

## Notice Of Annual General Meeting

Notice is hereby given that the 17th Annual General Meeting of the Members of BankIslami Pakistan Limited will be held Inshallah on Tuesday, March 30, 2021 at 10:30 AM to transact the following business. The meeting will be held via Zoom and shareholders are encouraged to attend the meeting via Zoom facility. Shareholders who elect to attend the AGM in person can assemble at 10th Floor Progressive Square, Shakra-e-Faisal, Karachi.

### ORDINARY BUSINESS

1. To confirm (a) minutes of the 16th Annual General Meeting of the Bank held on March 25, 2020; (b) Minutes of Extraordinary General Meeting of the Bank held on May 07, 2020 and (c) Minutes of Extraordinary General Meeting of the Bank held on February 11, 2021.
2. To receive, consider and adopt the Annual Audited Accounts of the Bank and Consolidated Audited Accounts of the Bank for the year ended December 31, 2020 together with the Auditors' and Directors' Report and Chairman's Review thereon.
3. To appoint Auditors of the Bank for the year ending December 31, 2021 and to fix their remuneration. KPMG Taseer Hadi & Co., Chartered Accountants, offer themselves for appointment as auditors for the year ending December 31, 2021.

### SPECIAL BUSINESS

4. To consider and, if thought fit, to pass the following resolutions, with or without modification, as Ordinary Resolutions:

**RESOLVED THAT** approval of the Members of BankIslami be and is hereby accorded in terms of Section 183 of the Companies Act and other applicable legal provisions, and BankIslami be and is hereby authorized to dispose-off 77,117,500 shares in BIPL Securities Limited ('BIPLS'), representing 77.12% of the issued and paid up ordinary share capital of BIPLS and 100% of BankIslami's shareholding in BIPLS, to M/s. AKD Securities Limited for a total consideration of PKR 663,210,500/- (Pakistani Rupees Six Hundred and Sixty Three Million, Two Hundred and Ten Thousand and Five Hundred Only), calculated at a value of PKR 8.60 per share, subject to completion of the tender process and receipt of all regulatory approvals, including the State Bank of Pakistan, Securities and Exchange Commission of Pakistan, Competition Commission of Pakistan and/or any other relevant authority.

**FURTHER RESOLVED THAT** the any two of (i) President & Chief Executive, (ii) Chief Financial Officer and (iii) Company Secretary (the "**Authorized Representatives**") of the Bank, be and are hereby jointly (any two)empowered and authorized to take all steps, necessary, ancillary and incidental to the above, and are further authorized to sign, execute and deliver all necessary documents, agreements and letters on behalf of the Bank including filing of applications to the regulators or authorities (including the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and Competition Commission of Pakistan), as may be deemed appropriate and as may be required for the purposes of abovementioned resolution."

A statement of material facts under Section 134(3) of Companies Act 2017 in respect to above mentioned special business to be considered at the Annual General Meeting is being sent to the members along with the Notice.

ANY OTHER BUSINESS

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

Venue of Annual General Meeting (AGM) and Participation of Shareholders through Electronic means:

In the wake of the current situation related to Corona virus and in the light of the relevant guidelines issued by Securities & Exchange Commission of Pakistan (SECP) and Pakistan Stock Exchange Limited, vide their Circular no. 5 of 2020 dated March 17, 2020 and Circular no. PSX/N-372 dated March 19, 2020 and SECP Circular No. 4 of 2021 dated February 15, 2021 respectively, the following arrangements have been made by the Bank for the participation of Shareholders:

- The Directors/Management of the Bank will be present at the Bank's Registered Office at 11th Floor, Executive Tower, Dolmen City, Marine Drive, Clifton Block-4, Karachi, to coordinate with the shareholders and consolidate the proxies to ensure the quorum.
- 10th Floor Progressive Square, Shakra-e-Faisal, Karachi will be the venue for the shareholders who elect to attend the meeting physically. As per SECP instructions given in the Circular No. 4 of 2021 dated February 15, 2021 shareholders who intends to participate physically in the general meeting will be allowed to participate keeping in view the COVID-19 related SOP's issued by the Provincial and / or the Federal Government.
- The Shareholders are encouraged to participate in the AGM through Zoom facility organized by the Bank. In order to attend the AGM through Zoom facility, the shareholders are requested to get themselves registered with the Company Secretary at least 24 hours before the time of AGM at the following e-mail address: agm2021@bankislami.com.pk
- The shareholders are requested to provide the information as per below format. The details of the Zoom facility will be sent to the shareholders on the email address provided in the below table:

Sr. No.	Name of the shareholder	CNIC Number	Folio Number	Cell Number	Email address

The login facility will be opened at 10:15 A.M. on 30-03-2021 enabling the participants to join the proceedings which will start at 10:30 A.M. sharp.

By order of the Board



Muhammad Shoaib  
Company Secretary

Dated: March 09, 2021

## STATEMENT UNDER SECTION 134 (3) OF THE COMPANIES ACT 2017

This statement set out the material facts concerning the resolution contained in the Notice pertains to the special business to be transacted at the Annual General Meeting of the Bank to be held on March 30, 2021.

### Disposal of BIPL Securities Limited:

BIPL Securities Limited ('BIPLS') is a subsidiary of the Bank, holding 77.12% shares of BIPLS. BIPLS was incorporated on October 24, 2000 under the repealed Companies Ordinance, 1984 (replaced now with Companies Act, 2017) and commenced its operations effective January 1, 2003, on the transfer of assets and liabilities of the securities segment of the then Khadim Ali Shah Bukhari and Company Limited under a Scheme of Arrangement approved by the High Court of Sindh. The shares of the Company are listed on the Pakistan Stock Exchange Limited (PSX). BIPLS is licensed as a brokerage company by the Securities and Exchange Commission of Pakistan and provides brokerage services in respect of equities, money market, forex and commodities, forex services corporate finance and advisory services, and research services.

The Board of Directors of the Bank, subject to the provisions of Section 183 of the Companies Act, 2017 and all other applicable provisions of the law, approved the disposal of BIPLS and the process of due diligence of the disinvestment and sale of BIPLS. After conducting extensive due diligence process and running a competitive bidding process in which three parties had participated, M/s AKD Securities Limited being the highest bidder has been selected as the potential buyer for the purposes of the sale transaction. M/s AKD Securities Limited has a market leading position in brokerage and investment banking activities. It is a TREC holder of the PSX and a pioneer in online brokerage trading.

M/s AKD Securities Limited, a leading brokerage company, has, by virtue of the share purchase agreement executed with the Bank, agreed to purchase the Bank's entire shareholding (i.e. 77.12% shares) in BIPLS for a total consideration of PKR 663,210,500/- (Pakistani Rupees Six Hundred and Sixty Three Million, Two Hundred and Ten Thousand and Five Hundred Only) calculated at a per share price of PKR 8.60, subject to applicable corporate and regulatory consents and approvals, including that of the Members, the State Bank of Pakistan, Securities and Exchange Commission of Pakistan and Competition Commission of Pakistan. Insofar as M/s. AKD Securities Limited will be acquiring more than fifty (50%) percent of BIPLS (a listed company), the sale of the Bank's shares will only be consummated after M/s. AKD Securities Limited has conducted a tender offer in accordance with applicable laws.

### Other Considerations

The Directors of the Bank have undertaken that they have carried out necessary due diligence process for the proposed divestment before making recommendation for approval of the Members. In this regard, the Bank appointed a professional firm, M/s KPMG Taseer Hadi & Co. as an adviser to conduct valuation of BIPLS, and identify interested parties. A duly signed recommendation of the due diligence report shall be made available for inspection for members in the AGM along with the latest financial statements of BIPLS. Members who would be joining through Zoom facility may request the copies by sending an email at [agm2021@bankislami.com.pk](mailto:agm2021@bankislami.com.pk).

The Directors of the Bank have no personal interest in above business, save to the extent of their respective shareholding in the Bank and payment of remuneration.

Following is the present shareholding of the Directors of BankIslami Pakistan Limited:

Shares held by Directors and their Spouses of BankIslami Pakistan Limited	As at December 31, 2020
Mr. Ali Hussain*	219,893,560
Dr. Amjad Waheed	550
Mr. Sulaiman Sadruddin Mehdi	1,000
Mr. Haider Ali Hilaly	1,000
Dr. Lalarukh Ejaz	500
Mr. Syed Ali Hasham	501
Mr. Siraj Dadabhoy	5,500
Mr. Syed Amir Ali	-

\*Mr. Ali Hussain is beneficial owner of SAJ Capital Management Limited, which holds 50,293,194 shares in BankIslami Pakistan Limited.

The Board of Directors of the Bank have confirmed that the proposed sale of BIPLS is in line with the applicable provisions of the law and regulatory framework. The decision was taken purely on commercial considerations.

Material Facts covering the sale of BIPLS as required under S.R.O. 423(I)/2018 dated April 03, 2018 issued by the Securities & Exchange Commission of Pakistan ('SECP') are as under:

i)	Name of the subsidiary:	BIPL Securities Limited ('BIPLS')
ii)	Cost and book value of investment in subsidiary:	As at September 30, 2020: Cost: PKR 2,395.937 million Net Book Value: PKR 522.801 million
iii)	Total market value of subsidiary based on value of the shares of the subsidiary company:  • In case of listed subsidiary company: quoted price of shares of subsidiary on day of decision of the board for disposal • in case of unlisted subsidiary: value determined by a registered valuer, who is eligible to carry out such valuation along with name of the valuer	As at April 24, 2019:  Market value per share: PKR 3.83/-  Market value of 77,117,500 shares: PKR 295,360,025/-
iv)	Net worth of subsidiary as per latest audited financial statements and subsequent interim financial statements, if available:	Net worth of 77.12% shares  As at December 31, 2020: PKR 603,212 million  As at September 30, 2020: PKR 599.990 million  As at December 31, 2019: PKR 580.999 million
v)	Total consideration for disposal of investment in subsidiary, basis of determination of the consideration and its utilization:	PKR 663.211 million. Price determined on the basis of highest bid submitted as part of the bidding process and in light of due diligence and quoted price.  Further, it will provide additional liquidity to the Bank for the utilization in other profitable business avenues.

vi)	Quantitative and qualitative benefits expected to accrue to the members:	<p>The proposed sale of subsidiary will help the Bank in strengthening its capital base.</p> <p>Further, it will provide additional liquidity to the Bank for the utilization of other profitable business avenues.</p> <p>Further, the Shariah Board of the Bank has advised to dispose-off BIPLS as the large portion of revenue of BIPLS comprises of revenue earned from dealing in shares/securities and other brokerage activities which are not in compliance with Shariah rules. Hence, the subject sale will resolve the observation by the Shariah Board of the Bank.</p>
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BIPLS Securities has a subsidiary, Structure Venture (Private) Limited (SVPL), who has given advance of Rs.375 million to Noor Developers (Pvt) Ltd (NDPL), against purchase of property which was being developed as a housing scheme. NDPL issued provisional booking to SVPL but then cancelled. Mr. Arif Ali Shah Bukhari is majority shareholder of NDPL. Therefore, SVPL filed Suit No. 1087/2015 against NDPL, Mr. Bukhari & others. This is Suit for specific performance, declaration, injunction, partition and damages in the Sindh High Court. In addition, SVPL filed a criminal complaint against NDPL with NAB.

In response to the above mentioned Suit & complaint with NAB, Mr. Bukhari & NDPL has filed Suit No. 714/2018 against BIPL Securities & others. This Suit is basically a counterblast to the above said civil and criminal proceedings initiated by SVPL against NDPL and Mr. Bukhari. The Suit 714/2018 is inter-alia for cancellation of the Sale Agreement of afore stated property and for recovery of Rs. 275 million along with special damages of Rs. 4.355 billion and general damages of Rs. 4 billion. Subsequently, Mr. Bukhari filed Suit No.1829 of 2019 against BIPLS and Pakistan Stock Exchange alleging that BIPLS has not disclosed Suit No.714 as contingent liability in its financials, since required in terms of IAS 37. In the Suit No.1829, the Honourable Court ordered on 24.02.2020 that BIPLS must comply with all the formalities of the relevant laws. Furthermore, the Honourable Court has ordered on 2nd March, 2021 that the matter of sale of shares of BIPLS is to be placed in the meeting of the Board of Directors of BankIslami Pakistan Limited and the AGM subject to disclosure of pendency of Suit No.1829 & Suit No.714 again in the meeting of Board of Directors to be held and in subsequent meetings also.

The matter is therefore, hereby disclosed, as such.

Notes:

- 1 The Members' Register will remain closed from March 24, 2021 to March 30, 2021 (both days inclusive).
- 2 A member eligible to attend and vote at this meeting may appoint proxy to attend and vote in the meeting.
- 3 Proxies in order to be effective must be received at the registered office of the Bank not less than 48 hours before the time of the meeting.
- 4 Central Depository Company of Pakistan ("CDC" ) Account holders will further have to follow the under mentioned guidelines as laid down by Circular No. 01, dated January 26, 2000, issued by the Securities and Exchange Commission of Pakistan:

For Attending the Meeting:

- 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 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 Meeting.
- 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.

For Appointing Proxies:

- 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 CDC Regulations, shall submit the proxy form as per the above requirement.
  - ii. The proxy form shall be witnessed by the two persons whose names, addresses and CNIC numbers shall be mentioned on the form.
  - iii. Attested copy of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
  - iv. The proxy shall produce his/ her original CNIC or passport at the time of the meeting.
  - v. In case of corporate entity, the Board of Directors resolution/power of attorney with specimen signature shall be submitted along with proxy form of the Bank.
5. Members are requested to promptly notify CDC Share Registrar Services Limited, CDC House, 99 – B, Block 'B', S.M.C.H.S., Main Shahra-e-Faisal, Karachi-74400 of any change in their address.
  6. The Bank as allowed by SECP Notification No. SRO 470 (I) / 2016 dated May 31, 2016, has circulated the Annual Audited Financial Statements for the year ended December 31, 2020 alongwith Auditor's report and Directors' reports etc., to the shareholders through electronic medium i.e. DVD/CD at their registered address instead of transmitting the said annual accounts in hard copies. However, a shareholder may request to the Company Secretary at the Registered Office of the Bank located at 11th Floor, Executive Towers, Dolmen City, Marine Drive, Block-4, Clifton, Karachi to provide hard copy of Annual Audited Accounts instead of DVD/CD and the same will be provided at his / her registered address, free of cost, within one week of the demand. In this regard, a 'Statement Request Form' has been placed on website of the Bank for shareholders to communicate the need of hard copies of the Annual Audited Accounts instead of sending the same through DVD/CD. A shareholder may also prefer to receive hard copies of all future Annual Audited Accounts.
  7. The Shareholders having physical shareholding may open CDC sub-account with any of the brokers or Investors Account directly with CDC to place their physical shares into script-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. Further, Section 72 of the Companies Act 2017 states that after the commencement of the Act from a date notified by SECP, 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 SECP, within a period not exceeding four years from the commencement of the Act.

8. Section 242 of the Companies Act 2017 requires that the listed companies shall pay cash dividend only through electronic mode directly into the bank account designated by the shareholders. SECP vide its notification SRO 1145 (I)/2017 has also issued the Companies (Distribution of Dividends) Regulations, 2017 whereby every shareholder shall be responsible to provide valid information pertaining to its designated bank account to disburse any dividend payable in cash only through electronic mode directly into the bank account designated by the entitled shareholders.

In this regards, Bank has already communicated through its letters addressed to the shareholders individually along with newspapers publications requesting to provide the International Bank Accounts Number ("IBAN") designated by the shareholders to receive the cash dividends electronically. Hence, shareholders are requested to fill the required fields of Bank's letter available on website of the Bank: [www.bankislami.com.pk](http://www.bankislami.com.pk) and send the same to the Share Registrar and Transfer Agent of the Bank. In case of shares held as book-entry securities, the said information would be required to be provided to Central Depository System ("CDS") through CDS Participants. (Please Ignore, if the said information has already been provided).

9. Consent for Video Conference Facility

For this Annual General Meeting, under following conditions, Members can also avail video conference facility at Lahore & Islamabad.

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 10 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.

The Company will intimate members regarding venue of video conference facility at least 5 days before the date of general meeting along with complete information necessary to enable them to access such facility.

In this regard, members who wish to participate through video conference facility at Lahore & Islamabad should send a duly signed request as per following format to the registered address of the Bank at least 10 days before the date of general meeting.

I/We, \_\_\_\_\_ of \_\_\_\_\_, being a member of BankIslami Pakistan Limited, holder of \_\_\_\_\_ Ordinary Share(s) as per Registered Folio No. \_\_\_\_\_ hereby opt for video conference facility at \_\_\_\_\_.

Signature of Member.