

# Notice of 24th Annual General Meeting

Notice is hereby given that the 24th Annual General Meeting of the Members of Meezan Bank Limited will be held Insha'Allah on Thursday, March 26, 2020 at 9:30 a.m. at Meezan House C-25, Estate Avenue, SITE, Karachi, Pakistan to transact the following business:

## ORDINARY BUSINESS

1. To confirm the minutes of the Extraordinary General Meeting held on December 18, 2019.
2. To receive, consider and adopt the Annual Audited Accounts of the Bank, Audited Consolidated Accounts for the year ended December 31, 2019 together with the Auditors' Report, Directors' Report and Chairman's Review Report thereon.
3. To appoint auditors of the Bank for the year ending December 31, 2020 and to fix their remuneration. The present auditors, M/s EY Ford Rhodes., Chartered Accountants, retire and being eligible, offer themselves for reappointment.
4. To consider and, if thought fit, approve as recommended by the Board of Directors, final cash Dividend at the rate of Rs 2 per share i.e. 20% in addition to Rs 3 per share i.e. 30% interim cash Dividend already declared/paid along with 10% Bonus Shares for the year December 31, 2019.

## SPECIAL BUSINESS

5. To consider and, if thought fit, approve the Directors' Remuneration Policy of the Bank and to pass the following resolution as an ordinary resolution:

***“Resolved that the Directors’ Remuneration Policy of the Bank, as presented to the shareholders, be and is hereby approved.”***

6. To approve the remuneration paid/payable to the Chairman, Vice-Chairman and Non-Executive Directors of the Bank for the year ended December 31, 2019 for attending Board Meetings and Meetings of the Committees formed by the Board and to pass the following resolution as an ordinary resolution:

***“Resolved that the remuneration paid / payable to the Chairman, Vice-Chairman and Non-Executive Directors of the Bank for the year ended December 31, 2019 for attending Board Meetings and Meetings of the Committees formed by the Board, as disclosed in note 39 of the Audited Financial Statements of the Bank be and is hereby approved.”***

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

Statements under section 134 (3) of the Companies Act, 2017 pertaining to special business are enclosed.

By Order of the Board

**Muhammad Sohail Khan**  
Company Secretary

Karachi  
February 12, 2020

**Notes:**

- i) The Members' Register will remain closed from March 19, 2020 to March 26, 2020 (both days inclusive) to determine the names of members entitled to receive the 20% cash dividend and attend and vote in the meeting.
- ii) A member eligible to attend and vote at this meeting may appoint any person as proxy to attend and vote in the meeting. Proxies in order to be effective must be received at the Registered Office not less than forty eight (48) hours before the holding of the meeting.
- iii) Members are requested to intimate any changes in address immediately to THK Associates (Pvt.) Ltd., 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400. Phone No. 111-000-322.

**For Information of the Members:**

- iv) The Government of Pakistan 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 dividend paid by the companies/banks. These rates are as per law.

To enable the Bank to make tax deduction on the amount of Cash Dividend, all the members whose names are not entered into Federal Board of Revenue (FBR)'s Active Tax-Payers List (ATL), despite the fact that they are tax return filers are advised to make sure that their names are entered into ATL, before the date of book closure for cash dividend, otherwise tax on their cash dividend will be deducted as non-filer.

All shareholders who hold shares jointly are requested to provide shareholding proportions of Principal shareholder and Joint-holder(s) in respect of shares held by them to our Shares Registrar, in writing as follows:

Folio/CDS	Total Shares	Principal Shareholder		Joint Shareholder	
		Name and CNIC No.	Shareholding Proportion (No. of Shares)	Name and CNIC No.	Shareholding Proportion (No. of Shares)

The required information must reach our Shares Registrar by the close of business (5:00 pm) on March 18, 2020; otherwise it will be assumed that the shares are equally held by Principal shareholder and Joint Holder(s) and tax will be deducted according to proportionate holding of each shareholder as clarified by the FBR vide its clarification letter No. I(54) Exp/2014-132872-R dated September 25, 2014. Shareholders claiming tax exemption under clause 47(B) of Part IV of the Second Schedule of Income Tax Ordinance, 2001 are requested to provide valid exemption certificate under section 159 (1) of the Income Tax Ordinance, 2001 latest by March 18, 2020 to our Shares Registrar as required vide FBR clarification letter No. 1(43)DG (WHT) / 2008-Vol.II-66417-R dated May 12, 2015.

**Payment of Cash Dividend through electronic mode:**

- v) Under section 242 of the Companies Act, 2017, it is mandatory for a listed company to pay cash dividend to shareholders only through electronic mode directly into bank account designated by the entitled shareholders. In order to receive dividend directly into bank account, shareholders are requested to fill in Electronic Credit Mandate Form available on the Bank's website and send it duly signed alongwith a copy of CNIC to the registrar of the company, THK Associates (Pvt.) Ltd., 1st Floor, 40-C, Block-6, P.E.C.H.S, Karachi-75400 in case of physical shares.

In case shares are held in CDC then the Electronic Credit Mandate Form must be submitted directly to shareholder(s)' broker / participant / CDC account services or shareholders can directly register for e-Dividend Services by visiting CDC Portal: <https://eservices.cdcaccess.com.pk/public/index.xhtml>

**Electronic Credit Mandate Form**

Folio Number / CDC Sub Account Number	
Name of Shareholder	
Title of the Bank Account	
International Bank Account Number	
Name of Bank	
Name of Bank Branch / Address	
Cellular and Landline number	
CNIC / Passport No. (Attach copy)	
Signature of Shareholder	

### **Availability of Annual Accounts**

vi) Annual Accounts of the Bank for the financial year ended December 31, 2019 have been provided on the Company's website-www.meezanbank.com

### **Video Conference Facility for Attending General Meetings**

vii) If the Bank receives consent from members holding in aggregate 10% or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 07 days prior to date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.

To avail this facility a request to be submitted to registered address of the Bank 07 days before holding of the Annual General Meeting.

### **STATEMENTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

These statements set out the material facts concerning the resolutions contained in items (5) and (6) of the notice pertaining to the special business to be transacted at the Annual General Meeting of the Bank to be held on March 26, 2020.

#### **Approval of Directors' Remuneration Policy of the Bank**

The State Bank of Pakistan (SBP) vide its BPRD Circular No. 3 of 2019 dated August 17, 2019 advised to formulate a comprehensive and transparent remuneration policy and set maximum limits for meeting fee. The policy is required to be approved by the shareholders in Annual General Meeting on pre or post facto basis.

Therefore, the Board of Directors of Meezan Bank in its meeting held on February 12, 2020 has recommended the Directors' Remuneration Policy for the approval of shareholders, which is given below.

The non-executive directors are interested in the payment of remuneration and the remaining member of the Board has no interest in the matter.

#### **Directors' Remuneration**

The remuneration paid / payable to the non-executive directors was approved by the Board of Directors in terms of Article 52 of the Articles of Association of the Bank. The remuneration requires approval (which is permissible on post facto basis) of the shareholders in Annual General Meeting in terms of requirements of the Prudential Regulations for Corporate / Commercial Banking issued by the State Bank of Pakistan.

The non-executive directors are interested in the payment of remuneration and the remaining member of the Board has no interest in the matter.

### **Directors' Remuneration Policy**

#### **Purpose of Policy**

The State Bank of Pakistan, as annexure to BPRD Circular No. 1 of 2017 issued "Revised Guidelines on Remuneration Practices" (the "Guidelines") and BPRD Circular No. 3 of 2019 (the "Circular"). The Guidelines require that the Board of Directors should constitute a Board Human Resource and Remuneration Committee (HR&R) and the Circular requires that the HR&R Committee shall formulate a comprehensive and transparent remuneration policy for the Chairman and other Directors.

The Board's Human Resource and Remuneration Committee (HR&R) , after due deliberation has revised the policy to ensure transparency and fairness as per the said Guidelines of SBP. The purpose of Directors' Remuneration Policy (hereinafter referred as "the Policy") is to set out the guidelines for determination of remuneration of the Board of Directors of Meezan Bank Limited (hereinafter referred to as 'Bank'), for attending Board and its Committees Meetings as per Companies Act 2017, Article of Association of the Bank, State Bank of Pakistan (SBP)'s Prudential Regulations (For Corporate and Commercial Banking) and SBP's Instructions / Circulars issued from time to time.

The Policy applies to all members of the Board, who are entitled to remuneration for attending Board and its committees' meetings. The remuneration of the directors, including the Chairman, for attending meetings of the Board and its committees, will be determined by the Board of Directors and approved by the shareholders. It is clarified that this Policy does not deal with the remuneration of executive directors, who are to be paid usual TA/DA as per the Bank's standard rules and regulations.

### **Maintenance & Updation**

This Policy in its entirety shall be reviewed by the Board HR&R Committee at least once every three (03) years or otherwise as and when required. However, any regulatory requirement (as and when issued) contrary to this Policy shall supersede this Policy and must be complied at all times.

### **Approval and implementation**

This Policy will be reviewed and approved by the Shareholders in the AGM on a pre or Post-facto basis on the recommendation of the Board of Directors. The Board HR&R Committee will take the policy to the Board for their review and recommendation. All subsequent reviews of the document shall continue to be approved at the same level.

### **Guidelines for Directors' Remuneration**

#### **1. General**

- 1.1. Remuneration to Non – Executive Directors (including Chairman) shall be paid in accordance with relevant laws and regulations.
- 1.2. Remuneration shall be fixed in Pakistani Rupees (PKR) invariably; nevertheless, payment of the same can be made to foreign Directors in equivalent foreign currency(ies), where necessary, after obtaining the regulatory approvals as may be required from time to time.
- 1.3. Income Tax, at applicable rates will be deducted from the payment of Meeting fee.
- 1.4. No single member of the Board of Directors shall determine his/her own remuneration.
- 1.5. Accountability of the Directors shall be ensured through their periodic performance evaluation.

#### **2. Disclosure Requirements**

- 2.1 Proper and transparent disclosure of remuneration and other benefits/facilities provided to the Board members shall be made in the annual financial statements of the Bank, as per SBP instructions issued from time to time.
- 2.2 All regulatory disclosure requirements regarding Directors' Remuneration will be complied with.

#### **3. Provisions to deal with remuneration of underperforming Director(s)**

The performance evaluation of (a) overall Board, (b) the Chairperson and (c) individual directors will be done in accordance with the Performance Evaluation Mechanism as per the Guidelines issued vide SBP's BPRD circular 11 of 2016 as amended from time to time. A Director whose average score during the Board's Performance Evaluation exercise is below 60% shall be considered as an 'underperforming Director'. His/her case will be referred to the Board Human Resource and Remuneration (HR&R) Committee for consideration. The HR & R Committee will decide and recommend the course of action in such cases to the Board for approval. The decision of the Board will be valid till the next Board performance evaluation is conducted.

#### **4. Remuneration of Non-Executive and Independent Directors for attending Board / Committee Meetings**

##### **Components of Remuneration**

SBP, vide BPRD circular 03 of 2019, has fixed the maximum limits of Remuneration for attending a Board / Committee Meeting as under:

Banks which have above Rs.500 billion Assets size or above Rs. 1 billion after tax profit (as per last audited annual accounts) up to Rs.800,000 and for other banks up to Rs.500,000.

SBP has authorized the banks to determine their own maximum remuneration limits for their board members (including Chairman) taking into consideration the level of responsibility and expertise of the concerned directors. The remuneration of Directors shall not exceed the maximum limit specified by the Regulator. Accordingly, the following fee structure has been approved:

4.1. The Fees for attending the Board and its Committee meetings shall be as follows

	Board meeting Fee Rs per meeting	Committee meeting Fee Rs per meeting
Chairman	960,000	650,000
Other Non-executive Directors	800,000	650,000

- 4.2. The Board and Committee meeting fees will be approved by the shareholders in Annual General Meeting on pre or post facto basis on the recommendation of the Board and Board HR&R Committee. The meeting fee, in any case, shall not exceed the limits prescribed by the Regulators.
- 4.3. The Chairman's fee for attending a Board meeting is higher than that of other non-executive Directors within the limit prescribed by law i.e. up to 20% of the normal fee limit, as the office of the Chairman requires investment of additional time and effort to ensure the focus and effectiveness of the Board meetings and to ensure that the Board is effective in its task of setting and implementing the Bank's direction and strategy.
- 4.4. A Director may be allowed to attend a Board meeting via telephone or video conference for a maximum of one meeting per annum, and even that only under circumstances that make it impossible to attend the meeting physically, e.g. non-availability of travel visa etc. The meeting fee for such participation would be 50% of the normal meeting fee.
- 4.5. A Director may attend any number of Committee meetings via telephone or video conference. Normal fee for Committee meeting will be paid to every Non-Executive Director for attending a Committee meeting physically or via telephone or video conference.
- 4.6. All traveling/boarding/lodging expenses of the Directors related to Attendance of Board Meeting(s)/ Committee Meetings will be borne by the Bank at actuals. Expenses such as hotel stay etc. incurred due to personal reason or reason other than performance of Bank' duties and business will be borne by the concerned Director.
- 4.7. The Committee meeting fee for the Chairman would be the same as that for other Directors.
- 4.8. No additional payments or perquisites will be paid to the Non-Executive Directors and Chairman except as mentioned in above clauses.
- 4.9. No consultancy or allied work shall be awarded to a Director or to the firm(s), institution(s) or company(ies) etc. in which he/she individually and/or in concert with other Directors of the Bank, holds substantial interest.

## 5. Remuneration of the Executive Directors for attending Board / Committee Meetings

- 5.1 No remuneration under this policy would be paid to the Executive Directors except travel and boarding costs as per the Bank's standard rules and regulations and relevant laws.