
Notice of the 26th Annual General Meeting (AGM)

Notice is hereby given that the Twenty Sixth AGM of Silkbank Limited will be held at Millennium Hotel, Islamabad, on Tuesday, August 11, 2020 at 10:00 a.m. to transact the following business:

Ordinary Business:

1. To confirm the minutes of Twenty Fifth Annual General Meeting held on March 29, 2019.
2. To receive, consider and, if thought fit, adopt the Annual Audited Financial Statements, Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 of the Bank for the year ended December 31, 2019 together with the Directors' Report and Auditors' Reports thereon.
3. To consider and, if thought fit, appoint External Auditors to hold office from this AGM till the conclusion of the next AGM of the Bank and to fix their remuneration. The retiring External Auditors namely, M/s. Grant Thornton Anjum Rahman (GTAR), Chartered Accountants have consented to be so appointed and the Board of Directors has recommended their appointment.
4. To elect nine (09) Directors as fixed by the Board of Directors of the Bank under Section 159(1) of the Companies Act, 2017 ("Act") in accordance with the provisions of the said Act for a period of three years to commence from August 11, 2020. The total strength of the Board of Directors of the Bank shall be nine (09) elected directors and the President & CEO of the Bank, will be a deemed Director under section 188(3) of the Companies Act, 2017.

The following retiring Directors are eligible for re-election.

- 1- Mr. Khalid Aziz Mirza
- 2- Mr. Rashid Akhtar Chughtai
- 3- Mr. Shahzad Enver Murad
- 4- Mr. Zubair Nawaz Chattha
- 5- Mr. Masroor Ahmed Qureshi
- 6- Mr. Tariq Iqbal Khan
- 7- Mr. Talha Saeed Ahmed
- 8- Mr. Azmat Shahzad Ahmed Tarin

Special Business:

- I. To consider and if thought fit approve the Remuneration Policy, for Independent & Non-Executive Directors of the Bank, covering the scale of fee payable for attending Board & Committee meetings, as per BPRD Circular No. 03 of 2019, of State Bank of Pakistan dated August 17, 2019, and pass the following resolution as ordinary resolution:

“Resolved that, the Remuneration Policy for Independent & Non-Executive Directors of the Bank covering the scale of fee payable for attending Board & Committee meetings, as recommended by the Board of Directors of the Bank, be and is hereby approved”.

Any Other Business:

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

Karachi, August 11, 2020

By Order of the Board

Faiz Ul Hasan Hashmi
Company Secretary

**Statement of Material Facts under section 134(3) of the Companies Act, 2017,
pertaining to Special business:**

Remuneration Policy for Independent & Non-Executive Directors of the Bank:

The shareholders of the Bank in their 22nd Annual General Meeting held on March 28, 2016, approved the following Directors' remuneration for attending Board & its Committee's meetings:

	Remuneration for attending Board meeting	Remuneration for attending Committee meeting
Chairman	Rs. 635,000/-	Rs. 475,000/-
Board Members	Rs. 475,000/-	Rs. 475,000/-

The State Bank of Pakistan (SBP) vide its BPRD Circular No. 03 of 2019, dated August 17, 2019, advised all banks/DFIs to formulate a comprehensive and transparent policy on remuneration & incentives paid to the Chairman and other Directors of the Bank for attending Board and its Sub-Committee meetings. The policy is required to be approved from the shareholders of the bank on pre or post facto basis.

In compliance of above SBP circular, the Board has approved the Remuneration Policy for Independent & Non-Executive Directors of the Bank covering the following scale of fee payable for attending Board & Committee meetings:

	Board Remuneration	
	Current Remuneration	Proposed Remuneration as per SBP circular
Chairman (for attending Board meeting) <i>(Upto 20% extra may be paid for performing additional services, with the approval of the shareholders).</i>	Rs. 635,000/-	Rs. 570,000/-
All Other Board members. (for attending Board & Committee's meeting.)	Rs. 475,000/-	Rs. 475,000/-

Notes:

1. Closure of Share Transfer Books:

The Share Transfer Book of the Bank will remain closed from **Tuesday, August 04, 2020 to Tuesday, August 11, 2020** (both days inclusive). Share Transfers received at our Registrar, M/s. CDC Share Registrar Services Limited House, 99–B, Block ‘B’, S.M.C.H.S., Main Shahra-e-Faisal Karachi-74400 by the close of business hours (5:00 PM) on **Monday, August 03, 2020**, will be treated as being in time for the purpose of above entitlement to the transferees.

2. Participation in the meeting through Online Facility:

In wake of the prevalent COVID-19 pandemic situation and in the light of the relevant guidelines issued by the Securities and Exchange Commission of Pakistan (SECP) vide Circular No. 5 of 2020 dated March 17, 2020, the shareholders are encouraged to participate in the AGM through electronic facility organized by the Bank. In order to attend the AGM through electronic facility, the shareholders are requested to get themselves registered with M/s CDC Share Registrar Services Limited at least 48 hours before the time of AGM at cdcrta@cdcpak.com.

The shareholders will be able to login and participate in the AGM proceedings through their smartphones or computer devices from their homes or any convenient location after completing all the formalities required for the verification and identification of the shareholders.

The login facility will be opened at 9.00 a.m. on August 11, 2020 enabling the participants to join the proceedings which will start at 10.00 a.m. sharp.

The shareholders are requested to provide the information as per the below format. The details of the video link will be sent to the shareholders on the email address provided in the below table:

S. No	Name of Shareholder	CNIC Number	Folio Number	Cell Number	Email address

- Shareholders may send their comments and suggestions relating to the proposed agenda items of the AGM at least two working days before the AGM, at cdcrta@cdcpak.com. or WhatsApp or SMS on **0321-8200864**. Shareholders are required to mention their full name, CNIC No. and Folio/CDS No. for this purpose.
- Shareholders will be encouraged to participate in the AGM to consolidate their attendance and participation through proxies.

3. Eligibility Criteria for Candidates Contesting Election of Directors

In terms of section 159 (3) of the Companies Act, 2017, any person who seeks to contest election to the office of a director, whether he is a retiring director or otherwise, shall file with the Bank at its Registered Office, not later than fourteen (14) days before the date of this meeting, the following documents:

- i. Notice of his/her intention to offer himself/ herself for election as a Director. along with duly signed consent in Form 28 under Section 167 of the Companies Act 2017 and certify that he/she is not ineligible to become director of the Bank under any applicable laws, rules and regulations and circulars / directives.
- ii. Declaration in respect of being compliant with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and the eligibility criteria as set out in the Companies Act, 2017 to act as the director of a listed company.
- iii. Declaration by independent director(s) in terms of Regulation 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019, wherever applicable.
- iv. Undertaking on non-judicial stamp paper that he/she meets the requirements of sub-regulation (1) of Regulation 4 of the Companies (Manner and Selection of Independent Directors) Regulations, 2018, wherever applicable.
- v. A questionnaire duly completed, recent photograph, copy of CNIC / Passport and an Affidavit to, inter alia, meet the requirement of State Bank of Pakistan's Prudential Regulations G-1 and the Fit and Proper Test for Appointment of Directors, as contained in Corporate Governance Annexures A, I and II of the Prudential Regulations.

In terms of the criteria prescribed by the State Bank of Pakistan, association of the following person as director is undesirable and against public interest

- i. A person who is / has been associated with any illegal activity, especially relating to banking business;
- ii. A person who is in his individual capacity or a proprietary concern of any partnership firm or any private limited company or any unlisted public company or any listed public company (of which he has been a proprietor, partner, director or shareholder), has been in default of payment of dues owed to any financial institution and / or in default of payment of any taxes;
- iii. Has not been associated as director and/or chief executive with the corporate bodies who have defaulted in payment of Government duties/taxes etc.; and
- iv. Has not sufficient means to discharge his/her financial obligations, if any.

4. Postal Ballot, E-voting & Poling Booth

Pursuant to the Companies (Postal Ballot) Regulations, 2018, for the purpose of election of Directors and for any other agenda item subject to the requirements of Section 143 and 144 of the Companies Act, 2017, members will be allowed to exercise their right to vote through postal ballot, that is voting by post or through any electronic mode, in accordance with the requirements and procedure contained in the aforesaid Regulations.

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- i. If the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 (1) of the Companies Act, 2017 then the Company shall provide its Members with the option of e-voting or voting by postal ballot in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018.
 - ii. Voting lines for Elections of Directors will be opened for the Shareholders from August 08, 2020 09:00 a.m. till August 10, 2020 at 5:00 p.m.

Procedure for voting through ballot paper:

- i. The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the chairman of the meeting through post or email one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.
- ii. In case of foreign members and representatives of a body corporate, corporation and Federal Government, acceptability of other identification documents in lieu of CNIC shall be approved by the board of the company.

5. For appointing Proxy

- 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 the proxy form as per the requirements mentioned below.
- ii. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
- iii. Attested copies of CNIC or the Passport of the beneficial owners and of the proxy shall be furnished with the proxy form.
- iv. The proxy shall produce his/her original CNIC or original Passport at the time of the meeting.
- v. In case of a legal entity, the Board of Directors' resolution/power of attorney with specimen signature shall be submitted (unless it has been provided earlier) along with proxy form to the Company.

In order to be effective, duly filled and signed Proxy Form must be received at the Registered Office of the Bank i.e. 13-L, F-7 Markaz, Islamabad, not less than forty-eight (48) hours before the time for holding the Meeting.

6. For attending the Meeting:

- i. In case of individuals, the Account holder and/or Sub-account holder whose registration details are uploaded as per the CDC regulations, shall authenticate his/her identity by showing his/her original valid CNIC or original passport at the time of attending the meeting.

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- ii. In case of corporate entity, the Board of Directors' resolution / power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of the meeting.

7. Change of Address:

Members are requested to immediately notify the change, if any, in their registered address to the Share Registrar M/s. CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shakra-e-Faisal, Karachi-74400.

- 8.** Annual Accounts for the year ended December 31, 2019 of the Bank, have been placed on the website of the Bank, www.silkbank.com.pk