

# Notice of the Extraordinary General Meeting

Notice is hereby given that the Extraordinary General Meeting of Habib Bank Limited (“the Bank”) will be held on June 21, 2019, Friday, at 10:00 a.m. at Serena Hotel, Islamabad to transact the following business:

## Special Business:

1. To consider issue of fully paid up, rated, perpetual, unsecured, subordinated, non-cumulative, contingent convertible, privately placed (subsequently listed) Additional Tier 1 (ADT-1) capital eligible Term Finance Certificates (TFCs) of up to Rs. 15 billion (inclusive of a green shoe option of Rs. 5 billion) for Capital Adequacy Ratio (CAR) purposes. In this regard, consider and pass the following Resolutions as Special Resolutions, with or without modification:

“**RESOLVED** that, the issue of the fully paid-up, rated, privately placed and subsequently listed, unsecured, subordinated, non-cumulative and contingent convertible Term Finance Certificates in aggregate of up to PKR 15 Billion, in a single or multiple issues of redeemable capital, with or without green shoe options of up to PKR 5 Billion be and is hereby approved subject to all regulatory approvals.

“**FURTHER RESOLVED** that, President & CEO, Chief Financial Officer, Head Corporate & Investment Banking and Company Secretary are hereby jointly (any two) authorized to take all necessary steps and to do or cause to be done all such acts, deeds and things that may be necessary for the issue of the Term Finance Certificates including but not limited to completing the formalities for listing of the Term Finance Certificates on the Pakistan Stock Exchange and all other related and / or ancillary formalities and to take such other steps, execute such other documents and make such corporate filings as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolution.”

The information as required under section 134(3) of the Companies Act, 2017 is annexed.

## Any Other Business:

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

May 21, 2019  
Karachi

By Order of the Board

**Neelofar Hameed**  
Company Secretary

## Notes:

1. The Register of Members and the Share Transfer Books will be closed from June 15, 2019 to June 21, 2019 (both days inclusive) for the purpose of the Extraordinary General Meeting.
2. Only those persons whose names appear in the Register of Members of the Bank as at June 14, 2019 are entitled to attend and vote at the Extraordinary General Meeting.
3. A Member entitled to attend and vote at the said Extraordinary General Meeting 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 Extraordinary General Meeting.
4. Members are requested to notify immediately any changes in their registered address to our Share Registrar, M/s. Central Depository Company of Pakistan 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 under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

## A. Requirements for attending the Extraordinary 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 Extraordinary General Meeting.

- (ii) In case of a corporate entity, the Board of Directors' resolution/power of attorney, with specimen signature of the nominee, shall be produced at the time of the Extraordinary General Meeting, unless it has been provided earlier.

#### **B. Requirements for appointing Proxies:**

- (i) 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.
- (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 the valid CNICs or the passports of the beneficial owner(s) and the proxy shall be furnished with the proxy form.
- (iv) The proxy shall produce his/her valid original CNIC or original passport at the time of the Extraordinary General Meeting.
- (v) 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.

#### **Statement of material facts under Section 134(3) of the Companies Act, 2017, relating to the Special Business referred to in the Notice above:**

This Statement sets out the material facts pertaining to the Special Business to be transacted at the Extraordinary General Meeting of the Members of Habib Bank Limited (the "Bank") to be held on June 21, 2019.

#### **Issuance of TFCs for raising Tier I Capital:**

1. In order to contribute towards Additional Tier I Capital, the Bank intends to issue redeemable capital in the form of term finance certificates under Section 66 of the Companies Act, 2017, and the Basel III Guidelines issued by the State Bank of Pakistan in accordance with the terms and conditions as listed in the Terms Sheet and the letter dated December 26, 2018 of the State Bank of Pakistan. The funds so raised will be utilized in the Bank's business operations as permitted by the Bank's Memorandum and Articles of Association.
2. The Board of Directors subject to approval from the State Bank of Pakistan have approved the fully paid-up, rated, privately placed and subsequently listed, perpetual, unsecured, subordinated, non-cumulative and contingent convertible Term Finance Certificates ("TFCs") in aggregate of up to PKR 15 Billion, in a single or multiple issues of redeemable capital, with or without green shoe options of up to PKR 5 Billion in terms of their Board's Resolution passed in the meeting held on October 25 & 26, 2018.
3. If the Common Equity Tier 1 ratio falls to or below 6.625% of Risk Weighted Assets, the Bank shall immediately notify the State Bank of Pakistan, and/or if the State Bank of Pakistan determines that a point of non-viability has occurred, it may direct the Bank to convert or write-off the TFCs into ordinary shares of the Bank at such time or times and for such consideration and on such terms and subject to such conditions as may be determined by the State Bank of Pakistan, under and pursuant to and in accordance with the Basel III Guidelines and under BPRD Circular No 8 of 2006 dated June 27, 2006, as revised and updated by BPRD Circular No. 6 of 2013 dated August 15, 2013, of the State Bank of Pakistan. Any inability to exercise Lock-In (mark-up will only be paid from the Issuer's current year's earning and if the Issuer is in compliance with regulatory Minimum Capital Requirement, Capital Adequacy Ratio and Leverage Ratio requirements set by the State Bank of Pakistan from time to time) or non-cumulative feature will subject the TFCs to conversion or write-off at the discretion of the State Bank of Pakistan in accordance with the Loss Absorbency provisions, as applicable.
4. The above mentioned conversions of TFC into ordinary shares of the Bank shall be subject to a maximum of **117,280,041** ordinary shares.
5. The Directors of the Bank are not directly or indirectly interested in the issue of the TFCs except to the extent of their shareholding in the Bank.