and Directors' Reports, as presented to the members be and are hereby approved and adopted.”

AGENDA # 3: APPROVAL OF FINAL CASH DIVIDEND

- 3.1 The Chairman said that, keeping in view the enhanced profitability of the Company, the Board of Directors has recommended a cash dividend of Re.0.60 per share (6.0%) for the shareholders this year which is 81% higher than the previous year and that the declared dividend accounts for 94% of the distributable profit of the Company. He added that the meeting has to consider the matter for approval.
- 3.2 Mr. Saad Bin Khalid praised the dividend payout ratio of the Company and on his proposal which was seconded by Muhammad Fayyaz Ali, members approved the final cash dividend, as recommended by the Board and the following resolution was passed unanimously:

“Resolved that the final cash dividend of Re.0.60 per share (6.0%) be and is hereby approved for payment to all shareholders whose names appear in the register of the shareholders of ISE REIT as on October 20, 2021, as recommended by the Board in accordance with section 241 of the Companies Act 2017.”

AGENDA ITEM # 4: APPOINTMENT OF STATUTORY AUDITORS

- 4.1 The Chairman informed the members that the Board has recommended the existing auditor i.e., Yousaf Adil, Chartered Accountants, being eligible for re-appointment, to be appointed as auditor for the year 2021-22.
- 4.2 On the proposal of Mr. Saad Bin Khalid which was seconded by Mr. Gohar Sadiq, the members passed the following resolution:

“Resolved that Yousaf Adil, Chartered Accountants be and are hereby appointed as Statutory Auditors of the Company for the financial year 2021-22 till the conclusion of next AGM at a remuneration of Rs.600, 000/- which would include the half year limited audit review, compliance review with Listed Companies (Code of Corporate Governance) Regulations 2019” and audit of consolidated financial statements of the Company.”

AGENDA ITEM # 5: OTHER ITEMS

- 5.1 With permission of Chair, the CEO explained the queries raised by Mr. Saad Bin Khalid via his email:

Query	Responses
1. Why the Chief Executive Officer and the Secretary are still designated as	The agenda is already under consideration of the Board and the same will be decided in the best interest of the Company. The Chairman further added that an



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<p>"Acting". The query was also raised by Mr. Tahir Razzaque Khan.</p>	<p>appointment of a CEO, having expertise in real estate sector and corporate governance, was initiated during the year, however, on account of COVID situation the arrangements couldn't be materialized.</p>
<p>2. Reason for delay in getting the building completion certificate from the CDA.</p>	<ul style="list-style-type: none"> ▪ All the requisite NoCs / drawings etc. are duly submitted to CDA. CDA has not yet issued its report containing any objection. Verification of the area by CDA team was completed in the month of June 2021 but report is still awaited; ▪ Further, SECP has recently revamped the REIT Regulations 2015, major changes include (i). Alternative to completion certificate i.e., a report from NESPAK on structure and rentability of the building and (ii). A concept of a "Special Purpose Vehicle" (SPV) whereby REIT Scheme can be launched under SPV model. Accordingly, a concept / idea for launch of ISE Towers REIT Scheme under revised regulations is under consideration of the Board. The same is expected to be brought forward for consideration and approval of the general body in its next meeting.
<p>3. Reason of the gap between breakup value of the shares i.e., Rs 16.77 as at 30 June 2021 and trade value of shares i.e., Rs 6 to Rs 7.</p>	<ul style="list-style-type: none"> ▪ ISE RMC shares are being traded in unorganized market; ▪ On the contrary, share was also sold in the past at Rs. 25; ▪ It is a market between buyer and seller and Company does not play any role for such trading.
<p>4. The Investment made in DCC seems to be stretching the Object Clause in the Memorandum of Association as regards the activities which the company can undertake. In addition, since our company is a shareholder of the CDC, would this acquisition create any perceived conflict of interest. Explanation to the treatment of DCCL as a subsidiary and the consideration passed, by virtue of which the 90% Shareholder Info Tech (Pvt) Ltd, has given the right to ISE REIT Towers, to appoint majority of the Directors. The principle of the "Substance over Form", may have been considered when classifying as a subsidiary.</p>	<ul style="list-style-type: none"> ▪ The Memorandum duly allow such investment; ▪ Also allowed under NBFC Rules, 2003 as applicable to Company, being NBFC; ▪ ISE RMC has just 2.5% stake in CDC, hence there is no conflict of interest. Further CDC is a depository company but DCCL is not a depository but a trustee company; ▪ This transaction is duly approved by SECP; ▪ Treatment is in accordance with the provisions of Companies Act, 2017 whereby a subsidiary in relation to any other company means a company in which the holding company controls the composition of the Board. <p>Further, the query was also adequately addressed in para 2.5.2.</p>
<p>5. Discussion on EOI submitted for privatization of the Jinnah Convention Centre.</p>	<p>In order to launch the REIT Scheme(s) other than ISE Towers REIT Scheme, the Company has been working on other avenues as well. Accordingly, during the year, the Company submitted the Expression of Interest and Statement of Qualification (SOQ) along with requisite information to Privatization Commission of Pakistan (PC) for the acquisition of Jinnah Convention Centre (JCC) properties, with the objective to launch a Developmental / Hybrid REIT Scheme against JCC Properties. The PC</p>



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	Board, after taking into consideration the credentials of the Company, has prequalified the Company for further participation in the acquisition process. It will now be followed by due diligence, pre-bid meetings and financial bidding of the property.
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- 5.2.1 Ch. Muhammad Aslam (Mr. Aslam) said that ISE Towers, being a prestige building, should be managed and maintained strictly in accordance with CDA Bye laws. He highlighted certain usages / violations like coffee shop on the ground floor, the prayer area on the third floor, old Project Director office at the back, which in his opinion should be dismantled, as these things may create a negative image on our esteemed institution. He further raised the point that rental must be charged for the logo installed on front of the building, otherwise other occupants may also be allowed to install their logo.
- 5.2.2 The CEO explained that although no such violations have yet been pointed out by the CDA to the Company, however, the issue raised here has been noted and will be dealt with in the best interest of the Company.
- The Chairman said that only three boards are installed on the front side of the building i.e. (i). A logo of Pakistan Stock Exchange, (ii). A logo of the ISE RMC and (iii) a logo of DCCL, being the subsidiary of the Company, as it represents the Company therefore its logo has been installed for branding of ISE RMC as well. All these three logos elevate the status of the building. However, the matter will be taken up at the Board meeting in order to formulate a policy framework in this regard.
- 5.2.3 Mr. Aslam further inquired about policy with respect to charging of service charges upon room transfers within ISE Towers. CEO replied that the right of the Company is established by the lease deed of the Company with CDA whereby the Company can sublease the property under sub lease agreements. He further replied that the service charges are charged in compliance with the approved policy of the Board of the Company. Further any other requirements being laid on the transferee are governed under By-Laws of ISE Towers building. Mr. Aslam was of the view that the Company cannot execute such transfer and hence cannot charge any fee on such transfers. It was explained to the members that such mechanism and practice is adopted by almost all Companies / Societies dealing with real estate and is within the framework formulated by them to regulate the properties and as such is not against any law. Mr. Aftab Ahmad Ch. said that the By-Laws, when initially made, were after full consultation with the legal advisor of the Company, however those may be further reviewed thoroughly to confirm that it is in alignment with the law of the land.
- 5.2.4 Mr. Aslam also pointed out that common areas of certain floors of the building, particularly at 15th floor, are used in a manner which is hindering the convenient use of the space by other users of the building. He emphasized that application of rules and regulations must be ensured across the whole building.
- 5.3.1 Ms. Munizeh Majid pointed out that sale price and rental value of different offices in ISE Towers varies significantly. She therefore suggested that one window registered platform with a registered property advisor for all the tenants to buy or rent the property in the building may be put in place so as to ensure control over sale / rental values and to keep them within the range.
- 5.3.2 Commenting on the proposal of Ms. Munizeh Majid, Mr. Tahir Razzaque Khan said that every office space in the building has its own unique location and dynamics and has its own price and rentals. So, the concept of having one window and flat rate may not be possible in this building. Mr. Sohail Altaf was of the view that the Company can regulate its own property



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in the building but the Company cannot bound other sub lessees in the building to follow uniform rate. The Chairman said that point has been noted and the Board will consider the same.

- 5.4 At the conclusion, referring to the past six years of the Company and its Board's performance. Sohail Altaf stated that the Board of Directors, to their utmost abilities and with integrity, have supervised the affairs of the Company efficiently and effectively. He added that shareholders of the Company have placed their utmost confidence in the Directors and the Board, being the custodians, have tried its best to watch the interest of all the stakeholders. The shareholders appreciated the performance of the Company and efforts made by the Board of Directors.

There being no other business to transact, the meeting ended with a vote of thanks to the Chair.

Chairman



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ANNEXURE TO THE MINUTES OF 32ND AGM – LIST OF ATTENDANCE

S.No	Name Of Share Holder	Participant/Authorized Person/Proxy Name	No. of Shares
1	Adil Khan Swati	In person	6,940,024
2	Aftab Ahmad Ch.	In person	4
3	Ahsam Securities (Pvt) Ltd	Syed Mughees Mehdi	3,034,603
4	Ali Securities (Pvt.) Ltd	Zahid Latif Khan	3,034,603
5	Aqeel Karim Dhedhi Securities (Pvt) Ltd	Zahid Latif Khan	3,034,603
6	Askari Securities Ltd	Khanzada Mehmood	3,034,603
7	Augment Securities & Investments (Pvt) Ltd	Syed Mughees Mehdi	3,034,603
8	B.R.R. Guardian Modaraba	Mirza Munawar Shikoh	3,034,603
9	Baba Equities (Pvt) Ltd.	Farrukh Younas Khan	3,034,603
10	Bright Investment And Securities (Pvt.) Ltd	Farrukh Younas Khan	3,034,603
11	Camco (Pvt.) Ltd	Ms. Munizeh Majid	3,034,603
12	Ch. Muhammad Aslam	In person	31,079,681
13	Chaudhary Ijaz Ahmad	In person	3,034,603
14	Earth Securities (Pvt.) Ltd	Zahid Latif Khan	3,034,603
15	Fair Deal Securities (Pvt.) Ltd	Farrukh Younas Khan	3,034,603
16	Fair Edge Securities (Pvt) Ltd	Muhammad Safdar Kazi	1,820,762
17	Falki Capital (Pvt.) Ltd	Faisal Fateh Malik	3,033,603
18	Farooq Zafar	In person	603
19	Farrukh Younas Khan	In person	3,034,603
20	Galaxy Capital Securities (Pvt.) Ltd	Ms. Ismara Khan	3,034,603
21	General Investment & Securities (Pvt.) Ltd	Ch. Muhammad Aslam	14,718,385
22	Hamza Farhad Securities (Pvt.) Ltd	Farrukh Younas Khan	3,034,603
23	Hp Securities (Pvt.) Ltd	Zahid Latif Khan	3,034,603
24	IDBL	Zarghun Shah	3,034,603
25	Jahanzaib Securities	Muhammad Nasir Mirza	1,333,334
26	JSK Securities Ltd	Ibrar Basheer	3,034,603
27	Khayyam Securities (Pvt.) Ltd	Gohar Sadiq	3,034,603
28	KP Securities (Pvt.) Ltd	Muhammad Fayyaz Ali	1,820,762
29	M. Fayyaz Ali	In person	413,841
30	M. Safdar Qazi	In person	3,460
31	M. Sajid Malik	In person	1,000
32	Margalla Financial (Pvt.) Ltd	Abdul Ahad Azeem	3,034,603
33	Masoom Akhtar	In person	3
34	Mian Humayun Parvez	In person	3,034,603
35	Millennium Securities & Investments (Pvt.) Ltd	Ch. Muhammad Aslam	1,820,762
36	Muhammad Awab Chohan	Zahid Mehmood	1,610,763
37	Muhammad Irshad Swati	Farooq Zafar	16,982,648
38	National Bank Of Pakistan	Syed Anjum Naseer	3,034,603
39	New Peak Securities (Pvt) Ltd.	Farrukh Younis Khan	3,034,603
40	Omni Securities (Pvt) Ltd.	Mehmood Ellahi	3,034,603
41	Ozair Aslam Chaudhary	In person	2,914,238
42	P.K.S Securities (Pvt.) Ltd	Farrukh Younis Khan	3,034,603
43	Pace Investment & Securities (Pvt) Ltd.	Farrukh Seer Khan	3,034,603
44	Pervez Khalid Sheikh	Farrukh Younis Khan	3,034,603
45	Progressive Investment Management	Muhammad Sharif	3,034,603
46	Quality Islamic Investments & Securities (Pvt.) Ltd	Hassan Sarosh Akram	3,034,603
47	Riaz Ahmed Securities (Pvt) Ltd.	Zahid Mehmood	3,034,603
48	Sehrish Aslam	Sajid Malik	1,799,000
49	Shaheer Bin Tahir	In person	1,000
50	SMAC Investments (Smc-Pvt) Ltd.	Zahid Mehmood	1,423,840
51	SMB Securities (Pvt.) Ltd	Saad Bin Khalid	3,034,603
52	Sohail Altaf	In person	6,639,206



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53	Spinzer Equities (Pvt.) Ltd	Muhammad Liaquat Ali Khan	3,034,603
54	Syed Habib Shah	In person	35,047
55	Syed Mukhtar Hussain Jaffery	In person	10
56	The Saudi Pak Industrial & Agricult. Investment Co. Ltd	Sannaan Aqil	3,034,603
57	Tumbi Securities (Pvt.) Ltd	Zahid Latif Khan	3,034,603
58	Unex Securities (Pvt) Ltd	Syed Mukhtar Hussain Jaffery	1,834,593
59	Xpert Securities (Pvt.) Ltd	Tahir Razzaque Khan	3,034,603
60	Yasar Khan Swati	In person	7,440,470
61	Zahid Latif Khan	In person	1,000
62	Zahid Latif Khan Securities (Pvt) Ltd.	Zahid Latif Khan	3,033,603
63	Zahid Mahmood	In person	603
		Total	212,913,350

FORM OF PROXY
ISE TOWERS REIT MANAGEMENT COMPANY LIMITED

I/We, _____ of _____, being a member of ISE Towers REIT Management Company Limited, hereby appoint _____ of _____

(Name of another member of the Company)

_____ as my/our proxy to vote for me/us and on my behalf at 35th Extraordinary General Meeting of the Company to be held on the 6th day of December 2021 or at any adjournment thereof.

Signature over Revenue Stamp of Rs.5/-
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The Member:

The Proxy:

Signature: _____

Signature: _____

Name: _____

Name: _____

Father's name: _____

Father's name: _____

Participant ID: _____

Participant ID: _____

Address: _____

Address: _____

Date: _____

Date: _____

Witness 1: _____

Witness 2: _____

Signature: _____

Signature: _____

Name: _____

Name: _____

CNIC No.: _____

CNIC No.: _____

Address: _____

Address: _____

**Authorization Format
(On the letterhead of the Company)**

The Secretary
ISE Towers REIT Management Company Limited
Islamabad.

Sub: Authorization to Attend the EOGM on Behalf of the Corporate Shareholder

Dear Sir,

Please be informed that Mr. _____ s/o _____
holder of CNIC No. _____ has been duly authorized by the Board
of Directors of our company vide resolution dated _____ to participate, deliberate
and vote on resolutions included in the agenda of the notice of the 35th Extraordinary General
Meeting of the ISE Towers REIT Management Company Limited scheduled for December 06,
2021 at 3:30 p.m. or at any date adjourned/rescheduled thereof. Resolution of the Board dated
_____ in original duly signed and stamped is attached herewith for reference and
record.

Yours truly,

Seal of the Company

Authorized Signatory

.....
SPECIMEN RESOLUTION

The following resolution has been passed by the Board of Directors of
_____ (Name of the Company) in its meeting held on _____.

Resolved that Mr. _____ s/o _____ be and is
hereby authorized on behalf of the company to participate and vote for resolution included in the
agenda of the notice of the 35th Extraordinary General Meeting of ISE Towers REIT Management
Company Limited scheduled for December 06, 2021 at 3:30 p.m. or at any date
adjourned/rescheduled thereof.

Certified True Copy.

Authorized Signatory

Seal of the Company