

NOTICE OF THIRTY THIRD ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty Third Annual General Meeting of the Shareholders of the Bank of Khyber will be held on Friday, March 29, 2024 at 10:00 a.m. at the Bank of Khyber, Head Office, BOK Tower, Peshawar to transact the following business:

Ordinary Business

- To confirm the minutes of Thirty Second Annual General Meeting held on March 30, 2023.
- To receive, consider and adopt the Audited Accounts of the Bank for the year ended December 31, 2023, together with the Directors' and Auditors' Reports thereon. Further, the shareholders will be briefed by highlighting the performance of the bank and future endeavors.
- To appoint Auditors for the year ending December 31, 2024 and fix their remuneration. The bank's auditors M/s. PwC A.F. Ferguson & Co., Chartered Accountants, retired and being eligible, offer themselves for re-appointment.
- To Consider, and if thought fit, approve as recommended by the Board of Directors, final Cash Dividend for the year 2023 @ Rupees 1.50 per share i.e. 15% to the shareholders of the Bank.

Special Business

- To consider, and if thought fit, approve as recommended by the Board of Directors, issuance of Bonus Shares for the year 2023 in proportion of 5 ordinary shares for every 100 ordinary shares i.e. 5% to the shareholders of the Bank.
- To grant approval for increase in fee to the Chairman / Non-Executive Directors / Independent Directors for attending the Board and Board Committees / Special Committees meetings.
- To consider and, if thought fit, to pass following Resolutions as Ordinary Resolutions, with or without amendments, modifications and/or alterations, to approve circulation of the annual balance sheet and profit and loss account, auditor's report and directors' report, etc. ("annual audited financial statements") to its members through QR enabled code and web link as recommended by the Board of Directors of the Bank of Khyber.

Other Business

- Any other business with the permission of the Chair.

Statement of Material Facts under Section 134 (3) of the Companies Act, 2017 relating to said Special Business is given hereunder.

By Order of the Board

Sara Shah
Company Secretary

Peshawar: March 08, 2024

NOTES:

- Share Transfer Books of the Bank will remain closed from Saturday, March 23, 2024 to Friday, March 29, 2024 (both days inclusive) to determine the names of members entitled to receive pay outs, if any, and attend and vote in the meeting.
Transfers received in order at the office of our Share Registrar, M/s. THK Associates (Pvt) Limited, located at Plot No. 32-C, Jami Commercial Street 2, D.H.A., Phase-VII, Karachi-75500 by the close of business on Friday, March 22, 2024 will be treated in time for the said purpose.
- All members are entitled to attend and vote at the meeting.
- A member entitled to attend and vote at the meeting, is entitled to appoint another member as a proxy to attend, speak and vote for him/her. The proxy appointed should be a member of the Bank of Khyber.
- The instrument of proxy applicable for the meeting is being provided with the notice sent to the members. Further copies of the instrument of proxy, if required, may be obtained from the Registered Office of the Bank during normal office hours.
- The instrument of proxy and a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney must be valid and deposited at the Registered Office of the Bank not less than 48 hours before the time of the meeting.
- In case of Proxy for an individual beneficial owner of CDC, attested copies of beneficial owner's CNIC or passport, Account and Participant's I.D. numbers must be deposited along with the Form of Proxy. In case of Proxy for corporate members, he/she should bring the usual documents required for such purpose.
In case of corporate entity, the resolution of Board of Directors / Power of Attorney with specimen signature of the nominee shall be produced along with the proxy form at the time of attending the meeting.
- The proxy shall produce his / her original CNIC or passport at the time of the meeting.
- Members are requested to immediately communicate changes in their registered addresses, if any, to the Bank's Shares Registrar before start of the book closure period.
- Form of Proxy, if required, should be signed on Rs10/- Revenue Stamp.

FOR SHAREHOLDERS' ATTENTION

Transmission of Annual Report 2023

In accordance with the Shareholders' approval accorded in 29th Annual General Meeting held on March 27, 2020, USBs have been dispatched to shareholders at their registered addresses available with the Shares Registrar. However, the Bank would provide hard copies of the Annual Report to the shareholders on their demand at their registered addresses, free of cost, within one week of such request.

Payment of Cash Dividend Electronically (e-Dividend) / Dividend Mandate

As per Companies Act, 2017 and Companies (Distribution of Dividends) Regulation 2017, any dividend payable in cash by a listed company shall ONLY be paid through electronic mode directly into the bank account of the entitled shareholder(s) which must be in their own name. In this regard, the Bank had already sent letters & Bank Mandate Forms to the shareholders and issued various notices through publication in newspapers requesting the shareholders to comply with the requirement of providing Bank Mandate urgently.

Under the provisions of the said laws, the Bank is required to withhold cash dividend payable to those shareholders whose dividend mandate information and/or CNIC detail is not available at the time of payment of cash dividend.

All the shareholders are hereby once again requested to provide the Bank Mandate details including International Bank Account Number (IBAN) immediately along with a copy of valid CNIC, if not provided earlier to their respective Participants / Brokers (if shares are held electronically) or to the Share Registrar (if shares are held in physical form) for credit of cash dividends directly into their designated bank accounts through electronic modes.

In case of non-provision of Bank Mandate & copy of valid CNIC, cash dividend(s) will be withheld according to SECP directives. For providing the Bank Mandate details to CDC / Share Registrar, the IBAN Form may be downloaded from the Bank's website under Investor Relations.

Deduction of Withholding Tax

Please note that withholding tax will be deducted on the basis of latest "Active Taxpayers List" (ATL) available at FBR website as per following rates:

- Persons appearing in ATL: 15%
- Persons not appearing in ATL: 30%

Further, in respect of joint shareholders, tax will be deducted as per their respective ratio / share (if any) intimated by the shareholder to the Bank's Share Registrar, otherwise their shareholding will be treated as equal.

Valid Tax Exemption Certificate is required for claim of Exemption u/s 150 of the Income Tax Ordinance, 2001.

Unclaimed / Unpaid Dividends and Share Certificates

Shareholders are once again requested that who have not yet received / collected their previous dividends / physical shares to contact our Share Registrar for the needful.

Deposit / Conversion of Physical Shares into Book Entry Form

In accordance with Sub Section 2 of Section 72 of the Companies Act, 2017, Companies are required "to replace its physical shares with book entry form" in the manner specified by the Commission.

To enable compliance with the requirement, we request the shareholders to kindly convert shares held in Physical Form into Book Entry Form as soon as possible. The shareholders may contact a Broker, a PSX Member, CDC Participant or CDC Investor Account Service to obtain assistance for opening a CDS Account and subsequent induction of the physical shares into Book Entry Form.

For further information or clarification, please feel free to contact THK Associates (Pvt) Ltd. on Tel # 021-35310191-6 or email at sfc@thk.com.pk

Video Conference Facility for Attending General Meetings

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 07 days prior to the date of the meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city. To avail this facility a written request to be submitted to the registered address of the Bank at least 07 days prior to holding of the Annual General Meeting.

Statement of Material Facts under Section 134 (3) of the Companies Act, 2017

This statement sets out the material facts concerning the Special Business at item No. 5, 6 and 7 of the notice to be transacted at the Annual General Meeting of the Bank to be held on March 29, 2024.

Item No. 5

Issue of Bonus Shares

The Board of Directors in its meeting held on March 07, 2024 has recommended issuance of Bonus Shares for the year 2023 in proportion of 5 ordinary shares for every 100 shares i.e. 5% to the shareholders of the Bank.

An amount to the extent of 5% will be appropriated from the free reserves for issuance of Bonus shares to the shareholders as per approved proportion.

These Bonus shares shall rank pari passu in all respects with the existing ordinary shares of the Bank.

These Bonus Shares will be issued to those members whose names appear in the register of members as at the close of business on March 22, 2024 and that the shares so issued be treated for all purpose as an increase in the paid-up capital of the Bank.

Item No. 6

To grant approval for increase in fee to the Chairman / Non-Executive Directors/Independent Directors for attending the Board and Board Committees / Special Committees meetings.

In term of Section 170 of the Companies Act, 2017 and as per Para 2(i) of Regulation G-14 of the Corporate Governance Regulatory Framework of the State Bank of Pakistan, the bank may pay a reasonable and appropriate remuneration to the Non-executive Directors and Chairman for attending the Board and/or Committee meetings. The scale of remuneration to be paid to the Non-Executive Directors and Chairman for attending the Board and / or Committee meetings shall be approved by the Shareholders on a pre or post facto basis in the Annual General Meeting (AGM).

Previously, on the recommendation of the Board, the shareholders in its 32nd AGM held on March 30, 2023, had approved an increase in Directors' fee for attending Board and Committee/Special Committee meetings to Rs100,000/- (net of taxes).

Since the workload of Directors has increased manifolds after the introduction of the Code of Corporate Governance and other regulatory frameworks which require their time and efforts. Therefore, the Board was of the opinion that the Non-Executive Directors and Chairman need to be compensated accordingly.

After due consideration, the Board of Directors in its 182nd meeting held on October 27, 2023 recommended increase in Directors' fee for attending Board/Board Committee/Board Special Committee's meeting to Rs.200,000/- (net of taxes) and Rs.250,000/- for the Chairman (net of taxes).

In terms of Para 2(i) of Regulation G-14 of the Corporate Governance Regulatory Framework of the State Bank of Pakistan, Post-facto approval of the shareholders of the Bank is sought for the above mentioned increase in fee.

The following resolution is therefore, being proposed to be passed as an Ordinary Resolution by the shareholders:

"RESOLVED that the Board hereby approves an increase in Directors' fees for attending Board, Committee, and Special Committee meetings at PKR 200,000 (net of taxes) for Directors and 250,000 for the Chairman (net of taxes) and recommends the same for post-facto approval by the shareholders at the Annual General Meeting."

Item No. 7

To consider and, if thought fit, to pass following Resolutions as Ordinary Resolutions, with or without amendments, modifications and/or alterations, to approve circulation of the annual balance sheet and profit and loss account, auditor's report and directors' report, etc. ("annual audited financial statements") to its members through QR enabled code and web link as recommended by the Board of Directors of the Bank of Khyber.

SECP vide its notification No. SRO 389(I)/2023 dated March 21, 2023, have allowed the listed companies to circulate the annual balance sheet and profit and loss account, auditor's report and directors' report, etc. ("annual audited financial statements") to its members through QR enabled code and web link to its members, subject to approval of shareholders in the general meeting. This facility will help all members, wherever they are located, to get an access to the financial statements of the Bank. Secondly, it will also reduce unnecessary expenditure for making CDs etc. Besides, it was noted that most new computers do not have CD ROM as well, which was causing problems for many members.

Considering technological advancements and old technology becoming obsolete, the circulation of annual audited financial statements through CD/DVD/USB will be discontinued. However, the Bank will supply the hard copies of the annual audited financial statements to the shareholders on demand, free of cost, within one week of such demand. If deemed fit, following resolutions may be passed, as Ordinary Resolutions, with or without modifications.

- RESOLVED THAT Management is authorized to circulate/send the annual audited financial statements of the Bank of Khyber to the shareholders, through QR enabled code and web link, subject to the requirements of Notification No. S.R.O. 389(I)/2023 of Securities & Exchange Commission of Pakistan dated 21st March 2023 instead of CD/DVD/USB.**
- FURTHER RESOLVED THAT notice of general meeting be dispatched to members, as per the requirement of the Companies Act, 2017, on their registered address, containing the QR code and the web link address to view and download the annual audited financial statements together with the reports and documents required to be annexed hereto under the Act.**
- FURTHER RESOLVED THAT the Bank shall provide hard copy of all the future annual audited financial statements to those members only who request in writing to receive hard copies.**