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**Sent:** 28 February 2022 16:42

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**Subject:** Approval of transactions with Related Party

Dear Board Members,

This is with reference to the discussion in 120<sup>th</sup> meeting of Board of Directors held on January 4, 2016 regarding execution of transactions with Connected Persons, wherein the Board members were apprised that under the revised NBFC rules, NBFC cannot enter into transactions including premises leasing or renting, and sale or purchase of any kind with their directors, officers, employees or their close relatives or any person acting on their behalf or such persons who either individually or in concert with family members beneficially own 10% or more of the equity of the NBFC unless NBFCs that have a policy to this effect duly approved by their board of directors.

Therefore, in view of the above, the management proposed the Board to allow the management of the company to enter into transactions with Connected Persons on behalf of the company and the funds under management subject to prior approval of the Chief Executive. Moreover, the transactions would be sent to the Board of Directors on the same day and will be ratified in the subsequent Board Meeting. Following is the extract of resolution passed:

**“The policy of connected persons transactions be and hereby approved.”**

Therefore, in connection to the above, this is to inform the Board that a fund under management of MCB Arif Habib Savings and Investment Limited has entered into a transaction with a related party, the details of which are as under:

|                                                                                                                                                                                                       |                                                                                                                                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
| <b>Name of Related Party</b>                                                                                                                                                                          | MCB Islamic Bank Limited                                                                                                         |
| <b>Names of the interested or concerned persons or directors</b>                                                                                                                                      | Wholly owned subsidiary of MCB Bank Limited which is Parent Company of MCBAH.                                                    |
| <b>Nature of relationship, interest or concern along with complete information of financial or other interest or concern of directors, managers or key managerial personnel in the related party.</b> | Associate Company of MCBAH. Mr. Muhammad Azfar Alam Nomani is President and Chief Executive Officer of MCB Islamic Bank Limited. |

| Buyer                        | Seller               | Instrument | Face Value  | Issue Date | Maturity Date | Rate     | Trade Date | Settlement Date | Rationale                                                  |
|------------------------------|----------------------|------------|-------------|------------|---------------|----------|------------|-----------------|------------------------------------------------------------|
| AL HAMRA ISLAMIC INCOME FUND | MCB ISLAMIC BANK LTD | TDR        | 700,000,000 | 28-02-2022 | 09-03-2022    | 10.5000% | 28-02-2022 | 28-02-2022      | This is an arm length transaction executed on market rate. |
| AL HAMRA DAILY DIVIDEND FUND | MCB ISLAMIC BANK LTD | TDR        | 250,000,000 | 28-02-2022 | 09-03-2022    | 10.5000% | 28-02-2022 | 28-02-2022      | This is an arm length transaction executed on market rate. |

Thanks & Regards,

Altaf Ahmad Faisal  
Company Secretary

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