Faysal Bank Limited
Faysal House
ST-02, Shahrah-e-Faisal
Karachi, Pakistan

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faysabank

February 9, 2018

**The General Manager**
Pakistan Stock Exchange Limited,
Stock Exchange Building,
Stock Exchange Road,
**Karachi.**

Dear Sir,

**Sub: Notice of Extra Ordinary General Meeting of Faysal Bank Limited**

We enclose herewith a Notice of Extra Ordinary General Meeting of Faysal Bank Limited will be held on March 6, 2018 at 10:00 a.m. at Karachi.

You may please inform the TRE certificate holders of the Exchange accordingly.

Yours truly,

**Aurangzeb Amin**
Company Secretary &
Haed of Legal

Encl: as above

## NOTICE OF THE EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that the Extra Ordinary General Meeting of Faysal Bank Limited ("FBL") will be held on March 6, 2018 at 10:00 a.m. at Jasmine Hall, Beach Luxury Hotel, M.T. Khan Road, Karachi to transact the following business:

**SPECIAL BUSINESS:**

**To consider and approve the acquisition of 50% Shareholding of Faysal Asset Management Limited (FAML) (an associated company of Faysal Bank Limited) by Faysal Bank Ltd., from Islamic Investment Company of the Gulf (Bahamas) Ltd (being a related party) and to pass the following Resolution as Special Resolution with or without modifications:**

*"**RESOLVED** that the acquisition by Faysal Bank Ltd., of 50% voting shares of Faysal Asset Management Limited i.e. 7,500,000 shares, from Islamic Investment Company of the Gulf (Bahamas) Ltd., at the rate of PKR. 30/- per share, as recommended for approval by the Members of the Board of Directors of the Bank (who are not in conflict with this transaction) be and is hereby approved, subject to all applicable Regulatory approvals.*

***FURTHER RESOLVED** that for the purpose of giving effect to this Special Resolution; 1) the President & CEO and / or 2) the Company Secretary and / or 3) Chief Financial Officer of the Bank be and are hereby singly or jointly authorized to (a) execute the Share Purchase Agreement and all accompanying documents and (b) take all necessary actions and do all acts, deeds and things in the matter."*

**To transact any other Business with the permission of the Chairman.**

**By the order of the Board**

**Aurangzeb Amin**
Company Secretary & Head of Legal

Karachi dated: February 12, 2018

**Notes:**

1. The Share Transfer Books of the Bank shall remain closed from February 28, 2018 to March 6, 2018 (both days inclusive). Transfers received at the Office of our Share Registrar, M/s. Central Depository Company of Pakistan Limited, CDC House 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi by the close of business on February 27, 2018 will be treated in time for attending Extra Ordinary General Meeting (EOGM) will be held on March 6, 2018 at Karachi.

2. A member entitled to attend and vote at the Meeting may appoint another individual as per his/her proxy to attend and vote for him/her provided that a corporation may appoint as its proxy a person who is not a member, but is duly authorized by the corporation. Proxies must be received at the Registered Office of the Bank not less than 48 hours before the time of the holding of the Meeting.

3. Members are required to timely notify any change in their address to Bank's Shares Registrar M/s. Central Depository Company of Pakistan Limited, CDC House, 99-B, Block-B, S.M.C.H.S., Main Shahrah-e-Faisal, Karachi.

4. CDC Account Holders will further have to follow the under mentioned guidelines as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan.

**For attending the Meeting:**

5. In case of individuals, the account holder or sub-account holder and/or the person whose securities are in group account and their registration detail are uploaded as per the 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.

6. 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 Meeting.

**For appointing proxies:**

7. 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 above requirement.

8. The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

9. Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

10. The proxy shall produce his/her original CINC or original passport at the time of the Meeting.

11. In case of corporate 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.

**Consent for Video Conference Facility:**

12. Members can also avail vide conference facility. In this regard, please fill the following and submit the registered address of the Company 10 days before holding of the EOGM.

13. If the Company receives consents 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 the Meeting, the Company will arrange video conference facility in the city subject to availability of such facility in that city.

14. The Company will intimate members regarding venue of the video conference facility at least 10 days before the date of EOGM along with complete information necessary to enable them to access such facility.

"I/We________ of_______ being a member of Faysal Bank Limited, holder of _____ Ordinary Shares as per registered Folio # CDC ID & A/C No. _____ hereby opt for video conference facility at ________. My email address___________"

Signature of Shareholder

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**Statement of Material Facts under Section 134 (3) of the Companies Act 2017 relating to the Special Business referred in the Notice above:**

This statement sets out the material facts concerning the following Special Business to be transacted at the Extra Ordinary General Meeting of Shareholders of FBL to be held on March 6, 2018.

**Special Agenda:**

Faysal Bank Ltd. (FBL) owns 30% shareholding of Faysal Asset Management Ltd. (FAML) and as such FAML is an associated company of FBL. The Islamic Investment Company of the Gulf (Bahamas) Ltd., (IICG) holds 50% shares of FAML and given that IICG is a group company of Dar-ul-Maal Islami Trust (DMIT) which is ultimate beneficial owner of the majority shareholding of FBL through Ithmaar Bank BSC, it thereby makes IICG a related party of FBL. Accordingly, in terms of Section 199 of the Companies Act, 2017 the proposed acquisition requires the approval of FBL's shareholders by way of a special resolution.

FBL's directors namely (1) Mr. Ahmed Abdulrahim Mohamed Abdulla Bucheery, (2) Mr. Abdulelah Ebrahim Mohamed Al-Qasimi and (3) Mr. Abdulla Abdulaziz Ali Taleb being the employees and directors with the Ithmaar Bank BSC and (4) Mr. Juma Hasan Ali Abul being an employee of MFAI (Jersey) Ltd., which is also a Group company of Dar-ul-Maal Islami Trust, could have indirect interest in the transaction by virtue of their being employee or director in the Group companies even though they do not have any personal interest in the proposed transaction. However, since they are part of the Group companies, accordingly the said directors have recused themselves from being a part of the discussion and decision-making process with regards to FAML. The remaining directors on the FBL's Board including P&CEO that do not have any direct or indirect interest in FAML or the proposed transaction namely (1) Mr. Farooq Rahmatullah Khan, (2) Mr. Yousaf Hussain (3) Mian Mohammad Younis, (4) Mr. Imtiaz Ahmed Pervez, (5) Mr. Ali Munir, (6) Mr. Fuad Azim Hashimi, are referred to in this statement as "non-conflicted directors"

IICG being desirous of selling its shareholding in FAML has offered FBL the same and in response, with the consent of the non-conflicted directors, FBL appointed KPMG Taseer Hadi & Co. Chartered Accountants for conducting valuation and detailed financial and tax due diligence of the FAML and Mandviwalla & Zafar Legal Consultants were appointed or conducting legal due diligence. KPMG Taseer Hadi & Co, gave a price range of the per value fully paid share of FAML on which they considered the proposed acquisition to be commercially acceptable and Mandviwalla & Zafar did not bring out any adverse factor to change that price range. . Consequently, with the consent of the non-conflicted directors, price negotiations with the IICG were carried out, based on the price range given by KPMG Taseer Hadi & Co, , and a price of PKR 30/- per share has been negotiated. .

Furthermore, the non-conflicted directors, in arriving at their recommendation to the shareholders for approval of the acquisition of the 50% voting shares in FAML from IICG at the price of Rs30/- per share, have taken into consideration the financial projections of FAML, based on current market position, as additionally reviewed and reported upon by KPMG Taseer Hadi & Co.

Given that FAML is an associated concern whilst IICG is also a related party therefore the recommendation -making process at the FBL's Board level was undertaken exclusively by the non-conflicted directors being the 3 Independent directors, 2 non-executive directors and the President & CEO of FBL as named above.

Currently FAML is performing at sub-optimal level however, once the acquisition of the 50% shareholding is approved by the shareholders and with the necessary regulatory approvals in place, FBL will become its majority shareholder and it will be in the position to exercise the necessary controls and supervision as are required to give FAML a positive turnaround. The asset management business in Pakistan is growing and there are a number of asset management companies which are highly profitable. Once FBL becomes the majority shareholder of FAML, it will be able to provide the support of its branch and marketing network which in turn will be the main driver for FAML to take advantage of the growing market and achieve FAML's turnaround. Moreover, having an asset management company as a subsidiary will allow FBL to offer a wider range of financial products to its own customers specially tailored for their needs in addition to its current portfolio of liability products thereby making a positive addition to its products and services.

In this respect it would be pertinent to note that in the 22nd Annual General Meeting of Faysal Bank Ltd., held on March 29, 2017 the shareholders approved a PKR 180 Million Subordinated loan for FAML which is in the process of approval from the relevant regulatory authorities. This loan once disbursed will further assist FAML in achieving stability and turnaround.

Keeping in view the above the following resolutions are to be approved:

> ***"RESOLVED** that the acquisition by Faysal Bank Ltd., of 50% voting shares of Faysal Asset Management Limited i.e. 7,500,000 shares, from Islamic Investment Company of the Gulf (Bahamas) Ltd., at the rate of PKR. 30/- per share, as recommended for approval by the Members of the Board of Directors of the Bank (who are not in conflict with this transaction) be and is hereby approved, subject to all applicable Regulatory approvals.*
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> ***FURTHER RESOLVED** that for the purpose of giving effect to this Special Resolution; 1) the President & CEO and / or 2) the Company Secretary and / or 3) Chief Financial Officer of the Bank be and are hereby singly or jointly authorized to (a) execute the Share Purchase Agreement and all accompanying documents and (b) take all necessary actions and do all acts, deeds and things in the matter."*