

## **NOTICE OF EXTRAORDINARY GENERAL MEETING**

Notice is hereby given that an **Extraordinary General Meeting** (“**EOGM**”) of National Bank of Pakistan (the “**Bank**”) will be held on **Friday the 18<sup>th</sup> December, 2015 at 09:00 A.M. (PST)**, at **Marriott Hotel**, Karachi.

The following business will be transacted in the meeting:

### **Ordinary Business:**

1. To confirm minutes of the 66<sup>th</sup> Annual General Meeting of Shareholders held on 30<sup>th</sup> March, 2015, at Karachi.

### **Special Business:**

2. To consider and approve in-principle the proposed merger of NBP Leasing Limited (fully owned subsidiary of NBP) with and into NBP.
3. To consider and approve Performance Bonus of the President for the year-2014.
4. To transact any other business with the permission of the Chairman.

Karachi  
Dated: November 27, 2015

By Order of the Board  
Sd/=

**President**

**Note:**

- i) The Share Transfer Books of the Bank shall remain closed from 11-12-2015 to 18-12-2015 (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 10-12-2015 will be treated in time for purpose of the entitlement of attending the meeting.
- ii) A member eligible to attend and vote at the EOGM 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 EOGM 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 EOGM.
- iii) CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular No. 01 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 Extraordinary 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.

**“STATEMENT OF MATERIAL FACTS”:**

This statement sets out the material facts concerning the Special Business given in agenda item No. 2 and 3 of the Notice, to be transacted at the EOGM of National Bank of Pakistan’s Shareholders.

**Item No. 2:**

**TO APPROVE IN PRINCIPLE THE PROPOSED MERGER OF  
NBP LEASING LIMITED (FULLY OWNED SUBSIDIARY OF NBP)  
WITH AND INTO NBP UNDER BANKING COMPANIES ORDINANCE, 1962.**

The Board of Directors of the Bank have approved, in-principle, and recommended the proposed amalgamation of NBP Leasing Limited (“NLL”), being the wholly owned subsidiary of the Bank, with and into the Bank. (“**Proposed Merger**”).

The Proposed Merger is intended to be implemented and effected through a Scheme of Amalgamation, the draft of which will be prepared and once approved by the Board of Directors of the Bank, will be presented to the shareholders (the “**Scheme**”) for their approval in accordance with the requirements of Section 48 of the Banking Companies Ordinance, 1962. Subject to obtaining all necessary corporate and regulatory approvals (including from the shareholders of the Bank and NLL, the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan), and the sanction of the Scheme by the State Bank of Pakistan in accordance with section 48 of the Banking Companies Ordinance, 1962, the entire undertaking of NLL (including all assets, properties, rights, liabilities, obligations etc.) will be amalgamated and merged with and into the Bank, subsequent to which NLL shall be dissolved without winding up. Furthermore, it is intended that the undertaking of NLL intended to be amalgamated / merged with and into the Bank may subsequently be parked under the Islamic banking operations of the Bank through conversion of the lease / assets portfolio into Shariah compliant leases / assets. Further detailed particulars of these aspects of the Proposed Merger and the draft scheme of amalgamation will be presented to the shareholders for their formal approval in due course.

The Shareholders are requested to consider and approve in-principle the proposed amalgamation of NBP Leasing Limited, the wholly owned subsidiary of the Bank, with and into the Bank, and pass the following resolution, with or without modifications:

***RESOLVED THAT** the proposed amalgamation of the entire undertaking of NBP Leasing Limited (“NLL”) with and into National Bank of Pakistan under Section 48 of the Banking Company Ordinance, 1962 (“BCO”) be and is hereby approved in-principle subject to the approval of a Scheme of Amalgamation by the shareholders of NLL and the Bank in accordance with the requirements of Section 48 of the BCO and subject to obtaining all necessary regulatory approvals, including the approvals of the State Bank of Pakistan and the Securities and Exchange Commission of Pakistan.*

**Item No. 3:**

**TO APPROVE PERFORMANCE BONUS OF PRESIDENT FOR THE YEAR-2014.**

All organizations tend to retain the best talent available in the market. Understandably, the most key person in any organization is the top position which is responsible for driving the whole organization. All organizations strive to offer lucrative compensation packages to their top positions for keeping them motivated, NBP also offered a well defined and market competitive bonus structure to the senior management including President.

As per compensation package, approved by the Shareholders in EOGM held on 6<sup>th</sup> February 2015, Performance Bonus will be Recommended by the Board and Approved by the shareholders in the general meeting, based on performance against agreed Performance indicators and in comparison to the Presidents of peer Banks. The said mechanism is being developed and will be effected soon. In the present scenario the bonus being recommended to the President is well below the level even of that given to the SEVPs of NBP in the past, which is well above 6 times their monthly gross as per the comparative analysis of bonuses given to SEVPs for 2012. In both the given years 2012-2014 the bank earned almost equal after tax Profit i.e. Rs. 15 Billion, however, the comparative analysis shows that on the same profit level, the bonus being paid to the President is much lower than the bonuses paid to SEVPs in the past.

**Historical Trend of Bonuses Paid to SEVPs**

Year	Grade	Multiple of Gross	Profit Earned by the Bank
2012	SEVPs	6.25122	Rs. 15 billion
2013	SEVPs	1.46123	Rs. 5.5 billion
2014*	SEVPs	5.94873	Rs. 15 billion

\* being paid

Bonus to be Paid to the President (After Tax Profit of NBP in 2014: Rs. 15 billion Appox)

	Gross Salary	Bonus	Multiple
President	3,500,000	17,000,000	4.85714

Accordingly, the Board has recommended the following resolution to the shareholders for approval:

**“RESOLVED THAT** an amount of Rs. 17,000,000/- (Rupees Seventeen Million Only) as recommended by the Board of Directors, in accordance with the compensation package approved by the shareholders in EOGM held on 06-02-2015, be and is hereby approved as the performance bonus of the President of the Bank for the year 2014, in terms of Section 11(3)(a) of the Banks (Nationalization) Act, 1974.”

No Directors except the President is interested in this resolution.