



Bank AL Habib Limited

Notice of Annual General Meeting

Notice is hereby given that the Twenty-eighth Annual General Meeting of Bank AL Habib Limited will be held at the Registered Office of the Bank located at 126-C, Old Bahawalpur Road, Multan, on Wednesday, March 27, 2019 at 10:30 a.m. to transact the following business:

- To receive and adopt the Audited Annual Accounts and Consolidated Accounts of the Bank for the year ended December 31, 2018 together with the Reports of Chairman, Directors and Auditors.
- To consider and approve payment of cash dividend @ 25%, i.e., Rs. 2.50 per share of Rs.10/- each for the year ended December 31, 2018 as recommended by the Board of Directors.
- To appoint auditors for the year 2019 and to fix their remuneration. Existing auditors KPMG Taseer Hadi & Co., Chartered Accountants, have retired. In compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2017, and based on the recommendation of the Audit Committee, the Board recommends the appointment of EY Ford Rhodes, Chartered Accountants as auditors in place of the retiring auditors.
- To elect Directors of the Bank in accordance with Section 159(1) of the Companies Act, 2017. The number of Directors to be elected pursuant to Section 159(1) of the Companies Act, 2017 has been fixed at 10 (ten) by the Board of Directors including one female Director in compliance with clause 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2017.

The following are the retiring Directors, who may offer themselves for election:

Mr. Abbas D. Habib, Mr. Ali Raza D. Habib, Mr. Anwar Haji Karim, Mr. Murtaza H. Habib, Mr. Qumail R. Habib, Syed Mazhar Abbas, Mr. Safar A. Lakhani, Syed Hasan Ali Bukhari, Mr. Arshad Nasar, and Mr. Adnan Afridi* - NIT Nominee.

*Appointed by the Board, subject to approval of the State Bank of Pakistan, to fill the casual vacancy created by the resignation of Mr. Manzoor Ahmed.

- To consider any other business of the Bank with the permission of the Chair.

Special Business

- To consider and approve the remuneration payable to the Executive Director of the Bank.
- To consider and approve the conversion terms of Term Finance Certificates of the Bank, issued in 2018 in the amount of Rs.4,000,000,000/- into Ordinary Shares of the Bank upon occurrence of a conversion event if so required by the State Bank of Pakistan.

Statements under Section 166(3) for Item No. 4, and under Section 134(3) of the Companies Act, 2017 in respect of special business contained in Items Nos. 6 & 7, are annexed.

By Order of the Board

Mohammad Taqi Lakhani
Company Secretary

Karachi: March 6, 2019

Notes:

- Any member desirous to contest the election of Directors shall file the following with Company Secretary of the Bank at its Registered Office located at 126-C, Old Bahawalpur Road, Multan, not later than 14 days before the day of the above said meeting:
 - His/her intention to offer himself/herself for the election in terms of Section 159(3) of the Companies Act, 2017. He/she should also confirm that:
 - He/she is not ineligible to become a director of the Bank under any applicable laws and regulations (including Pakistan Stock Exchange Regulations).
 - Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor, director or officer of a corporate brokerage house.
 - He/she is not serving as a director in more than five listed companies simultaneously.
Provided that this limit shall not include the directorships in the listed subsidiaries of a listed holding company.
 - In case of Independent Director, a declaration of Independence in terms of Section 166(2) of the Companies Act, 2017 as required under Listed Companies (Code of Corporate Governance) Regulations, 2017.
 - Consent to act as Director in Form 28 under Section 167 of the Companies Act, 2017.
 - Fit and Proper Test proforma, Affidavit, Declarations, and Questionnaire as per requirement of SBP's BPRD Circular No.4 dated April 23, 2007, SBP's BPRD Circular No.5 dated March 12, 2015 and SBP's BPRD Circular No.9 dated October 18, 2018.
A copy of the relevant documents may be obtained from the office of the Company Secretary of the Bank or may be downloaded from the websites of Securities and Exchange Commission of Pakistan (SECP) and SBP.
- In terms of the criteria prescribed by SBP, association of the following persons as Director is undesirable and against the public interest:
 - a person who is/has been associated with any illegal activity, especially related to the banking business;
 - a person who in his/her individual capacity or as proprietary concern or any partnership firm or any private unlisted/listed company has been in default of payment of dues owed to any financial institution and/or in default of payment of any taxes.
It should also be noted that under SBP regulations a person is not permitted to be a Director of more than one financial institution, and the Directors will not assume the charge of their respective offices until their appointments are approved in writing by SBP.
- The share transfer book of the Bank will remain closed from March 18, 2019 to March 27, 2019 (both days inclusive). Transfers received in order at the office of our Share Registrar, Central Depository Company of Pakistan Ltd., located at CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi-74400, by the close of business on March 15, 2019 will be treated in time for payment of cash dividend (subject to approval of the members). Members are requested to promptly communicate any change in their addresses to our above-mentioned Share Registrar.
- A member entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, speak and vote on his/her behalf. A proxy (except for a corporation) must be a member of the Bank. Proxy form, in order to be effective, must be received at the Registered Office of the Bank located at 126-C, Old Bahawalpur Road, Multan, duly stamped and signed not less than 48 hours before the time of the meeting.
- The CDC account/sub account holders are requested to bring with them their Computerized National Identity Cards (CNICs)/Passport along with participant(s) ID Number and their account numbers at the time of attending the Annual General Meeting in order to facilitate identification of the respective shareholders. The proxy shall also produce his/her original CNIC or Passport at the time of the meeting. In case of a corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signatures shall be submitted along with Proxy Form in the Bank.

6. Payment of Cash Dividend through Electronic Mode

Under the provision of Section 242 of Companies Act, 2017 and Companies (Distribution of Dividends) Regulations, 2017, it is mandatory for a listed company to pay cash dividend to their shareholders only through electronic mode directly into the bank account designated by the entitled shareholders instead of issuing physical dividend warrants.

In order to receive cash dividend directly into the designated bank account, members are requested to fill and sign the "E-Dividend Bank Mandate Form" available on the Bank's website link, <https://www.bankalhabib.com/downloads/E-Dividend-Bank-Mandate-Form.pdf>, and send to the relevant Participants/Investor Account Services of the CDC/Share Registrar of the Bank (as the case may be) before March 18, 2019 along with a copy of their valid CNICs. The aforesaid form is also available in the Annual Report of the Bank.

In case of non-receipt or incorrect International Bank Account Number (IBAN) with other related details or non-availability of valid CNICs, the Bank will withhold cash dividend of such members.

- The Government of Pakistan through Finance Act, 2017 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of cash dividend paid by the companies/banks. These tax rates are as follows:
 - For filers of income tax returns 15%
 - For non-filers of income tax returns 20%To enable the Bank to make tax deduction on the amount of cash dividend @ 15% instead of 20% all shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of cash dividend i.e., March 27, 2019; otherwise tax on their cash dividend will be deducted @20% instead of 15%.
According to FBR, withholding tax will be determined separately on 'Filer/Non-Filer' status of principal shareholder as well as joint-shareholder(s) based on their shareholding proportions, in case of joint accounts. Members that hold shares with joint-shareholder(s) are requested to provide shareholding proportions of principal shareholder and joint-shareholder(s) in respect of shares held by them to the Bank's Share Registrar in writing in the following format.

| Bank Name | Folio / CDC Account No. | Total Shares | Principal Shareholder | | Joint-Shareholder(s) | |
|-----------|-------------------------|--------------|-----------------------|---|----------------------|---|
| | | | Name and CNIC | Shareholding Proportion (No. of Shares) | Name and CNIC | Shareholding Proportion (No. of Shares) |
| | | | | | | |

In case the required information is not provided to our Share Registrar latest by March 15, 2019, it will be assumed that the shares are equally held by them.

In case of corporate entity, withholding tax exemption from dividend income shall only be allowed if copy of valid tax exemption certificate is made available to our Share Registrar latest by March 15, 2019.

8. 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 through e-mail. Soft copies of Annual Report 2018 including Audited Financial Statements and Notice of Annual General Meeting are being e-mailed to the members who have provided their e-mail addresses for the said purpose. Other members of the Bank who wish to receive soft copy of Annual Report are requested to send their e-mail addresses to our Share Registrar through consent form. The said consent form for electronic transmission can be downloaded from the Bank's website: www.bankalhabib.com. Audited Financial Statements and reports are being placed on the aforesaid website.

Members are also requested to intimate change (if any) in their registered e-mail addresses to our Share Registrar for the above-mentioned purpose.

9. Consent for video-link facility

For this Annual General Meeting, under following conditions, Members can also avail video-link facility at Karachi.

If the Bank receives consent from members holding at least 10% shareholding residing at a geographical location, to participate in the meeting through video-link facility at least 7 days prior to the date of meeting, the Bank will arrange video-link facility in that city. The Bank shall arrange the aforesaid facility for such members prior to the date of the meeting to participate through video-link facility, and will intimate them regarding venue before the date of general meeting.

In this regard, members who wish to participate through video-link facility at Karachi should send a duly signed request as per the following format to the registered address of the Bank at least 7 days before the date of general meeting.

I/We, _____ of _____ being a member of Bank AL Habib Limited, holder of _____ ordinary share(s) as per register Folio No./CDC Sub-Account No.: _____ hereby opt for video-link facility at Karachi.

Signature of Member