



# NOTICE OF THE 23rd ANNUAL GENERAL MEETING

Notice is hereby given that the 23rd Annual General Meeting of the shareholders of Askari Bank Limited (the Bank) will be held on Tuesday, March 31, 2015 at 10:00 am at Pearl Continental Hotel, Rawalpindi to transact the following business:

**Ordinary Business:**

- To confirm the minutes of the 22nd Annual General Meeting held on March 30, 2014.
- To receive, consider and adopt the financial statements of the Bank for the year ended December 31, 2014 together with the Directors' and Auditors' Reports thereon.
- To appoint auditors for the year ending December 31, 2015 and to fix their remuneration. The retiring Auditors M/s KPMG Taseer Hadi & Co., Chartered Accountants, having completed five consecutive years period, are not eligible for re-appointment in terms of clause xxviii of the Code of Corporate Governance 2012, which requires Banks to change auditors after every five years. The Board of Directors, on the recommendation of Board's Audit and Compliance Committee propose appointment of M/s A. F. Ferguson & Co., Chartered Accountants, as auditors of the Bank for the year ending December 31, 2015 in place of the retiring auditors. M/s A. F. Ferguson & Co., Chartered Accountants, being eligible, have offered themselves for appointment.
- To approve, as recommended by the Directors, payment of final cash dividend @10% i.e. Re.1/- per share for the financial year 2014, in addition to 10% interim cash dividend already paid.

**Special Business:**

- To consider and if deemed fit, approve and adopt the alteration in the Article no. 106 of the Articles of Association of the Bank and pass the following special resolutions with or without modification(s):
  - \*Resolved that** pursuant to Section 28 of the Companies Ordinance, 1984 the Articles of Association of the Bank be altered in the following manner:  
Article 106 of the Articles of Association of the Bank be deleted and in its place the following new Article be substituted:  
Every Director, other than the President & Chief Executive or Executive Director, shall be entitled to be paid a fee as decided by the Board for attending Board/Board Committee meetings. Every Director shall be entitled to be reimbursed expenses incurred in consequences of his attendance at meetings of the Directors.  
**\*Further Resolved that** the President & Chief Executive and Company Secretary of the Bank be and are hereby authorized to either singly or jointly, take all steps necessary, ancillary and incidental for registering and amending the Articles of Association of the Company, including but not limited to filing of all the requisite statutory forms and all other documents as may be required to be filed with the Companies Registration Office of the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan, submitting all such documents as may be required with the Securities and Exchange Commission of Pakistan and the State Bank of Pakistan, executing all such certificates, applications, notices, reports, letters and any other document or instrument including any amendments or substitutions to any of the foregoing as may be required in respect of the amendment in the Articles of Association.
- 6. Acquisition of Foundation Securities (Private) Limited (FSL)**  
To consider and, if thought fit, pass the following as special resolutions for the acquisition of between 29,163,680 (Twenty Nine Million One Hundred Sixty Three Thousand Six Hundred Eighty) and 30,460,060 (Thirty Million Four Hundred Sixty Thousand Sixty) shares of FSL (being between 95.74% and 100% of the issued and paid up share capital of FSL) from the shareholders of FSL (including Fauji Foundation) by the Bank.  
The special resolutions to be passed are as under:  
**\*RESOLVED THAT** pursuant to Section 208 of the Companies Ordinance, 1984, the Bank be and is hereby authorized to acquire between 29,163,680 (Twenty Nine Million One Hundred Sixty Three Thousand Six Hundred Eighty) and 30,460,060 (Thirty Million Four Hundred Sixty Thousand Sixty) shares of FSL (being between 95.74% and 100% of the issued and paid up share capital of FSL) from the shareholders of FSL (including Fauji Foundation) at a price of PKR 8.16 (Pak Rupees Eight & Paise Sixteen only) per share.  
**FURTHER RESOLVED** that the President & CE of the Bank or any officer authorized by the President & CE, be and is hereby authorized and empowered to act on behalf of the Bank to implement the objective of this Special Resolution to all intents and purposes and do all acts, deeds and things necessary for the same, including but not limited to negotiate, finalize, execute and ensure delivery of all deeds and documents on behalf of the Bank.
- To consider any other business as may be placed before the meeting with the permission of the Chair.

Rawalpindi  
March 8, 2015

By Order of the Board  
Umar Shahzad  
Company Secretary

**NOTES**

- The statement under section 160 (1) (b) of the Companies Ordinance, 1984 setting forth all material facts concerning the special business to be transacted at the meeting is annexed.
- The Share Transfer books of the Bank will remain closed from March 24, 2015 to March 31, 2015 (both days inclusive). Transfers received at M/s THK Associates (Private) Limited, Ground Floor, State Life Building # 3, Dr. Ziauddin Ahmad Road, Karachi-75530, the Registrar and Share Transfer Office of the Bank at the close of the business on March 20, 2015 will be treated in time.
- A member entitled to attend and vote at the meeting is entitled to appoint a proxy to attend and vote for him/her. No person shall act as a proxy, who is not a member of the Bank except that Government of Pakistan [GoP] or SBP or corporate entity may appoint a person who is not a member.
- The instrument appointing a proxy should be signed by the member or his/her attorney duly authorized in writing. If the member is a corporate entity (other than GoP and SBP), its common seal should be affixed on the instrument.
- The instrument appointing a proxy, together with attested copy of Power of Attorney or Board Resolution, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with the Company Secretary, Askari Bank Limited, 1st Floor, AWT Plaza, The Mall, P.O. Box No. 1084, Rawalpindi not less than 48 hours before the time of holding the meeting.
- If a member appoints more than one proxy, and more than one instrument of proxy is deposited by a member, all such instruments of proxy shall be rendered invalid.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Copy of the CNIC or passport of the beneficial owners and the proxy shall be furnished with the proxy form.
- The proxy shall produce his / her original CNIC or original passport at the time of meeting.
- In case of GoP / SBP / corporate entity, the Board of Directors' resolution / power of attorney with specimen signature shall be submitted along with proxy form to the Bank.
- The Government of Pakistan through Finance Act, 2014 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding tax on the amount of dividend paid by the companies/banks. These rates are as follows:
  - a) For filers of income tax returns 10%
  - b) For non-filers of income tax returns 15%

To enable the Bank to make tax deduction on the amount of cash dividend @ 10% instead of 15 % all shareholders whose names are not entered into the Active Tax payers List (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @15% instead of 10%.

**Special Notes to the Shareholders:**

**12. Submission of Copies of CNIC (Mandatory):**  
The Securities & Exchange Commission of Pakistan (SECP) vide its SRO 779 (I)/2011 dated August 18, 2011, SRO 831 (I)/2012 dated July 5, 2012 and SRO 19 (I)/2014 dated January 10, 2014 has made it mandatory that the dividend warrants should bear the Computerized Identity Card Number (CNIC) of the registered member or authorized person, except in the case of minor(s) and corporate members. Therefore individual members or their authorized representatives who have not yet provided an attested copy of their valid CNICs to the Shares Registrar are requested to provide the same at their earliest to avoid any inconvenience. The corporate entities are requested to provide their National Tax Number (NTN).

**13. Dividend Mandate (Optional):**

In order to make the process of payment of cash dividend more efficient, SECP vide its Circular No. 8(4) SM/CDC 2008 dated April 5, 2013 has issued instructions so that the shareholders can get their dividend credited in their respective bank accounts electronically without any delay. The shareholders may, therefore, authorize the Bank to credit the dividend directly to their bank account for all future dividends declared by the Bank. Accordingly, all non-CDC shareholders are requested to send their bank account details to the Bank's Share Registrar at the address given above. Shareholders who hold shares with Participant/Central Depository Company of Pakistan Limited (CDC) are advised to provide the mandate to the concerned Stock Broker / Central Depository Company of Pakistan Limited.

**14. Transmission of Audited Financial Statements & Notices to members through email:**

In terms of S.R.O. 787 (I)/2014 of SECP the Bank has made available on its website, a Standard Request Form, which members may use to communicate their e-mail address and consent for electronic transmission of Audited Financial Statements and Notice, alongwith postal and e-mail address of Share Registrar to whom such requests shall be sent.

**15. Consent for Video Conference Facility**

In compliance of Circular No. 10 dated May 21, 2014 of Securities & Exchange Commission of Pakistan (SECP), shareholders of the Bank are informed that they can also avail video conference facility in Lahore & Karachi. In this regard please fill the following and submit to registered address of the Bank 10 days before holding of general meeting.  
If the Bank receives consent from members holding in aggregate 10 % or more shareholding residing at a geographical location, to participate in the meeting through video conference at least 10 days prior to date of meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.  
The Bank will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting alongwith complete information necessary to enable them to access such facility.  
I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of Askari Bank Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Register Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

Signature of Member

**Statement under Section 160 (1) (b) of the Companies Ordinance, 1984**

This statement sets out the material facts pertaining to the special business to be transacted at the 23rd Annual General Meeting of the Bank to be held on March 31, 2015.

**Item No. 5 of the Notice Amendment in Articles of Association**

The Board of Directors have approved and recommended the alteration in the Article 106 for Remuneration of Directors by substituting the existing Article with new Article 106 of Articles of Association.

Comparison of Article 106 of the Articles of Association before and after the proposed change is as follows:

	Existing	Proposed
106	Remuneration Payable to Directors of the Company for attending Board Meetings shall not exceed Rs. 50,000 and remuneration payable to Directors of the Company for attending meetings of Board Committees shall not exceed Rs. 25,000 and a Director who performs extra service or a full time Director shall receive such remuneration (whether by way of salary, commission, participation in profits, allowance and perquisites etc. or partly in one way and partly in another) as the members may fix and the Company may also pay any Director all such reasonable expenses as may be incurred in attending and returning from Board meetings or meetings of Board Committees or which he may otherwise incur in or about the business of the Company.	Every Director, other than the President & Chief Executive or Executive Director, shall be entitled to be paid a fee as decided by the Board for attending Board/Board Committee meetings. Every Director shall be entitled to be reimbursed expenses incurred in consequences of his attendance at meetings of the Directors.

**Interest of the Directors and their relatives**

The Directors of the Bank and their relatives have no interest in the proposed amendments in the Articles of Association of the Bank except to the extent of the proposed amendments in the Clause 106 for Remuneration of Directors.

**Inspection of Documents**

Copies of Memorandum and Articles of Association of the Bank, Statement under Section 160 (1) (b) of the Companies Ordinance, 1984, Annual and Quarterly financial statements as the case may be and other related information/documents of the Bank which may be inspected/procured during business hours on any working day at the Registered Office of the Bank from the date of publication of this notice till conclusion of the Annual General Meeting.

**Item No. 6 of the Notice Acquisition of shares of Foundation Securities (Private) Limited**

Foundation Securities (Private) Limited (FSL) is a private limited company, primarily involved in the business of brokerage and holds a trading rights entitlement certificate issued by the Karachi Stock Exchange Limited. FSL's issued and paid up share capital is currently PKR 304,600,000/- (Pak Rupees Three Hundred Four Million Six Hundred Thousand Six Hundred only), divided into 30,460,060 (Thirty Million Four Hundred Sixty Thousand Sixty) shares of PKR 10/- (Pak Rupees Ten only) each, out of which 95.74% are currently held by Fauji Foundation, which is also a sponsor shareholder of Askari Bank Limited (the "Bank").

The Bank is desirous of acquiring between 29,163,680 (Twenty Nine Million One Hundred Sixty Three Thousand Six Hundred Eighty) and 30,460,060 (Thirty Million Four Hundred Sixty Thousand Sixty) shares of FSL (being between 95.74% and 100% of the issued and paid up share capital of FSL) from the shareholders of FSL (including Fauji Foundation) at a price of PKR 8.16 (Pak Rupees Eight & Paise Sixteen only). The Bank currently has an existing subsidiary which is involved in the business of brokerage i.e. Askari Securities Limited, and is desirous to expand the operations of the same. Subsequent to the acquisition (or simultaneously if required), the Bank intends on merging the companies, with FSL being the surviving entity.

The above acquisition / investment has been approved by the Board of Directors of the Bank in their meeting held on February 13, 2015 at Fauji Foundation Head Office, Tiqu Road, Rawalpindi.

Since FSL is an associated company / undertaking of the Bank, the approval of the shareholders of the Bank is required under section 208 of the Companies Ordinance, 1984.

The information required to be annexed to the Notice by Notification No. SRO 27 (I)/2012 dated 15 January 2012 is set out below:

Name of the associated company	Foundation Securities (Private) Limited ("FSL")
Relationship with associated company	The same is an associated company as Fauji Foundation, which (directly and indirectly) owns a significant portion of the shares of the Bank, also owns 95.74% of the shares of FSL.
Purpose, benefits and period of investment	The purpose of the investment is to acquire between 29,163,680 (Twenty Nine Million One Hundred Sixty Three Thousand Six Hundred Eighty) and 30,460,060 (Thirty Million Four Hundred Sixty Thousand Sixty) shares of FSL (being between 95.74% and 100% of the issued and paid up share capital of FSL) from the shareholders of FSL (including Fauji Foundation) and subsequently (or simultaneously if required) merge the same with the existing subsidiary of the Bank also involved in the business of brokerage (i.e. Askari Securities Limited). The same will, inter alia, allow the business to grow and is expected to reap rewards for the Bank, being its shareholder. The period for the investment will depend on the performance of the operations.
Maximum Amount of investment	Up to PKR 248,554,090/- (Pak Rupees Two Hundred Forty Eight Million Five Hundred Fifty Four Thousand Ninety only).
Maximum Price at which securities will be acquired.	PKR 8.16 (Pak Rupees Eight & Paise Sixteen only) per share of FSL.
Number of securities and percentage thereof held before and after the proposed investment.	Currently held: Nil The Bank intends on acquiring between 95.74% and 100% of the issued and paid up share capital of FSL, comprising between 29,163,680 and 30,460,060 ordinary shares of FSL.
In case of investment in unlisted securities, fair market value of such securities determined in terms of regulation 6(1).	Between PKR 8.20 (Pak Rupees Eight and Paise Twenty only) per share to PKR 9.19 (Pak Rupees Nine and Paise Nineteen only) per share.
Break-up value of securities intended to be acquired on the basis of the latest audited financial statements.	PKR 7.10 (Pak Rupees Seven and Paise Ten only) per share
Earnings per share of the associated company or associated undertaking for the last three years.	FY 2012: PKR 0.55 per share FY 2013: PKR 1.14 per share FY 2014: PKR 0.13 per share
Sources of fund from which securities will be acquired.	The Bank shall utilize its own funds.
Salient features of the agreement(s), if any entered into with its associated company or associated undertaking with regards to the proposed investment.	Not Applicable.
Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration.	Nil
Any other important details necessary for the members to understand the transaction.	Details of the transaction have been adequately provided above.



