

NOTICE FOR 74th ANNUAL GENERAL MEETING

Notice is hereby given that 74th Annual General Meeting ("AGM") of National Bank of Pakistan (the "Bank") will be held on **Thursday, March 30, 2023 at 11:30 A.M. (PST) physically and through electronic means.**

Physical gathering of the shareholders shall be held at Mövenpick Hotel, Club Road, Karachi, by strictly following the SOPs advised by the Government.

The following business will be transacted in the Meeting:

Ordinary Business:


1. To confirm minutes of the 73rd Annual General Meeting (AGM) of Shareholders held on March 30, 2022.
2. To receive, consider and adopt the annual audited financial statements of National Bank of Pakistan and consolidated accounts of National Bank of Pakistan and its subsidiaries for the year ended December 31, 2022, together with the Directors' Report, Auditors' Report and Chairman's Review Report thereon.
3. To appoint auditors for the year ending December 31, 2023, and fix their remuneration. The Board of Directors has recommended re-appointment of Messrs PwC A.F. Ferguson & Co., Chartered Accountants at a fee of Rs. 21.183 million (i.e., an increase of 22.5% including some statutory certification) and appointment of Messrs BDO Ebrahim & Co., Chartered Accountants at a fee of Rs. 17.293 million (i.e., at same audit fee as paid to the retiring auditors, Messrs Yousuf Adil, Chartered Accountants, including some statutory certification), to be auditors of the Bank for the year ending December 31, 2023.

Special Business:

4. To consider and approve remuneration of non-executive / independent Directors and non-executive Chairman of NBP.
5. To transact any other business with permission of the Chair.

By Order of the Board

Karachi
Dated: March 09, 2023


S.M. Ali Zamin
Secretary (Board)

NOTES:

The share transfer books of the Bank shall remain closed from March 22, 2023 to March 30, 2023 (both days inclusive). Transfers received at Messrs. CDC Share Registrar Services Limited, CDC House 99-B, Block "B", SMCHS, Main Shahrah-e-Faisal, Karachi - 74400, the

Bank's Share Registrar and Transfer Agent, at the close of business on March 21, 2023 will be treated in time for the purpose of attending the meeting.

PARTICIPATION IN ANNUAL GENERAL MEETING:

In the light of relevant guidelines issued by Securities and Exchange Commission of Pakistan ("SECP") vide Letter No. SMD/SE/2(20)/2021/117 dated December 15, 2021, the members are encouraged to participate in the AGM through electronic facility organized by the Bank.

A. Attending Meeting through Electronic Means

In order to attend the AGM through electronic facility, the members are requested to get themselves registered with CDC Share Registrar Services Limited upto March 29, 2023 till 05:00 P.M. at cdcsr@cdcsrsl.com or through WhatsApp number +92-321-8200864 and they are requested to provide the information as per below format:

| S. # | Company Name | Folio Number / CDC Account # | Name of the Shareholder | CNIC # | Mobile # | E-mail Address |
|-------------|---------------------|-------------------------------------|--------------------------------|---------------|-----------------|-----------------------|
| | NBP | | | | | |
| | | | | | | |

The details of electronic facility will be sent to the members at the email address provided by them. The login facility will be opened at 11:00 A.M. on March 30, 2023 enabling the participants to join the proceedings after identification and verification process before joining the meeting, which will start at 11:30 A.M. sharp.

B. Attending Meeting Physically

Arrangements for physical gathering of shareholders have been made at Mövenpick Hotel, Club Road, Karachi.

C. Attending Meeting through Proxies

i) All members, entitled to attend and vote at the AGM, are entitled to appoint another member in writing as their proxy to attend and vote on their behalf. A legal entity, being a member, may appoint any person, regardless of whether they are a member or not, as proxy.

ii) The proxy instrument must be complete in all respect and in order to be effective should be deposited at Office of the Share Registrar or Office of the Secretary Board, 2nd floor, NBP Head Office, I.I. Chundrigar Road, Karachi not later than 48 hours before the time of holding the meeting.

iii) For attending the meeting through electronic means (Zoom), proxy form should be submitted along with proxy holders' email address and mobile number.





iv) If any member appoints more than one proxy for any one meeting and more than one instrument of the proxy are deposited with the Registrar, all such instruments of proxy shall be rendered invalid.

D. The shareholders will further have to follow the following guidelines for appointing proxies:

- i) In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration details are uploaded as per the regulations shall submit proxy form as per the requirements mentioned below:
 - a) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers must be mentioned on the form.
 - b) Attested copy of CNIC or the Passport of the beneficial owner(s) and of the proxy shall be furnished with the proxy form.
- ii) In case of a legal entity, the original or duly authenticated Board of Directors' resolution or power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) along with proxy form to Messrs. CDC Share Registrar Services Limited or to the Office of Secretary Board, 2nd floor, NBP Head Office, I.I. Chundrigar Road, Karachi.

(Proxy Form is being mailed with the Notice and is also available on NBP website: www.nbp.com.pk)

- Members having their shareholding in physical form are requested to immediately notify any change in their address to the Bank's Registrar/Shares Transfer Agent i.e., Messrs. CDC Share Registrar Services Limited. CDC House, 99-B, Block "B", S.M.C.H.S., Main Shahrah-e-Faisal, Karachi. Whereas, members having shareholding in book-entry form are requested to please notify their concerned Stock Broker/ CDC-Investor Account Services.

PROCEDURE FOR VOTING FOR SPECIAL AGENDA ITEMS

It is hereby notified that pursuant to the Companies (Postal Ballot) Regulations, 2018 and its amendments notified vide SRO 2192(I)/2022 dated December 05, 2022 members will be allowed to exercise their right to vote for the special business in the Annual General Meeting (AGM), in accordance with the condition mentioned in the aforesaid regulations, the Bank shall provide its members with the following options for voting:

E-Voting Procedure

- a) The Bank's Share Registrar in accordance with the Companies (Postal Ballot) Regulations, 2018 will send complete information to the members, including but not limited to, web address, login detail, password, date of casting e-vote and other necessary detail through email; and security code through SMS on their registered email and mobile number available in the members' register.





- b) Identity of the member intending to cast vote through e-voting shall be authenticated through electronic signature or authentication for login.
- c) Individual interested to cast his/her vote through e-voting, availability of his/her CNIC, mobile number and email address and in case of a corporate entity NTN in company's record is mandatory.
- d) It is mandatory for all CDS account holders to up-date their records with their participants and physical shareholders with Bank's Share Registrar i.e., CDCSRL before book closure date.
- e) Voting lines for Special Agenda items will be opened for the Shareholders from March 24, 2023 at 09:00 a.m. till March 29, 2023 at 5:00 p.m.

Postal Ballot

The Shareholders shall ensure duly-filled and signed ballot paper along with copy of CNIC, in case of individual and in case of a body corporate, acceptable identification documents i.e., original or duly authenticated Board of Directors' resolution / power of attorney along with valid copies of CNIC of authorized signatories etc. should reach through post to the Chairman, National Bank of Pakistan, Head Office Building, 2nd floor, I. I. Chundrigar Road, Karachi or by email at agm@nbp.com.pk till 5:00 p.m. before the day of Poll i.e., March 29, 2023 till 05:00 p.m.

Vote Casting In-Person or Through Proxy

Polling booth will be established at the place of physical gathering of the AGM for voting.

SPECIAL NOTES TO THE SHAREHOLDERS

1. TRANSMISSION OF ANNUAL FINANCIAL STATEMENTS THROUGH EMAIL:

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

2. CONVERSION OF PHYSICAL SHARES INTO BOOK-ENTRY FORM:

The SECP through its letter No. CSD/ED/Misc./2016-639-640 dated March 26, 2021 has advised listed companies to adhere to the provision of Section-72 of the Companies Act, 2017 (the "Act") requiring all the existing companies to replace shares issued by them in physical form with shares into book-entry form in a manner as may be specified and from the date notified by the SECP but not exceeding four (04) years from the date of

promulgation of the Act. Considering the aforesaid directive, NBP has also published a request on October 28, 2021 to ensure compliance with the Act and advised to open Investor Account directly with the Central Depository Company of Pakistan Limited ("CDC") or CDC-Sub-Account with any TREC Holder registered with Pakistan Stock Exchange Limited (PSX) to place their physical shares into book-entry form. It will not only ensure the compliance of relevant rules and regulations but will also speed up the process of disbursement of entitlement to the respective shareholders.

3. AVAILABILITY OF AUDITED FINANCIAL STATEMENTS ON BANK'S WEBSITE:

The Bank is placing the Audited Annual Financial Statements for the year ended December 31, 2022 along with Auditors' Report, Directors' Report and Chairman's Review Report thereon on its website: www.nbp.com.pk

(The Statement of Material Facts, as required under section-134(3) of the Companies Act, 2017 in respect of Special Business mentioned as agenda item# 4 is being sent to the members along with this Notice).

STATEMENT OF MATERIAL FACT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

This statement sets out the material facts concerning the special business to be transacted at the Annual General Meeting of the Bank to be held on March 30, 2023.

Item 4:

TO CONSIDER AND APPROVE REMUNERATION OF NON-EXECUTIVE / INDEPENDENT DIRECTORS AND NON-EXECUTIVE CHAIRMAN OF NBP:

The shareholders, in their 61st AGM, held on March 31, 2010 had approved revision in Directors' fee/expense package. Subsequently, the shareholders in their EOGM held on May 15, 2017 revised the Directors' fee. Since then, there has been no revision in the Directors' fee/expense package. In view of the Board's responsibilities and enhanced role, the Directors have to devote considerable time and expertise in the overall stewardship of the Bank. The Board of Directors, on recommendation of BHRRC and keeping in view the SBP's Corporate Governance Regulatory Framework (CGRF), has recommended the remuneration of Non-Executive / Independent Directors and Non-Executive Chairman at Rs. 400,000/- for attending Board / Committee meetings plus 20% of the fee for holding the Office of the Board Chairman. It is worth-mentioning here that this fee is on the lowest scale of remuneration among the peer banks. The Board has also recommended enhancement in the Directors' daily allowance from Rs. 15,000/- per diem to Rs. 35,000/- per diem, in lieu of hotel accommodation. In case of journey by road, other expenses and mileage allowance enhanced from Rs. 30/- per kilometer to Rs. 50/- per kilometer.

The Federal Government in terms of Internal Finance Wing, Notification No. F.1(11) Bkg-III /2017-90 dated January 18, 2023 has appointed Mr. Ashraf Mahmood Wathra, as Chairman, Board of Directors of NBP for a term of three (03) years w.e.f. January 18, 2023.

The State Bank of Pakistan vide Regulation G-14 of Corporate Governance Regulatory Framework (CGRF) has directed the banks to "pay a reasonable and appropriate remuneration to their board members". Moreover, the Board Remuneration Policy, approved by the shareholders in EOGM held on July 27, 2020 also envisages that the Board

shall, from time to time, determine and approve such level of remuneration for the Board members as may be within the limits prescribed by SBP from time to time. The remuneration shall always be approved from shareholders in a General Meeting (AGM / EOGM). This is also a requirement under Section 11(3)(a) of The Banks' (Nationalization) Act, 1974.

It is requested that remuneration of the non-executive / independent Directors and Mr. Ashraf Mahmood Wathra, non-executive Chairman, Board of Directors of the Bank be approved as recommended by the Board of Directors of the Bank and in pursuance thereof, the following resolutions may be passed:

"RESOLVED THAT the following package of Directors' meeting fee and other expenses, for attending Board/Committee meetings as allowed under the Board Remuneration Policy of the Bank, to Non-Executive / Independent Directors, as recommended by the Board of Directors of the Bank in its 344th meeting held on February 28, 2023, be and is hereby approved:

| | | |
|----|--|---|
| a) | Travel (In case meeting is held at stations other than that of directors' residence) | One return business class airfare (Already approved by the shareholders in 61st AGM held on March 31, 2010). <i>(unchanged)</i> |
| b) | Accommodation/Daily Allowance | Actual hotel bill or daily allowance @ Rs. 35,000/- per diem, in lieu of hotel accommodation and other expenses, for a maximum period of 3 days in either case. Actual meal expenses paid in cash by the Director will be reimbursed. <i>(increased from existing Rs. 15,000/-).</i> |
| c) | Mileage Allowance (In case of journey by road) | Rs. 50/- (Rupees Fifty only) per kilometer. <i>(increased from existing Rs. 30/- per kilometer).</i> |
| d) | Fee per meeting for each Non-Executive / Independent Director for attending Board / Committee meeting. | Rs. 400,000/- for attending each meeting of Board / Board Committee + 20% of the meeting fee for holding the Office of the Chairman, Board of Directors. <i>(increased from existing Rs. 150,000/-).</i> " |

"FURTHER RESOLVED THAT in terms of Section 11(3)(a) of The Banks' (Nationalization) Act, 1974, the following remuneration for Mr. Ashraf Mahmood Wathra, as non-executive Chairman, Board of Directors, NBP, as recommended by the Board of Directors of the Bank in its 344th meeting held on February 28, 2023, be and is hereby approved for a term of three (3) years:

| HEAD | REMUNERATION DETAIL |
|-------------|---|
| Tenure | From 18-01-2023 to 17-01-2026 |
| Meeting Fee | Rs. 400,000/- for attending each meeting of Board / Board Committee + 20% of the meeting fee for holding the Office of the Chairman, Board of |

Zavi

[Signature]

| | |
|---|---|
| | Directors. |
| Fixed Remuneration | Nil |
| Travelling (Domestic) for Board meetings / Official work | As per policy / package already approved by the shareholders for all Board members. |
| Hotel / Per Diem (in lieu of hotel accommodation) | Actual / Rs. 35,000/- |
| Travelling (Overseas) | Business Class |
| Hotel / Per Diem (in lieu of hotel accommodation) - International | Actual / US\$ 400 |
| Office facility | Yes |
| Secretarial staff | 5 (Max. upto Rs. 2.0 million per month) |
| Security guards at Residence | 2 security guards each on 12 hours shift including one mobile gunman. |
| Security guards for providing security at Chairman's Office | Adequate security arrangements at Office premises. |
| Office work expenses | In Chamber: Actual Out of Chamber: Actual |
| Vehicle | 1800cc. " |

Disclosure: In terms of Section 134(3) of The Companies Act, 2017, all directors and Chairman, except the President, are interested in this special resolution.



