

Notice of Annual General Meeting

Notice is hereby given that **Twenty Eighth (28th) Annual General Meeting (“AGM”)** of Soneri Bank Limited will be held at Avari Hotel, Lahore on Thursday, 26 March 2020 at 9:00 a.m. to transact the following business:

Ordinary Business

- 1) To confirm the minutes of last Annual General Meeting held on 28 March 2019.
- 2) To receive, consider and adopt Annual Audited Accounts together with the Directors' and Auditors' Reports thereon for the year ended 31 December 2019.
- 3) To approve and declare the final cash dividend of Re.1.00/- per share (i.e.10%) for the financial year ended 31 December 2019 as recommended by the Board of Directors in its 175th meeting held on 13 February 2020.
- 4) To elect Directors of the Bank in accordance with the provisions of Section 159(1) of the Companies Act, 2017. The number of directors to be elected pursuant to Section 159(1) of the Companies Act, 2017 has been fixed at seven (7) for a term of three years by the Board of Directors including one female Director in compliance with Clause 7 of the Listed Companies (Code of Corporate Governance) Regulations, 2019, commencing from 28 March 2020. Following are the retiring directors, who are eligible to offer themselves for re-election, subject to approval of State Bank of Pakistan:-
 - i. Mr. Alauddin J. Feerasta
 - ii. Mr. Nooruddin Feerasta
 - iii. Mr. Amin A. Feerasta
 - iv. Mr. Muhammad Rashid Zahir
 - v. Mr. Inam Elahi
 - vi. Mr. Manzoor Ahmed (NIT Nominee)
 - vii. Mr. Jamil Hassan Hamdani
- 5) To appoint Auditors of the Bank for the year ending 31 December 2020 till the conclusion of next Annual General Meeting and fix their remuneration. The retiring auditors, M/s. KPMG Taseer Hadi & Company, Chartered Accountants, being eligible, have offered themselves for re-appointment.
- 6) To transact such other ordinary business as may be placed before the meeting with the permission of the Chair.

Special Business

- 7) To consider and approve Remuneration Policy for Non-Executive Directors in compliance of the State Bank of Pakistan's BPRD Circular No.03 dated 17 August 2019 and if thought fit to pass the following resolution as Ordinary Resolution:

“RESOLVED THAT on recommendation of the Board of Directors made in its 175th meeting convened on 13 February 2020, Remuneration Policy for Non-Executive Directors be and is hereby approved with effect from 12.02.2020, in compliance of the State Bank of Pakistan's BPRD Circular No.03 dated 17.08.2019.

FURTHER RESOLVED THAT Board of Directors are hereby entrusted with the authority to determine, alter or revise the scale of remuneration approved by the Shareholders for Non-Executive Directors by abiding the maximum thresholds prescribed by the State Bank of Pakistan vide their Circular referred above.”

Statements under Section 166(3) for Item No.4 and under Section 134(3) of the Companies Act, 2017 in respect of the special business contained in Item No.7, are annexed to the Notice of AGM.

BY ORDER OF THE BOARD

Muhammad Altaf Butt
Company Secretary

Lahore: 13 February 2020

NOTES:

1. Share Transfer Books of Soneri Bank Limited (“the Bank”) will remain closed from 19 March 2020 to 26 March 2020 (both days inclusive). Transfers received in order at the office of our Shares Registrar M/s. THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S. Karachi, by the close of business on 18 March 2020 will be considered in time for the purpose of attending and voting in the Annual General Meeting as well as entitled to the payment of cash dividend.
2.
 - 2.1. In accordance with Section 159 (1) of the Companies Act, 2017 (“the Act”), the number of Directors to be elected has been fixed as seven (7). The retiring Directors are eligible to offer themselves for re-election. The President/Chief Executive Officer shall continue to be a deemed Director in terms of Article 54 of the Articles of Association of the Bank read with Sub-section (3) of Section 188 of the Act.
 - 2.2. Any person/member desirous to contest the election of Directors shall file the following with Company Secretary of the Bank at its Central Office located at 10th Floor, PNSC Building, M.T. Khan Road, Karachi, not later than 14 days before the day of the above said meeting:
 - (a) Notice of his/her intention to offer himself/herself for the election in terms of Section 159(3) of the Act. He/She should also confirm that:
 - (i) He/She is not ineligible to become a Director of the Bank in terms of Section 153 and 177 of the Companies Act, 2017 issued by the Securities and Exchange Commission of Pakistan (“SECP”) as well as other applicable Laws, Rules and Regulations of the State Bank of Pakistan and Pakistan Stock Exchange.
 - (ii) Neither he/she nor his/her spouse is engaged in the business of brokerage or is a sponsor, Director or officer of a corporate brokerage house.
 - (iii) He/She is not serving as a Director or nominated including as an alternate Director in more than seven listed companies simultaneously in terms of Regulation (3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“ the CCG”) read with Section 155 of the Act.
 - (iv) In case of Independent Director, a declaration of independence in terms of requirements of Section 166(2) of the Act read with Regulation 6(3) of the CCG as well as criteria laid down under the BPRD Circular No.15 dated 28 December 2016 should be provided.

- (b) Consent to act as Director in Form 28 under Section 167 of the Act.
 - (c) A detailed profile of the Candidate including his/her office address (the same shall be placed on the Bank's website as per requirements of SECP's notification S.R.O.1196 (I)/2019 dated 3 October 2019).
 - (d) Fit and Proper Test proforma, affidavit on non-judicial stamp paper, declarations and questionnaire as per the requirement of SBP's BPRD Circular No.4 dated 23 April 2007, BPRD Circular No.5 dated 12 March 2015 and BPRD Circular No.9 dated 18 October 2018.
- 2.3 Any person who seeks to contest the election to the office of a Director, whether he is a retiring Director or otherwise, shall undertake and confirm to the Bank in addition to confirmations made under Para 2.2 (a) above, that such person fulfills all the requirements and criteria for being elected to the office of a Director of the Bank and that such person does not violate any of the provisions or conditions prescribed by SBP for holding such office and further that such person shall fully comply with all the SBP directives issued or to be issued by the SBP in the form of circulars, notifications, directions, letters, instructions and other orders. In addition, he/she will also be evaluated on the basis of the Bank's Standing Operating Procedure ("SOP") for appointment of Non-Executive Director on the Board of the Bank and may be asked to provide such further information, as may be deemed necessary.

It is also pertinent to highlight that under SBP regulations, a person is not permitted to be a Director of more than one financial institutions (save for NIT nominee), and that the Directors shall not assume the charge of their respective offices until their appointments are approved in writing or specific permission is granted by SBP.

Further, the minority members who qualify criteria as enlisted in above paras shall be encouraged to contest election of Directors and shall be facilitated in terms of the requirements of Regulation 5 of the CCG.

A copy of the relevant documents may be obtained from the office of the Company Secretary of the Bank or may be downloaded from the websites of SECP and SBP.

- 3. A member of the Bank entitled to attend and vote at this meeting may appoint another member as his/her proxy to attend and vote on his/her behalf. Proxies, in order to be effective, must be received at the Registered Office of the Bank located at 241-242 Upper Mall Scheme, Anand Road, Lahore, not less than 48 hours before the time of the meeting. Proxy form shall be duly signed and stamped and witnessed by two persons whose names, addresses and Computerized National Identity Card ("CNIC") numbers shall be mentioned on the form. Proxy form, both in English and Urdu language is being separately sent to the shareholders, along with Notice of AGM.
- 4. The CDC account/sub account holders shall have to produce their original CNIC or original passport at the time of attending the meeting for identification purpose, along with participant's I.D number and their Account number in CDS.

In case of Corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee together with the original proxy form duly filled in must be received at the registered office of the Bank not less than 48 hours before

the time of holding the meeting. The nominees shall produce their original CNIC or original passport at the time of attending the meeting for identification purpose.

5. Shareholders are requested to notify change in their addresses, if any, to our Share Registrar, M/s. THK Associates (Pvt.) Ltd, 1st Floor, 40-C, Block-6, P.E.C.H.S. Karachi.

6. **CNIC/NTN Number on Electronic Dividend (Mandatory)**

As per S.R.O.831(1)/2012 dated 05 July 2012 issued by SECP, the electronic Dividend should also bear the CNIC number of the registered shareholder.

As per Regulation No.6 of S.R.O. 1145(1)/2017 dated 06 November 2017, the Bank shall be constrained to withhold the payment of dividend to the shareholders, in case of non-availability of identification number (CNIC or National Tax Number) of the shareholder or the authorised person.

Accordingly, the shareholders, who have not yet submitted copy of their valid CNIC or NTN are once again requested to immediately submit the same to the Share Registrar.

7. **Transmission of Audited Financial Statements & Notice Of Annual General Meeting through E-Mail and CD/DVD**

SECP through its Notification No.S.R.O.787(1)2014 dated 08 September 2014, has allowed companies to circulate their annual balance sheet and profit & loss account, auditor's report and directors' report etc. ("Audited Financial Statements") along with Notice of Annual General Meeting ("Notice") to their shareholders through email. The shareholders who wish to receive Annual Audited Financial Statements and Notice of AGM through email are requested to fill the consent form given in the link mentioned below and return it to our Share Registrar. <https://www.soneribank.com/about-us/investor-relations/shareholders-information/>

In terms of SECP S.R.O. No. 470(I)/ 2016 dated 31 May 2016 and its subsequent approval in the 25th Annual General Meeting of the Bank held on 28 March 2017, the Annual Report is being transmitted to shareholders through CD/DVD instead of sending in book form/hard copy. However, the Bank will provide one hard copy free of cost to the requesting shareholder at their registered address within one week of the request.

8. **Increase in Withholding Tax on Dividend Income for Non-Filers and Payment of Cash Dividend through Electronic Mode**

The shareholders are hereby informed that pursuant to amendments in Section 150 of the Income Tax Ordinance, 2001 through Finance Act, 2019, Income Tax will be deducted at source @15% for person appearing in ATL and @30% for person not appearing in ATL (determined as per "Active Taxpayers List (ATL)" available on Federal Board of Revenue's website) from the dividend amount, if any.

In case of joint account, each holder is to be treated individually as either a filer or non-filer and tax will be deducted on the basis of shareholding of each joint holder as may be notified by the shareholder, in writing as follows, to our Share Registrar. In case no such notification is received by us, equal deduction of tax will be made where proportionate holding is not available with us.

Bank Name	Folio/CDS A/c. No.	Total Shares	Principal Shareholder		Joint Shareholder	
			Name And CNIC No.	Shareholding Proportion (No. of Shares)	Name And CNIC No.	Shareholding Proportion (No. of Shares)

The CNIC number/NTN details are now mandatory and is required for checking the tax status as per the Active Taxpayers List (“ATL”) issued by Federal Board of Revenue (FBR) from time to time.

9. **Payment of Cash Dividend through Electronic Mode (Mandatory)**

In terms of Section 242 of the Act and Companies (Distribution of Dividends) Regulations, 2017, every listed company is required to pay dividend, if any, to their shareholders compulsorily through electronic mode directly crediting the same in their bank account.

In this respect, the Bank has previously communicated this requirement to the shareholders individually along with newspaper publications requesting to provide the International Bank Account Number (“IBAN”); however response from a few shareholders was received.

Shareholders are again requested to update their record. In this connection, CDC shareholders may submit their IBAN details to their investor account services or their brokers where shares are placed electronically. In case of physical holding, the shareholders are requested to submit their bank mandate details to the Bank’s Share Registrar. For providing the Bank Mandate details to CDC/Share Registrar, the requisite form may be downloaded from the Bank’s website, direct link of which is;

http://www.soneribank.com/wp-content/uploads/2017/10/Dividend_Mandate_form.pdf

10. **Unclaimed Dividend and Shares**

Pursuant to Section 244 of the Act, any shares issued or dividend declared by the Bank, which remain unclaimed or unpaid for a period of three years from the date they became due and payable shall rest with the Federal Government after compliance of procedures prescribed under the Act. In this respect, we had already initiated the process and concerned shareholders were advised vide our letter dated 04 October 2017 to claim their unclaimed dividends/shares. However, only a few shareholders have claimed their pending entitlements so far. Statement of such unclaimed dividends/shares is available on the Bank’s website which may be accessed by surfing the link: <http://www.soneribank.com/about-us/investor-relations/shareholders-information/>

Shareholders are again advised to approach the Bank’s Share Registrar to claim their pending dividends/shares at the earliest failing which the Bank shall proceed ahead in terms of requirement of Section 244(2) (a) & (b) of the Act.

11. **Deposit of Physical shares into CDC Account**

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

Further, Section 72 of the Act states that after the commencement of this Act from a date notified by the Commission, a company having share capital, shall have shares in book-entry form only. 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 this Act.

12. **Video Conference Facility for Attending Annual General Meeting**

The members who wish to attend AGM via video conference, may send their consent on the below format to the Bank at its registered office address.

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 seven (7) days prior to date of the meeting, the Bank will arrange video conference facility in that city subject to availability of such facility in that city.

The Bank will intimate members regarding venue of video-link facility at least five (5) days before the date of the AGM along with complete information necessary to enable them to access such facility.

<p><u>Consent Form for Video Conference Facility</u></p> <p>“I/We -----of-----, being a member of Soneri Bank Limited, holder of -----Ordinary shares as per registered Folio/CDC Account No.-----hereby opt for video conference facility at --- ----- (geographical location).</p> <p style="text-align: right;">_____ Signature of Member</p>

13. **Requirement of Companies (Postal Ballot) Regulations, 2018**

Pursuant to Companies (Postal Ballot) Regulations, 2018, for any other agenda item subject to the requirements of Section 143 and 144 of the Act, members present in person, through video-link or by proxy, and having not less than one-tenth of the total voting power can also demand a poll and exercise their right of vote through postal ballot, that is voting by post or through any electronic mode, in accordance with requirements and procedure contained in the aforesaid regulations.

14. **Placement of AGM Notice on the Bank’s website**

Notice of 28th AGM has also been made available on the Bank’s website www.soneribank.com, in addition to its dispatch to the shareholders through CD/DVDs as well as publication in the newspapers.

Statement under Section 166(3) of the Companies Act, 2017

Agenda Item No. 4

Election of Directors of the Bank in accordance with the provisions of Section 159(1) of the Companies Act, 2017

Statement under Section 166(3) of the Companies Act, 2017 in respect of Election of Independent Directors of the Bank:

Independent Directors will be elected through the process of election of Directors in terms of Section 159 of the Companies Act, 2017 and they shall meet the criteria laid down under BPRD Circular No.15 dated 28 December 2016 issued by SBP as well as the criteria laid down under Section 166(1 & 2) of the Companies Act, 2017.

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

This statement sets out the material facts concerning the special business to be transacted at Twenty Eighth (28th) Annual General Meeting of Soneri Bank Limited to be held on 26 March 2020.

Agenda Item No. 7

Approval of Remuneration Policy for Non-Executive Directors

The Remuneration Policy for Non-Executive Directors was approved by the Board of Directors in its 175th meeting convened on 13 February 2020 in compliance of the State Bank of Pakistan’s BPRD Circular No.03 dated 17 August 2019. This Policy is being presented to the shareholders for their approval in terms of requirement of above referred Circular. Salient features of this Policy are provided below.

This Policy is aimed at adequately remunerating the Non-Executive Directors including the Chairman as well as Independent Directors of the Bank for devoting their valuable time in providing guidance and oversight to the Bank as well as in framing Policies for smooth functioning of the Bank. It also reflects the Bank’s objectives of good Corporate Governance and sustained, long-term value creation for our shareholders and also aims to promote sound and effective risk management.

The scale of meeting fee for Non-Executive Directors including Independent Directors was approved by the Board at Rs.150,000/- for attending the Board/Committees’ Meetings. Considering devotion of valuable time in performing extra services and providing guidance and oversight of the conduct and management of business affairs of the Bank by the Management, Meeting Fee of Rs.180,000/- per meeting shall be paid to the Chairman of the Bank (for Board and Committee Meetings) and Committee’s Chairmen for chairing their respective Committees. The Board also approved that expenses related to boarding and lodging, air ticket and pick and drop of the Non-Executive Directors shall be borne by the Bank and if the Director travels by own car between Islamabad to Lahore & return, he will be paid Rs.10,000/- per travel in lieu of Air Ticket to cover for the travelling costs. Further, hotel

allowance of Rs.15,000/- per night stay was approved to be paid to Non-Executive Directors who don't avail the Bank's provided accommodation.

Board also recommended for shareholders' approval administrative expenses pertaining to the office, staff and security allocated to the Chairman of the Bank, in line with the SBP's BPRD Circular No.03 dated 17 August 2019. In compliance of this Circular, two security guards, one driver, one personal secretary and chairman's office rent was accordingly recommended for approval by the shareholders.

Further, as per the Policy no such remuneration shall be paid to the Executive Directors. However, expenses for boarding and lodging, air ticket and usual TA/DA shall be paid in accordance with the Bank's approved Travel Policy.

Board also approved that no consultancy or allied work shall be awarded to a Director or to the firms/institutions/companies etc. in which he individually and/or in concert with other Directors of the Bank, holds substantial interest. Further, if any Director obtains 'unsatisfactory performance rating' evaluated as per the Guidelines issued by the SBP vide their BPRD Circular No. 11 of 2016, the matters relating to his/her performance as well as remuneration shall be decided by the Board.

Inspection of Documents:

The copies of the latest annual audited financial statements, Memorandum & Articles of Association, Remuneration Policy for Non-Executive Directors and other documents / information have been kept at the registered office of the Bank which may be inspected on any working day during business hours till the date of 28th Annual General Meeting.

Interest of Directors:

The Directors of the Bank have no direct or indirect interest in the above mentioned special business that would require further disclosure except to the extent of their meeting fee as well as shareholding in the Bank.