

BOK/HO/SD/2022

March 8, 2022

The General Manager
Pakistan Stock Exchange Limited
Stock Exchange Building
Stock Exchange Road
Karachi.

FORM – 4

Dear Sir

THE BANK OF KHYBER – NOTICE OF 31ST ANNUAL GENERAL MEETING

Enclosed please find a copy of the Notice of the 31st Annual General Meeting to be held on **Tuesday, March 29, 2022** for circulation amongst the TRE Certificate Holders of the Exchange.

Yours Sincerely,


Muhammad Ali Qadri
Senior Vice President
Head Shares Deptt./Asstt. Company Secretary

Shares Department

NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Notice is hereby given that the Thirty First Annual General Meeting of the Shareholders of the Bank of Khyber will be held on Tuesday, March 29, 2022 at 11:00 a.m. at Pearl Continental Hotel, Peshawar to transact the following business:

Ordinary Business

1. To confirm the minutes of the Extraordinary General Meeting (EOGM) held on May 31, 2021.
2. To receive, consider and adopt the Audited Accounts of the Bank for the year ended December 31, 2021, together with the Directors' and Auditors' Reports thereon.
3. To appoint auditors for the year ending December 31, 2022 and fix their remuneration.

The retiring external auditors, M/s. EY Ford Rhodes, Chartered Accountants have completed initial term of three years and have not shown interest for re-appointment as statutory auditors of the Bank for the year ending December 31, 2022 sighting commercial reasons.

The Board deliberated on different eligible Audit firms having shown interest in the Audit engagement of the Bank and has recommended M/s. PwC A.F. Ferguson & Co., Chartered Accountants as statutory auditors of the Bank for the year ending December 31, 2022 based on their professional standing and extensive banking audit exposure for approval of shareholders in the Annual General Meeting.

Special Business

4. To consider, and if thought fit, approve as recommended by the Board of Directors, issuance of Bonus Shares for the year 2021 in proportion of 5 ordinary shares for every 100 ordinary shares i.e. 5% to the shareholders of the Bank.
5. To approve Board of Directors Travel, Accommodation and Remuneration Policy, 2019 as recommended by the Board of Directors.

Other Business

6. Any other business with the permission of the Chair.

Statement under section 134 (3) of the Companies Act, 2017 pertaining to special business is given hereunder.

By Order of the Board

Zahid Sahibzada
Company Secretary

Peshawar: March 8, 2022

NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Notes:

- (i) Share Transfer Books of the Bank will remain closed from Wednesday, March 23, 2022 to Tuesday, March 29, 2022 (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 Tuesday, March 22, 2022 will be treated in time for the said purpose.

- (ii) All members are entitled to attend and vote at the meeting.
- (iii) 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.
- (iv) The instrument of proxy applicable for the meeting is being provided with the notice sent to members. Further copies of the instrument of proxy, if required, may be obtained from the Registered Office of the Bank during normal office hours.
- (v) 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.
- (vi) 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.

- (vii) The proxy shall produce his / her original CNIC or passport at the time of the meeting.
- (viii) 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.
- (ix) Form of Proxy, if required, should be signed on Rs.5/- Revenue Stamp.

FOR SHAREHOLDERS' ATTENTION

Transmission of Annual Report 2020

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 payment of 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:

1. Persons appearing in ATL: 15%
2. 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.

NOTICE OF THIRTY FIRST ANNUAL GENERAL MEETING

Unclaimed / Unpaid Dividends and Share Certificates

The shareholders are hereby informed that in accordance with Section 244 of the Companies Act, 2017 and The Unclaimed Shares, Modaraba Certificates, Dividend, Other Instruments and Undistributed Assets Regulations, 2017, the companies are required to deposit cash dividends to the credit of the Federal Government and shares to the Commission, which are unpaid or unclaimed for a period of three (3) years or more from the date it is due and payable.

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

Deposit / Conversion of Physical Shares into Book Entry Form

As per Section 72 of the Companies Act, 2017, every existing company shall be required to replace its physical shares with book-entry form in a manner as may be specified and from the date notified by the Commission, within a period not exceeding four years from the commencement of Companies Act 2017 i.e. May 31, 2017 according to which the deadline was May 31, 2021.

The shareholders had been informed about the requirement through notice on the Pakistan Stock Exchange Ltd. dated August 11, 2021 as well as individual letters were dispatched to the shareholders followed by publication in English and Urdu newspapers on August 20, 2021.

The shareholders having physical shareholding may open CDC Sub-account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form. This will facilitate them in many ways including safe custody and sale of shares, any time they want, as the trading of physical shares is not permitted as per existing regulations of the Stock Exchange.

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 date of 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 request to be submitted to registered address of the Bank 07 days before holding of the Annual General Meeting.

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

This statement set out the material facts concerning the Special Business at item No. 4 and 5 of the notice to be transacted at the Annual General Meeting of the Bank to be held on March 29, 2022.

Item No. 4 – Issue of Bonus Shares

The Board of Directors in its meeting held on March 4, 2022 has recommended issuance of Bonus Shares for the year 2021 in proportion of 5 ordinary shares for every 100 ordinary 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, 2022 and that the shares so issued be treated for all purpose as an increase in the paid-up capital of the Bank.

Item No. 5 – To approve Board of Directors Travel, Accommodation and Remuneration Policy, 2019

The Board of Directors in its 154th meeting held on March 01, 2019 had approved Board Travel, Accommodation and Remuneration Policy, 2019. Subsequently, certain amendments / changes were made in the said Policy which were also approved by the Board in its 158th meeting held on October 25, 2019.

Under the SBP Corporate Governance Regulatory Framework issued vide BPRD Circular No.5 dated November 22, 2021, it was required that the said policy should be approved by the shareholders in the AGM. Accordingly, the Board of Directors Travel, Accommodation and Remuneration Policy, 2019 is being presented for post-facto approval of the shareholders.