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Meezan Bank
The Premier Islamic Bank

NOTICE OF EXTRAORDINARY GENERAL MEETING

To be held on Wednesday, November 17, 2021

Head Office: Meezan House, C-25, Estate Avenue, SITE, Karachi- Pakistan.

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NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an Extraordinary General Meeting (EOGM) of the Members of Meezan Bank Limited (the “**Bank**”) will be held Insha-Allah on Wednesday, November 17, 2021 at 09:00 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 25th Annual General Meeting held on March 29, 2021 at Karachi.

Special Businesses

2. To elect 10 (ten) Directors in accordance with the provision of section 159 of the Companies Act, 2017 (the “**Act**”) for a term of 3 (three) years commencing from the date of the Extraordinary General Meeting i.e. November 17, 2021.

The number of Directors to be elected pursuant to section 159 (1) of the Act has been fixed at ten (10) by the Board of Directors.

The following Directors of the Bank will cease to hold office upon election of new Directors:

1. Mr. Riyadh S.A.A. Edrees
2. Mr. Faisal A.A.A. Al-Nassar
3. Mr. Bader H.A.M.A. AlRabiah
4. Mr. Mubashar Maqbool
5. Mr. Naveed Iftikhar Sherwani
6. Mr. Faisal Fahad Al-Muzaini
7. Mr. Mohamed Guermazi
8. Mr. Noorur Rahman Abid
9. Ms. Nausheen Ahmad
10. Mr. Atif Azim

The retiring Directors are eligible for re-election subject to clearance of State Bank of Pakistan. The Chief Executive (Mr. Irfan Siddiqui) will be a deemed director.

3. To consider and, if thought fit, pass the following special resolution, with or without modification, to increase the authorized share capital of the Bank from PKR 28,294,400,000/- to PKR 32,538,600,000/- by creation of 424,420,000 new ordinary shares of PKR 10/- each :

“RESOLVED THAT the authorized share capital of the Bank be and is hereby increased from PKR 28,294,400,000/- (Rupees Twenty-Eight Billion Two Hundred Ninety-Four Million Four Hundred Thousand only) to PKR 32,538,600,000/- (Rupees Thirty-Two Billion Five Hundred Thirty Eight Million Six Hundred Thousand only) by creation of 424,420,000 new ordinary shares of PKR 10/- each, subject to completion of all the legal formalities necessary and approvals, and that



Clause V of the Memorandum of Association of the Bank be and is hereby amended to read as follows:

“The share capital of the company is PKR 32,538,600,000/- (Rupees Thirty-Two Billion Five Hundred Thirty-Eight Million Six Hundred Thousand only) divided into 3,253,860,000 (Three Billion Two Hundred Fifty-Three Million Eight Hundred Sixty-Thousand) ordinary shares of Rs. 10/- each (Rupees ten each) with the power to increase or reduce the capital and to divide the shares in the capital for the time being into several classes.”

FURTHER RESOLVED THAT the Chief Executive Officer or Deputy Chief Executive Officer or Chief Financial Officer or Company Secretary (the “Authorised Representatives”) be and are hereby severally authorized to complete all legal formalities required under the applicable laws, rules, regulations etc. to give effect to the above resolutions.”

4. To consider and, if thought fit, approve the issuance of Tier 2 Capital through issuance of redeemable capital and to pass the following resolution as special resolution:

RESOLVED THAT the Bank, be and is hereby authorized to raise Tier 2 Capital through issuance of redeemable capital, in accordance with section 66 of the Companies Act, 2017, in the form of Tier 2 Capital Sukuk up to the extent of PKR 10,000,000,000/- (Pak Rupees Ten Billion) inclusive of PKR 3,000,000,000/- (Pak Rupees Three Billion) green shoe option (the “**Sukuk Issue**”), to the general public by way of public offering and/or to eligible institutional and other investors by way of private placement in terms of BPRD Circular Number 08 dated June 27, 2006 as amended vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of State Bank of Pakistan (“**SBP**”), upon such terms and conditions as may be deemed appropriate by the authorized representatives of the Bank.

5. To consider and, if thought fit, approve conversion of Sukuk into Ordinary Shares of the Bank upon the occurrence of a conversion event as determined by the State Bank of Pakistan and in that connection to pass the following resolution as special resolution.

RESOLVED that in respect of the Shariah compliant subordinated Tier 2 Mudaraba based Sukuk Issue approved by the Board of Directors of the Bank (“**Sukuk**”), pursuant to their meeting held on August 12, 2021 and in accordance with the instructions of SBP under the 'Instructions for Basel III Implementation in Pakistan' (“**Basel III Rules**”) issued under BPRD Circular No. 06 dated August 15, 2013, as amended from time to time, regarding loss absorbency, in the event the Sukuk are converted into common shares upon the declaration by the SBP of the occurrence of a Point of Non-Viability event (“**PONV**”), such ordinary shares shall be issued other than by way of rights in accordance with the proviso provided under section 83(1)(b) of the Companies Act, 2017 (“**Additional Shares**”).



FURTHER RESOLVED that the issuance of such Additional Shares shall be based on the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP and shall be subject to a cap of 172,413,793 (One Hundred and Seventy Two Million Four Hundred and Thirteen Thousand Seven Hundred and Ninety Three) additional ordinary shares being issued, or such other number as may be agreed to in consultation with SBP and shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with the applicable provisions of the Companies Act, 2017.

FURTHER RESOLVED that the Chief Executive Officer or Deputy Chief Executive Officer or Company Secretary or Chief Financial Officer or their delegates (the “**Authorized Representatives**”) of the Bank, be and are hereby singly authorized to take all steps, necessary, ancillary and incidental to the above, and are further authorized to sign, execute and deliver all necessary documents, agreements and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes abovementioned.

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

Statements of Material Facts under Section 134(3) of the Act, pertaining to the above-mentioned Special Businesses, are annexed to this Notice of EOGM Meeting circulated to the members of the Bank.

By Order of the Board

Muhammad Sohail Khan
Company Secretary

Karachi
October 26, 2021

Notes:

1. Closure of Share Transfer Books

The Members’ Register will remain closed from November 15, 2021 to November 17, 2021 (both days inclusive). Transfer received at the Share Registrar Office by close of Business on (05:00 p.m.) on November 12, 2021 will be treated in time to attend, vote and speak in the EOGM.

2. COVID-19 related contingency planning for General Meetings

- SECP Circular No. 5 of 2020, dated March 17, 2020, requires modification of the usual planning of the General Meetings for the well-being and safety of members. The members are encouraged to attend and vote in the Extraordinary General Meeting (EOGM) via a Zoom Link. Accordingly, the members are requested to get themselves registered by sending their particulars at the designated e-mail address eogm@meezanbank.com giving particulars as per the table given on the next page by the close of business hours (5:00 PM) on November 12, 2021.



Name of Shareholders/Proxy	CNIC / Passport No.	Folio No./CDC Participant ID No.	Cell No.	E-mail Address
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- Link to video connectivity will be sent to the shareholders on their e-mail addresses after necessary verification from the record.
 - Shareholders will be able to log in and participate in the EOGM proceedings through their smartphones or computer devices.
 - The login facility will be available from 08:45 a.m. till the end of the EOGM on November 17, 2021, enabling the participants to join the proceedings which will start at 09:00 a.m. sharp, Insha-Allah.
 - In addition to the above, the shareholders can also give their suggestions/comments on the proposed agenda of the EOGM by e-mailing at the designated e-mail address as mentioned above.
3. Copies of the Minutes of the 25th Annual General Meeting held on March 29, 2021, of the Bank, are available for inspection by Members as required under Section 152 of the Act.

4. For Attending the General Meeting:

- A member entitled to attend the EOGM may appoint any other member as his/her proxy to attend the meeting through video-link. A proxy form is enclosed.
- In case of individuals, the account holder or sub-accountholder and/or the person whose securities are in group account and their registration details are uploaded as per the Regulations, shall authenticate his identity by showing his original Computerized National Identity Card ("CNIC") or original passport at the time of attending the Annual General Meeting.
- In case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the Extraordinary General Meeting.

5. Postal Ballot Facility

In case the Poll is demanded by the shareholders under Section 143 of the Act, the Company shall consider postal Balloting facility for voting, under the Companies (Postal) Ballot) Regulations, 2018.

6. Video Conference Facility for Attending General Meetings.

In accordance with the Section 134(1)(b) of the Act and SECP's Circular No. 10 of 2014 dated 21st May, 2014 (the Circular), members holding in aggregate 10% or more shareholding in the paid up capital of the Bank residing in a city, may avail video conference facility to attend the Meeting.



Requirements and procedures for availing video conference facility as stipulated in the Circular are as under:

The member should provide their consent as per the following format and submit to the registered address of the Bank 10 days before holding of General Meeting.

Consent Form for Video Conference Facility

I/We _____ of _____ being a member of Meezan Bank Limited, holder of _____ ordinary shares as per Register Folio/ CDC Account No _____ hereby opt for video conference facility at _____ (geographical location).

Signature Member

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 10 days prior to date of the Meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.

The Bank will intimate members regarding venue of video conference facility at least 5 (five) days before the date of Extraordinary General Meeting along with complete information necessary to enable them to access such facility.

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

These statements set out the material facts concerning the resolutions contained in items (2), (3) (4) and (5) of the Notice pertaining to the special business to be transacted at the Extraordinary General Meeting of the Bank to be held on November 17, 2021.

a. ELECTION OF DIRECTORS

1. The Board of Directors of the Bank, in its 95th meeting held on August 12, 2021, has fixed the number of directors to be elected as ten (10) for the term of three years commencing from November 17, 2021.
2. As per Article No. 49 of the Articles of Association of the Bank, no person shall be appointed as Director unless he/she is a Member and holds qualification shares of Rs. 5,000/- (Rupees Five Thousand only) of the Bank in his/her own name.
3. Any person/member whether majority shareholder or a minority shareholder, who seeks to contest the election to the office of the director (**‘the Candidate’**), whether he is a retiring director or otherwise, is encouraged to file with the Bank at its registered office, not later than fourteen days before the date of the EOGM at which elections are to be held, the following documents;
 - a. Notice of his/her intention to offer himself/herself for election as director in terms of Section 159(3) of the Act, the Candidate should also confirm that:



- He/she is not ineligible to become a director of the Bank under any applicable laws and regulations (including the Act and SBP's Prudential Regulations).
 - His/her complete Folio Number/CDC Account Number/Participant ID
 - 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 seven listed companies' simultaneously, provided that this limit shall not include the directorships in the listed subsidiaries of a listed holding company.
- b. Consent to act as director in Form-28 under Section 167 of the Act.
- c. A detailed profile of the Candidate including his office address (the same will be placed on the Bank's website as per requirements of SECP Notification S.R.O. 1196(I)/2019 dated 3rd October, 2019)
- d. Performa - Fit & Proper Test, Affidavit on Non-Judicial Stamp Paper. and duly completed Questionnaire for accessing 'Fit & Proper Test attached to the BPRD Circular No. 4 dated 23rd April, 2007 and Circular No. 9 of 2018 dated October 18, 2018 issued by State Bank of Pakistan (SBP). The Declaration of Fidelity and Secrecy as required vide SBP BPRD Circular No. 2 dated January 29, 2004.
- e. National Tax Number (NTN), attested copy of CNIC/Passport, degrees/certificates etc. (Please note that the Bank reserves the right to obtain confirmation/verification of degree certificates/documents etc., in compliance with law regulations. The Candidates are required to provide written authorization(s) to their concerned educational institution(s) to provide required verification(s) directly to the Bank in order to assist the Bank in this regard).
- f. Details of family members (spouse, lineal ascendants and descendants and siblings including stepfather, stepmother, stepson, step daughter stepbrother or stepsister, if any).
- g. Attested copy of Income Tax Clearance Certificate.

In terms of the SBP BPRD Circular No. 4 dated 23rd April, 2007 and Prudential Regulations, prior clearance in writing from SBP is required for appointments of directors. The Candidates are requested to read the same and other relevant provisions relating to the appointment/election of directors, as mentioned in the Act and the Listed Companies (Code of Corporate Governance) Regulations, 2019 and ensure compliance with the same in letter and spirit.

4. Independent directors will be elected through the process of election of directors in terms of Section 159 of the Act and they shall meet the criteria laid down under the BPRD Circular No. 15 of 2016 dated 28th December, 2016 issued by SBP as well as the criteria laid down under Section 166(2) of the Act and the Companies (Manner and Selection of Independent Directors) Regulation, 2018. It will be ensured that the names of independent directors are available in the databank of independent directors being maintained by the Pakistan Institute of Corporate Governance (PICG).

The present directors of the Bank have no interest in the above business except their eligibility for re-election as director of the Bank.



b. Increase in Authorized Capital of the Bank

The Board of Directors of the Bank, in its meeting held on October 14, 2021, has approved an increase in the authorized capital of the Bank. Due to the locking of authorized share capital for the Bank's Tier I and Tier II Capital, the available room in authorized capital for further issue of share capital has been reduced. Therefore, in order to meet the future requirements of capital for continued growth and expansion of the Bank. The authorized capital may be increased within the allowable limit of Rs. 32,538,600,000/- (Rupees Thirty-Two Billion Five Hundred Thirty-Eight Million and Six Hundred Thousand Only).

The Bank's existing authorized capital Rs. 28,294,400,000 (Rupees Twenty-Eight Billion Two Hundred Ninety-Four Million and Four Hundred Thousand only) divided into 2,829,440,000 (Two Billion Eight Hundred Twenty-Nine Million Four Hundred Forty Thousand) ordinary shares of Rs. 10/- each (Rupees ten each).

It is proposed to increase the share capital of the Bank up to Rs. 32,538,600,000/- (Rupees Thirty-Two Billion Five Hundred Thirty-Eight Million Six Hundred Thousand only) divided into 3,253,860,000 (Three Billion Two Hundred Fifty-Three Million Eight Hundred Sixty Thousand) ordinary shares of Rs. 10/- each (Rupees Ten each) by Rs. 4,244,200,000 (Rupees Four Billion Two Hundred Forty-Four Million Two Hundred Thousand only) divided into 424,420,000 (Four Hundred Twenty-Four Million Four Hundred Twenty Thousand) ordinary shares of Rs. 10/- each (Rupees Ten each).

Under section 85(1) of the Act, the Bank may alter the condition of the memorandum so as to inter alia increase its share capital by such amount as it thinks expedient and such powers are exercisable by the shareholders through special resolution.

The Board of Directors of the Bank have no vested interest, directly or indirectly in the above business, save to the extent of their shareholding of the Bank.

c. Issuance of Sukuk

On August 12, 2021 the Board of Directors of the Bank resolved to raise Shariah compliant subordinated Tier 2 Mudarabah based sukuk certificates through issuance of redeemable capital under Section 66 of the Act, in the amount of up to the extent of PKR 10,000,000,000/- (Pak Rupees Ten Billion) inclusive of PKR 3,000,000,000/- (Pak Rupees Three Billion) (the "Sukuk Issue" or the "Sukuk") to eligible investors in terms of BPRD Circular Number 08 dated June 27, 2006 and as updated vide BPRD Circular Number 06 of August 15, 2013 (as amended from time to time), read with all relevant rules, regulations, circulars and approvals of State Bank of Pakistan ("SBP"). The Sukuk Issue is intended to contribute towards the Bank's Tier 2 Capital for Capital Adequacy Requirements as per the guidelines set by the State Bank of Pakistan.

SBP through BSD Circular No. 7 dated April 15, 2009 had directed all banks to achieve and maintain the minimum CAR of 10% by December 2013. SBP vide its Circular No. 6 of Banking Policy and Regulation Department ("BPRD") dated August 15, 2013 ("Basel III Circular").

d. Conversion of Sukuk into Ordinary Shares of the Bank upon the occurrence of a conversion event as determined by the State Bank of Pakistan

As per the requirements of Basel III under the aforementioned Basel III Circular, the terms and conditions of the Sukuk must have a provision of "loss absorbency" for it to be qualified as a Tier 2 Capital instrument.



The relevant portion of the Basel III Circular relating to “loss absorbency” is reproduced below:

“A-5-3 Loss Absorbency of Non-Equity Capital Instruments at the Point of Non-Viability

- i. *The terms and conditions of all non-CET1 and Tier 2 instruments issued by banks must have a provision in their contractual terms and conditions that the instruments, at the option of the SBP, will be fully and permanently converted into common share upon the occurrence of a non-viability trigger event called the Point of Non-Viability (PONV) as described below;*
- ii. *The PONV trigger event is the earlier of;*
 - a. *A decision made by SBP that a conversion is necessary without which the bank would become non-viable.*
 - b. *The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by SBP.*
- iii. *The issuance of any new shares as a result of the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.*
- iv. *The amount of non-equity capital to be converted will be determined by the SBP.*
- v. *Where an Additional Tier-1 capital instrument or Tier-2 capital instrument provides for conversion into ordinary shares, the terms of the instruments should include provision that upon a trigger event the investors holding 5% or more of paid-up shares (ordinary or preferred) will have to fulfill fit and proper criteria (FPT) of SBP.*
- vi. *The conversion terms of the instruments must contain pricing formula linked to the market value of common equity on or before the date of trigger event. However, to quantify the maximum dilution and to ensure that prior shareholder/ regulatory approvals for any future issue of the required number of shares is held, the conversion method must also include a cap on the maximum number of shares to be issued upon a trigger event.*
- vii. *The conversion method should describe and take into account the order (hierarchy of claims) in which the instruments will absorb losses in liquidation/ gone concern basis. These terms must be clearly stated in the offer documents. However, such hierarchy should not impede the ability of the capital instrument to be immediately converted.*
- viii. *There should be no impediments (legal or other) to the conversion i.e. the bank should have all prior authorizations (sufficient room in authorized capital etc.) including regulatory approvals to issue the common shares upon conversion.*
- ix. *The contractual terms of all Additional Tier 1 and Tier 2 capital instruments must state that SBP will have full discretion in deciding/ declaring a bank as a non-viable bank. SBP will, however, form its opinion based on financial and other difficulties by which the bank may no longer remain a going concern on its own unless appropriate measures are taken to revive its operations and thus, enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the CET1/ MCR of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such*



measures will include conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the SBP.”

As per the loss absorbency conditions, upon the occurrence of a “Point of Non-Viability” event (“PONV”), SBP may at its option, fully and permanently convert the Sukuk into common shares of the issuer, i.e. the Bank

In light of the above contemplated conversion events, the Bank is required to obtain all approvals (in advance) for the issuance of such additional shares, which additional shares shall be issued based on the market value of the shares of the Bank (as at the relevant time) and shall be subject to a cap of 172,413,793 (One Hundred and Seventy Two Million Four Hundred and Thirteen Thousand Seven Hundred and Ninety Three) additional ordinary shares being issued in aggregate, or such other number as may be agreed to in consultation with SBP. It may further be noted that issuance of such additional shares shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with Section 84(1)(b) of the Act.

The information required to be annexed to the notice is set out below:

Name of the persons to whom shares will be issued	The shares will be issued to the Sukuk holders (at that time) in accordance with the directions of SBP at the time of trigger of PONV.
Price at which the proposed shares will be issued	The shares shall be at the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP however, total no. of shares to be issued are capped at 172,413,793 or such other number as may be agreed to in consultation with SBP.
Purpose of the issue, utilization of the proceeds of the issue and benefits to the Company and its shareholders with necessary details	To convert the outstanding Sukuk amount (in whole) into shares of the Bank in accordance with the directions of SBP.
Existing shareholding of the persons to whom the proposed shares will be issued	Not Applicable.
Total shareholding of the persons after the proposed issue of shares	Not Applicable.
Whether the persons have provided written consent for purchase of such shares	The terms of the Trust Deed for the Sukuk Issue contain the details regarding such conversion.
Justification as to why proposed shares are to be issued otherwise than rights and not as rights shares	This is in accordance with the requirements of SBP vide its Circular No. 6 of Banking Policy and Regulation Department (“BPRD”) dated August 15, 2013.
Justification, with details of the latest available market price and break-up value per share, if such price differs from par value	Not Applicable.



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The shares issued shall rank pari passu in all respects with the existing shares of the Bank. The issue of shares other than by way of rights is subject to approval from the Securities and Exchange Commission of Pakistan.

The Directors of the Bank have no vested interest, directly or indirectly in the above business, save to the extent of their shareholding of the Bank.



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