



Bank for Life

MCB Bank Limited

Company Secretary Office

6th Floor, MCB House,  
15- Main Gulberg, Jail Road,  
Lahore Pakistan

T: +92-42-36041621

E: cat@mcb.com.pk

SE-100(5F)2019/12

March 06, 2019

**The General Manager**

Pakistan Stock Exchange Limited

Stock Exchange Building

Stock Exchange Road

Karachi.

Dear Sir,

Sub: **NOTICE OF 71<sup>ST</sup> ANNUAL GENERAL MEETING**  
MCB BANK LIMITED

Enclosed please find herewith a copy of the Notice of 71<sup>st</sup> Annual General Meeting ("AGM") of MCB Bank Limited, scheduled to be held on March 29, 2019, for circulation amongst the TRE Certificate Holders of the Exchange.

Yours truly,

**Fida Ali Mirza**  
Company Secretary

Encl: As above

## **NOTICE OF 71<sup>ST</sup> ANNUAL GENERAL MEETING**

Notice is hereby given that 71<sup>st</sup> Annual General Meeting of **MCB Bank Limited** (the "Bank" or "MCB") will be held on **Friday, March 29, 2019 at 11:00 AM (PST)** at Grand Ball Room-A, The Nishat Hotel, Emporium Mall, Near Expo Center, Abdul Haq Road, Johar Town, Lahore to transact the following business:

### **Ordinary Business:**

1. To receive, consider and adopt the Annual Audited Separate and Consolidated Financial Statements of the Bank together with the Directors' and Auditors' reports thereon and Chairman's Review for the year ended December 31, 2018.
2. To appoint Statutory Auditors of the Bank and fix their remuneration for the year ending December 31, 2019. The Members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring auditors M/s KPMG Taseer Hadi & Company, Chartered Accountants, for appointment as Statutory Auditors of the Bank.
3. To approve, as recommended by the Board of Directors, payment of Final Cash Dividend @ 40% i.e., PKR 4.00 per share for the fourth quarter in addition to 120% (40% each for 1<sup>st</sup>, 2<sup>nd</sup> and 3<sup>rd</sup> quarter) Interim Cash Dividends already declared and paid, total PKR 16.00 per share (i.e., 160%) for the year ended December 31, 2018.

### **Special Business:**

4. To consider and if thought fit, approve enhancement in the scale of remuneration to be paid to the Non-Executive including Independent Directors for attending the Board and its Committee(s) meetings by passing the following resolutions as Ordinary Resolutions:

***"RESOLVED THAT the scale of the remuneration to be paid to the Non-Executive including Independent Directors (excluding Chairman, Board of Directors) for attending the Board and its Committee(s) meetings be enhanced from PKR 30,000/- (Rupees Thirty Thousand only) to PKR 100,000/- (Rupees One Hundred Thousand only) (inclusive of applicable taxes) per meeting in addition to boarding, lodging and travelling expenses, on actual basis."***

***"FURTHER RESOLVED THAT the fee for attending each Board Committee(s) Meetings will be paid maximum of four (4) meetings attended by the Non-Executive including Independent Directors (excluding Chairman, Board of Directors) during a calendar year irrespective of the number of Committee(s) meetings held during the year, on post facto basis, be and is hereby approved."***



5. To consider and if thought fit, the following resolutions as Special Resolutions, with or without modifications, to approve alterations in the Articles of Association of the Bank in accordance with the provisions of Section 38 of the Companies Act, 2017:

***"RESOLVED THAT the approval be and is hereby accorded in terms of the provisions of Section 38 of the Companies Act, 2017 to substitute the first Paragraph of existing Article 94 of the Articles of Association of MCB Bank Limited with the following new Paragraph:***

***"The scale of the remuneration to be paid, from time to time, to the Non-Executive including Independent Directors and the Chairman for attending the Board and its Committee(s) meetings shall be determined by the Board and approved by the shareholders on a pre or post facto basis in the Annual General Meeting."***

***"FURTHER RESOLVED THAT the Company Secretary and/or Chief Financial Officer be and are hereby jointly/severally authorized to do all acts, deeds and things, take all steps and actions necessary, ancillary and incidental for altering the Articles of Association of the Bank, including filing of all requisite documents/statutory forms, as may be required to be filed with the Registrar of Companies and complying with all other regulatory requirements, so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution."***

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

March 07, 2019  
Lahore.

By Order of the Board,

  
**FIDA ALI MIRZA**  
Company Secretary





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Statement of Material Facts under Section 134(3) of the Companies Act, 2017 ("Act") pertaining to the above mentioned Special Business is annexed to this Notice of Annual General Meeting.

**Notes:**

1. Copies of the Minutes of the 70<sup>th</sup> Annual General Meeting held on March 27, 2018 are available for inspection by Members as required under Section 152 of the Companies Act, 2017.
2. The Shares Transfer Books of the Bank will remain closed from **March 22, 2019 to March 29, 2019** (both days inclusive). Transfers received at the Bank's Share Registrar and Transfer Agent's Office at the below mentioned address, at the close of business hours on **March 21, 2019** will be treated as being in time for the purpose of entitlement of Final Cash Dividend and also to attend, speak and vote at the 71<sup>st</sup> Annual General Meeting (the "Meeting" or "AGM") of the Bank.
3. All Members are entitled to attend, speak and vote at the Meeting. A member entitled to attend, speak and vote at AGM is entitled to appoint another member as a proxy to attend, speak and vote on his/her behalf. A corporate entity, being a member, may authorize an individual to act as its representative and the individual so authorized shall be entitled to exercise the same powers on behalf of the corporate entity which he represents.
4. The proxies and in case of corporate entity, the power of attorney or resolution of the board of directors or other governing body (if any) under which it is signed, a notarized/certified copy of the same in order to be effective must be deposited at the Share Registrar and Transfer Agent Office of the Bank not less than 48 hours (no account shall be taken of any part of the day that is not a working day) before the time for holding the Meeting, and must be duly stamped, signed and witnessed.
5. Members having physical scrip of shares are requested to immediately notify the change, if any, in their registered and/or e-mail addresses, in writing, to the Share Registrar and Transfer Agent of the Bank, whereas, CDC Account holders are requested to contact their CDC Participant/CDC Account Services.
6. Central Depository Company of Pakistan ("CDC") Accountholders will further have to follow the under mentioned guidelines as laid down by Circular No. 01, dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan:

**For Attending the Meeting:**

- i. In case of individuals, the accountholder or sub-acountholder 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 Meeting.
- ii. In case of 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 Meeting.

**For Appointing of Proxies:**

- i. In case of individuals, the accountholder or sub-acountholder and/or the person whose securities are in group account and their registration details are uploaded as per the CDC Regulations, shall submit the proxy form as per the above requirement.
  - ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii. Attested copy of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv. The proxy shall produce his/her original CNIC or passport at the time of the meeting.
  - v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form of the Bank.
7. A Proxy Form, both in English and Urdu language, is being separately sent to the Members, along with Notice of AGM.
  8. Copies of the Notice of AGM, the latest annual audited/quarterly financial statements and the existing and proposed amended Memorandum and Articles of Association of the Bank have been kept at the Registered Office of the Bank which can be obtained and/or inspected during the business hours on any working day from the date of publication of

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this Notice till the conclusion of the AGM by the members and other persons entitled to attend the Meeting. Notice of 71<sup>st</sup> AGM and the latest annual audited/quarterly financial statements have also been placed on website of the Bank: [www.mcb.com.pk](http://www.mcb.com.pk)

**STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017  
IN RESPECT OF SPECIAL BUSINESS**

**Agenda Item No. 5**

**Increase in Remuneration for attending Board and its Committee Meetings:**

In view of the prevailing regulatory environment, the overall role and responsibilities of the Board have been enhanced significantly. The Non-Executive Directors, particularly, Independent Directors have to play an important role and to provide considerable time to demonstrate an effective role in the overall stewardship of the Bank. Therefore, the Bank ensures that the Board Members are fairly rewarded with regard to the responsibilities undertaken, and to consider comparable pay levels in the banking industry, and also to attract and retain high-caliber, experienced Directors by offering appropriate fee levels.

The Prudential Regulations issued by the State Bank of Pakistan ("SBP"), requires that the scale of remuneration to be paid to the non-executive directors for attending the Board and its Committee meetings shall be approved by the shareholders. The Board of Directors of the Bank has recommended the enhancement in the remuneration to be paid to the Non-Executive including Independent Directors (excluding Chairman, the Board of Directors) for attending the Board and its Committee(s) meetings from PKR 30,000/- (Rupees Thirty Thousand only) to PKR 100,000/- (Rupees One Hundred Thousand only) (inclusive of applicable taxes) per meeting in addition to boarding, lodging and travelling expenses, on actual basis. However, fee for attending Committee Meetings is for maximum of four (4) Committee(s) meetings attended by the Non-Executive including Independent Directors (excluding Chairman, Board of Directors) during a calendar year irrespective of the number of Committee(s) meetings held during the year.

The Directors of the Bank have no interest in above business except to the payment of remuneration on attending the Board and its Committee(s) Meetings of the Bank.

**Agenda Item No. 6**

**Alteration in the Articles of Association of the Bank:**

The first Paragraph of Article 94 of the Articles of Association of the Bank describes the payment of remuneration payable to directors for attending the Board and its Committee meeting and the same has to be amended whenever the amount of remuneration is changed. The Board of Directors of the Bank has amended the scale of remuneration to be paid to the Non-Executive including Independent Directors for attending the Board and its Committee(s) meetings. In view of the foregoing amendment, the Board has recommended the proposed alteration in the first Paragraph of Article 94 of the Articles of Association of the Bank in accordance with the requirements of the Prudential Regulations issued by SBP and the Companies Act, 2017 ("Act"). Further, Section 38 of the Act requires that the alteration in the articles of association shall be approved by the Shareholders through Special Resolution. Therefore, the Board of Directors has recommended the amendment in Article 94 of the Articles of Association of



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the Bank to the Shareholders for their approval through Special Resolution. A comparison of existing and proposed Articles is given below:

Title	Existing Article	Proposed Article	Reason for Change
<b>First Paragraph of Article 94: Remuneration.</b>	Every director shall receive out of the funds of the Company as remuneration for his services a sum not exceeding Rs. 30,000 for every meeting attended by him. However, a non-resident director shall be paid US\$ 7,500 for attending Board meeting.	The scale of the remuneration to be paid, from time to time, to the Non-Executive including Independent Directors and the Chairman for attending the Board and its Committee(s) meetings shall be determined by the Board and approved by the shareholders on a pre or post facto basis in the Annual General Meeting.	<ul style="list-style-type: none"><li>• Avoid amending Articles whenever there is any change in Directors' Remuneration.</li><li>• Approving mechanism for the determination of the scale of remuneration for Directors.</li><li>• In line with the Prudential Regulations of SBP.</li></ul>

The Directors of the Bank have no personal interest in above business, save to the extent of their respective shareholding in the Bank and payment of remuneration.

The Board of Directors of the Bank has confirmed that the proposed alteration in the first Paragraph of Article 94 of the Articles of Association of the Bank is in line with the applicable provisions of the law and regulatory framework.





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**Attention of Shareholders is drawn towards Circulars/Notifications:**

The following Circulars/Notifications require special attention of shareholders of MCB Bank Limited ("MCB" or the "Bank"):

**1. Consent for Video Link Facility:**

Members can attend and participate in the 71<sup>st</sup> Annual General Meeting (the "Meeting" or "AGM") through Video-Link. Pursuant to the provisions of the Companies Act, 2017 ("Act"), the shareholders residing in a city and holding at least 10% of the total paid up share capital may demand the Bank to provide the facility of video-link for participating in AGM. The demand for video-link facility shall be received by the Company Secretary at the Registered Office of the Bank located at MCB Building, 15-Main Gulberg, Jail Road, Lahore, at least seven (7) days prior to the date of AGM. In this regard, a Standard Request Form is available on the Bank's website.

**2. Withholding of Payment of Dividend – CNIC Requirement:**

The Securities and Exchange Commission of Pakistan ("SECP") has made it mandatory for listed companies to mention, in the case of Individuals, Computerized National Identity Card ("CNIC"), National Identity Card for Overseas Pakistanis ("NICOP") or Passport number and in the case of Corporate Entity, National Tax Number ("NTN") of the shareholders or their authorized persons, on dividend warrants. Section 243 of the Act states that a company may withhold the payment of dividend of a member where the member has not provided the complete information or documents as specified by SECP. Therefore, shareholders who have not yet provided such information are once again requested to provide the valid copies of their CNIC/NICOP/NTN/Passport to the Share Registrar and Transfer Agent of the Bank.

**3. Payment of Cash Dividend Electronically (e-Dividend Mechanism):**

Section 242 of the Act requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. SECP has also issued the Companies (Distribution of Dividends) Regulations, 2017 whereby every shareholder shall be responsible to provide valid information pertaining to its designated bank account to disburse any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders and the payment of dividend shall be withheld, if the shareholder has not provided the company with complete and valid details of designated bank account for direct credit of cash dividend.

In this regard, the Bank has already communicated through its various letters addressed to the shareholders individually along with newspapers publications requesting to provide the International Bank Accounts Number ("IBAN") designated by the shareholders to receive the cash dividends electronically. Hence, shareholders who have not yet provided such information are once again requested to fill the required fields of MCB's letter enclosed with the Notice of AGM and also available on website of the Bank: [www.mcb.com.pk](http://www.mcb.com.pk) and send the same to the Share Registrar and Transfer Agent of the Bank. In case of shares held as book-entry securities, the said information would be required to be provided to Central Depository System ("CDS"), through CDS Participants.

**4. Circulation of Annual Audited Financial Statements and Notice of AGM to Members through E-mail:**

SECP through its Notification No. SRO 787 (I)/2014, dated September 08, 2014, has allowed companies to circulate Annual Audited Financial Statements along with Notice of AGM to its members through email. The shareholders who desire to receive Annual Audited Financial Statements and Notice of AGM through email are requested to fill the requisite form titled 'Standard Request Form' placed on the website and send it to the Company Secretary at the Registered Office of the Bank located at MCB Building, 15-Main Gulberg, Jail Road, Lahore. In case any member, subsequently, requests for hard copy of Annual Financial Statements, the same shall be provided free of cost within seven days of receipt of such request.



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**5. Deduction of Withholding Tax on the Amount of Dividend:**

The Government of Pakistan through Finance Act, 2018, has made amendment in Section 150 of the Income Tax Ordinance, 2001, whereby, withholding tax on dividends has been enhanced as follows:

- For Filers of Income Tax Returns: 15%
- For Non-Filers of Income Tax Returns: 20%

In case of joint-shareholders, tax is to be deducted as per ratio of their respective share in the ownership.

Federal Board of Revenue ("FBR") has provided the Active Tax-Payer List ("ATL"), for identification on the basis of NTN/CNIC number; hence, in case of non-availability of valid NTN/CNIC number with MCB's Share Registrar and Transfer Agent, it would not be possible to identify the same in ATL and the shareholder will constraint to be treated as 'Non-Filer' to qualify for tax at higher rate of 20%. Therefore, shareholders who have not yet provided such information are requested to ensure that their valid NTN/CNIC number is available with the Share Registrar and Transfer Agent of MCB. In case of shares held as book-entry securities, the said information would be required to be provided to CDS, through CDS Participants

**6. Deduction of Withholding Tax on Joint Account Holder(s):**

The Joint Account Holders whose shareholding details as to Principal Shareholder have not yet been determined for deduction of withholding tax on the upcoming dividend of the Bank, are requested to please furnish to the Share Registrar and Transfer Agent of the Bank; the shareholding details of yourself as Principal Shareholder and your Joint Holder(s) in the following manner, enabling MCB to compute withholding tax of each shareholder accordingly:

CDC Account No./ Folio No.	Name of Principal Shareholder/Joint Holders	Shareholding Proportion	CNIC No. (copy attached)	Signature

Kindly note that in case of non-receipt of the information each Account Holder will be assumed to hold equal proportion of shares and the deduction will be made accordingly.

**7. Requirement of FBR's Approval or Valid Tax Exemption Certificate for Claim of Exemption U/S 150 of the Income Tax Ordinance, 2001:**

Please be advised that honorable Lahore High Court in its recent decision has announced that the funds are not required to provide specific exemption certificate u/s 159 of the Income Tax Ordinance 2001 ("Ordinance"), to claim tax immunity as per under clause (47B) of Part-IV of the Second Schedule of the Ordinance, provided they are approved by Federal Board of Revenue ("FBR"). It is, therefore, requested to provide MCB's Share Registrar and Transfer Agent with copy of above said approval, from FBR, for record and necessary action.

In case of non-availability of such approval, please provide a valid exemption certificate under Section 159(1) of the Ordinance issued by the concerned Commissioner of Income Tax, Inland Revenue, FBR.

In another option, where the entity has filed a petition against the FBR for want of exemption certificate, in any relevant court, a certified true copy of the Stay Order of honorable court along with all latest court proceedings (if any) would be required in lieu of valid tax exemption certificate, for non-deduction of withholding tax.





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In case of non-availability of approval, valid tax exemption or relevant court order the deduction of tax under relevant sections shall be made accordingly.

**8. Transmission of Annual Audited Accounts through DVD:**

The Bank as allowed by SECP Notification No. SRO 470 (I)/2016, dated May 31, 2016, has circulated the Annual Audited Financial Statements for the year ended December 31, 2017 to shareholders through electronic medium, i.e., DVD at their registered addresses instead of transmitting the said annual accounts in hard copies. However, a shareholder may request to the Company Secretary at the Registered Office of the Bank located at MCB Building, 15-Main Gulberg, Jail Road, Lahore to provide hard copy of Annual Audited Accounts instead of DVD and the same will be provided at his/her registered address, free of cost, within one week of the demand. In this regard, a 'Standard Request Form' has been placed on website of the Bank for shareholders to communicate the need of hard copies of the Annual Audited Accounts instead of sending the same through DVD. A shareholder may also prefer to receive hard copies for all future Annual Audited Accounts.

**9. Deposit of Physical Shares into CDC Account:**

The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into script-less form, this will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange. Further, Section 72 of the Act states that after the commencement of the Act from a date notified by SECP, a company having share capital, shall have shares in book-entry form only. 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.

**10. Merger of Different Folios into One Folio:**

As per record, some of the shareholders are maintaining more than one folio under the same particulars. Carrying two different folios may be a hassle for the shareholders to reconcile and receive different benefits in the shape of dividends/ bonus. In order to provide better services and convenience, such shareholders are requested to send requests to the MCB's Share Registrar and Transfer Agent to merge their folios into one folio.

While sending the copy of NTN/CNIC/NICOP number, shareholders are requested to quote their respective Folio/CDC Account Numbers for identification purpose.

M/s THK Associates (Pvt) Ltd.,  
Share Registrar and Transfer Agent-MCB Bank Limited  
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