

Ref # ComSec/SECP/022/2021  
March 08, 2021

The Managing Director  
Pakistan Stock Exchange Limited  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Subject: NOTICE OF THE EIGHTEENTH ANNUAL GENERAL MEETING**

Dear Sir,

Enclosed please find a copy of the Notice of Eighteenth Annual General Meeting ("AGM") to be held on March 29, 2021 for circulation amongst the TRE Certified Holders of the Exchange.

This Notice has published in today's newspapers i.e. Business Recorder & Daily Dunya on March 8, 2021.

Sincerely yours,



Syed Zia-ul-Husnain Shamsi  
Company Secretary

**Samba Bank Limited**

Head Office : Arif Habib Centre Plot No. 23, Ground floor M. T Khan Road Karachi. Tel : +92-21-38136300, Fax : +92-21-35685442

## Notice of the Eighteenth Annual General Meeting

Notice is hereby given that the 18th (Eighteenth) Annual General Meeting of Samba Bank Limited (the "Bank") will be held on Monday, March 29, 2021 at 12:00 noon ("PST") through Zoom video conferencing. However, as per directives issued by the Securities & Exchange Commission of Pakistan vide its Circular No. 4 of 2021, dated February 15, 2021, any member who intends to participate physically in the meeting may participate at the Bank's Registered Office situated at 2nd Floor, Building # 13-I, F-7 Markaz, Near Post Mall, Islamabad - Pakistan to transact the following businesses:

### Ordinary Business

- To confirm the minutes of the 17th Annual General Meeting held on April 21, 2020.
- To receive, consider and adopt the Annual Audited Accounts of the Bank for the year ended December 31, 2020 together with the Reports of the Directors and Auditors thereon.
- To appoint Auditors for a term ending at the conclusion of the next Annual General Meeting. The retiring Auditors, M/s KPMG & Taseer Hadi & Co., Chartered Accountants, being eligible, have offered themselves for reappointment.
- To approve, as recommended by the Board of Directors, payment of final cash dividend for the year ended December 31, 2020 at the rate of Rs. 0.75 per share i.e. 7.50%.

### Special Business

- To consider and, if thought fit, to pass with or without modification(s), the following Special Resolution for approval of the Remuneration Policy for Board of Directors ("BoD") of Samba Bank Limited ("SBL"), as per the requirements of Regulation 6-I of Prudential Regulations for Corporate/Commercial Banking (as amended through BPRD Circular No.03 of 2019 dated August 17, 2019) which further requires that the remuneration policy for the Directors should be approved by the shareholders of the Bank on pre or post facto basis in the Annual General Meeting.

"RESOLVED THAT the Remuneration Policy for Board of Directors ("BoD") of Samba Bank Limited ("SBL") be and is hereby approved, as presented".

- To consider and, if deemed fit, to pass with or without modification(s), the following Resolution for ratification of issuance of Tier 2 Term Finance Certificates ("TFC") of up to PKR 5,000,000,000/- (Pak Rupees Five Billion) by SBL

"RESOLVED THAT the issuance of Term Finance Certificates by Samba Bank Limited ("SBL") be and is hereby approved, as presented, for the purposes of SBL's capital adequacy".

- To consider and approve and, if deemed fit, to pass with or without modification(s), the Resolution for conversion of Term Finance Certificates of the Bank in the amount of PKR 5,000,000,000/- (Pak Rupees Five Billion) into ordinary shares of the Bank upon occurrence of a conversion event if so required by the State Bank.

Therefore, for the purpose of the above, the Board of Directors has recommended that members may pass the following resolution as a Special Resolution:

"RESOLVED THAT the Term Finance Certificates ("TFCs") of Samba Bank Limited in the amount of upto PKR 5,000,000,000/- (Pak Rupees Five Billion) issued for the purpose of Tier 2 Capital under Basel III Capital Instructions of the State Bank of Pakistan ("SBP"), may be converted into ordinary shares of the Bank subject to a maximum of 329,036,995 (three hundred and twenty nine million thirty six thousand nine hundred and ninety five only) additional ordinary shares being issued upon such conversion, if so directed by the SBP on the occurrence of a point of non-viability as determined by the SBP, at a price equivalent to the market value of the shares of the Bank on the date of trigger of the point of non-viability as declared by the SBP, in accordance with the applicable rules and regulations of the SBP, and all such ordinary shares shall be issued other than by way of rights in accordance with Section 83(b) of the Companies Act, 2017 and shall further be subject to the approval of Securities and Exchange Commission of Pakistan in accordance with Section 83(b) of the Companies Act, 2017".

"FURTHER RESOLVED THAT the Board of Directors of the Bank ("the Board") or such officer or officers of the Bank as may be authorized by the Board, be and are hereby authorized to take all steps necessary, ancillary, and incidental to the above-mentioned conversion, as when and as required, and are further authorized to sign, execute, and deliver all necessary documents, agreements, and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes above-mentioned".

### Any Other Business

To consider any other business with the permission of the Chair.

For Item Nos. 5, 6 & 7, the information as required under Section 134(3) of the Companies Act, 2017 is annexed.

By the Order of the Board

March 8, 2021  
Karachi

Zia-ul-Husnain Shamsi  
Company Secretary

### Notes:

- Share Transfer Books of the Bank will remain closed from 22-03-2021 to 29-03-2021 (both days inclusive). Transfer received in order at Bank's Registrar, M/s. Famco Associates (Pvt.) Ltd., 8-F, next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahr-e-Faisal, Karachi, upto close of business on 19-03-2021 will be considered in time to be entitled to attend and vote and for the entitlement of dividend payment.
- Copies of the minutes of the Annual General Meeting dated April 21, 2020 are available for inspection by Members as required under section 152 of the Companies Act, 2017. Members who will join the meeting through video link and desirous of inspection of the minutes of the 17th AGM may send his/her request via email at [zia.shamsi@samba.com.pk](mailto:zia.shamsi@samba.com.pk)
- Shareholders are requested to notify any change in their addresses to the Bank's Shares Registrar, M/s. Famco Associates (Pvt.) Ltd., 8-F, Next to Hotel Faran, Nursery, Block-6, P.E.C.H.S., Shahr-e-Faisal, Karachi, immediately. Shareholders holding shares in electronic form with CDC must notify change of address to their participants or CDC Investor Account Services with whom their shares are placed.
- A member entitled to attend and vote at the Annual General Meeting may appoint another member as his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Annual General Meeting.

### A. Requirements for Attending the Annual General Meeting through Zoom, Video Conferencing:

The entitled shareholders whose names appear in the Books of the Bank by the close of business on March 19, 2021 and who are interested to attend AGM through online platform are hereby requested to register themselves with the Company Secretary Office by providing the following information at the earliest but not later than 48 hours before the time of AGM through Email [agm@samba.com.pk](mailto:agm@samba.com.pk) with the following particulars:

Name of Shareholder	CNIC number	CDC Account No. /Folio No.	Cell Number	Email Address

Bank will send the login details / password vide email addresses of the members who are registered, after the necessary verification, on the AGM day, shareholders will be able to login and participate in the AGM proceedings through their smartphones/laptop/tablet or computer devices from any convenient location. The login facility will be opened 30 minutes before the meeting time to enable the participants to join the meeting. Please note that only those shareholders, who have already registered themselves through the above process, will be able to participate in the meeting.

The members can also send their comments/suggestions related to the agenda of the Annual General Meeting (AGM) through email at [zia.shamsi@samba.com.pk](mailto:zia.shamsi@samba.com.pk) or WhatsApp at +92(307)3278728.

### B. Requirements for Attending the Annual General Meeting:

- In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited ("CDC") Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Annual General Meeting.
- CDC account holders will be required to follow the under mentioned guidelines as laid down in Circular No. 01 dated January 26, 2000, of the Securities and Exchange Commission of Pakistan for attending the meeting.
- In the case of a corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced at the time of the Annual General Meeting (unless it has been provided earlier), to the Bank along with the proxy form.

### C. Requirements for Appointing Proxies:

- In the case of individuals, the account holder or sub-account holder whose registration details are uploaded as per the Central Depository Company of Pakistan Limited Regulations, shall submit the proxy form as per the above requirement.
- The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- Attested copies of the CNIC or the 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 the Annual General Meeting.

### D. Circulation of Annual Audited Accounts via Email/CB/USB/DVD or Any Other Media:

Pursuant to the directions given by the Securities and Exchange Commission of Pakistan ("SECP") through its SRO 787(I)/2014, dated September 8, 2014 and SRO 470(I)/2016 dated May 31, 2016, that have allowed the companies to circulate its Annual Audited Accounts (i.e. Annual Balance Sheet and Profit and Loss Accounts, Statements of Comprehensive Income, Cash Flow Statement, Notes to the Financial Statements Auditor's and Director's Report) to its members through CD / DVD / USB / or any other Electronic Media at their registered Addresses.

Shareholders who wish to receive the hardcopy of Financial Statements shall have to fill the standard request form (also available on the company's website [www.samba.com.pk](http://www.samba.com.pk)) and send us to the Company address.

### E. Submission of CNIC (mandatory):

- Shareholders who have not yet submitted a copy of their valid CNIC or valid Passport to the Bank, are once again reminded to send the same latest by March 19, 2021. The CNIC number /NTN details is mandatory and is also required for checking the tax status as per the Active Taxpayers List (ATL) issued by the Federal Board of Revenue (FBR) from time to time.

- Individual Shareholders (including all joint holders) holding physical share

certificates of the Bank are therefore requested to submit a copy of their valid CNIC to the Bank or its Share Registrar if not already provided. The shareholders while sending CNIC must quote their respective folio numbers.

- In cases of non-receipt of the copy of a valid CNIC, the Bank will be constrained under Section 243 (3) of the Companies Act, 2017 ("the Companies Act") to withhold dividend of such shareholders.

### F. Change of address and/or email address:

Shareholders having physical scrip of shares are requested to promptly notify change in their postal address and/or email address, if any, to our Share Registrar, in writing, whereas CDC account holders are requested to update their addresses with their CDC Participant/CDC Investor Account Services.

### G. PAYMENT OF CASH DIVIDEND ELECTRONICALLY - PROVISION OF IBAN, Mandatory:

It is mandatory for a listed company to pay cash dividend to its shareholders only through electronic mode by making direct remittance into their respective bank accounts designated by the entitled shareholder(s) ("the Bank Account"), whose title must commence with the principal shareholder's name. Therefore, the Company will be remitting the dividend proceeds directly into the Bank Accounts of its Shareholders, instead of issuing physical Dividend Warrants. In order to receive dividends directly into their Bank Accounts, Members holding shares in physical form are requested to submit their International Bank Account Number (IBAN) using the "Electronic Credit Mandate Form", available on Bank's website i.e. [www.samba.com.pk/samba/overviews/notices](http://www.samba.com.pk/samba/overviews/notices). Please, fill and send the completed Form along with a copy of a valid CNIC to the Share Registrar of the Company at [info.shares@famco.com.pk](mailto:info.shares@famco.com.pk) latest by 19th March 2021. Shareholders who hold shares in CDC accounts should provide their mandate to their respective participant or CDC Investor Account Services.

### H. Withholding Tax on dividends:

Shareholders are informed that under section 150 of the Income Tax Ordinance, 2001 ("the Ordinance"), different tax rates are prescribed for deduction of income tax on amounts of dividend payments by companies. The current tax rates for resident shareholders are as under:

- 15% for persons appearing in active taxpayers' list (ATL) for income tax returns, and
- 30% for persons not appearing ATL for income tax returns.

Those shareholders, whose names are not entered into the ATL provided on the website of Federal Board of Revenue (FBR), despite the fact that they are filers, are advised to make sure that their names along with their valid CNICs/NTNs are entered into ATL before the first day of book closure enabling the Bank to make tax deduction on the amount of cash dividend @ 15% instead of 30%.

The corporate shareholders having CDC accounts are requested to provide their National Tax Numbers (NTNs) to their respective CDC Participants/CDC Account Services, whereas corporate shareholders having shares in physical form should send a copy of their NTN certificate to the Bank's Share Registrar.

As per FBR's clarification letters C.No. 1299 WHI/2006 dated June 30, 2010 and C.No.1(43) DGWHI/2008-Vol-II-664 17-R dated May 12, 2015, a valid Exemption Certificate under Section 159 of the Ordinance is mandatory to claim exemption of withholding tax under Clause 47(B) of Part-IV of Second Schedule to the Ordinance. Such shareholders who have valid tax exemption certificate or reduced rate certificate issued by FBR must provide the certificate to the Bank before payment of dividend to claim exemption / application of reduced rate from deduction of tax, otherwise tax deduction will be made on dividend amount as per rates prescribed in section 150 of the Ordinance.

### I. Tax in case of Joint Shareholders:

The Federal Board of Revenue has clarified that where the shares are held in joint account(s)/names, each account/joint holder will be treated individually as either a filer or a non-filer and tax will be deducted according to his/her shareholding proportion. If the share proportion (of joint holders) is not determined, then each account/joint holder will be assumed to hold equal proportion of shares and the tax deduction will be made accordingly.

In view of the above, shareholders are requested to provide shareholding proportion of each joint shareholder(s) to the Bank's Share Registrar latest by 19th March 2021 in the following manner:

Company Name	Folio / CBS Account No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name & CNIC No.	Shareholding proportion No. of shares	Name & CNIC No.	Shareholding proportion No. of shares

- ZAKAT DEDUCTION: To claim exemption from compulsory deduction of Zakat, shareholders are requested to submit a notarised copy of their Zakat Declaration Form "CZ-50" on NJSP of Rs. 50/- to the Share Registrar.

- E-VOTING: Members can exercise their right to demand a poll subject to meeting requirements under Sections 143-145 of Companies Act and applicable clauses of Companies (Postal Ballot) Regulations 2018.

### L. UNCLAIMED DIVIDEND / SHARES U/S 244 OF THE COMPANIES ACT, 2017:

An updated list for unclaimed dividend / shares of the Company, which have remained unclaimed or unpaid for a period of three years from the date these have become due and payable, is available on the Bank's website [www.samba.com.pk/samba/overviews/notices](http://www.samba.com.pk/samba/overviews/notices).

Claims can be lodged by shareholders on Claim Form as is available on the Bank's website. Claim Forms must be submitted to the Company's Share Registrar for receipt of dividend/ shares.

The statement of material facts under Sections 134(3) of the Companies Act, 2017

Agenda Item 5 Directors' Remuneration Policy:

In accordance with the provisions of Regulation No.16 of the Listed Companies (Code of Corporate Governance) Regulations, 2019 read with Regulation 6-I of the

Prudential Regulations for Corporate/Commercial Banking, the Board of Directors ("BoD") of Samba Bank Limited ("SBL") is required to have in place a formal policy and transparent procedure for fixing the remuneration packages of individual directors for attending meeting of the Board and its committees. Further, Regulation 6-I of Prudential Regulations for Corporate/Commercial Banking (as amended through BPRD Circular No.03 of 2019 dated August 17, 2019) requires that the remuneration policy for the Directors should be approved by the shareholders of the Bank on pre or post facto basis in the Annual General Meeting.

Therefore, in order to comply with the said requirements, the Board of Directors had approved a Directors' Remuneration Policy, which is now presented to the shareholders for their approval on a post facto basis in accordance with the regulatory requirements. Those shareholders, who wish to review/inspect the proposed Directors' Remuneration Policy document, are requested to send email at [zia.shamsi@samba.com.pk](mailto:zia.shamsi@samba.com.pk) along with his/her computerized national identity card (CNIC) and details of folio/CDC account number.

As the Remuneration Policy pertains to the Directors of the Bank, therefore, the Directors of the Bank are interested in the above Special Business and will be abstained from this business.

### Agenda Item 6 Issuance of Term Finance Certificates:

In order to contribute towards its Tier 2 capital, SBL has issued Term Finance Certificates ("TFCs") of upto PKR 5,000,000,000/- (Pak Rupees Five Billion) as an instrument of redeemable capital under Section 66(I) of the Companies Act, 2017 and as outlined by the State Bank of Pakistan ("SBP") under BRPD Circular No. 6 dated August 15, 2013 (as amended from time to time) read with all relevant rules, regulations, circulars and approvals of SBP. The fund so raised through the TFCs will be for capital adequacy purposes and shall be utilized in the business operations as permitted by the Memorandum & Articles of Association of the Bank.

Therefore, for the purpose of the above, the Board of Directors has recommended that members may pass the resolution as mentioned hereinabove.

### Agenda Item 7 Conversion of Term Finance Certificates:

In order to contribute towards its Tier 2 Capital, Samba Bank Limited has issued redeemable capital in the form of Term Finance Certificates ("TFCs") in the amount of PKR 5,000,000,000/- (Pak Rupees Five Billion), in accordance with the Basel III Capital Instructions issued by the State Bank of Pakistan ("SBP") vide BPRD Circular No. 6 dated August 15, 2013.

Pursuant to the Basel III Capital Instructions, if SBP determines that a Point of Non-Viability ("PONV") has occurred, it may direct the bank to convert its Tier 2 Capital instruments (or any part thereof), including TFCs, into ordinary shares of the bank at such time to times and for such consideration and on such terms and conditions as may be determined by the SBP, under and pursuant to and in accordance with the Basel III Capital Instructions and any other instructions issued by the SBP.

Additional information required as per applicable laws and regulations is as follows.

Name of the persons to whom shares will be issued	The shares will be issued to the TFC Holders (at occurrence of PONV).
Price at which the proposed shares will be issued	At a price equivalent to market value of the shares of the Bank on the date of trigger of PONV as declared by SBP.
Purpose of the issue, utilization of the proceeds of the issue and benefits to the Bank and its shareholders with necessary details	To convert the outstanding TFC amount (in whole or part) into shares of the Bank.
Existing shareholding of the persons to whom the proposed shares will be issued	Not Applicable
Total shareholding of the persons after the proposed	Not Applicable
Whether the persons have provided written consent for purchase of such shares	The terms of the TFC Issuance Agreement for the TFC issue contain the details regarding such conversion.
Justification as to why proposed shares are to be issued otherwise than rights and not as rights shares	This is in accordance with the requirements of SBP vide its Circular No. 6 of Banking Policy and Regulation Department ("BPRD") dated August 15, 2013.
Justification, with details of the latest available market price and break-up value per share, if such price differs from par value	Not Applicable
Details of the average market price during the last 3 (three) months and 6 (six) months preceding the Board announcement as well as the latest available market price	Not Applicable

The ordinary shares issued will rank pari passu in all respects with the existing shares of the Bank.

The Directors of the Bank have no direct or indirect interest in the above-mentioned resolutions except in their capacity as shareholders of the Bank to the extent of their respective shareholding.



