NBP
National Bank of Pakistan

HO:SBoD:523
March 06, 2019

The General Manager,
Pakistan Stock Exchange Ltd.,
Stock Exchange Building,
Stock Exchange Road,
Karachi.

Dear Sir,

NOTICE OF 70TH ANNUAL GENERAL MEETING

Enclosed please find a copy of the Notice of the Annual General Meeting to be held on Thursday the 28th March, 2019, at 02:30 P.M. at Crystal Ball Room, Marriott Hotel, Karachi for circulation amongst the TRE Certificate Holders of the Exchange.

Yours sincerely,

Zamin

(S. M. Ali Zamin)
Secretary (Board)

Encl: (a.a.)

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NOTICE OF 70TH ANNUAL GENERAL MEETING

Notice is hereby given that **70th Annual General Meeting ("AGM")** of National Bank of Pakistan (the **"Bank"**) will be held on **Thursday** the **28th March, 2019 at 02:30 P.M. (PST),** at **Crystal Ball Room, Marriott Hotel**, Karachi.

The following business will be transacted in the meeting:

Ordinary Business:

1. To confirm minutes of the Annual General Meeting of Shareholders held on 29th March, 2018, at Karachi.

2. To receive, consider and adopt the Annual Audited Financial Statements of National Bank of Pakistan and Consolidated Accounts of National Bank of Pakistan and its Subsidiaries for the year ended 31st December, 2018, together with the Directors' & Auditors' Reports thereon.

3. To appoint auditors for the year ending 31st December, 2019 and fix their remuneration. The Board of Directors has recommended re-appointment of Messrs Grant Thornton Anjum Rahman Chartered Accountants and Messrs Deloitte Yousuf Adil, Chartered Accountants to be the auditors of the Bank for the year ending 31st December, 2019, at the same fee as paid to the retiring auditors.

Special Business:

4. To consider and approve compensation package of President of the Bank, as recommended by the Board of Directors.

5. To transact any other business with the permission of the Chairman.

By Order of the Board

S.M. Ali Zamin
Secretary (Board)

Karachi
Dated: March 07, 2019

Notes:

i) The Share Transfer Books of the Bank shall remain closed from 21-03-2019 to 28-03-2019 (both days inclusive). Transfers received at Messrs Central Depository Company of Pakistan Limited, CDC House 99-B, Block "B", SMCHS, Main Shahra-e-Faisal, Karachi – 74400, the Bank's Registrar and Share Transfer Agent, at the close of the business on 20-03-2019 will be treated in time for the purpose of attending the meeting.

ii) A member eligible to attend and vote at the AGM is entitled to appoint another member as a proxy to attend and vote on his / her behalf. The Government of Pakistan, State Bank of Pakistan and any Corporation(s), being a member of the Bank, may nominate any person as its representative to attend the AGM under authority of a Power of Attorney or a Board of Directors' Resolution. Proxies or nominations, in order to be effective and valid, must be received at the office of the Bank's Registrar / Share Transfer Agent, Messrs Central Depository Company of Pakistan Limited, CDC House 99-B, Block "B", SMCHS, Main Shahra-e-Faisal, Karachi – 74400, not later than 48 hours before the time of holding the AGM.

iii) 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. For Attending the Meeting:

- In case of Individuals, the account holder or sub-account holder shall authenticate his / her identity by showing his Original Computerized National Identity Card (**"CNIC"**) or original Passport at the time of attending the meeting,
- In case of corporate entity, the Original or duly authenticated 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 Meeting.

b. For Appointing Proxies:

- In case of individuals, the account holder or sub-account holder shall submit the proxy form as per the above requirement.
- The Proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be furnished with the proxy form.
- The proxy shall produce his /her original CNIC or original passport at the time of the Meeting.
- In case of corporate entity, the Original or duly authenticated Board of Directors' resolution/ power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs Central Depository Company of Pakistan Limited.

iv) CDC Account Holders and Sub-account Holders, whose Registration details are available in Share Book Detail Report shall have to produce respective Original Computerized National Identity Cards (CNICs) or Original Passports for the purpose of identification to participate in the Annual General Meeting. Such Account Holders and Sub Account Holders should know the CNIC Numbers and CDC Account Number of the respective partner and should bring the same along with them. In case of Proxy, the person should positively attach the attested copy of the CNIC or Passport. In case of corporate member's representative, usual documents should be accompanied for the same purpose.

v) Members are requested to immediately notify any change in their addresses to the Bank's Registrar and Share Transfer Agent, Messrs Central Depository Company of Pakistan Limited.

vi. COLLECTION OF THE UNCLAIMED / UNDELIVERED DIVIDEND WARRANTS/BONUS SHARES CERTIFICATES LYING WITH THE SHARE REGISTRAR:

As directed by SECP vide letter # SMD/CIW/Misc./14/2009 dated October 11, 2011, shareholders are requested to please contact / coordinate with Bank's Share Registrar for collection of unclaimed / undelivered Dividend Warrants/Bonus Share Certificates.

vii. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:

In pursuance of the directions given by SECP vide SRO 787 (1)/2014 dated September 8, 2014, those shareholders who desire to receive Annual Financial Statements in future through email instead of receiving the same by Post are advised to give their formal consent along with their valid email addresses on a standard request form which is available at the Bank's website i.e. www.nbp.com.pk and send the said form duly filled in and signed along with copy of his / her CNIC / Passport to the Bank's Share Registrar. Please note that giving email address for receiving of Annual Financial Statements instead of receiving the same by post is optional. In case you do not wish to avail this facility please ignore this notice and, in such case, Annual Financial Statements will be sent at your registered address on CD as approved in 68th Annual General Meeting held on 30th March, 2017.

STATEMENT OF MATERIAL FACTS.

This statement sets out material facts concerning the special business given in agenda item No.04 of the Notice, to be transacted in the 70th AGM of NBP's shareholders to be held on 28th March, 2019.

Item No.4

TO CONSIDER AND APPROVE COMPENSATION PACKAGE OF PRESIDENT OF THE BANK, AS RECOMMENDED BY THE BOARD OF DIRECTORS.

Mr. Arif Usmani was appointed President of the Bank in terms of Section 11 (3) (a) of The Banks (Nationalization) Act, 1974, by the Federal Government for a term of three (03) years with immediate effect vide Finance Division (GoP) Notification No.F.1(33)/Bkg-III/2018-228, dated 12-2-2019. Mr. Arif Usmani assumed the charge as President on 13-02-2019. Accordingly, in terms of Section 11(3) (a) of the Banks (Nationalization) Act, 1974, the Board in its 292nd meeting held on February 22, 2019 has recommended the compensation package of Mr. Arif Usmani as President of the Bank, in terms of Section 11(3)(a) of The Banks (Nationalization) Act, 1974 to the General Meeting of the Shareholders for approval.

The shareholders are requested to approve the compensation package of Mr. Arif Usmani, President of the Bank as recommended by Board of Directors by passing the following resolution:

> **"RESOLVED THAT** the following compensation package of Mr. Arif Usmani, President of the Bank, as recommended by the Board of Directors of the Bank with effect from the date he assumed the office of the President, NBP, be and is hereby approved in terms of Section 11 (3) (a) of the Banks (Nationalization) Act, 1974:

Head	Compensation Package and Benefits
Gross Salary	Rs. 4,500,000/- per month
Variable Salary / Annual Performance Bonus	The performance bonus of the President will be based on Key Performance Indicators in comparison with the peer commercial banks, as approved by the shareholders.
Utilities, Security Arrangements and Domestic Helper	1) Utilities (electricity, gas, water) at actual. 2) Two (2) telephone(s) at residence / Two (2) Mobile Phone(s) and monthly bills at actual. 3) Security arrangement to be provided by the Bank. Deployment of four (04) security guards i.e. two security guards on 12 hours shift basis at residence. 4) Salary of five (05) persons for domestic help (total PKR 90,000/- per month on reimbursement basis).
House Loan	**The incumbent President has opted not to avail this facility.**
Residential Accommodation	**The incumbent President has opted not to avail this facility**
House Furnishing Allowance	Amount equivalent to one gross salary payable once during tenure of the Presidency.
Vehicles and Fuel	Two vehicles (one 4,700 cc and one 3,500cc) owned and maintained by the Bank, with the option to purchase one car at 10% of the cost or at WDV, whichever is higher, at separation or on expiry of the contract. Fuel for the bank provided vehicles at actual. In view of the proposed austerity measures to be taken, the current President / CEO, NBP has opted to avail two (02) vehicles from the pool instead of buying new vehicle. These vehicles shall be maintained by the Bank, with the option to purchase one vehicle at 10% of the cost or at WDV, whichever is higher, at separation or on expiry of the contract. Fuel for bank provided vehicles at actual.
Drivers	Two drivers to be provided by the Bank or alternatively, salary of two drivers to be reimbursed @ PKR 25,000/- per driver per month.
Leave Entitlement	Annual leave of 30 days and casual / sick leave 18 days per annum. Annual leave may be accumulated upto 90 days, which is encashable on the basis of last drawn gross salary.

Generator Facility at Residence	As per Bank's policy for SEVPs.
Official Travel & Expenses Reimbursement	As per Bank's policy for SEVPs.
Medical	Full-fledged Medical / Dental coverage for self and dependent family members within Pakistan on reimbursement basis at actual. No post separation or retirement medical / dental facility will be available.
Group / Life Insurance	Life Insurance coverage to be provided by the Bank (amount Rs. 30 million) during the tenure of contract. 50% yearly premium to be paid by him and remaining 50% yearly premium to be paid by the Bank during the tenure of contract only.
Terminal Benefits	Gratuity to be paid at one-month last drawn gross salary for each year of service. Six (06) months or more to be treated as a completed year of service.
Club Membership	Membership (entry fee) for two clubs of incumbent's choice to be paid by the Bank. Subscription / other charges of 3 clubs to be paid by the Bank. **The incumbent President has opted not to avail the facility of club membership (entry fee).**
Annual Salary and Benefits Review	The package shall remain fixed during the tenure of the contract.
Separation from Bank's Service	**In case of Termination of Contract:** Three months' notice period or gross salary in lieu thereof to be paid by the Bank. **In case of Resignation:** Three months' notice period or gross salary in lieu thereof to be paid to the Bank."

<u>Disclosure:</u> In terms of Section 134 (3) of the Companies Act, 2017, no Director is directly or indirectly interested in the special resolution except the President.