

Notice Of Annual General Meeting

Notice is hereby given that the 82nd Annual General Meeting (“AGM”) of Habib Bank Limited (the “Bank”) will be held on Wednesday, March 27, 2024, at 10:00 a.m. at HBL Tower, Islamabad, to transact the following business:

Ordinary Business:

1. To receive, consider and adopt the Audited Accounts (consolidated and unconsolidated) of the Bank for the year ended December 31, 2023, together with the Reports of the Directors and Auditors thereon.
2. To approve payment of a Final Cash Dividend of Rs. 4.00 per share, i.e., 40% for the year ended December 31, 2023, as recommended by the Board of Directors. This is in addition to the Interim Cash Dividend of Rs. 5.75 per share (i.e., 57.5%) already paid.
3. To appoint Auditors of the Bank for the year ending December 31, 2024 at a fee of Rs. 46.680 million. In addition, any Federal or Provincial taxes and reimbursement of out of pocket expenses will be paid at actuals. The retiring Auditors, M/s. KPMG Taseer Hadi & Co. Chartered Accountants, being eligible, have offered themselves for reappointment.
4. To elect 7 Directors of the Bank as fixed by the Board of Directors, under the provisions of section 159 of the Companies Act, 2017, for a period of 3 years, commencing from March 27, 2024. The names of the retiring Directors are:
 - (i) Mr. Sultan Ali Allana
 - (ii) Mr. Shaffiq Dharamshi
 - (iii) Mr. Moez Ahamed Jamal
 - (iv) Mr. Salim Raza
 - (v) Dr. Najeeb Samie
 - (vi) Mr. Khaleel Ahmed
 - (vii) Ms. Saba Kamal

Special Business:

5. To approve the circulation of the Bank’s annual balance sheet, profit and loss account, auditor’s report and directors’ report, etc. (“Annual Report”), to the members of the Bank through QR code and weblink, in terms of the S.R.O. 389(I)/2023 dated March 21, 2023 issued by Securities Exchange Commission of Pakistan (SECP), and if deemed fit, pass the following resolutions as Ordinary Resolutions with or without modification(s):

“RESOLVED THAT the transmission/circulation of the Annual Report to the members of the Bank through QR code and weblink, in terms of the Notification S.R.O. 389(I)/2023 dated March 21, 2023, issued by the Securities Exchange Commission of Pakistan, be and is hereby approved.”

“RESOLVED FURTHER THAT the Company Secretary and/or Chief Financial Officer of the Bank be and are hereby authorized to do all acts, deeds and things in connection and ancillary thereto as may be required or expedient to give effect to the above resolution.”

6. To approve the revisions in the Board Remuneration Policy of the Bank, as recommended by the Board of Directors, in terms of the Corporate Governance Regulatory Framework of the State Bank of Pakistan, and if deemed fit, pass the following resolution as Ordinary Resolution with or without modification(s):

“RESOLVED THAT as recommended by the Board of Directors, the revised Board Remuneration Policy of the Bank, be and is hereby approved, on post facto basis.”

For agendas 4, 5 & 6, the information as required under Section 134(3) of the Companies Act, 2017 is annexed.

The Directors of the Bank have no direct or indirect interest in the above-mentioned resolutions except in their capacity as directors of the Bank.

Any Other Business:

7. To consider any other business with the permission of the Chair.

By Order of the Board

March 6, 2024
Karachi

Uzman Naveed Chaudhary
Company Secretary

Notes:

1. The Register of Members and the Share Transfer Books will remain closed from March 20, 2024 to March 27, 2024 (both days inclusive) for the purpose of the AGM.
2. Only those persons whose names appear in the Register of Members of the Bank as at March 19, 2024, will be entitled to attend and vote at the AGM.
3. A Member/shareholder entitled to attend and vote at the AGM may appoint another Member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a Member but is duly authorised by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the AGM.
4. Members are requested to notify immediately any changes in their registered address to Banks' Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shakra-e-Faisal, Karachi - 74400.
5. CDC Account Holders will further have to follow the guidelines as laid down in Circular 1 dated January 26, 2000, issued by the SECP.
6. Pursuant to Section 150 of the Income Tax Ordinance, 2001, withholding tax on dividend paid will be deducted for 'Filer' and 'Non-Filer' shareholders at 15% and 30% respectively. All Members/shareholders whose names are not entered into the Active Tax-payers List (ATL) provided on the website of the Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names along with their valid CNICs/ NTN's are entered into ATL, before March 27, 2024; enabling the Bank to make required tax deduction on the amount of cash dividend.

According to the FBR, withholding tax in case of joint shareholders accounts will be determined separately based on the 'Filer/ Non-Filer' status of the principal shareholder as well as the status of the joint holder(s) as per their shareholding proportions. Members that hold shares with joint shareholders are requested to provide, in writing, the shareholding proportions of the principal shareholder and the joint holder(s) in respect of shares held by them to Banks' Share Registrar, CDC Share Registrar Services Limited. In case the required information is not provided to the Bank's registrar it will be assumed that the shares are held in equal proportion by the principal shareholder and the joint holder(s).

A. Requirements for attending the Annual General Meeting:

- i. In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall authenticate his/her identity by showing his/ her valid original Computerized National Identity Card (CNIC) or original Passport at the time of attending the AGM.
- ii. In case of a corporate entity, unless provided earlier, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be produced at the time of the AGM.

B. Requirements for appointing Proxies:

- iii. In case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- iv. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the said form.
- v. Attested copies of the valid CNICs or the Passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- vi. The proxy shall produce his/her valid original CNIC or original Passport at the time of the AGM.
- vii. In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be submitted to the Bank along with the proxy form unless the same has been provided earlier.

C. Electronic dividend mandate:

Under the Section 242 of the Companies Act, 2017, it is mandatory for all listed companies to pay cash dividend to its shareholders through electronic mode directly into the bank account designated by the entitled shareholders.

In order to receive dividend directly into their bank account, Members/shareholders are requested (if not already provided) to fill in the Shareholder Information Form for Electronic Credit of Cash Dividend available on the Bank's website and send it duly signed along with a copy of valid CNIC to the Share Registrar, CDC Share Registrar Services Limited, CDC House 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shakra-e- Faisal, Karachi - 74400, in case of physical shares.

In case of shares held in CDC, the Electronic Dividend Mandate Form must be directly submitted to shareholder's brokers/participant/CDC account services.

In case of non-receipt of above information, the Bank will be constrained to withhold payment of dividend to shareholder(s).

D. Submission of valid CNIC (Mandatory):

As per SECP directives the dividend of shareholder(s) whose valid CNICs, are not available with the Share Registrar could be withheld. All shareholders having physical shareholding are therefore advised to submit a photocopy of their valid CNICs immediately, if already not provided, to the Share Registrar, CDC Share Registrar Services Limited, CDC House, 99-B, Block 'B', Sindhi Muslim Cooperative Housing Society (S.M.C.H.S), Main Shakra-e-Faisal, Karachi - 74400 without any further delay.

E. Unclaimed Dividend:

As per the provision of Section 244 of the Companies Act, 2017, any shares issued or dividend declared by the Bank which have remained unclaimed / unpaid for a period of three years from the date on which it was due and payable are required to be deposited with SECP for the credit of Federal Government after issuance of notices to the shareholders to file their claim. The details of the shares issued, and dividend declared by the Bank which have remained due for more than three years were sent to shareholders. Shareholders are requested to ensure that their claims for unclaimed dividend and shares are lodged promptly. In case, no claim is lodged with the Bank in the given time, the Bank shall, after giving notice in the newspaper, proceed to deposit the unclaimed / unpaid amount and shares with the Federal Government pursuant to the provision of Section 244(2) of the Companies Act, 2017.

F. Circulation/Transmission of Annual Audited Financial Statements and Notice of AGM to Members in Electronic Form:

The Bank's Annual Report, under Section 223(6) of the Companies Act, 2017, is being circulated to the members in Electronic Form as per Electronic Transaction Ordinance, 2002. The same is also placed on the Bank's website: <https://www.hbl.com/investor-relations/annual-accounts>. The web-link to access Bank's Annual Report is e-mailed to the members whose registered e-mail addresses are available in the members' register.

Members are requested to intimate change (if any) in their registered e-mail addresses to our Share Registrar for the above-mentioned purpose through consent form available on the Bank's website.

G. Conversion of Physical Shares into CDC Account:

The Members/shareholders having physical shareholding are encouraged to place their physical shares into scripless form as defined in Section 72(2) of the Companies Act, 2017, i.e.; "Every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by SECP, within a period not exceeding four years from the commencement of the Act."

H. Participation in AGM through Electronic Means:

SECP vide its Circulars, issued from time to time, has directed the listed companies to hold general meetings through video link, webinar, zooming etc. in addition to the requirements of holding physical meeting.

Accordingly, the AGM would be held at the venue and via webinar to comply with the SECP instructions. Members/shareholders interested in attending the Bank's AGM through webinar are requested to get themselves registered by sending their particulars to the Company Secretary of the Bank, at the designated email address (general.meetings@hbl.com), mentioning their names, folio number and email address by the close of business hours on March 19, 2024. The webinar link would be provided to the registered shareholders. The shareholders are also encouraged to send their comments/suggestions, related to the agenda items of the AGM on the above-mentioned email address by March 22, 2024.

I. Postal Ballot / E-voting:

Pursuant to Companies (Postal Ballot) Regulations 2018, read with Sections 143 and 144 of the Companies Act, 2017, in case of a Poll, Members will also be allowed to exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017:

This Statement sets out the material facts pertaining to the Ordinary Business and Special Business to be transacted at the Annual General Meeting of the Members of Habib Bank Limited (the “**Bank**”) to be held on March 27, 2024.

Ordinary Business:

Agenda Item 4 – Election of Directors

The term of office of the present Directors of the Bank will expire on March 26, 2024. In terms of Section 159(1) of the Companies Act, 2017, the Directors have fixed the number of elected directors at seven (7) to be elected in the AGM for a period of three years.

The present Directors are eligible for re-election.

Any person who seeks to contest election to the office of director shall, whether he is a retiring director or otherwise, shall file with the Bank at its Registered Office, 9th Floor, Habib Bank Tower, Jinnah Avenue, Blue Area, Islamabad, not later than fourteen days before the date of the meeting, the following documents:

- i. Notice of his/her intention to offer himself/herself for election of Directors in terms of Section 159(3) of the Companies Act, 2017, together with the consent to act as a Director, as prescribed under the Companies Act, 2017;
- ii. A detailed profile along with office address as required under SECP’s SRO 1196 (I)/2019 dated October 3, 2019;
- iii. A Director must be a Member of the Bank at the time of filing of his/her consent for contesting election of Directors except a person representing a Member, which is not a natural person;
- iv. A declaration confirming that:
 - 1) He/she is aware of his/her duties and powers under the relevant laws, Memorandum & Articles of Association of the Bank and Listing of Companies & Securities Regulations of the Pakistan Stock Exchange; and
 - 2) He/she is not ineligible to become a Director of a listed company under any provision of the Companies Act, 2017, the Listed Companies (Code of Corporate Governance) Regulations, 2019, and any other applicable law, rules and regulations.

Independent Directors will be elected through the process of election of Directors in terms of Section 159 of the Companies Act, 2017, and would be required to meet the criteria laid down under Section 166(2) of the Companies Act, 2017.

Special Business:

Agenda Item 5 – Approval of Circulation/Transmission of Annual Audited Accounts through QR code and Weblink

The SECP vide its notification SRO 389(I)/2023 dated March 21, 2023, has allowed listed companies to circulate the annual balance sheet, profit and loss account, auditor’s report and Directors’ report, etc. (“Annual Report”) to its shareholders/members through QR code and weblink, subject to the fulfilment of the specific requirements laid in the said notification, which includes seeking the approval of the shareholders in the general meeting to circulate the Annual Report to them through QR code and weblink.

In this connection, the Members/shareholders’ approval is being sought for circulation/transmission of Annual Report to the Members through QR code and weblink while ensuring compliance with the specific requirements of the SECP including but not limited to dissemination of notice of general meetings in terms of requirements of the Companies Act, 2017; provision of the Annual Report through e-mail in case of availability of the e-mail addresses of the members; and supply of a hard copy of the annual report to the members, at their registered addresses, free of cost within a week of receipt of the request, as per the standard format available on the Bank’s website.

Agenda Item 6 – Approval of Board Remuneration Policy of the Bank

The shareholders' approval is being sought for the revised Board Remuneration Policy (the "Policy") of the Bank, as recommended by the Board of Directors, under the State Bank of Pakistan's Corporate Governance Regulatory Framework. The Policy has been placed on the Bank's website www.hbl.com/boardremunerationpolicy for the members' information.

In the AGM held on March 30, 2020, the shareholders of the Bank had approved the Policy in compliance with the applicable regulatory requirements. During the year 2023, the Board of Directors approved certain amendments in the Policy to align it with the instructions advised in the State Bank of Pakistan's Corporate Governance Regulatory Framework and recommended it for the shareholders' approval in this AGM. The following are the key amendments to the Policy:

	Revisions
Travel and Expense Policy for Non-Executive Directors and the Chairman	
Domestic Travel:	
<ul style="list-style-type: none"> • Full fare Business class air travel; first class rail travel and full reimbursement for car/rental/fuel/driver in relation to any road travel 	At Actuals
<ul style="list-style-type: none"> • Daily allowance of Rs. 50,000 per day 	Deleted
International Travel:	
For Board and/or Board Committee meeting:	
<ul style="list-style-type: none"> • Full fare Business class air travel; first class rail travel and full reimbursement for car/rental/fuel/driver in relation to any road travel 	At Actuals
For other business related meetings /engagements:	
<ul style="list-style-type: none"> • Full fare first class air travel, first class rail travel and full cost coverage for car/rental/fuel/driver involving any road travel 	At Actuals
<ul style="list-style-type: none"> • A daily allowance of USD 500 	Deleted
<ul style="list-style-type: none"> • Spouse travel, where required to be accompanied, costs to be borne by the Bank 	Deleted
For attending training programs outside Pakistan:	
<ul style="list-style-type: none"> • Business class air travel, first class rail travel and full cost coverage for car/rental/fuel/driver involving any road travel 	At Actuals
<ul style="list-style-type: none"> • A daily allowance of USD 500 	Deleted
<ul style="list-style-type: none"> • Directors' remuneration for attending Board and/or Board Committee meetings is Rs. 600,000 per meeting 	<p>Directors' remuneration for attending Board and/or Board Committee meetings is Rs. 750,000 per meeting</p> <p>20% additional remuneration for the Chairman of the Board for attending each Board meeting</p>

The same is being recommended by the Board of Directors for the approval of the shareholders on a post-facto basis, at this AGM of the Bank.