

NOTICE OF THE 34TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the 34th Annual General Meeting (“**AGM**”) of Bank Alfalah Limited (“**the Bank**”) will be held on Thursday, 26th March 2026 at 10:30 AM at Movenpick Hotel, Karachi as well as through electronic means/web link to transact the following businesses:

ORDINARY BUSINESS:

1. To confirm Minutes of the 33rd Annual General Meeting held on 20th March 2025.
2. To receive, consider and adopt the audited Annual Accounts of the Bank for the year ended 31st December 2025 together with Chairman’s Review Report, Directors’ Report and Auditors’ Report thereon including post-facto approval of remuneration paid to the non-executive directors for attending Board and Board Committees meetings as reported under Note No. 42 of the Annual Accounts, in compliance with SBP’s Regulatory Framework.

The Annual Report 2025 including Financial Statements of the Bank for the year ended 31st December 2025 has been placed at the Bank’s website at www.bankalfalah.com/financial-reports/ and can also be accessed through scanning of following QR enable Code:



3. To approve, as recommended by the Board of Directors, payment of the Final cash dividend at the rate of Rs. 3/- per share i.e. 30% for the year ended 31st December 2025. This is in addition to the three Interim Cash Dividends @ 25% each (cumulative 75% i.e. Rs. 7.5/- per share) already paid by the Bank.
4. To appoint auditors of the Bank for the year ending 31st December 2026 and to fix their remuneration.
5. To transact any other business with the permission of the Chair.

SPECIAL BUSINESS:

6. To consider and approve amendments in the Directors’ Remuneration Policy of the Bank and its Annexure-A in accordance with the amendments advised by the State Bank of Pakistan (“**the SBP**”) in the Corporate Governance Regulatory Framework for Banks/DFIs vide BPRD Circular Letter No. 24 of 2025 dated 12th December 2025 and to pass the following Ordinary Resolution:

“RESOLVED THAT in order to align the Directors’ Remuneration Policy (“the **Policy**”) of Bank Alfalah Limited (“the **Bank/BAFL**”) with the regulatory amendments, as advised by State Bank of Pakistan (“**SBP**”) vide its BPRD Circular letter No. 24 of 2025 dated 12th December 2025 (“the **SBP Circular**”), the amendments made to the Policy and its Annexure-A, as presented before the shareholders, in the 34th Annual General Meeting of the Bank held on 26th March 2026, be and are hereby approved.

RESOLVED FURTHER THAT the revised remuneration of the Non-Executive Directors shall be effective from the date of the SBP Circular.

7. To consider and if deemed fit, pass with or without modification, the following special resolution, to approve/authorize Bank Alfalah Limited (“**Bank Alfalah/the Bank**”) to sell its Bangladesh Operations (“**BAFL–Bangladesh Operations**”) to Bank Asia Limited, Bangladesh, for a consideration of BDT 5,800,000,000/-, equivalent USD 47.50 Mn approx., being the base consideration, subject to agreed closing adjustments (“**Sale Price**”) by way of merger of the BAFL-Bangladesh Operations of Bank Alfalah with and in to Bank Asia Limited as per the applicable laws and regulations, subject to the approval/sanction of the applicable regulatory authorities and compliance with applicable rules/regulations in Pakistan and Bangladesh. It is clarified that this resolution of the members is sought pursuant to the requirements of the Bangladesh Bank (Central Bank of Bangladesh) and not in terms of Section 183(3) (a) of the Companies Act, 2017 of Pakistan, since the BAFL-Bangladesh Operations do not form a ‘sizable part’ (i.e. not more than 25% of the value) of the overall assets of Bank Alfalah:

“RESOLVED THAT Bank Alfalah Limited (“**the Bank**”) be and is hereby authorized to sell the Bangladesh Operations of the Bank (“**BAFL – Bangladesh Operations**”) to Bank Asia Limited, Bangladesh for a consideration of BDT 5,800,000,000/-, equivalent USD 47.50 Mn approx., being the base consideration, subject to agreed closing adjustments (“**Sale Price**”) by way of merger of BAFL - Bangladesh Operations with and in to Bank Asia Limited as per the applicable laws and regulations, subject to approvals of the State Bank of Pakistan, the Bangladesh Bank (Central Bank of Bangladesh), and/or approval from any other regulatory authority/body (either in Pakistan and/or Bangladesh), and compliance with applicable rules/regulations.

RESOLVED FURTHER THAT the President and CEO, the Chief Financial Officer, the Group Head Corporate, Investment Banking & International Operations and Group Head Strategy, Transformation, Customer Experience & VC Investments of the Bank (“**Authorized Representatives**”) be and are hereby jointly authorized (any two acting jointly) to:

- i) negotiate, deal, agree upon and enter into execution of all relevant agreements including but not limited to the definitive agreement(s) and Scheme of Arrangement.
- ii) agree on closing adjustments in the Sale Price and all other detailed terms for the said transaction that shall be included in the agreements and the Scheme of Arrangement in consultation with legal counsels and financial advisors to achieve closure of the said transaction.
- iii) apply for and receive the necessary and regulatory approval(s) to/from the central banks of Bangladesh and Pakistan and/or any relevant authority (ies).
- iv) sign, submit, file and/or withdraw any/all document(s), letter(s), application(s), petition(s), agreement(s), receipt(s) and any other documents relating to the Transaction.

- v) to incur relevant expenses in the matter i.e. stamp duty, excise duty, taxes/tariff(s), legal fees and any other charges etc.
- vi) arrange for and deal all matters for the remittance/repatriation of the funds in FCY etc.
- vii) arrange public announcement(s) of material information pertaining to the above to the Pakistan Stock Exchange and/or any relevant regulator(s).
- viii) do all other acts, deeds and things as may be necessary for the conclusion of the Transaction and incidental matters thereto."

FURTHER RESOLVED THAT all actions taken by the Authorized Representatives in connection with any matter referred to or contemplated in any of the foregoing resolutions are hereby approved, ratified and confirmed in all respects."

8. To consider and, if deemed fit, pass the following Special Resolution (with or without modification), for the purpose of sub-division of share capital of the Bank:

"RESOLVED THAT pursuant to Section 85(1)(c) of the Companies Act, 2017 and Article 29 of the Articles of Association of Bank Alfalah Limited (the Bank), and subject to the approval of the State Bank of Pakistan, the existing capital of the the Bank, including authorised issued and paid up capital, is hereby sub-divided in a manner that each Ordinary Share of the Bank having the face value of PKR 10/- be subdivided into 2 (two) ordinary shares of PKR 5/- each, such that the rights attaching to the new shares will be strictly proportional to the rights attached to the previous shares so sub-divided and the new shares so created shall rank pari passu in all respects with the existing ordinary shares of the Bank.

RESOLVED FURTHER THAT the Authorized Capital of the Bank be and is hereby subdivided from 2,300,000,000 (Two Billion Three Hundred Million) Ordinary Shares of PKR 10/- each to 4,600,000,000 (Four Billion Six Hundred Million) Ordinary Shares of PKR 5/- each.

RESOLVED FURTHER THAT the issued and paid-up capital of the Bank comprising of 1,577,165,119 (One Billion Five Hundred Seventy-Seven Million One Hundred Sixty Five Thousand One Hundred and Nineteen) Ordinary Shares of PKR 10/- (Pak Rupees Ten) each is hereby subdivided into 3,154,330,238 (Three Billion One Hundred Fifty Four Million Three Hundred Thirty Thousand Two Hundred and Thirty Eight) Ordinary Shares of PKR 5/- (Pak Rupees Five) each.

RESOLVED FURTHER THAT as a consequence of the proposed sub-division, Clause (V) of the Memorandum of Association and Article 3 of the Articles of Association of the Bank be and are hereby proposed to be amended as follows:

Clause (V) of Memorandum of Association:

"The Authorised Capital of the Company / Bank is Rs. 23,000,000,000/- divided into 4,600,000,000 shares of Rs. 5/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Bank for the time being with power to modify or increase the capital.

Article 3 of the Articles of Association:

"The authorised Capital of the Company / Bank is Rs. 23,000,000,000/- divided into 4,600,000,000 shares of Rs. 5/- each. The minimum subscribed capital of the Company shall be Rs. 25.500 Million."

RESOLVED FURTHER THAT the President & CEO, Chief Financial Officer, Group Head - Strategy, Transformation, Customer Experience & VC Investments and / or Company Secretary & Group Head - Legal & Corporate Affairs of the Bank (the "**Authorized Representative**"), be and are hereby authorized jointly/severally to take all steps necessary, ancillary, and incidental to the above-mentioned resolutions, as and when required, including but not limited to seeking approval from the State Bank of Pakistan and effectuating the stock split through CDC, and are further authorized to sign, execute, and deliver all necessary documents, agreements, and letters on behalf of the Bank, as may be deemed appropriate and as may be required for the purposes above-mentioned."

9. To consider and, if deemed fit, pass the following Special Resolution (with or without modification) with respect to the issuance of Tier 2 Capital through one or more redeemable capital issuances, in accordance with Section 66 of the Companies Act, 2017, in the form of Term Finance Certificates, to be privately placed and/or subsequently listed pursuant to the Debt Securities Listing Regulations, up to the aggregate amount of PKR 20,000,000,000/- (Pak Rupees Twenty Billion) (the "TFC Issue") as approved by the Board of Directors in their meeting held on 13th February 2026:

"RESOLVED FURTHER THAT in the event of conversion of the TFC Issue in accordance with the requirements of the Instructions for Basel III Implementation in Pakistan, as issued pursuant to the circulars of the SBP, the maximum number of ordinary shares (subject to the implementation of the stock split) to be issued upon such conversion shall be capped at 400,000,000/- (Four Hundred Million) additional ordinary shares, or such other number as may be determined in consultation with, and subject to the approval of, the SBP, and that any such conversion and issuance of shares shall further be subject to obtaining all requisite approvals of the Securities and Exchange Commission of Pakistan ("**SECP**").

RESOLVED FURTHER THAT the President & CEO, Chief Financial Officer, Group Head - Strategy, Transformation, Customer Experience & VC Investments, Group Head – Corporate, Investment Banking & International Business and / or Company Secretary & Group Head - Legal & Corporate Affairs , or any of their **duly authorized delegates** (collectively, the "**Authorized Representatives**"), be and are hereby authorized, jointly and severally, to act for and on behalf of the Bank to do all such acts, deeds, and things as may be necessary or desirable in connection with the TFC Issue, including, without limitation, to:

- (i) negotiate, finalize, execute, deliver, and perfect all agreements, deeds, instruments, and documents relating to the TFC Issue, including without limitation the investment agreements, TFC issuance agreements, and any ancillary or supplemental documentation, on such terms and conditions as the Authorized Representatives may deem appropriate;
- (ii) prepare, finalize, approve, and issue the information memorandum and all other offering, disclosure, transaction, and regulatory documents, and to complete, sign, submit, and file any and all applications, forms, notices, undertakings, and instruments required in connection with or incidental to the TFC Issue, including the issuance and/or subsequent listing of the TFC certificates on the Pakistan Stock Exchange Limited ("**PSX**"), as applicable;
- (iii) prepare, finalize, approve, and issue all notices, explanatory statements, disclosures, and other documents required for convening and holding the shareholders' meeting(s) in connection with the TFC Issue, and to complete, sign, submit, and file any related

applications, forms, notices, undertakings, and instruments with the SECP or any other competent authority;

- (iv) open, operate, and close one or more subscription and/or transaction bank accounts in connection with the TFC Issue; induct the TFC certificates into the Central Depository Company of Pakistan Limited ("CDC"); appoint the share registrar/transfer agent; issue, sign, transfer, endorse, and deliver TFC certificates or scrips (whether physical or electronic); and pay all fees, charges, duties, and expenses in connection therewith;
- (v) comply with all statutory, regulatory, and procedural requirements in the capacity of an issuer in anticipation of and for the purposes of obtaining declaration of CDS eligibility of the TFC certificates by the CDC under the Central Depository Act, 1997 and the CDC Regulations;
- (vi) make all filings, submissions, and applications and obtain all requisite approvals, consents, and permissions from the SECP, the SBP, the PSX, the CDC, and any other regulatory or governmental authority, and to correspond and liaise with any such authority or stakeholder in connection with the TFC Issue; and
- (vii) generally exercise all powers and perform all acts and things as may be necessary, expedient, incidental, or ancillary to give effect to these resolutions, including managing, overseeing, and carrying out the day-to-day matters relating to the issuance and listing of the TFC certificates and ensuring compliance with all applicable laws, rules, and regulations of Pakistan."

The Statement of Material Facts under Section 134(3) of the Companies Act, 2017 in respect of the aforesaid Special Businesses to be considered at the Annual General Meeting is being sent to the members along with the Notice.

By Order of the Board

Karachi
Dated: 05th March 2026

MIAN EJAZ AHMAD
Company Secretary

NOTES:

1. Closure of Share Transfer Books

The Share Transfer Books of the Bank will be closed from 17th March 2026 to 26th March 2026 (both days inclusive). Transfers received at the office of the Share Registrar of the Bank, M/s. F. D. Registrar Services (Pvt.) Limited, Room No. 1705, 17th Floor, Saima Trade Tower "A", I.I. Chundrigar Road, Karachi-74000 Phone: (92-21) 32271905-6 and (92-21) 32213243 Fax: (92-21) 32621233 before the close of business on 16th March 2026 will be treated in time for the purpose of above entitlement to the transferees and of attending the meeting.

Shareholders having shares in physical form are requested to notify any change in their address and/or email address, to our Share Registrar, in writing, whereas CDC account holders are requested to contact their CDC Participant/CDC Investor Account Services.

2. Participation in AGM through electronic means

The shareholders who wish to participate through online platform/facility (either in person or through proxy) are requested to provide below information at Bank's designated Email: cosec@bankalfalah.com, at least 48 hours before the time of AGM.

Folio/CDC Account No.	Name	CNIC No.	Cell No.	Email address

The login details will be sent to such shareholders through email enabling them to join the AGM on given time through web/internet.

3. Members' Right to Appoint Proxy

Members appointing proxies are requested to submit their proxy forms along with attested copies of proxy's CNIC/Passport mentioning folio/CDC account # of proxy holder at the Office of Share Registrar of the Bank, not less than 48 hours before the time of the Meeting. A corporation appointing a proxy must also submit their proxy forms along with a Power of Attorney or other authority (if any) under which it is signed, or notarized copy of such Power of Attorney.

4. Voting through Postal Ballot and E-Voting

Pursuant to the Companies (Postal Ballot) Regulations, 2018, members will be allowed to exercise their right of vote through postal ballot, that is voting by post or through E-voting, in accordance with the requirements and procedure contained in the aforesaid Regulations. The Ballot Paper and procedures for e-Voting facility and voting through Postal Ballot are annexed to this notice.

The Bank has also placed the Notice of AGM along with Proxy Form and Postal Ballot Paper on its website: www.bankalfalah.com.

5. Payment of Cash Dividend Electronically (e-Dividend)/Dividend Mandate

In accordance with the Companies (Distribution of Dividends) Regulations, 2017, the Bank is required to withhold dividend payment of those shareholders who have not yet provided their dividend mandate/bank account details and/or CNIC details. Such shareholders are requested to provide their CNIC details and/or their dividend mandate information including 1) IBAN number 2) Title of Bank Account; 3) Bank Account number; 4) Bank Code and Branch Code; 5) Bank Name, Branch Name and Address; 6) Cell Number; 7) CNIC number; and 8) Email Address to Bank's Share Register (if shares are held physically), whereas CDC account holders are requested to contact their CDC Participant/CDC Investor Account Services.

6. Un-claimed Dividends/ Shares

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 undelivered/ unclaimed for a period of three (3) years or more from the date it is due and payable. The notices to this fact have already been dispatched to the relevant shareholders. Shareholders who have not yet collected/received their dividends/shares are advised to contact our Share Registrar for details.

Attention is sought from those shareholders who have not yet provided their complete and correct information such as address, CNIC number, email, cell number and/or bank mandate etc. They are again requested to furnish the required information to the Share Registrar at the earliest.

7. Withholding Tax on dividends

Withholding Tax on cash dividend of those shareholders, whose name will not appear (at the time of issuance/process of dividend) in the Active Taxpayers List, will be subject to higher rate of tax deduction as required under prevailing Income Tax Laws. Corporate shareholders are also required to update their NTN number in CDC records or provide copy of their NTN certificate to Bank's Share Registrar (if shares are held in physical form).

8. Tax in case of Joint Shareholders

In accordance with the instructions of Federal Board of Revenue, the tax on dividend income of joint holders of shares will be deducted in accordance with their shareholding proportion or in equal proportion, if such proportion is not provided. Therefore, shareholders are requested to provide, if not provided earlier, shareholding proportion of each joint shareholder(s) to the Bank's Share Registrar latest by 16th March 2026 in the following manner:

Folio / CDC A/c No.	Name of Shareholders (Joint Holders)	No. of shares (proportion)	CNIC No. (valid copy attached)	Signature
	1)			
	2)			
			
Total Shares				

9. Conversion of Physical Shares into Book Entry Form

As per provisions of Section 72(2) of the Companies Act, 2017 and as per the instructions issued by SECP vide its Letter No. CSD/ED/Misc./2016-639-640 date March 26, 2021, every existing company is 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. Respective shareholders are requested to arrange to convert their physical shares into book-entry-form. For this purpose, the shareholder shall be required to have an account either with Central Depository Company of Pakistan Limited (CDC) or with any Trading Rights Entitlement Certificate holder of Pakistan Stock Exchange Limited/CDC Participant.

The benefits associated with the Book-Entry-Form Shares includes "readily available for trading, whereas trading of physical scrips is currently not permitted", "no risk of damaged, lost, forged or duplicate certificates", "reduced stamp duty on physical to book-entry-form transfers", "Instantaneous transfer of ownership", "Instant receipt/credit of dividends and other corporate entitlements (i.e. bonus, rights and new issues etc.)" and convenient pledging of securities etc.

10. In Compliance with the Notification issued by the SECP vide its S.R.O 452 (I)/2025 dated 17th March 2025, it is to inform the shareholders that no gift will be distributed at the Meeting.

STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 PERTAINING TO THE SPECIAL BUSINESSES BEING TRANSACTED

Agenda Item No. 6:

Remuneration Policy for Directors:

The shareholders of the Bank in 28th Annual General Meeting held on 27th March 2020 at Karachi had unanimously approved the 'Remuneration Policy for Directors' ("the Policy") as required under the provisions of the Listed Companies (Code of Corporate Governance) Regulations, 2019 and SBP's BPRD Circular No. 03 of 2019 dated August 17, 2019. The Policy was further amended by the shareholders in the 30th Annual General Meeting on 29th Mar 2022 to align with the State Bank's Corporate Governance Regulatory Framework' ("the Regulatory Framework").

The State Bank through BPRD Circular Letter No. 24 of 2025 dated 12th December 2025 ("SBP Circular") has advised the amendments in the Regulatory Framework, prescribing parameters to determine the categories of banks/DFIs and maximum limits of Remuneration of Directors for attending a Board/Committee Meeting:

Accordingly, the policy is being amended to align with the said SBP Circular. As per regulatory requirements, the Policy is required to be approved by the shareholders of the Bank on pre or post facto basis in the General Meeting. Therefore, the Board Human Resources, Remuneration & Nomination Committee of the Bank reviewed the proposed amendments to the Policy and recommended the same to the Board of Directors, for onward recommendation to the shareholders for approval. The Board of Directors of the Bank in its meeting held on 13th February 2026 has reviewed the same and recommended to the shareholders of the Bank for their approval in the 34th Annual General Meeting being held on 26th March 2026:

The proposed amendments in the said Policy are being produced as under:

Ref No. Clause	Approved Policy	Proposed Amendment
5. (a)	<p>..... A non-executive director who is the Chairman/Chairperson of the Board will be treated as providing extra services and the remuneration for such positions/extra services may additionally be determined with the approval of the shareholders, as the case may be, up to 20% of the remuneration set for him/her as a non-executive director.</p>	<p>..... A non-executive director who is the Chairman/Chairperson of the Board will be treated as providing extra services and the remuneration for such positions/extra services will be an additional may additionally be determined with the approval of the shareholders, as the case may be, up to 20% of the remuneration set for him/her as a non-executive director.</p>
5(c)(i)	<p>In accordance with the provisions of Section 170 of the Companies Act, 2017 and applicable regulatory requirements, the Non-Executive Directors may be paid remuneration for attending the meetings of the Board and its committees. Such remuneration shall not exceed the scale determined by the Board from time to time, having regard to applicable legal and regulatory requirements and limitations. Such remuneration shall be subject to approval of the shareholders of the Bank.</p>	<p>In accordance with the provisions of Section 170 of the Companies Act, 2017 and applicable regulatory requirements, the Non-Executive Directors may be paid remuneration for attending the meetings of the Board and its committees. Such remuneration will be in accordance with the regulatory guidelines as fixed/determined by the State Bank of Pakistan, from time to time. For the Bank's non-executive directors, per meeting fee amount will be equal to the maximum limit of remuneration for a Board/ Committee Meeting (per meeting), as per latest</p>

Ref No. Clause	Approved Policy	Proposed Amendment																		
	<p>There will be no discrimination in the payment of remuneration to the non-executive Directors (both foreign and Pakistani Directors) and the amount of remuneration paid to them for attending each Board/committee meetings should be the same. However, the remuneration of a non-executive director for performing extra services including chairing the meeting of the Board or Board Committee or holding the office of Chairman of the Board, may additionally be determined with the approval of the shareholders, as the case may be, up to 20% of the remuneration set for him/her under in terms of above stated, with proper justification.</p>	<p>category and parameters determined by SBP, from time to time.</p> <p>Such remuneration shall not exceed the scale determined by the Board from time to time, having regard to applicable legal and regulatory requirements and limitations. Such remuneration shall be subject to approval of the shareholders of the Bank.</p> <p>There will be no discrimination in the payment of remuneration to the non-executive Directors (both foreign and Pakistani Directors) and the amount of remuneration paid to them for attending each Board/committee meetings should be the same. However, the remuneration of a non-executive director for performing extra services including chairing the meeting of the Board or Board Committee or holding the office of Chairman of the Board, will be additional may additionally be determined with the approval of the shareholders, as the case may be, up to 20% of the remuneration set for him/her under in terms of above stated, with proper justification.</p>																		
Annexure - A	<p>Actual Text</p> <table border="1" data-bbox="226 942 627 1487"> <thead> <tr> <th data-bbox="226 942 314 1090">Category</th> <th data-bbox="314 942 479 1090">Parameters to Determine Category</th> <th data-bbox="479 942 627 1090">Maximum Limits of Remuneration for a Board / Committee Meetings (per meeting)</th> </tr> </thead> <tbody> <tr> <td data-bbox="226 1090 314 1373">First</td> <td data-bbox="314 1090 479 1373">When the Assets Size of the Bank is above Rs. 500 billion Assets Size OR Above Rs. 1 billion after tax profit (As per last audited annual accounts of the Bank)</td> <td data-bbox="479 1090 627 1373">Up to Rs. 800,000/-</td> </tr> <tr> <td data-bbox="226 1373 314 1487">Second</td> <td data-bbox="314 1373 479 1487">When the Bank do not fall in the first category</td> <td data-bbox="479 1373 627 1487">Up to Rs. 500,000/-</td> </tr> </tbody> </table>	Category	Parameters to Determine Category	Maximum Limits of Remuneration for a Board / Committee Meetings (per meeting)	First	When the Assets Size of the Bank is above Rs. 500 billion Assets Size OR Above Rs. 1 billion after tax profit (As per last audited annual accounts of the Bank)	Up to Rs. 800,000/-	Second	When the Bank do not fall in the first category	Up to Rs. 500,000/-	<p>Revised Text</p> <table border="1" data-bbox="651 942 1096 1487"> <thead> <tr> <th data-bbox="651 942 768 1090">Category</th> <th data-bbox="768 942 946 1090">Parameters to Determine Category</th> <th data-bbox="946 942 1096 1090">Maximum Limits of Remuneration for a Board / Committee Meetings (per meeting)</th> </tr> </thead> <tbody> <tr> <td data-bbox="651 1090 768 1373">First</td> <td data-bbox="768 1090 946 1373">Those banks/DFIs which have: Above Rs. 1 trillion Assets Size OR Above Rs. 5 billion after tax profit (As per last audited annual accounts)</td> <td data-bbox="946 1090 1096 1373">Up to Rs. 1,200,000/-</td> </tr> <tr> <td data-bbox="651 1373 768 1487">Second</td> <td data-bbox="768 1373 946 1487">All other banks/DFIs which do not fall in the first category</td> <td data-bbox="946 1373 1096 1487">Up to Rs. 750,000/-</td> </tr> </tbody> </table>	Category	Parameters to Determine Category	Maximum Limits of Remuneration for a Board / Committee Meetings (per meeting)	First	Those banks/DFIs which have: Above Rs. 1 trillion Assets Size OR Above Rs. 5 billion after tax profit (As per last audited annual accounts)	Up to Rs. 1,200,000/-	Second	All other banks/DFIs which do not fall in the first category	Up to Rs. 750,000/-
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Second	All other banks/DFIs which do not fall in the first category	Up to Rs. 750,000/-																		

As the Policy for Remuneration of Directors pertains to the Directors of the Bank, therefore, the Non-Executive Directors of the Bank are interested in the above Special Business.

Agenda Item No. 7:

Sale of Bank Alfalah Limited - Bangladesh Operations

The Bank seeks approval from its shareholders to pass the Special Resolution under Special Business stated at Agenda Item No. 7 of the Notice of Annual General Meeting approving sale of its Bangladesh Operations by way of merger of the Bangladesh Operations of Bank Alfalah with and into Bank Asia Limited, subject to the approval of applicable regulatory authorities and compliance with applicable rules/ regulations.

The Proposed Transaction has already been approved by the Board of Directors of the Bank. The Board has undertaken and confirmed that the necessary due diligence for the sale of the Bank's Bangladesh operations has been carried out and as required by the Bangladesh Bank (the Central Bank of Bangladesh), recommended to the shareholders of the Bank to pass the Special Resolution (as detailed in the notice) to permit the said transaction.

The Board of Directors of the Bank have no direct or indirect interest in the Special Business, except and to the extent of their respective shareholding in the Bank

Agenda Item No. 8:

Sub-Division of Share Capital

The Bank seeks approval from its shareholders to pass the Special Resolution under Special Business stated at Agenda Item No. 8 of the Notice of Annual General Meeting approving the subdivision of the Bank's shares to increase market accessibility, wider market reach, comparable value with industry peer, enhance market liquidity and stability. The face value of each ordinary share is proposed to be changed from PKR 10/- to PKR 5/-, thereby increasing the number of shares accordingly without altering the total amount of paid-up / authorized capital.

Following the subdivision, the authorized capital of the Bank of PKR 23,000,000,000 comprising of 2,300,000,000 shares of PKR 10/- will be subdivided into 4,600,000,000 shares of PKR 5/- each. Similarly, the subscribed and paid-up capital of the Bank, currently comprising 1,577,165,119 ordinary shares of PKR 10/- each, will be subdivided into 3,154,330,238 ordinary shares of PKR 5/- each. The Bank will announce a book closure date, pursuant to the shareholders' approval of special resolutions at the AGM and subject to approval from regulatory authorities. The entitled shareholders will receive two (2) ordinary shares of PKR 5/- each for every one (1) ordinary share of PKR 10/- held, upon completion of the necessary regulatory procedures and formalities.

The rights attaching to the new shares will be strictly proportional to the rights attached to the previous shares so sub-divided and shall rank pari passu in all respects with the existing ordinary shares of the Bank.

The proposed sub-division requires amendments to Clause V of the Memorandum of Association and Article 3 of the Articles of Association to reflect the revised number and face value of the shares in the authorized capital. A comparison of the existing and proposed clauses of Memorandum and Articles is given below:

Existing	Proposed
Clause V of the Memorandum of Association (V) The Authorised Capital of the Company / Bank is Rs. 23,000,000,000/- divided into 2,300,000,000/= shares of Rs. 10/= each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Bank for the time being with power to increase the capital.	Clause V of the Memorandum of Association (V) The Authorised Capital of the Company / Bank is Rs. 23,000,000,000/- divided into 4,600,000,000 shares of Rs. 5/- each with the rights, privileges and conditions attaching thereto as are provided by the regulations of the Bank for the time being with power to modify or increase the capital.
Article 3 of the Articles of Association The authorised Capital of the Company / Bank is Rs. 23,000,000,000/- divided into 2,300,000,000 shares of Rs. 10/- each. The minimum subscribed capital of the Company shall be Rs. 25.500 Million.	Article 3 of the Articles of Association The authorised Capital of the Company / Bank is Rs. 23,000,000,000/- divided into 4,600,000,000 shares of Rs. 5/- each . The minimum subscribed capital of the Company shall be Rs. 25.500 Million.

The Board recommends the above for shareholders' approval as a Special Resolution in accordance with Section 85(1)(c) of the Companies Act, 2017 and confirms that the proposed alterations comply with the applicable laws and regulatory framework. The directors have no personal interest in the proposed resolution, except to the extent of their shareholding in the Bank.

Agenda Item No. 9:

CONVERSION OF THE TFC INTO ORDINARY SHARES OF THE BANK UPON THE OCCURRENCE OF A CONVERSION EVENT AS DETERMINED BY THE STATE BANK OF PAKISTAN

As per the requirements of Basel III under the SBP circulars, the terms and conditions of the TFC Issue must have a provision of "loss absorbency" for it to be qualified as a Tier 2 Capital instrument.

The relevant portion of the Basel III Circular relating to "loss absorbency" is reproduced below:

"A-5-3 Loss Absorbency of Non-Equity Capital Instruments at the Point of Non-Viability

- (i) The terms and conditions of all non-CET1 and Tier 2 instruments issued by banks must have a provision in their contractual terms and conditions that the instruments, at the option of the SBP, will be fully and permanently converted into common share upon the occurrence of a non-viability trigger event called the Point of Non-Viability (PONV) as described below;*
- (ii) The PONV trigger event is the earlier of;*
 - a) A decision made by SBP that a conversion is necessary without which the bank would become non-viable.*
 - b) The decision to make a public sector injection of capital, or equivalent support, without which the bank would have become non-viable, as determined by SBP.*
- (iii) The issuance of any new shares as a result of the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.*
- (iv) The amount of non-equity capital to be converted will be determined by the SBP.*
- (v) Where an Additional Tier-1 capital instrument or Tier-2 capital instrument provides for conversion into ordinary shares, the terms of the instruments should include provision that upon a trigger event the investors holding 5% or more of paid-up shares (ordinary or preferred) will have to fulfill fit and proper criteria (FPT) of SBP.*
- (vi) The conversion terms of the instruments must contain pricing formula linked to the market value of common equity on or before the date of trigger event. However, to quantify the maximum dilution and to ensure that prior shareholder/ regulatory approvals for any future issue of the required number of shares is held, the conversion method must also include a cap on the maximum number of shares to be issued upon a trigger event.*
- (vii) The conversion method should describe and take into account the order (hierarchy of claims) in which the instruments will absorb losses in liquidation/ gone concern basis. These terms must be clearly stated in the offer documents. However, such hierarchy should not impede the ability of the capital instrument to be immediately converted.*
- (viii) There should be no impediments (legal or other) to the conversion i.e. the bank should have all prior authorizations (sufficient room in authorized capital etc.) including regulatory approvals to issue the common shares upon conversion.*

(ix) The contractual terms of all Additional Tier 1 and Tier 2 capital instruments must state that SBP will have full discretion in deciding/ declaring a bank as a non-viable bank. SBP will, however, form its opinion based on financial and other difficulties by which the bank may no longer remain a going concern on its own unless appropriate measures are taken to revive its operations and thus enable it to continue as a going concern. The difficulties faced by a bank should be such that these are likely to result in financial losses and raising the CET1/ MCR of the bank should be considered as the most appropriate way to prevent the bank from turning non-viable. Such measures will include conversion of non-equity regulatory capital into common shares in combination with or without other measures as considered appropriate by the SBP."

As per the loss absorbency conditions, upon the occurrence of a "Point of Non-Viability" event ("PONV"), SBP may at its option, direct the full or partial and permanent conversion of the TFC into common shares of the issuer, i.e. the Bank.

In light of the above contemplated conversion events, the Bank is required to obtain all approvals (in advance) for the issuance of such additional shares, which additional shares shall be issued based on the market value of the shares of the Bank (as at the relevant time) and shall be subject to a cap of 400,000,000/- (Four Hundred Million) additional ordinary shares being issued in aggregate. It may further be noted that issuance of such additional shares shall further be subject to approval of the Securities and Exchange Commission of Pakistan in accordance with Section 83(1)(b) of the Act.

The information required to be annexed to the notice is set out below:

Name of the persons to whom shares will be issued	The shares will be issued to the TFC holders (at that time) in accordance with the directions of SBP at the time of trigger of PONV.
Price at which the proposed shares will be issued	The shares shall be at the market value of the shares of the Bank on the date of trigger of PONV as declared by SBP, however, total no. of shares to be issued are capped at 400,000,000/- (Four Hundred Million).
Purpose of the issue, utilization of the proceeds of the issue and benefits to the Company and its shareholders with necessary details	To convert the outstanding TFC amount (in whole or in part) into shares of the Bank in accordance with the directions of SBP.
Existing shareholding of the persons to whom the proposed shares will be issued	Not Applicable.
Total shareholding of the persons after the proposed issue of shares	Not Applicable.
Whether the persons have provided written consent for purchase of such shares	The terms of the TFC Issuance Agreement for the TFC Issue contain the details regarding such conversion.
Justification as to why proposed shares are to be issued otherwise than rights and not as rights shares	This is in accordance with the requirements of SBP vide its Circular No. 6 of Banking Policy and Regulation Department dated August 15, 2013.
Justification, with details of the latest available market price and break-up value per share, if such price differs from par value	Not Applicable.

The shares issued shall rank pari passu in all respects with the existing shares of the Bank. The issue of shares other than by way of rights is subject to approval from the Securities and Exchange Commission of Pakistan.

The Directors of the Bank have no vested interest, directly or indirectly, in the above business, save to the extent of their shareholding of the Bank.