



PAKISTAN STOCK EXCHANGE LIMITED

(formerly: Karachi Stock Exchange Limited)

PSX/N-588

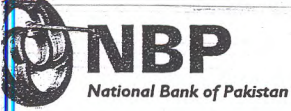
NOTICE

February 02, 2016

Reproduced hereunder letter No. **HO:SBOD:267** dated January 27, 2016 received from **NATIONAL BANK OF PAKISTAN**, for information of All concerned.

(Copy of the same is also available on our Website www.psx.com.pk).

(Complete detail of Bye-Laws 2015 of the Bank is available on PSX web.site.)



HO:SBOD: **267**
January **27**, 2016

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

Dear Sir,

NATIONAL BANK OF PAKISTAN BYE-LAWS 2015.

The Federal Government of Pakistan vide Finance Division, Internal Finance Wing, notification No. 1(7)Bkg-III/2001-1953 dated 23.10.2015 has approved NBP Bye-Laws 2015.

We are enclosing copy of NBP Bye-Laws 2015 for your information.

Best Regards,

Yours faithfully,

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

Enc.(a.a)

Secretary Board of Directors

2nd Floor, Head Office: I.I. Chundrigar Road, Karachi. Ph: 99220224 Fax: 99220239

Government of Pakistan
Finance Division
(Internal Finance Wing)
<><><>

F. No. 1(7)Bkg-III/2001- 1953

Islamabad, the December 23, 2015

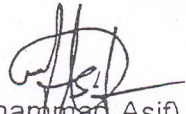
Mr. S.M Ali Zamin,
Secretary (Board),
National Bank of Pakistan,
Head office,
KARACHI

Subject:- AMENDMENTS IN NATIONAL BANK OF PAKISTAN BYE LAWS

Please refer to National Bank of Pakistan's letter No. HO:SBOD:4622 dated December 02, 2015 on the subject noted above. Approval of the Federal Government is hereby conveyed to the revised NBP Bye-Laws which have been finalized in consultant with all stakeholders.

2. A fair-typed copy of the revised NBP Bye-Laws is enclosed. Further necessary action may kindly be taken as per Section 32(1) of NBP Ordinance, 1949 under intimation to this Division.

Encl As above


(Muhammad Asif)
Asstt. Economic Adviser (Bkg-III)
Ph: 9208225

NOTIFICATION

S.R.O. (I)/2015.— In exercise of the powers conferred by section 32 of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949), the Board of Directors of the National Bank of Pakistan, with the previous approval of the Federal Government, is pleased to make the following bye-laws, namely:-

1. **Short title and commencement.**—(1) These bye-laws may be called the National Bank of Pakistan Bye-laws, 2015.

(2) They shall come into force at once.

2. **Definitions.**— In these bye-laws unless the context otherwise requires,-

(i) “**auditor**” means the auditor of the Bank who is a chartered accountant within the meaning of the Chartered Accountants Ordinance, 1961 (X of 1961);

(ii) “**Bank**” means the National Bank of Pakistan;

(iii) “**Board**” means the Board of the Directors of the Bank duly constituted in accordance with section 11 of the Banks (Nationalization) Act, 1974 (XIX of 1974);

(iv) “**CDCPL**” means a central depository formed to establish and operate a system for the central handling of securities, whether listed or not on a stock exchange, whereby such securities are deposited with and held in custody by, or registered in the name of, the central depository as a nominee for the depositors and dealings in respect of such securities as are effected by means of entries in securities’ accounts without the physical delivery of scrips and shall, where the context so permits, mean and include the Central Depository Company of Pakistan Limited;

(v) "**Commission**" means the Securities and Exchange Commission of Pakistan established under the Securities and Exchange Commission of Pakistan Act, 1997 (XLII of 1997);

(vi) "**Director**" means a Director of the Board;

(vii) "**dividend**" means the distribution of profits, including by way of bonus shares to its members;

(viii) "**electronic**" includes electrical, digital, magnetic, optical, biometric, electro-chemical, wireless or electromagnetic technology;

(ix) "**in person**" includes attendance at a Board Meeting or a meeting of a committee of the Board or the general meetings of the Bank, personally or by video or telephone-conference or any other mode or facility in terms permitted by the Commission;

(x) "**member**" or "**shareholder**" or "**registered holder**" of shares or similar other expressions shall include the persons appearing on the beneficial owners report issued by CDCPL to the Bank pursuant to CDCPL's rules and regulations;

(xi) "**month**" means the calendar month according to the Gregorian Calendar;

(xii) "**record**" includes, in addition to a written or printed form, any disc, tape, sound track, film or other device in which sounds or other data are embodied so as to be capable (with or without the aid of some other instrument or machine) of being reproduced therefrom in audible, legible or visual form;

(xiii) "**Register**" means the Register of all shareholders of the Bank to be kept pursuant to section 6 of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949);

(xiv) "**Seal**" means the Common Seal of the Bank;

(xv) "**Secretary**" means the Secretary of the Board;

(xvi) "**sign**" and "**signed**", in these Bye-laws, includes respectively, lithography, printing, facsimile or "advanced electronic signature" which is capable of establishing the

authenticity and integrity of an Electronic document, as defined under clause (m) of section 2 of the Electronic Transactions Ordinance, 2002 (LI of 2002);

(xvii) “**Special Resolution**” shall have the same meaning as assigned thereto under section 2 (1) (36) of the Companies Ordinance, 1984 (XLVII of 1984); and

(xviii) “**writing**” or “**written**” includes printing, typewriting, lithography or electronic transmission, including but not limited to, facsimile, telex and electronic mail or any other mechanical or electronic processes, or the combination of these processes, as envisaged in section 3 of the Electronic Transactions Ordinance, 2002 (LI of 2002).

3. **Allotment of share.**— The regulations contained in Table A of the First Schedule to the Companies Ordinance, 1984 (XLVII of 1984), shall, save as reproduced herein, not apply to the Bank.

4. **Power to purchase own shares or to provide financial assistance.**— Except as permitted by sections 95 and 95-A of the Companies Ordinance, 1984 (XLVII of 1984), the Bank shall not have the power to purchase its own shares or to provide financial assistance for the purpose or in connection with the purchase by any person of any shares of the Bank.

5. **Authorized capital.**— The authorised share capital of the Bank is Rupees twenty five billion rupees divided into two billion and five hundred million ordinary shares of ten rupees each.

6. **Shares to be fully paid up.**— No shares shall be offered to the public for subscription except upon the terms that the amount payable on application shall be the full amount of the nominal amount of the share.

7. **Allotment of shares.**- (1) No allotment shall be made of any share capital of the Bank unless the amount named in the relative prospectus as the minimum subscription has been subscribed and the sum payable on application thereof has been paid to and received by the Bank.

(2) No application for allotment of shares in or debentures of the Bank in pursuant of a prospectus shall be made for shares or debentures of less than such nominal amount as the Commission may, from time to time, specify either generally or in a particular case. The application shall be in the form as prescribed by the Commission.

(3) Subject to the provisions of Banks (Nationalization) Act, 1974 (XIX of 1974), National Bank of Pakistan Ordinance, 1949 (XIX of 1949), the Companies Ordinance, 1984 (XLVII of 1984) and these bye-laws, the un-issued shares of the Bank shall be under the control of the Board who may allot or otherwise dispose of the same or any of them to such persons on such terms and conditions, either at a premium or at par or, subject to the provisions of the Companies Ordinance, 1984 (XLVII of 1984), at a discount and at such other terms as the Board may deem fit.

8. Power to pay commission.— Subject to section 82 of the Companies Ordinance, 1984 (XLVII of 1984), the Bank may at any time pay a commission to any person subscribing or agreeing to subscribe (whether absolutely or conditionally) for any shares in or debentures of the Bank or procuring or agreeing to procure subscriptions (whether absolute or conditional) for any shares in or debentures of the Bank but so that if the commission shall be paid or payable out of the capital, the statutory conditions and requirements, if any, shall be observed and complied with and the commission shall not exceed such rate percent of the amount as may be fixed by the Commission and shall be payable in cash only. The Bank may also pay brokerage not exceeding one percent, or at such other rates as may be prescribed by the Commission, in respect of any subscription of shares or debentures. However, the total payment, directly or indirectly, by way of commission, brokerage, discount or remuneration in any form in respect of any shares issued by the Bank shall not exceed in the aggregate two and a half percent or such other percentage as may be set out in the Banking Companies Ordinance, 1962 (LVII of 1962), of the paid-up value of said shares.

9. Share certificates and CDCPL.— No member who shall change his name or address shall be entitled to receive any dividend at the new address or in the new name or to vote in the new name, until notice of the change of name (with documentary evidence sufficient to

establish the same) or address, be given to the Bank or its share registrar, in order that the same be registered.

10. Notice of change of member's name or address.—

- (a) The certificates of title to the shares shall be issued under the Seal of the Bank and signed by any two Directors and the Secretary or such other persons as the Directors may appoint for the purpose. The Directors may, by resolution, determine either generally or in any particular case that the signature of any such Director or officer of the Bank may be affixed on share certificates by some mechanical or other means or be printed thereon, in the mode and manner specified in such resolution.
- (b) Notwithstanding anything to the contrary contained in these bye-laws, the shares may be deposited and held in book-entry form in any Central Depository system whether located inside or outside Pakistan, including CDCPL, subject to the rules and regulations of such depository system and the applicable law.

11. Certificate of shares.- Every member shall be entitled without payment to one certificate for all the shares registered in his name. Every certificate of shares shall specify the number and distinguishing numbers of the shares in respect of which it is issued and the amount paid up thereon. For any further certificate the Board shall be entitled, but shall not be bound, to prescribe a charge determined by the Directors from time to time. However, the members whose shares are entered in book-entry form in any accounts or sub-accounts maintained with CDCPL or any other Central Depository system shall not be issued any share certificates.

12. Renewal or replacement of share certificates.— (1) If any certificate be worn out, defaced, destroyed or lost or if there is no further space left on the back of the certificate thereof for endorsements of transfer, it may be renewed or replaced on payment of such sum as the Board may from time to time specify, provided that such new certificate shall not be issued except upon delivery of the worn out or defaced or used up certificate for the purpose of

cancellation or upon proof of destruction or loss to the satisfaction of the Board and on such indemnity as the Directors deem adequate in the case of certificate having been destroyed or lost. Any renewed or replaced certificate may be marked as such and, subject to the aforesaid, shall be issued by the Bank within forty-five days from the date of such application.

(2) The certificate of shares registered in the names of two or more persons shall, unless otherwise directed by them, be delivered to the person first named on the register.

13. Instrument of transfer.— (1) No transfer shall be registered unless a proper instrument of transfer has been delivered to the Bank or its share registrar. The instrument of transfer of any shares shall be signed both by the transferor and the transferee and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the register in respect thereof.

(2) The Directors shall not refuse to transfer any shares unless the transfer deed is defective or invalid or unstamped or improperly stamped.

(3) The instrument of transfer of any share shall be in writing and be, as nearly as possible, in the manner prescribed in the following form, namely:-

Form for Transfer of Shares
(1st Schedule of the Companies Ordinance, 1984)

Folio No. _____ Certificate Number _____ Application No. _____

THE NATIONAL BANK OF PAKISTAN

I/We _____
of _____ in consideration of the sum of Rupees _____ paid to me / us
by _____ of _____ (hereinafter called "the transferees", do
hereby transfer to the said transferees the _____ share (or shares) numbered
_____ inclusive, in the **National Bank of Pakistan**, to hold unto the said
transferees, his/her/their executors, administrators and assigns, subject to the several conditions
on which I/we held the same at the time of the execution hereof, and I/we, the said transferees,

do hereby agree to take the said share (or shares) subject to the conditions aforesaid. As witness our hand this _____ day of _____

Signed by the above named transferors in the presence of:

Witness

Signature _____ Dated _____

Name _____

CNIC Number _____

Number)

Full Address _____

Signature _____

Signature _____

CNIC Number (in case of foreigner, Passport

Signed by above mentioned transferees in the presence of:

Witness

Signature _____ Dated _____

Name: _____

CNIC Number _____

Number)

Full Address _____

Signature _____

Transferees

CNIC Number (in case of foreigner, Passport

Full Name _____

Father's / Husband's Name _____

Nationality _____

Occupation _____

Full Address _____

Received transfer fee Rupees _____

on _____ 20 _____

Entered in Register of Transfer No. _____

_____ Approved _____

Director on _____

Transferees Specimen
Signature

DIVIDEND MANDATE [Optional] in case the transferee intends that the cash dividend declared by the company, if any, is directly credited in his/her/its bank account, instead of issue of dividend warrants, then please fill in the following boxes:

Transferee Detail	
Title of Bank Account	
Bank Account Number	
Bank's Name	
Branch Name and Address	
Cell number of Transferee	
Landline number of Transferee, if any	
It is stated that the above-mentioned information is correct and that I will intimate the changes in the above-mentioned information to the company and the concerned Share Registrar as soon as these occur.	
<hr/> Signature of the Transferees	

14. Transfer, transmission of shares and rights and duties of shareholder.— (1) No transfer shall be made to a person who is a minor or a person of unsound mind.

(2) If the Directors refuse to register transfer of any shares, they shall within thirty days or, where the transferee is a central depository, within five days, from the date on which the transfer was lodged with the Bank send to the transferee notice of such refusal, indicating the reasons for such refusal. The transferee shall after removal of the defect or invalidity pointed out by the Bank, be entitled to re-lodge the transfer with the Bank.

(3) Every instrument of transfer shall be left at the office for registration accompanied by the certificate of the shares to be transferred and such other evidence as the Bank may require to prove the title of the transferor, or his right to transfer the shares. All instruments of transfer, which shall be registered, shall be retained by the Bank or its share registrar but any instrument of transfer, which the Directors may decline to register, shall, on demand, be returned to the persons depositing the same.

(4) The Directors may, on giving not less than seven days prior notice by advertisement in newspaper having circulation in the Province or part of Pakistan not forming part of a Province in which the registered office of the Bank is situated and in which the stock exchange on which the Bank is listed is situated, close the transfer books and register of members for any time or times as they think fit, not exceeding the aggregate of five-days in a year, and not exceeding fifteen days at a time.

(5) The executor or administrator of a deceased member or a person nominated under section 80 of the Companies Ordinance, 1984 (XLVII of 1984), or the holder of a succession certificate shall be the only person recognized by the Bank as having any title to his shares except in cases of joint-holders, in which case the surviving holders or holder, or the executor or administrator of the last surviving holder shall be the only person entitled to be so recognised. The Bank shall not be bound to recognise such executor or administrator or nominee unless he shall have obtained probate or letters of administration or other legal authorization, as the case may be, from a Court of competent jurisdiction, provided that in special cases as determined by the Board it shall be lawful for the Board to dispense with the production of probate or letters of administration or such other legal authorization, including succession certificate, upon such terms as to indemnity or otherwise as the Board may deem fit in their absolute discretion.

15. Death or insolvency or bankruptcy of a member.— Any person becoming entitled to shares, by transmission or transfer as the case may be, in consequence of the death or insolvency or bankruptcy of any member upon producing such evidence that he sustains the character in respect of which he proposes to act under this bye-law and of his title thereto as the Directors think sufficient may, with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such shares or may subject to the foregoing provisions, transfer such shares.

16. Issuance of new shares.- The new shares shall be issued upon such terms and conditions and subject to the provisions of the Companies Ordinance, 1984 (XLVII of 1984), as the general meeting resolving upon the creation thereof shall direct and, if no direction has been given, as the Directors may determine.

17. Increase in the paid up capital by issue of further shares.— (1) Where the Directors decide to increase the paid up capital of the Bank by the issue of further shares, such shares shall be offered to the members in proportion to the existing shares held by each member (irrespective of class) and such offer shall be made by notice specifying the number of shares to which the member is entitled, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and after expiration of such time, or on receipt of an intimation from the member to whom such notice is given, that he declines to accept the shares offered, the Directors may dispose of such shares in such manner as they think beneficial to the Bank, including issuing of shares to the public or private placement with institutional or other investors. The Directors may likewise dispose of any new shares which by reason of the ratio which the new shares bear to the shares held by persons entitled to an offer of new shares cannot in the opinion of the Directors be conveniently offered under this bye-law.

(2) Notwithstanding the foregoing, subject to the approval of the members by Special Resolution and to the grant of permission by the Federal Government under section 86 of the Companies Ordinance, 1984 (XLVII of 1984), the Directors may raise further capital without the issue of right shares in the manner above described. The Bank may also reserve a certain percentage of further issue of shares for its employees under employee stock option scheme approved by the Commission in accordance with the requirements of the Companies Ordinance, 1984 (XLVII of 1984).

] (3) Except so far as is otherwise provided by the conditions of issue or by these bye-laws, any capital raised by the creation of new shares shall be considered part of the original capital and shall be subject to the provisions herein contained with reference to the transfer, transmission or otherwise. Any new shares issued by the Bank shall rank *pari passu* with the existing shares of the Bank of the class to which the new shares belong in all matters, including the right to such bonus or rights issue and dividend as may be declared by the Bank subsequent to the date of issue of such new shares.

18. Sub-division or consolidation of shares.— The Bank in a general meeting may, from time to time, sub-divide, or consolidate its shares or any of them and exercise any other

powers conferred by the Companies Ordinance, 1984 (XLVII of 1984) and shall file with the Commission such notice of exercise of any such powers as may be required by the Companies Ordinance, 1984 (XLVII of 1984).

19. Reduction or increase in share capital.— The Bank may, from time to time, by Special Resolution, subject to the sanction of the Federal Government, as required under subsection (4) of section 4 of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949), reduce or increase its share capital:

20. Cancellation of shares.— The Bank may, subject to the provisions of the Companies Ordinance, 1984 (XLVII of 1984), from time to time, by ordinary resolution cancel any shares, which, at the date of the passing of the Resolution, have not been taken or agreed to be taken by any person.

21. Borrowing powers.— The Board may, from time to time at its discretion, raise or borrow or secure the payment of, any sum or sums of money for the purposes of the Bank, subject to any restrictions contained in the Banking Companies Ordinance, 1962 (LVII of 1962), National Bank of Pakistan Ordinance, 1949 (XIX of 1949), Banks (Nationalization) Act, 1974 (XIX of 1974) or any circular or directive of the State Bank of Pakistan. The Board may, subject to the provisions of the Banking Companies Ordinance, 1962 (LVII of 1962), National Bank of Pakistan Ordinance, 1949 (XIX of 1949), Banks (Nationalization) Act, 1974 (XIX of 1974) or any circular and directive of the State Bank of Pakistan, raise or secure the payment of such sum or sums, in such manner and upon such terms and conditions in all respects as they may think fit, and, in particular, by the issue of debentures or debenture stock of the Bank charged upon all or any part of the property of the Bank, both present and future.

22. Issuance of debentures, debenture stock, bonds or other securities.— Subjects to the Companies Ordinance, 1984 (XLVII of 1984), any debentures, debenture stock, bonds, or other securities may be issued at a discount, premium or otherwise, and may be issued on condition that they shall be convertible into shares of any denomination, and with special privileges as to redemption, surrender, drawings, allotment of shares, attending and voting at general meetings of the Bank, appointment of Directors and otherwise. Debentures, debenture-

stock, bonds and other securities may be made assignable free from any equities, liens, charges and encumbrances whatsoever between the Bank and the persons to whom the same may be issued.

23. Bank's register of mortgages.— (1) The Directors shall cause a proper register to be kept in accordance with section 135 of the Companies Ordinance, 1984 (XLVII of 1984), of all mortgages and charges specifically affecting the property of the Bank and shall duly comply with the requirements of the Companies Ordinance, 1984 (XLVII of 1984), particularly sections 121, 122, 128, 130 and 132 thereof.

(2) The sum of one rupee, or such other sum as may be specified by the Board from time to time, shall be the sum payable by the person not being a creditor or member of the Bank for each inspection of the register of mortgages and charges.

24. Liabilities of Directors.— Subject to sections 194 and 195 of the Companies Ordinance, 1984 (XLVII of 1984), if the Directors or any of them or any other person becomes personally liable for the payment of any sum primarily due from the Bank, the Directors may execute or cause to be executed any mortgage, charge or security over or affecting the whole or any part of the assets of the Bank by way of indemnity, to secure the Directors or persons so becoming liable, from any loss in respect of such liability.

25. Calling general meeting on the requisition of members of the Bank.— (1) An annual general meeting shall be held at least once in a year after the close of the Bank's financial year, provided that not more than fifteen months period shall intervene after the holding of the preceding general meeting, at such place as may be determined by the Board of Directors.

(2) All general meetings of the Bank other than the annual general meeting shall be called extraordinary general meetings.

(3) The Director may at any time call an extraordinary general meeting of the Bank to consider any matter which requires the approval of the general meeting. The Directors shall forthwith proceed to call an extraordinary general meeting on the requisition of members representing not less than one-tenth of the voting power in the Bank. The Chairman or the Chief

Executive (President) or any Director may, if at any time there are not sufficient Directors capable of acting to form a quorum, convene an extraordinary general meeting upon receiving a requisition as above stated, in the same manner as nearly as possible as that in which general meeting may be convened by the Directors. In the case of such requisition the following provisions shall have effect:-

- (a) Any meeting convened under this bye-law by the requisitionists shall be convened in the same manner as nearly as possible as that in which meetings are to be convened by Directors.
- (b) A requisition by joint-holders of shares must be signed by all such joint-holders.
- (c) Any reasonable expense incurred by the requisitionists by reason of the failure of the Directors to duly convene a meeting shall be repaid to the requisitionist by Bank and any sum so re-paid shall be retained by the Bank out of any sums due or to become due from the Bank by way of fees or other remuneration for their services to such of the Directors as were in default.

26. Notice of general meeting.- (1) Twenty-one clear days' notice specifying the place, day and hour of general meeting and, in case of special business, all material facts concerning such business, shall be given in the manner provided in the Companies Ordinance, 1984 (XLVII of 1984) for general meetings to such persons as are entitled, under the Companies Ordinance, 1984 (XLVII of 1984) and these bye-laws, to receive such notice from the Bank. With the consent in writing of all the members, a general meeting for passing a Special Resolution may be convened by a shorter notice than twenty-one days. In the case of an emergency affecting the business of the Bank, the Commission may, on application of the Directors, authorise such meeting to be held at such shorter notice as he may specify.

(2) The accidental omission to give notice of any meeting to or the non-receipt of any such notice by any of the members shall not invalidate any resolution passed at any such meeting.

32. **Votes of members.**— On a show of hands every member, who being an individual, is present in person or being a company or corporation is present by a representative or proxy, shall have one vote. On a poll, every member present in person or by proxy or a representative shall have one vote for each share held by him.

33. **Authorized representative of a company or a corporation.**— (1) Any company or corporation which is a member of the Bank may by resolution of its Directors or in such other manner as may be permitted or required by its constitution, authorise in writing any person to act as its representative at any general meeting of the Bank and the person so authorised shall be entitled to exercise the same powers on behalf of the company or corporation he represents as if he were an individual member. A representative so appointed shall not be deemed to be a proxy.

(2) Any person entitled under bye-law 15 to transfer any shares may vote at a general meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that at least seventy-two hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his right to transfer such shares, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

34. **Voting in a general meeting where there are joint registered holders of any share.**— Where there are joint registered holders of any share, any one of such persons may vote at any meeting either personally or by proxy, in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting, personally or by proxy, that one of the said persons so present whose name stands first on the register in respect of such share shall alone be entitled to vote in respect thereof. Where there are several executors or administrators of a deceased member in whose sole name any share stands any one of such executors or administrators may vote in respect of such share unless any other of such executors or administrators is present at the meeting at which such a vote is tendered and objects to the vote in which case the executor or administrator who is among such executors and administrators senior in age shall be entitled to vote.

35. Instrument appointing a proxy.— (1) Votes may be given either personally or by proxy or in the case of a company or a corporation by a representative duly authorized in this behalf as explained in the foregoing provisions.

(2) The instrument appointing a proxy shall be in writing under the hand of the appointer or of his attorney duly authorised in writing or if such appointer is a corporation under its common seal or the hand of its duly authorised attorney. No person shall be appointed a proxy who is not a member of the Bank and qualified to vote save that a corporation being a member of the Bank may appoint as its proxy any officer of such corporation whether a member of the Bank or not. A proxy who is appointed for a specified meeting only shall be a special proxy and his appointment shall be valid only for the meeting to which it relates. Any other proxy shall be a general proxy.

(3) The instrument appointing a proxy and the power-of-attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority shall be deposited at the head office of the Bank not less than forty-eight hours before the time for holding the general meeting at which the person named in the instrument proposes to vote, and in default the instrument shall not be treated as valid.

(4) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or transfer of the share in respect of which the vote is given, provided no intimation in writing of the death, revocation, or transfer shall have been received at the head office or by the Chairman of the meeting before the vote is given.

(5) Every instrument of proxy, whether for a specified general meeting or otherwise, shall, as nearly as possible, be in the manner prescribed in the following form, namely:-

Form of Proxy

Folio No..... or CDC participant identity No. CDC A/C No.
.....I/We.....
Form of ProxyOf.....

..... being a member s of the National Bank of Pakistan holding share Nos.
..... hereby appoint of also
a member of the National Bank of Pakistan (Folio No.) or failing him/her of
..... also a member of the National Bank of Pakistan (Folio
No.) as my/our Proxy to vote for me/us and my/our behalf at the ... General Meeting at
National Bank of Pakistan, to be held at on the
and at any adjournment thereof.

Signed thisday of.....20.....

Witnesses:

1.Name

Address

CNIC No.

Signature _____

2. Name (Signature should agree with the

Address Specimen signature registered with the

CNIC No. share register)

A. General:

NOTE

1. A member entitled to attend and vote at a General Meeting is entitled to appoint a Proxy to attend and vote instead of him/her. No person shall act as a Proxy, who is not a member of the bank except that Government of Pakistan / State Bank of Pakistan / corporation may appoint a person who is not a member.
2. The instrument appointing a Proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporation (other than Government of Pakistan and State Bank of Pakistan), its common seal should be affixed on the instrument.
3. The instrument appointing a Proxy, with the Power of Attorney, if any, under which it is





- (b) suffers from any disability or disqualification mentioned in section 15-C or section 20 of the Banking Companies Ordinance, 1962 (LVII of 1962) or any other relevant provision of the Banking Companies Ordinance, 1962 (LVII of 1962) or in any other applicable law or in any circular or notification issued from time to time in this respect by the State Bank or by any other competent body or authority; or
- (c) by notice in writing to the Bank resigns from his office; or
- (d) stands disqualified pursuant to the provisions of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949) or the Banks (Nationalization) Act, 1974 (XIX of 1974).

41. **Retirement and removal.**— A Director shall hold office for a period of three years unless he earlier resigns or is disqualified or otherwise ceases to hold office.

42. **Register of Directors.**— The Directors shall comply with the provisions of section 205 of the Companies Ordinance, 1984 (XLVII of 1984), in regard to keeping a register of Directors and officers.

43. **Proceedings of Directors.**— (1) The Directors may meet together for the disposal of business, adjourn and otherwise regulate their meetings and proceedings as they may think fit. The quorum for the meetings of the Directors shall not be less than one-third of the number of Directors or four, whichever is greater. The Directors must meet at least once in each quarter of a year.

(2) Subject to the Companies Ordinance, 1984 (XLVII of 1984), a meeting of the Directors in which a quorum is present shall be competent to exercise all or any of the authorities and powers, vested in or exercisable by the Directors generally

44. **Quorum of Directors.**— (1) Until otherwise determined four Directors at a meeting shall form a quorum.

(2) The Secretary may at any time shall upon the request of a Director convene a meeting of the Directors.

45. **Chairman to have a casting vote.**— Questions arising at any meeting shall be decided by a majority of votes and in case of equality of votes, the Chairman shall have a second or casting vote.

46. **Board may delegate certain powers to Committees.**— The Board may delegate any of their powers to Committees consisting of such member or members of their body as they think fit and may from time to time revoke such delegation. Any Committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed upon it by the Board. The meetings and proceedings of any such Committee consisting of two or more members shall be governed by the provisions of these bye-laws, for regulating the meetings and proceedings of the Board.

47. **Resolution through circular.**- A resolution in writing circulated to all Directors and signed by a majority of the Directors shall be as valid and effectual as if it had been passed at a meeting of the Board duly called and constituted.

48. **Minutes.**— (1) The Directors shall cause minutes to be duly entered in books provided for the purpose-

- (a) of the name of the Directors present at each meeting of the Board and of any Committee of Directors;
- (b) of all decisions made by the Board and Committees of the Directors;
- (c) of all appointment of officers made by the Board; and
- (d) of all resolutions and proceedings of the general meetings and of meetings of the Board and Committees.

(2) Every Director present at any meeting of the Board or Committee of Directors shall sign his name in a book to be kept for this purpose.

(3) The minutes of a meeting of the Board or of any Committee, if purporting to be signed by the Chairman of such meeting or by the Chairman of the next succeeding meeting or likewise the Chairman of such Committee, shall be *prima facie* evidence of the matters stated in such minutes. The minutes of such meetings shall be circulated within the period specified in this respect.

49. **The Seal.**— The Board shall provide a Common Seal for the purpose of the Bank and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being and the Seal shall never be used except by the authority of the Board or a Committee of the Board.

50. **Deed or other instruments requiring seal of the Bank.**— Every Deed or other instrument to which the Seal of the Bank is required to be affixed shall, unless the same is executed by a duly constituted attorney for the Bank or unless the Board shall otherwise determine, be signed by any two Directors and the Secretary. The Board may provide for a Seal or Seals for use outside Pakistan and may from time to time in writing authorise any person to affix such Seal on any deed or document to which the Bank is a party outside Pakistan.

51. **Affairs and business of the Bank.**— (1) The management, general direction and superintendence of the affairs and the business of the Bank and the overall policy making in respect of its operations, shall be vested in the Board. The Board shall exercise its powers and discharge its duties in accordance with sound banking principles and prudent banking practices and shall ensure compliance with the regulations and directions that may be issued by the State Bank from time to time and the provisions of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949) or the Banks (Nationalization) Act, 1974 (XIX of 1974) and to the extent permissible by the Code of Corporate Governance issued by the Commission.

(2) Without prejudice to the general powers conferred on the Board under sub-byelaw(1), the Board shall determine,-

- (i) the credit policies of the Bank;
- (ii) the evaluation criteria for the performance of employees of the Bank;

- (iii) the personnel policies and staff service rules of the Bank;
- (iv) guidelines for entering into any compromise; and
- (v) any other policy matter which is required to be or may be considered and determined by the Board.

(3) The Board may from time to time provide for the management and transaction of the affairs of the Bank in any specified locality, whether in Pakistan or abroad.

52. Compliance with the directions of the Board and its Committees.— Every manager and other officer shall conform to any regulations which may be imposed upon him by the Board or a Committee thereof and shall whenever required by the Board render to it an account of all transactions, matters and things relating to the Bank or its affairs over which such manager may have control or of which he may have cognizance. All managers and officers shall exercise their powers and discharge their duties in accordance with sound banking principles and prudent banking practices and ensure compliance with regulations and directives, which may be issued by the State Bank or any other lawful authority, from time to time.

53. Exercise of powers and discharge of duties by the manager and officers of the Bank.— (1) Subject to any prohibitions contained in the Companies Ordinance, 1984 (XLVII of 1984), the Banking Companies Ordinance, 1962 (LVII of 1962), the National Bank of Pakistan Ordinance, 1949 (XIX of 1949), the Banks (Nationalization) Act, 1974 (XIX of 1974) or in the Prudential Regulations or other circulars or directives of the State Bank of Pakistan, no Director shall be disqualified from his office by contracting with the Bank either as vendor, purchaser, or otherwise, nor shall any such contract or any contract or arrangement entered into by or on behalf of the Bank in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Bank for any profit realized by any such contract or arrangement by reason of such Director holding that office or the fiduciary relationship thereby established, but it is declared that the nature of his interest must be disclosed by him at the meeting of the Board at which the contract or arrangement is determined on, if his interest then exists, or in any other case at the first

meeting of the Board after the acquisition of his interest, and that no Director shall, as a Director, vote in respect of any contract or arrangement in which he is so interested as aforesaid; and if he does so, his vote shall not be counted, provided that this prohibition shall not apply to any contract by or on behalf of the Bank to give to the Directors or any of them any security for advances or by way of indemnity, or to a settlement or set-off of cross-claims.

(2) A general notice that a Director is a member of any specified firm or company, and is to be regarded as interested in any subsequent transactions with such firm or company, shall be sufficient disclosure under this bye-law, and after such general notice it shall not be necessary to give any special notice relating to any particular transaction with such firm or company.

54. Common directorship of Directors of the Bank.— Subject to the restrictions contained in section 20 of the Banking Companies Ordinance, 1962 (LVII of 1962) or the provisions of the Companies Ordinance, 1984 (XLVII of 1984), or in any circular or directives of the State Bank or the Code of Corporate Governance issued by the Commission, a Director of the Bank may become a Director or member of any company promoted by the Bank or in which it may be interested as a vendor, shareholder, or otherwise and no such Director shall be accountable for any benefits received as Director or member of such company.

55. Powers of Chief Executive (President).— The Chief Executive shall have authority over and responsibility for the management of the affairs of the Bank subject to the overall control and direction of the Board. The Chief Executive and other officers of the Bank shall act in accordance with the policies, criteria and guidelines determined by the Board. The Chief Executive and other officers of the Bank shall exercise their powers and discharge duties in accordance with sound banking principles and prudent banking practices and shall ensure compliance with the instructions and directions that may be issued by the Board and the State Bank from time to time.

56. Minimum paid-up capital and reserves.— (1) The Bank shall comply with the applicable requirement as to minimum paid-up capital of the Bank, general reserves, reserve funds and any other such requirement under the applicable laws.

(2) Over and above any statutory reserve fund, the Board before recommending any dividend may set aside out of the profits of the Bank such sums as deemed appropriate as reserve fund to meet contingencies or for equalising dividends or for special dividends, or for repairing, improving and maintaining any of the property of the Bank or for meeting bad debts and for such other purposes as the Board shall in its absolute discretion think conducive to the interests of the Bank, and may invest the several sums so set aside upon such investment, other than shares of the Bank, as deemed appropriate to deal with and vary such investments and dispose of all or any part thereof for the benefit of the Bank and may divide the reserve fund into such special funds as deemed appropriate and employ the reserve fund or any part thereof in the business of the Bank, without being bound to keep the same separate from the other assets.

57. Dividend to be paid to the members.— (1) Subject to section 19 of the Banking Companies Ordinance, 1962 (LVII of 1962) and section 248 of the Companies Ordinance, 1984 (XLVII of 1984), the Bank in general meeting may declare a dividend to be paid to the members.

(2) The Bank in general meeting may, as aforesaid, declare a dividend to be paid to the members subject to the provisions of section 251 of the Companies Ordinance, 1984 (XLVII of 1984). No larger dividend shall be declared than is recommended by the Board, but the Bank in general meeting may declare a smaller dividend.

(3) No dividend shall be payable except out of the profits of the year or any other undistributed profits and no dividend shall carry interest as against the Bank.

(4) The declaration of the Board as to the amount of the net profits of the Bank shall be conclusive.

(5) The Board may retain any dividends on which the Bank has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

(6) Subject to any applicable statutory requirements, limitations or restrictions, any general meeting declaring a dividend may direct payment of such dividend wholly or in part by the distribution of specific assets and in particular of paid up shares, debentures or debenture-

stock of the Bank or of any other company or in any or more of such ways, and the Board shall give effect to such resolution. Where any difficulty arises in regard to the distribution, the Board may settle the same as they think expedient, and in particular may issue fractional certificates, and may fix the value for distribution of such specific assets, or any part thereof, and may determine that cash payment shall be made to any members upon the value so fixed in order to adjust the rights of all parties, and may vest any such specific assets in trustees upon such trusts for the persons entitled to the dividend as may seem expedient to the Directors. Where required, a proper contract shall be filed with the Registrar of Companies in accordance with the Companies Ordinance, 1984 (XLVII of 1984) and the Directors may appoint any person to sign such contract on behalf of the persons entitled to the dividend, and such appointment shall be effective.

(7) Any general meeting may, upon recommendation of the Board, by ordinary resolution resolve that any undistributed profits of the Bank be capitalised. Such capitalised undistributed profits shall be distributed amongst such of the shareholders as would be entitled to receive such profits if distributed by way of dividend, and in the same proportions. All or any part of such capitalised fund may be applied on behalf of such shareholders for payment in full of any unissued Bank shares which shall be distributed as bonus shares accordingly, and such distribution shall be accepted by such shareholders in full satisfaction of their interest in such capitalised sum.

(8) A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.

(9) Subject to section 251 of the Companies Ordinance, 1984 (XLVII of 1984), the Directors may retain the dividends payable upon shares in respect of which any person is under bye-law 15 entitled to become a member or which any person under bye-law 15 is entitled to transfer until such person shall become a member in respect thereof or shall duly transfer the same.

58. Capitalizing undistributed profits of the Bank.— (1) Any one of the several persons who are registered as the joint holders of any share may give effectual receipts for all dividends and payments on account of dividends in respect of such share.

(2) Unless otherwise directed, any dividend may be paid in accordance with a dividend mandate or by cheque or warrant sent through the registered post or courier to the registered address of the member or person entitled, or in case of joint holders, to the registered address of that one whose name stands first on the register in respect of the joint holding, and every cheque or warrant so sent shall be made payable to the order of the person to whom it is sent.

(3) Notice of any dividend that may have been declared (interim or otherwise) shall be given in manner hereinafter prescribed to the persons entitled to share therein.

59. Unclaimed dividends.— All dividends unclaimed for one year after having been declared may be kept in a current account with the Bank until claimed.

60. Accounts.— (1) The Board shall cause accounts to be kept in accordance with section 34 of the Banking Companies Ordinance, 1962 (LVII of 1962).

(2) The Board shall from time to time determine whether and to what extent and at what times and places, and under what conditions or regulations, the accounts and books of the Bank, or any of them, shall be open to inspection of members (not being Directors) and no member (not being a Director) shall have any right of inspecting any account or book or document of the Bank except as conferred by law. The Bank's accounts, when audited and approved in a general meeting, shall be conclusive.

(3) At every Annual general meeting, the Board shall lay before the members of the Bank a profit and loss account and a balance sheet in accordance with the provisions of the Companies Ordinance, 1984 (XLVII of 1984) and the Banking Companies Ordinance, 1962 (LVII of 1962).

(4) A printed copy of such accounts, balance sheet and reports shall, at least twenty-one days before the general meeting, shall be sent to the registered holders of shares, in the manner in which notices are to be given.

(5) The Bank shall duly comply with the provisions and requirements of section 245 of the Companies Ordinance, 1984 (XLVII of 1984). The Bank may with the consent of its

members and subject to obtaining the applicable permissions may place the quarterly accounts on its website.

61. Audit.— The auditors of the Bank shall be appointed and their duties regulated in accordance with sections 254 to 257 of the Companies Ordinance, 1984 (XLVII of 1984), section 35 of the Banking Companies Ordinance, 1962 (LVII of 1962), the National Bank of Pakistan Ordinance, 1949 (XIX of 1949) and any applicable provisions of the Code of Corporate Governance issued by the Commission and the Prudential Regulations of the State Bank.

62. Notices.— (1) A notice may be given by the Bank to any member either personally or by sending it by post or courier to him to his registered address or, if he has no registered address in Pakistan, to the address, if any, within or outside Pakistan, supplied by him to the Bank for the giving of notices to him.

(2) Where a notice is sent as aforesaid, unless the contrary is proved to have been effected at the time at which the letter would be delivered in the ordinary course.

(3) If a member has no registered address in Pakistan and has not supplied to the Bank an address within or outside Pakistan, for the giving of notices to him, a notice addressed to him or to the shareholders generally and advertised in a newspaper circulating in the Province or the part of Pakistan not forming part of a Province in which the head office of the Bank is situated and also published in one issue each of a daily newspaper in English and Urdu having circulation in the Provinces in which the stock exchanges on which the Bank is listed is situated shall be deemed to be duly given to him on the day on which the advertisement appears.

(4) The Bank may give a notice to the joint holders of a share by giving the notice to the joint holder named first in the Register in respect of the shares and such notice shall constitute notice to all the holders of such shares.

(5) A notice may be given by the Bank to the persons entitled to a share in consequence of the death or insolvency of a member by sending it through registered post or courier addressed to them by name or by the title of representatives of the deceased or assignee of the insolvent or by any like description at the address, if any, in Pakistan supplied for the purpose by

the persons claiming to be so entitled or until such an address has been supplied by giving the notice in any manner in which the same might have been given if the death or insolvency had not occurred.

(6) Notice of every general meeting shall be given to-

- (a) every member of the Bank except those members who (having no registered address within Pakistan) or have not supplied to the Bank an address within Pakistan;
- (b) every person entitled to a share in consequence of the death or insolvency of a member who but for his death or insolvency would be entitled to receive notice of the meeting; and
- (c) to the auditors of the Bank,

and no other person shall be entitled to receive notices of general meetings.

(7) Each person who, by operation of law, transfer or other means whatsoever shall become entitled to any share, shall be bound by every notice in respect of such share which, prior to his name and address being entered on the register, shall be duly given to the person from whom he derives his title to such share.

(8) Any notice given in any manner set out in the Companies Ordinance, 1984 (XLVII of 1984) and any notice or document delivered or sent by post or courier or left at the registered address of any member, in pursuance of these bye-laws, shall, notwithstanding such member being then deceased, and whether or not the Bank have notice of his death, be deemed to have been duly served in respect of any registered shares, whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holder, and such service shall for all purposes of these bye-laws be deemed a sufficient service of such notice or document on his or her heirs, executors, or administrators, and all persons, if any, jointly interested with him in any such share.

(9) The signature to any notice to be given by the Bank may be written or printed.

(10) Where a given number of days notice or notice extending over any other period is required to be given, the day of service shall, unless it is otherwise provided, be counted in such number of days or other period.

63. Secrecy clause.— The President, every Director, Manager, Auditor, trustee, member of a committee, officer, servant, agent, accountant or other person employed in the business of the Bank, shall before entering upon his duties sign a declaration pledging himself to observe strict secrecy respecting all transactions of the Bank with the customers and the state of accounts with individuals, and in matters relating thereto, and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties, except when required so to do by the Directors or by any general meeting, or by a court of law, or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions of these bye-laws contained or in accordance with the law or practice, customs and usages among bankers.

64. Liquidation.— The Bank may only be liquidated pursuant to an order of the Federal Government of Pakistan under section 31 of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949).

65. Indemnity.— (1) Subject to the provisions of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949) and the Companies Ordinance, 1984 (XLVII of 1984), every President, Director, Manager, Secretary, Trustee and other officer or employee of the Bank shall be indemnified by the Bank against, and it shall be the duty of the Bank out of the funds of the Bank to pay all losses, costs and expenses which any such officer or servant may incur or become liable to by reason of any contract entered into, or any act or thing done by him as such officer or servant, or in any way in or about the discharge of his duties, including all related and incidental expenses.

(2) Subject to the provisions of the National Bank of Pakistan Ordinance, 1949 (XIX of 1949) and the Companies Ordinance, 1984 (XLVII of 1984), no President, Director or other

officer of the Bank shall be liable for the acts, receipts, neglects or defaults of any other Director or officer or for joining in any receipt or other act for the sake of conformity merely, or for any loss or expense happening to the Bank through the insufficiency or deficiency in point of title to or value of any property acquired by order of the Directors for or on behalf of the Bank, or mortgaged to the Bank, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Bank shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person to or with whom any moneys, securities or effects of the Bank shall be entrusted or deposited, or for any loss occasioned by any error of judgment, omission, default or oversight on his part, or for any other loss, damage or misfortune whatever which shall happen in the execution or performance of the duties of his office or in relation thereto unless the same happen through his own dishonesty or negligence.

(3) Every officer or agent for the time being of the Bank may be indemnified out of the assets of the Bank against any liability incurred by him in defending any proceedings, whether civil or criminal arising out of his dealings, in relation to the affairs of the Bank, except those brought by the Bank against him, in which judgment is given in his favour or in which he is acquitted, or in connection with any application under section 488 of the Companies Ordinance, 1984 (XLVII of 1984), in which relief is granted to him by the Court.

66. **Repeal.**— The National Bank of Pakistan Bye-laws, 1970, are hereby repealed.

[F.No. _____]

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