

## **Notice of 6<sup>th</sup> Annual General Meeting of MCB Islamic Bank Limited**

Notice is hereby given that the 6<sup>th</sup> Annual General Meeting of MCB Islamic Bank Limited (the 'Bank') will be held on Wednesday, March 18, 2020 at 04:30 PM at 339-Z Block, DHA Phase III, Lahore to transact the following businesses:

### **Ordinary Business:**

1. To confirm the minutes of the 5<sup>th</sup> Annual General Meeting held on March 25, 2019.
2. To receive, consider and adopt the Annual Audited Financial Statements of the Bank for the year ended December 31, 2019 together with Directors' and Auditors' Reports thereon and Chairman's Review Report.
3. To appoint auditors of the Bank for the year ending December 31, 2020 and to fix their remuneration. The Members are hereby notified that the Audit Committee and the Board of Directors have recommended the name of retiring Auditors, M/s KPMG Taseer Hadi & Company, Chartered Accountants, for re-appointment.

### **Special Business:**

4. To consider and, if thought fit, to pass, with or without modifications, an ordinary resolution to approve Remuneration Policy for Board of Directors, Board Committees and Executive Directors (as required under BPRD Circular No. 03 of 2019 of State Bank of Pakistan).
5. To consider and, if thought fit, to pass, with or without modifications, a resolution as special resolution to approve amendments in the Memorandum and Articles of Association of the Bank.

(Attached to this Notice is a Statement of Material Facts concerning the above-mentioned special business and draft special resolutions, as required under Section 134(3) and Section 140 of the Companies Act, 2017).

By Order of the Board

February 25, 2020  
Lahore

**Ms. Maimoona Cheema**  
Company Secretary

### **NOTES:**

1. Members whose names appear in the register of members on March 18, 2020 will be entitled to attend the proceedings of the meeting.
2. A member entitled to attend and vote at the Meeting is entitled to appoint another member as his/her proxy to attend, speak and vote instead of him/her at the meeting. No person shall act as a proxy, who is not a member. Corporate entity can appoint a person who is not a member in terms of Section 138 of the Companies Act, 2017.
3. 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, its common seal should be affixed on the instrument.

4. The instrument appointing a proxy, together with Power of Attorney, if any, under which it is signed or a notarially certified copy thereof, should be deposited, with the Company Secretary, MCB Islamic Bank Limited, 59, T-Block, DHA Phase II, Lahore not less than 48 hours before the time of holding the meeting.
5. 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.
6. The Bank has placed its audited financial statements for the year ended 31 December, 2019 on its website: [www.mcbislamicbank.com](http://www.mcbislamicbank.com)

## **MCB Islamic Bank Limited**

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

#### **Item No. 5 of the Notice**

##### **Remuneration Policy for BOD, Committees and Executive Directors**

State Bank of Pakistan issued a BPRD Circular No. 03 of 2019 dated August 17, 2019 pertaining to the amendments in Prudential Regulations G-1. As per the said Circular the Banks/DFIs were required to formulate a comprehensive and transparent remuneration policy for the Chairman and other Directors and shall be approved by the shareholders of the bank/DFI on pre or post facto basis in the annual general meeting.

The Board of Directors updated Remuneration Policy for the BOD, Board Committees and Executive Directors on August 06, 2019 which was earlier formulated on October 23, 2018. As per the requirement of aforementioned SBP's Circular, it is proposed to consider and, if thought fit, to pass the following resolution as an ordinary, with or without modifications, to approve Remuneration Policy for BOD, Committees and Executive Directors:

**“RESOLVED THAT** Remuneration Policy for Board of Directors, Board Committees and Executive Directors, be and is hereby approved, as was approved by the Board of Directors”

The Directors / Chief Executive of the Bank have no interest, directly or indirectly, in this Special Business and/or Special Resolution except in their capacities as directors/Chief Executive/shareholders as has been detailed in the pattern of shareholding annexed to the Directors' Report and the entitlements to the remuneration.

#### **Item No. 6 of the Notice**

##### **Amendments in the Memorandum of Association and Articles of Association**

The existing Articles of Association of the company have been redrafted to align the same with the provisions of the Companies Act, 2017. Further, the Memorandum of Association is also proposed to be amended to replace the reference of repealed Companies Ordinance with the Companies Act, 2017.

Also, the remuneration of Directors for attending Board meetings was fixed at Rs.10,000/- by Article 75 of the Articles of Association of the Bank. The said amount was fixed at the time of inception of the Bank and is not commensurate to the duties and obligations of the directors. In view thereof, the Board of Directors proposed an amendment in Article no. 75 of the Articles of Association of the Bank. The main objective of this amendment was to make the Article general instead of fixing an amount and the remuneration may be fixed by the director whenever the need arises.

A draft of the amended Articles of Association identifying the changes proposed therein, bearing the initials of the Company Secretary for the purpose of identification, is enclosed herewith.

For the purpose aforesaid, it is proposed to consider and, if thought fit, to pass the following resolution as a special resolution, with or without modifications, to amend the Memorandum of Association and Articles of Association of the Bank:

**“RESOLVED THAT** the proposed amendments in Memorandum and Articles of Association of the Bank as laid before the members, bearing the initials of the Company Secretary for the purpose of identification be and is hereby approved and adopted.”

**“FURTHER RESOLVED THAT** the Chief Executive Officer and / or Company Secretary of the Bank be and is hereby authorized to, singly, do all acts, deeds and things, take any and all necessary steps, to fulfill the legal, corporate and procedural formalities and file all necessary documents/returns as deemed necessary on this behalf and the matters ancillary thereto to fully achieve the object of the aforesaid resolution.”

**Resolved Further That** the Chief Executive and Company Secretary be and are hereby singly authorized to do all acts, deeds and things and take all steps and necessary actions ancillary and incidental including filing of requisite documents and returns as may be required with the Registrar of Companies and complying with all other regulatory requirements so as to effectuate the alteration in the Memorandum and Articles of Association of the Bank and implementing this resolution.

**Resolved Further** that the aforesaid alteration in the Memorandum and Articles of Association of the Company shall be subject to any amendment, modification, addition or deletion as may directed by the SECP, which amendment, modification, addition or deletion shall be deemed part of this special resolution without the need for passing a fresh special resolution.”

The Directors / Chief Executive of the Bank have no interest, directly or indirectly, in this Special Business and/or Special Resolution except in their capacities as directors/Chief Executive/shareholders as has been detailed in the pattern of shareholding annexed to the Directors’ Report and the entitlements to the remunerations.

### **Comparative Analysis**

In order to enable the members to compare the existing Memorandum and Articles of Association with the proposed Memorandum and Articles of Association, a blackline draft identifying the proposed changes in the documents along with reasons and justifications for the proposed changes, bearing the initials of the Company Secretary for the purposes of identification is being circulated with this notice to serve as a comparative analysis

### **Reasons for Alteration in Memorandum and Articles of Association:**

The existing Articles of Association of the company have been redrafted to align the same with the provisions of the Companies Act, 2017. Further, the Memorandum of Association is also proposed to be amended to replace the reference of repealed Companies Ordinance with the Companies Act, 2017. The reasons of each change in the articles of association is mentioned in the attached comparative analysis.

### **Availability of Relevant Documents and Inspection**

A copy of the Board Remuneration Policy and copies of the existing and proposed Memorandum and Articles of Association indicating the proposed amendments are available for inspection at the registered office of the Bank from 9.00 a.m. to 5.00 p.m. on any working day, upto the last working day before the date of the Annual General Meeting. The same shall also be available for inspection by the members in the Annual General Meeting.

### **Statement of the Board of Directors**

We, the members of the Board of Directors of the Company hereby confirm that the proposed amendments/alterations in the Memorandum and Articles of Association of the Company are in line with the applicable provisions of the laws and regulatory framework.

**Chairman**  
**Board of Directors**