



REGISTERED OFFICE:
FIRST CAPITAL HOUSE
96-B/1, Lower Ground Floor,
M.M. Alam Road, Gulberg-III, Lahore.
Tel: +92-42-35778217-8

PACE (PAKISTAN) LIMITED

NOTICE OF EXTRA ORDINARY GENERAL MEETING

Notice is hereby given that Extra Ordinary General Meeting ("EOGM") of the Shareholders of Pace (Pakistan) Limited ("the Company" or "Pace") will be held on Monday, 10th February 2025 at 11:00 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore to transact the following business:

1. To confirm the minutes of Annual General Meeting held on 28th October 2024;

Special Business

2. To consider, and if deemed fit, to pass with or without modification, the following resolution as a Special Resolution, to amend the Articles of Association of the Company:

"RESOLVED THAT:

- *Amendment in Articles of Association of the Company, incorporating an enabling clause for Employee Stock Option Scheme, as mentioned in statement of material facts attached with this notice, is hereby approved.*
- *The Chief Executive, Chief Financial Officer and Secretary of the Company be and are hereby jointly/severally authorized to comply with all formalities in this regard.*
- *That the aforesaid alteration in the Article of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required and such amendment, modification, addition or deletion shall not require fresh approval of members.*

3. To consider and, if thought fit, to approve the proposed Employee Stock Option Scheme (ESOS) established under Section 83A of the Companies Act, 2017, in accordance with Chapter VI of the Companies (Further Issue of Shares) Regulations, 2020. This Scheme is designed to acknowledge and reward the valuable contributions of eligible employees including directors and officers, by providing them the opportunity to acquire shares of the Company through options granted under the Scheme.

"RESOLVED THAT:

- I) *The ESOS attached as per annexure is hereby approved;*
- II) *Entitlement pool remains within the capped 10% of the enhanced paid capital of the company in a year; and 25% of the enhanced paid-up capital of the company at any point in time;*
- III) *the grant of options equal or exceeding (1%) one percent of the issued and paid-up capital of the company at the time of grant of options, within one year, to identified employees be and is hereby approved;*
- IV) *the grant of options to any employee of subsidiary company namely Pace Barka Properties Limited, be and is hereby approved;*
- V) *The Chief Executive, Chief Financial Officer and Secretary of the Company be and are hereby jointly or severally authorized to comply with all formalities in this regard.*

The statements under Section 134(3) of the Companies Act, 2017 setting out the material facts are annexed herewith.

By order of the Board


Sajjad Ahmad
Company Secretary

Lahore:
17 January 2025

Notes:

1. The Share Transfer Books of the Company will remain closed from 02 February 2025, to 10 February 2025 (both days inclusive). Transfers received in order at the office of our Share Registrar/Transfer Agent Corplink (Pvt) Limited by the close of business on 01 February 2025, will be treated in time for the aforesaid purpose.
2. A member entitled to attend and vote may appoint another member as his/her proxy to attend and vote instead of him/her.
3. An individual beneficial owner of shares from CDC must bring his/her original CNIC or Passport, Account, and Participant's I.D. numbers to prove his/her identity. A representative of corporate members from CDC, must bring the Board of Directors' Resolution and/or Power of Attorney and the specimen signature of the nominee.

4. Online participation in the Extraordinary General Meeting

For online participation in the Extraordinary General Meeting, the shareholders whose names appears in the books of the Company by the close of 02 February 2025 are requested to get themselves registered with the Company's Share Registrar latest by 07 February 2025 till 05:00 p.m. on **Corplink (Pvt.) Limited, Wings Arcade, I-K, Commercial Model Town, Lahore, (042) 35839182** by providing the following details:

Full Name of Shareholder / Proxy Holder	Company	CNIC Number	Folio / CDC A/c No.	** Email ID	** Mobile Phone No.
	Pace (Pakistan) Limited				

**Shareholders/proxyholders are requested to provide active email addresses and mobile phone number.

Login facility will be opened thirty minutes before the meeting time to enable the participants to join the meeting after the identification process. Shareholders will be able to login and participate in the EOGM proceedings through their devices after completing all the formalities required for the identification and verification of the shareholders.

- a) Shareholders may send their comments and suggestions relating to the agenda items of the EOGM to the Company's share registrar latest by 07 February 2025 till 05:00pm, at above-given address or WhatsApp, # 0303-4444800, 0302-8440935. Shareholders are required to mention their full name, CNIC No and Folio No. for this purpose.
- b) Shareholders will be encouraged to participate in the EOGM to consolidate their attendance and participation through proxies.

5. E-Voting / Postal ballot

Members can exercise their right through poll/postal ballot subject to meeting the requirement of Section 143-145 of the Companies Act, 2017 and applicable clauses of Companies (Postal Ballot) Regulations, 2018. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website <https://pacepakistan.com/> to download.

Procedure for e-Voting

- a) Details of the e-voting facility will be shared through an e-mail with those members of the Company who have their valid CNIC numbers, cell numbers, and e-mail addresses available in the register of members of the Company by the close of business on 03 February 2025.
- b) The web address, login details, and password, will be communicated to members via email. The security codes will be communicated to members through SMS from the web portal of **Corplink (Pvt.) Limited** (being the e-voting service provider).
- c) Identity of the Members intending to cast vote through E-Voting shall be authenticated through electronic signature or authentication for login.
- d) Members shall cast vote online at any time from 06 February 2025, 9:00 a.m. to 09 February 2025. Voting shall close on 09 February 2025, at 5:00 p.m. Once the vote on the resolution is cast by a Member, he/she shall not be allowed to change it subsequently.

Procedure for voting through postal ballot paper

The members shall ensure that duly filled and signed ballot paper along with copy of Computerized National Identity Card (CNIC) should reach the Chairman of the meeting

through post on the Company's address at First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore. or email at sajjadahmad@pacepakistan.com one day before the day of poll, during working hours. The signature on the ballot paper shall match with the signature on CNIC.

6. Conversion of physical shares into the Book-Entry Form

As per Section 72 of the Companies Act, 2017 every existing listed 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 the Act, i.e., May 30, 2017.

The Shareholders having physical shareholding are encouraged to open CDC sub - account with any of the brokers or Investor Account directly with CDC to place their physical shares into scrip less form.

7. Change of Address

1. Members having physical shareholding are requested to notify changes in address immediately, if any, in their registered addresses to our Share Registrar, **Corplink (Pvt.) Limited, Wings Arcade, I-K, Commercial Model Town, Lahore.**
2. In case shares are held in CDC then the request notifying the change in address must be submitted directly to broker/participant/CDC Investor Account Services.

8. Submission of Copy of CNIC

1. Individual members having physical shareholding and who have not yet submitted photocopy of their valid CNIC are requested to send notarized copy of their valid CNIC immediately to our Share Registrar, Corplink (Pvt.) Limited, Wings Arcade, I-K, Commercial Model Town, Lahore.
2. In case shares are held in CDC then the request to update CNIC must be submitted directly to broker/participant/CDC Investor Account Services.

9. Proxy

1. The instrument appointing a proxy and the power of attorney or other authority under which it is signed or a attested copy of power of attorney must be deposited at the Registered Office of the Company situated at First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore at least 48 hours before the time of the meeting.
2. For appointing proxies, the shareholders will further have to follow the under mentioned guidelines:
 - a. In case of individuals having physical shareholding or 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 accordingly.
 - b. The proxy form shall be witnessed by two persons whose names, addresses and CNIC number shall be mentioned on the form.
 - c. Notarized copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.
 - d. In case of a 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.

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

This statement sets out material facts concerning the special business, proposed to be transacted at the Extra Ordinary General meeting of the Company to be held on 10 February 2025.

In order to bring the Company's existing Articles of Association in line with the changes made by the promulgation of the Companies Act, 2017 (which has repealed the Companies Ordinance, 1984), to streamline and improve the corporate governance practices of the Company, to bring clarity in the roles, rights and responsibilities of stakeholders and to rectify certain existing minor errors and inconsistencies, the Board of Directors of the Company in their meeting held on 14 January 2025 has recommended to add following clause in the Articles of Association of the Company after clause no 21.

Agenda No.2: Alteration in Articles of Association

Following Clause 21A shall be inserted after Clause 21 in the Articles of Association in order to enable the company to offer Employee Stock Option Scheme:

21A. In accordance with Section 83A of the Companies Act, 2017, and the Companies (Further Issue of Shares) Regulations, 2020, the Company is authorized to implement an Employee Stock Option Scheme ("ESOS" or "Scheme") subject to approval by a special resolution of the shareholders. Under the ESOS, the Board may grant options to eligible employees including directors and officers of the company to acquire shares, with the vesting period, exercise price, and other terms established by the Board and in line with applicable laws and regulations. The objective of the ESOS is to attract, retain, and motivate employees by aligning their interests with the long-term performance of the Company. The Board shall ensure that all necessary disclosures are made to shareholders and that the ESOS is administered fairly and transparently.

Agenda No.3: Employee Stock Option Scheme (ESOS)

The board in their meeting held on 14 January 2025 in accordance with Section 83A of the Companies Act, 2017, and the Companies (Further Issue of Shares) Regulations, 2020, has authorized to implement an Employee Stock Option Scheme ("ESOS" or "Scheme") subject to approval by a special resolution of the shareholders. Under the ESOS, the Board will establish a compensation committee for administration and superintendence of the scheme and the chairman of the compensation committee shall be an independent director. The board may grant options to eligible employees including the directors and officers of the company and of the subsidiary company namely Pace Barka Properties Limited to acquire shares, with the vesting period, exercise price, and other terms established by the compensation committee with the approval of the Board and in line with applicable laws and regulations. The objective of the ESOS is to attract, retain, and motivate employees by aligning their interests with the long-term performance of the Company. The Board shall ensure that all necessary disclosures are made to shareholders and that the ESOS is administered fairly and transparently.

Under the Scheme, eligible employees are allowed to exercise the granted option against cash to purchase shares, fostering long-term growth and aligning their interests with those of the Company. The Scheme aims to incentivize employees who have demonstrated dedication and commitment to the Company. The board has also approved the grant of options equal or exceeding (1%) one percent of the issued and paid-up capital of the company at the time of grant of options, within one year, to identified employees and the grant of options to any employee of subsidiary company, subject to approval of the shareholders. The same will be considered by the compensation committee at relevant time of grant of options to eligible employees. Complete scheme is also attached with the notice.

Disclosures in terms of Regulation 7(1)(iv) of the Regulations:

(a) proposal of the board to issue shares without right offer is subject to approval of the shareholders and the Commission;	As per section 83-A, the scheme is to be approve by the board and the shareholders and no approval from the commission is required.
(b) quantum of the issue both in terms of the number of shares and percentage of paid-up capital before and after the issue;	<u>With the yearly limit:</u> Existing Paid up capital constitutes of 278,876,604 shares of Rs. 10.00 Yearly limit of 10% of enhanced paid up capital will be 30,986,289 shares After the issue paid up capital 309,862,893 shares <u>With a limit at any point of time:</u> Existing Paid up capital 278,876,604 shares of Rs. 10.00

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	25% of enhanced paid up capital; 92,958,868 shares After the issue paid up capital 371,835,472 shares																								
(c) issue price per share and justification for the same;	As the existing market price of the company is below than the par, therefore, the suggested price will be PKR 9 and if in future, market price goes above than the par, then price will be adjusted accordingly as per para 11 of the scheme. Provided that under no circumstances shall the Exercise Price be less than ninety (90%) percent of Par value.																								
(d) consideration against which shares are proposed to be issued i.e. cash or other than cash;	The employees are given option to settle the options price against cash as provided in the scheme.																								
(e) name of person(s), their brief profile, existing shareholding, if any, in the company, to whom the shares are proposed to be issued;	<table border="1"> <thead> <tr> <th>Name & Designation</th> <th>Existing Shares</th> <th>Proposed issue (Shares)</th> </tr> </thead> <tbody> <tr> <td>Lamna Taseer, CEO</td> <td>587</td> <td>14,829,676</td> </tr> <tr> <td>Shchryar Ali Taseer, Executive Director</td> <td>28,000</td> <td>12,373,869</td> </tr> <tr> <td>Shahbaz Ali Taseer, Executive Director</td> <td>987</td> <td>4,415,685</td> </tr> <tr> <td>Imran Hafeez, GDF</td> <td>30,000</td> <td>8,283,109</td> </tr> <tr> <td>Waheed Asghar, CFO</td> <td>Nil</td> <td>2,372,548</td> </tr> <tr> <td>Sajjad Ahmad, Company Secretary</td> <td>Nil</td> <td>443,218</td> </tr> <tr> <td>Shahzad Jawahar, Chief Compliance officer</td> <td>Nil</td> <td>1,172,116</td> </tr> </tbody> </table>	Name & Designation	Existing Shares	Proposed issue (Shares)	Lamna Taseer, CEO	587	14,829,676	Shchryar Ali Taseer, Executive Director	28,000	12,373,869	Shahbaz Ali Taseer, Executive Director	987	4,415,685	Imran Hafeez, GDF	30,000	8,283,109	Waheed Asghar, CFO	Nil	2,372,548	Sajjad Ahmad, Company Secretary	Nil	443,218	Shahzad Jawahar, Chief Compliance officer	Nil	1,172,116
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Sajjad Ahmad, Company Secretary	Nil	443,218																							
Shahzad Jawahar, Chief Compliance officer	Nil	1,172,116																							
(f) purpose of the issue;	To give incentives to the employees to participate in the Employee Stock Option Scheme and enjoy the benefits of the ownership of the company.																								

Interest of directors

No directors or Chief Executive of the Company or their relatives have any interest in the proposed resolutions except in their capacities as directors/Chief Executive/shareholders of the Company and to the extent of their shareholding.

Availability of Relevant Documents

A copy of each of the existing and amended Articles of Association identifying the changes proposed therein bearing the initial of the Company Secretary for identification purposes and the documents pertaining to the proposed special resolution are available for inspection at the registered office of the Company from 9:15 a.m. to 6:00 p.m. on any working day, up to the last working day before the date of the extraordinary general meeting. The same shall also be available for inspection by the members in the extraordinary general meeting.

Statement of the Board of Directors

"We, the members of the Board of Directors hereby confirm that the proposed resolutions are in line with the applicable laws and regulatory framework."

The resolution required for the above purpose is set forth in the notice convening the Extra Ordinary General Meeting and that resolution will be proposed and passed as a Special Resolution.

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**PACE PAKISTAN LIMITED
BALLOT PAPER FOR VOTING THROUGH POST**

For the Special Business at the Extraordinary General Meeting to be held on Monday, 10th February 2025 at 11:00 a.m. at Company's Registered Office, First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore as well as through electronic means.

Designated email address of the Chairman at which the duly filled in ballot paper may be sent:

sajjadahmad@pacepakistan.com

Name of shareholder/joint shareholder(s)	
Registered Address:	
Folio /CDC Participant / Investor ID with sub-account No.	
Number of shares held	
CNIC / Passport No. (in case of foreigner) (copy to be attached)	
Additional Information and enclosures (In case of representative of body corporate, corporation and Federal Government)	
Name of Authorized Signatory:	
CNIC / Passport No. (in case of foreigner) of Authorized Signatory – (copy to be attached)	

I/we hereby exercise my/our vote in respect of the following resolutions through postal ballot by conveying my/our assent or dissent to the following resolution by placing tick (☐) mark in the appropriate box below:

Agenda No.	Nature & Description of Resolution	No. of ordinary shares for which vote is cast	I/We assent to the Resolution(s) (FOR)	I/We assent to the Resolution(s) (AGAINST)
	<u>Special Business</u>			
1.	To consider, and if deemed fit, to pass with or without modification, the following resolution as a Special Resolution, to amend the Articles of Association of the Company: "RESOLVED THAT: i. Amendments in Articles of Association of the Company as mentioned in Annexure-A of this notice are hereby approved. ii. The Chief Executive, Chief Financial Officer and Secretary of the Company be and are hereby jointly/severally authorized to comply with all formalities in this regard. iii. That the aforesaid alteration in the Article of Association of the Company shall be subject to any amendment, modification, addition or deletion as may be required and such amendment, modification, addition or deletion shall not require fresh approval of members.			
2.	To consider and, if thought fit, to approve the proposed Employee Stock Option Scheme (ESOS) established under Section 83A of the Companies Act, 2017, in accordance with Chapter VI of the Companies (Further Issue of Shares) Regulations, 2020. This Scheme is designed to acknowledge and reward the valuable contributions of eligible employees, by providing them the opportunity to acquire shares of the Company through options granted under the Scheme.			

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Agenda No.	Nature & Description of Resolution	No. of ordinary shares for which vote is cast	I/We assent to the Resolution(s) (FOR)	I/We assent to the Resolution(s) (AGAINST)
	<p>“RESOLVED THAT:</p> <p>1) Entitlement pool remains within the capped 10% of the enhanced paid capital of the company in a year; and 25% of the enhanced paid-up capital of the company at any point in time.</p> <p>2) the grant of options equal or exceeding (1%) one percent of the issued and paid-up capital of the company at the time of grant of options, within one year, to identified employees be and is hereby approved.</p> <p>3) the grant of options to any employee of subsidiary company, be and is hereby approved.</p> <p>4) The Chief Executive, Chief Financial Officer and Secretary of the Company be and are hereby jointly/severally authorized to comply with all formalities in this regard.”</p>			

NOTES:

1. Dully filled postal ballot should be sent to the Chairman of Pace Pakistan Limited at First Capital House, 96-B-1, M.M. Alam Road, Gulberg-III Lahore, Pakistan. or (Email:sajjadahmad@pacepakistan.com);).
2. Copy of CNIC/ Passport No. (in case of foreigner) should be enclosed with the postal ballot form.
3. Postal ballot forms should reach the Chairman within business hours by or before 5:00 p.m. February 09, 2025. Any postal ballot received after this date, will not be considered for voting.
4. Signature on postal ballot should match with signature on CNIC/ Passport No. (in case of foreigner).
5. Incomplete, unsigned, incorrect, defaced, torn, mutilated, over written ballot paper will be rejected.
6. This postal Poll paper is also available for download from the website of Pace Pakistan Limited at <https://pacepakistan.com>. Shareholders may download the ballot paper from website or use the same ballot paper published in newspapers.

Signature of shareholder(s)/ Proxy Holder(s)/Authorized Signatory
(In case of corporate entity, please affix company stamp)

Place: _____

Date: _____

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FORM OF PROXY

The Company Secretary
Pace (Pakistan) Limited
First Capital House
96-B/1, M.M. Alam Road
Gulberg-III
Lahore

Folio No./CDC A/c No.: _____	
Shares Held: _____	

I/We _____ S/o _____ D/o _____ W/o _____
 hereby appoint Mr./Mrs./Ms./ _____ CNIC _____ being the member(s) of Pace (Pakistan) Limited
 _____ or failing him / her Mr. / Mrs. Miss _____ S/o _____ D/o _____ W/o _____ CNIC _____
 _____ CNIC _____ as my/our proxy to vote for me/us and on my/our
 behalf at the Extraordinary General Meeting of the Company to be held on 10 February 2025 at 11:00 a.m. and at any
 adjournment thereof.

Signed under my/our hands on this _____ day of _____, 2025

Affix Revenue Stamp of
Rupees Fifty

Signature of member
(Signature should agree with the specimen signature registered with the Company)

Signed in the presence of:

Signature of Witness 1

Signature of Witness 2

Notes

1. A member eligible to attend and vote at the meeting may appoint another member as proxy to attend and vote in the meeting. Proxies in order to be effective must be received by the company at the Registered Office not later than 48 hours before the time for holding the meeting.
2. In order to be valid, an instrument of proxy and the power of attorney or other authority (if any) under which it is signed, or a notarially certified copy of such power of attorney, must be deposited at the Registered Office of the Company, First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road, Gulberg-III, Lahore, not less than 48 hours before the time of the meeting.
 - a) Individual beneficial owners of CDC entitled to attend and vote at the meeting must bring his/her participant ID and account/sub-account number along with original CNIC or passport to authenticate his/her identity. In case of Corporate entity, resolution of the Board of Directors/Power of attorney with specimen of nominees shall be produced (unless provided earlier) at the time of meeting.
 - b) For appointing of proxies, the individual beneficial owners of CDC shall submit the proxy form as per above requirement along with participant ID and account/sub-account number together with attested copy of their CNIC or Passport. The proxy form shall be witnessed by two witnesses with their names, addresses and CNIC numbers. The proxy shall produce his/her original CNIC or Passport at the time of meeting. In case of Corporate entity, resolution of the Board of Directors/Power of attorney along with specimen signatures shall be submitted (unless submitted earlier) along with the proxy form.

Attached as Annexure
Pace (Pakistan) Limited
Employees Stock Option Scheme (“ESOS”)

PACE (PAKISTAN) LIMITED

EMPLOYEES STOCK OPTION SCHEME

DATED 14 JANUARY 2025

PACE (PAKISTAN) LIMITED

First Capital House

96-B/1, Lower Ground Floor

M.M. Alam Road, Gulberg-III Lahore,

Pakistan

Tele: + 92-42-35778217-18

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1. DEFINITIONS AND INTERPRETATION

1.1. Definition

In this Scheme, unless the context otherwise requires, the words and expressions set out below shall have the following meanings:

Act	means the Companies Act, 2017
Board	means the Board of Directors of Pace (Pakistan) Limited.
CDC	means the Central Depository Company of Pakistan Limited.
Commission	means the Securities and Exchange Commission of Pakistan, constituted under the Securities and Exchange Commission of Pakistan Act, 1997, (Act XLII of 1997).
Company	means Pace Pakistan Limited.
Compensation. Committee (Committee)	- means Human Resources, Remuneration and Compensation Committee of the Company, constituted by the Company and approved by the Board responsible for, amongst other things, grant of Options and administration and superintendence of this Scheme.
Date of Adoption	means the date on which member of the Company in general meeting approves the Scheme in accordance with the requirements of Companies Act 2017, [the Act] and Companies (Further Issue of Shares) Regulations, 2020 [the Regulations].
Date of Approval	means the date on which member of the Company in general meeting approves the Scheme under Section 83A of the Act read with Chapter VI of the Regulations.
Date of Grant	such date, as may be decided by the Committee being the date on which an Option is issued to an Eligible Employee in accordance with this Scheme.
Designated Employee	means an Eligible Employee, opted option to be exercised.
Eligible Employee	means an Eligible Employee who meets the criteria formulated by the Committee being eligible and from time to time are entitled to be granted an Option, as per the Clause 5 of the Scheme.
Executive Director	means the members of the Board of Directors of the Company.

Entitlement Pool	shall have the meaning as prescribed to it under Clause 11 of this scheme.
Exercise	means making of an application by an Option Holder to the Company for the issuance of Shares against the Option vested in him or her in pursuance of the Scheme, and "Exercising" and "Exercised" should be construed accordingly.
Exercise Date	means the date(s) on which an Option may be exercised by an Option Holder.
Exercise Period	means the various periods as detailed in Clause 12 of this scheme as applicable to each set of Options granted, within which an Option Holder may exercise an Option.
Exercise Price	means the price as prescribed to it under Clause 12 of this scheme.
Option	means a right of the Option Holders to acquire Shares, at the Exercise Price, pursuant to this Scheme.
Option Holder	means a grantee being an Eligible Employee who has received an Option under the Scheme.
Option Letter	means a letter issued to an Option Holder.
Option Notice	means the notice as per Clause 10.3 of this Scheme.
Regulations	means the Companies (Further Issue of Shares) Regulations, 2020.
Scheme	means Pace (Pakistan) Limited Employees Stock Option Scheme - 2025, approved by the shareholders in terms of Section 83A of the Act read with the Regulations as amended and restated from time to time with the prior approval of the shareholders in the general meeting.
Stock Option Entitlement	means such number of shares for which an Option may be granted to an Eligible Employee as decided by the Committee, in accordance with this Scheme.
Share	means an ordinary share having face value PKR 10 (Pakistan Rupees Ten) each in the capital of the Company and "Shares" should be construed accordingly.

Special Resolution	means the resolution of the members of the Company passed with a majority representing three fourth of the shareholders of the Company, as present in the meeting, approving the Scheme or any amendments thereof.
Subsidiary Company	Means the Pace Barka Properties Limited
Vesting	means the right to Exercise the Option.
Vesting Period	means the period from the Date of Grant of the relevant Options till the commencement of the relevant Exercise Period applicable to the Options granted. During this period Exercise of Option cannot take place.

1.2. INTERPRETATIONS

1.2.1. Words denoting the singular shall include the plural and words denoting one gender shall include the other.

1.2.2. Any reference to any statute or any provision thereof or any guideline or regulation include that statute, provision, guideline or regulation as amended, modified, re-enacted or replaced from time to time whether before or after the Date of Adoption of this Scheme;

1.2.3. The headings herein and the index hereto are for ease of reference only and shall not affect construction; and

1.2.4. This Scheme shall come into force with effect from the Date of Approval by the Commission.

2. INTRODUCTION

2.1. Pace (Pakistan) Limited (the Company), is a public limited company incorporated in Pakistan under the under the Companies Ordinance 1984 (now Companies Act 2017). The Company is listed on the Pakistan Stock Exchange Limited with the symbol "PACE". The Company is engaged to build, acquire, manage and sell condominiums, departmental stores, shopping plazas, super markets, utility stores, housing societies, plot and other properties and to carry out commercial, industrial and other related

activities in and outside Pakistan. The registered office of the Company is situated in First Capital House, 96-B/1, Lower Ground Floor, M.M. Alam Road Gulberg III Lahore.

- 2.2. This Employee Stock Option Scheme ("ESOS" or "Scheme") is established by Pace (Pakistan) Limited, under Section 83A of the Act read with Chapter VI of the Regulations, to recognize and reward the contributions of its employees by offering them an opportunity to participate in the company's long-term growth and success.
- 2.3. Under this Scheme, eligible employees will be granted options to purchase shares of the Company, against cash, subject to the terms and conditions set forth herein. These options are intended to incentivize employees who dedicatedly remained engaged with the company in thick and thin.
- 2.4. The Scheme has been approved by members in the general meeting held on 10-02-2025.

3. PURPOSE OF THE SCHEME

The purpose of the Scheme is:

- 3.1. to encourage the employees to remain with the company for longer period of time and plan for post-retirement financial security;
- 3.2. to give stock options to the employees of the Company against payment of cash. The employee can opt for the scheme with minimum cash outflow;
- 3.3. to aligns employees' interests with the company's growth, objective, long-term success, fostering loyalty and a stronger ownership mentality;
- 3.4. to reward long-term employees with an equity stake in the company;
- 3.5. to help an employee to utilize his savings. Employees can sell their shares at any time after purchase of shares.

4. ELIGIBILITY OF THE EMPLOYEE

- 4.1. An Option shall be granted to an Eligible Employees only.
- 4.2. Subject to Clause 8 hereof, the Compensation Committee shall at its absolute discretion determine the Share Entitlement in respect of which an Option may be granted to an Eligible Employee.

4.3. The decision of the Compensation Committee, shall be final and binding on all employees of the Company.

5. ELIGIBLE EMPLOYEE

5.1. Means a full-time regular employee, who is the Chief Executive, an Executive Director or other employee of the Company and the Chief Executive, an Executive Director or other employee of the subsidiary company who:

- (a) is in employment of the company;
- (b) are entitled for retirement benefits as per the Human Resource Policy of the company or subsidiary company;
- (c) working in employee grades E to M6 as per the HR Manual.

5.2. Board of Directors of the Company has discretion to amend/change the Human Resource Policy of the Company including but not limited to the extent of the retirement benefits.

5.3. Currently the Company is offering Gratuity for those employees who have completed at least 01 year of uninterrupted service with the Company. Every period exceeding six months, one month last drawn gross salary is payable as gratuity to eligible employee.

6. GRANT OF OPTION

Option will be granted to eligible employees as follows:

<u>Years of Experience</u>	<u>Options</u>
1 year to 5 years	50%
5 years and above	100%

7. Exercise of Option

7.1 Employees in grade E can exercise the granted option by paying cash against the purchase of shares.

7.2 Employees in grades M1 to M6 can exercise the granted option by paying cash against the purchase of shares.

8. COMPOSITION OF THE COMPENSATION COMMITTEE

- 8.1. Pursuant to Regulation 7(1)(ii) of the Regulations, the Company's Human Resources, Remuneration and Compensation Committee of the Company will be the "**Compensation Committee**" and same has been empowered to administer and supervise implementation of the Scheme.
- 8.2. Compensation Committee is presently comprised of the following members:
- a. Mr. Sikander Rashid Choudry (Chairman) – Independent Director
 - b. Mrs. Aamna Taseer (Member)
 - c. Miss. Shehrbano Taseer (Member)
- 8.3. Compensation Committee may be reconstituted by the Board from time to time, subject to applicable provisions of the Regulations.

9. POWERS AND FUNCTIONS OF THE COMPENSATION COMMITTEE

- 9.1. Compensation Committee shall have all powers vested in it by the terms of the Scheme, including, within the limitations stated herein, to:
- 9.1.1. select the Eligible Employee(s) from time to time to be granted Options under the Scheme;
 - 9.1.2. determine the Share Entitlement to be offered to each Designated Employee selected from time to time;
 - 9.1.3. determine the guidelines for computation of Exercise Price;
 - 9.1.4. compensation committee shall ensure that its executive directors and employees in senior management shall not participate in the deliberation or discussion of their own allocation of options under the scheme;
 - 9.1.5. entitlement pool shall remain within the capped 10% of the enhanced paid capital of the company in a year; and 25% of the enhanced paid up capital of the company at any point in time;
 - 9.1.6. adopt such rules, regulations, agreements, guidelines and instruments for the administration of the Scheme and for the conduct of its businesses which the Compensation Committee deems necessary or advisable from time to time; and

9.1.7. Decision of the Compensation Committee shall be final and binding.

10. GRANT OF OPTIONS

10.1. Once the scheme has been approved by the members of the company, the Compensation Committee may grant an Option to the Eligible Employees. The Compensation Committee may grant option to Eligible Employees within 1 (one) month of the approval of the members and within one month of the close of each subsequent financial year.

Provided that Compensation Committee has the right and discretion to change the date of grant as deemed appropriate as well as to defer the same till appropriate time.

10.2. The Compensation Committee shall deliver an Option Letter on the format specified under Schedule 2 to the Eligible Employee, stating therein the Share Entitlement, Date of Grant, Exercise Price, Exercise Period and Exercise Date.

10.3. Unless the Company otherwise determines in relation to the grant of Options on any occasion, any person to whom an Option is granted must confirm his or her acceptance of such grant by executing and delivering to the Company a duly completed form of acceptance on the format specified under Schedule 3 hereof.

10.4. The Options granted under the Scheme are not transferable but may be exercised by the legal heir(s) or nominee(s), as the case may be, on the demise or Permanent Incapacitation of the Option Holder in accordance with Clauses 18.4 and 18.5 hereof.

10.5. In case, option is not granted, subject to approval of Compensation Committee, the un-granted Options may be carried forward to subsequent years(s) and granted in such subsequent year(s);

10.6. Compensation Committee has the discretion that it may grant options to Eligible Employees including those presently in employment.

Provided that Compensation Committee has the discretion to grant further options to any such employee who has already been granted Options in any one year, subject to the provision of Chapter VI of the Regulations.

10.7. Each Option shall be personal to the Option Holder to whom it is granted and shall not be transferable, assignable, chargeable or otherwise available for disposition except upon death of the Option Holder. An Option shall lapse forthwith if it is, or is purported

to be, transferred, assigned, charged, disposed of or otherwise dealt with or if the Option Holder is adjudged in violation of the Company's policies, rules and regulations.

11. ENTITLEMENT POOL

11.1. Maximum number of Shares, that may be issued and allocated pursuant to the Scheme, in aggregate shall not be more 10% of the enhanced paid capital of the company in a year and more than 25% of the enhanced paid-up Capital of the Company at any point of time.

12. EXERCISE PRICE

12.1. Exercise Price will be computed by the Compensation Committee, based on the following criteria

- a. In case average market price of the share of the Company in preceding calendar month of the date of grant option is less than Par Value; Exercise Price will be ninety (90%) percent of Par value,
- b. In case average market price of the share of the Company in preceding calendar month of date of grant is more than Par value; share will be offered at Average Market Price of last six months of respective financial year;

Provided that under no circumstances, the Exercise Price shall not be less than ninety (90%) percent of Par value.

12.2. In case of any issue of bonus shares or right shares by the Company, each option holder will be entitled as per the applicable law and the Rules/ regulations.

12.3. Exercise Price shall be determined by the Compensation Committee and duly reviewed by the external auditors of the Company as per the mechanism specified in this Clause.

12.4. In case any anomaly arises in computation of the Exercise Price, Compensation Committee with the approval of the members may review the Exercise Price computation mechanism.

13. VESTING AND EXERCISE PERIODS

The minimum vesting period for an option shall be one year from the date of grant. The eligible employee can exercise the option within a maximum period of six (6) months from the date the option vests.

14. PROCEDURE

14.1. Options shall be granted through an official letter having all details related to Vesting, Exercise, Options, Price and Quantity of Options signed by any two members of the Compensation Committee or with the approval of the Compensation Committee any member of the Compensation Committee who has been authorized to issue Grant of Option letter.

14.2. Exercise of Options granted to the Option Holder shall take place during normal business hours on any Business Day, by notice in writing ("Option Notice") by the Option Holder to the Compensation Committee in the form prescribed in Schedule 4, during the Exercise Period, specifying the number of Shares in respect of which the Option is being exercised, together with a copy of the Option Letter relating to the Option being exercised and details of the CDS (Central Depository System) account held with the Central Depository Company of Pakistan Limited (CDC) by such Option Holder to which the Shares may be credited. All Option Holders shall be required to maintain a CDS account with the CDC.

15. TERMS, CONDITIONS, AND RESTRICTIONS

Following terms, conditions and restrictions shall apply to all Options granted under the Scheme:

15.1. Options granted but not vested shall not be exercisable.

15.2. Unless specified otherwise in the Scheme, the Options vested shall be exercisable only during the respective Exercise Period.

15.3. Options granted shall, other than to the legal heirs or nominee(s) of the Option Holder upon the death or Permanent Incapacitation of an Option Holder, be non-transferable.

- 15.4. An Option Holder may exercise the Options in full or once in part only or more than once in parts at any time during the Exercise Period, by delivering a notice in writing to the Committee along with payment of the applicable relevant Exercise Price.
- 15.5. Options granted shall not be pledged, hypothecated, mortgaged or otherwise alienated in any other manner.
- 15.6. The date of delivery of the Option Notice to the Committee shall constitute for all purposes the date of exercise of such Option.
- 15.7. Each Option Notice shall be given only in such form as the Committee may approve and prescribe.
- 15.8. The Company is listed at the time of receipt of Option Notice, the Option Holders upon exercise of the Option shall be issued shares in dematerialized form and shall be credited in their respective depository accounts. Each Option Holder, therefore, must maintain a depository account with the CDC and mention the same in the Option Notice for Exercising the Options. Upon the issue/credit of shares, name of such Eligible Employee shall be entered in the register of members of the Company in respect of the Shares so issued/credited. The shares to be allotted pursuant to the Scheme shall be new shares to be issued by the Company.
- 15.9. In case of failure to exercise the option, the options granted shall lapse and such lapsed options may be granted to other employees within a period of thirty days from the date of lapse.
- 15.10. In addition to the terms and condition stipulated herein, the Compensation Committee may prescribe from time to time, such terms and conditions as they deem fit for the purposes of administering the Scheme in accordance with the Regulations.

16. RIGHTS OF THE OPTION HOLDERS

- 16.1. The Option Holders shall have the following rights:
 - 16.1.1. An Option Holder can exercise all Options vested in him or her during the respective Exercise Period.
 - 16.1.2. In the event of death of a Designated Employee while in employment of the Company, all Options granted to him or her till the date of his or her death shall vest

in his or her legal heirs or nominee(s) subject to, and in accordance with Clause 18.4 hereof.

16.1.3. An option holder shall not have the right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of the options granted to him, till shares are issued to him on exercise of options.

16.1.4. In case an employee suffers Permanent Incapacity while in employment of the Company, all Options granted to him or her, as on the date of Permanent Incapacitation, shall vest in him or her on that day subject to, and in accordance with Clause 18.5 hereof.

17. ISSUANCE OF SHARES

As soon as practical, and in any event not later than forty-five (45) calendar days from the end of the relevant Exercise Period, and after receipt by the Compensation Committee of (a) the Option Notice; (b) the relevant Option Letter; and (c) the details of the CDS Account, the Shares in respect of which the Option has been exercised shall be allotted by the Company to the Option Holder. The Option Holders upon Exercise of the Option shall be issued Shares in dematerialized form and such Shares shall be credited in their respective CDS Accounts maintained with CDC.

18. RIGHTS ATTACHING TO THE SHARES

18.1. New Shares to be allotted and issued upon any exercise of Option will, upon such allotment and issuance, rank pari passu in all respects with the existing issued Ordinary Shares of the Company. The option for the new Shares will not be entitled to any dividends, rights, bonus and / or any other distributions or any other rights attaching to issued shares which may be declared, made or paid to shareholders prior to the date of allotment of the new Shares.

18.2. The date of allotment is the date when Shares are allotted by the Company, as evidenced by the date mentioned in Form to be filed by the Company with the Company Registration Office.

- 18.3. An Option Holder shall not have the right to receive notice of meeting of members, vote at any meeting of the members, receive any cash dividends, stock dividends, right shares and/or any other distributions or any other rights in respect of an Option granted to him or her prior to issuance of Shares pursuant to the Exercise of Option.
- 18.4. Shares issued to an Option Holder, pursuant to the Exercise of Option, will be subject to all the provisions of the Company's Articles of Association in relation to its transfer, transmission or otherwise.

19. LAPSE OF OPTIONS

- 19.1. Upon an Option Holder ceasing to be an employee during the Vesting Period due to his resignation, all the Options held by him shall lapse. In case he resigns during the Exercise Period, the Options must be exercised within one (1) months of the effective date of resignation, otherwise the same will lapse.
- 19.2. In case of termination of service for any reason during the Vesting Period and/or option period, all Options held by him shall lapse.
- 19.3. Upon the Option Holder ceasing to be in employment by reason of retirement, the Options already granted to him during the course of employment shall vest in normal course at the end of their Vesting Period and can be exercised at any time during the Exercise Period. However (i) in case an Option Holder opts for early retirement (other than for reason of disability), and such early retirement is during the Vesting Period, the Options held by him shall lapse and in case such early retirement is during the Exercise Period, the Options must be exercised within 3 months of the effective date of the early retirement, otherwise they will lapse, and (ii) if the early retirement is with the permission of the Company and the Committee in its discretion so decides, the Options already granted to him shall Vest in normal course at the end of their Vesting Periods and can be exercised at any time during the Exercise Period.
- 19.4. Upon the death of any Option Holder, any outstanding Options of the deceased Option Holder shall stand vested and remain Exercisable by the legal heir(s) within six (6) months from the date of the Option Holder's death. The Compensation Committee shall have the final authority to determine the legal heir(s) and may require production of such document or order of the court it may deem appropriate and shall not allot any Shares

until it has so determined. It is being clarified that the legal heir(s) may produce such document or order following the said six (6) month period.

- 19.5. Upon Permanent Incapacitation of any Option Holder, any outstanding Options of the Permanently Incapacitated Option Holder shall stand vested, immediately and remain Exercisable by such Option Holder (and in case such Option Holder is incapable of so Exercising, by an authorised nominee of such Option Holder acceptable to the Compensation Committee) within six (6) months from the date of the Option Holder's Permanent Incapacitation.
- 19.6. Upon the expiry of an Exercise Period, the Options for which the Option Holder holds an Option Letter and does not exercise the Option shall lapse.
- 19.7. An Option shall lapse immediately in the event of the Company being wound-up otherwise than in the event of a voluntary winding-up or being wound-up or amalgamated pursuant to a compromise or arrangement sanctioned by Court in which case they shall vest immediately.

20. TAKEOVERS, RECONSTRUCTIONS, AMALGAMATIONS AND WINDING-UP

To the fullest extent legally permissible, the Company shall cause and ensure that in case of an Amalgamation of the Company, the entity surviving upon such Amalgamation shall assume and be bound by the provisions of the Scheme to the extent, Options have been granted prior to the date on which such Amalgamation is completed. The Shares comprised in each Option and/or the Option Price there under shall be adjusted in such manner as the auditors of the surviving entity shall determine to be fair and reasonable such that the economic value of the Options granted remains unaffected by the Amalgamation.

21. EXPENSES

Any expenses involved in any issue of Shares in the name of any Option Holder or his legal heir/representative nominee (as the case may be) shall be payable by the Company

22. GENERAL

- 22.1. Any notification or other notice in writing which the Company is required to give, or may desire to give, to any Eligible Employee or Option Holder (or his legal representative/heirs/nominees, as the case may be) in pursuance of this Scheme shall be sufficiently given if delivered to him by hand or sent through post in prepaid cover addressed to the Eligible Employee or Option Holder at the last address known to the Company as being his address. Any certificate, notification or other notice in writing required to be given to the Company shall be properly given if sent to or delivered to the registered office of the Company.
- 22.2. The Compensation Committee Company shall at all times keep available for issue such authorized and un-issued Shares as may be required to meet the subsisting subscription rights of the Option Holders.
- 22.3. The decision of the Committee in any dispute or question relating to any Option or its lapse or exercise shall be final and conclusive.
- 22.4. Any Option Holder who is no longer in employment shall not be entitled to any compensation for any loss of any right or benefit or prospective right or benefit under this Scheme which he might have otherwise enjoyed whether such compensation is claimed by way of damages for wrongful dismissal or breach of contract or by way of compensation for loss of office or otherwise howsoever.

23. POLICY TO MONITOR AND CONTROL VIOLATION OF THE INSIDER TRADING LAWS

- 23.1. Compensation Committee has to frame a policy and system to ensure that there is no violation of the laws for insider trading under the provisions of the securities act 2015 and regulations made there under. If any Option Holder is found involved in insider trading, the Options granted and not yet exercised shall lapse. The Company shall forfeit all payments of such Eligible Employees against which shares have not been allotted.
- 23.2. The policy and system for controlling insider trading is as follows
- 23.2.1. The Company will make sure to provide each eligible employee, a copy of the policy along with the approved scheme prior to grant of any options under the Scheme.

23.2.2. The Options granted will lapse forthwith if the employee found involved in insider trading.

23.2.3. The Company will provide to all the eligible employees, copies of the all the relevant laws of insider trading policy, including any updates or amendments in the relevant laws and/or regulations made there under.

23.2.4. The Policy Shall be subject to modification if required by the amendments in the relevant laws and/or regulations made thereunder.

24. VARIATION OF THE TERMS OF THE SCHEME

The terms of the Scheme can be varied with approval of the members by way of Special Resolution provided such variation is not: (i) prejudicial to the interests of the Option Holders; and (ii) related to the Options already exercised. The Company shall not vary the terms of the scheme in any manner which may be detrimental to the interest of the Option Holders.

25. TERMINATION

The Board may at any time resolve to terminate this scheme in which event no further or new Options shall be granted but the provisions of this scheme shall, in relation to Options then subsisting shall continue in full force and effect.

26. TAXATION

The liability of paying the applicable tax, if any, on the Options granted / vested / exercised / allotted pursuant to the Scheme and the Shares issued pursuant to the Exercise of the Options shall be entirely on the Option Holders and shall be in accordance with the provisions of the Income Tax Ordinance, 2001 and the rule and regulations framed thereunder. The Company shall, withhold such income tax from employees' salary in accordance with the provisions of the Income Tax Ordinance, 2001.

SCHEDULE - 1

FORM OF OPTION LETTER

Dated:

OPTION CERTIFICATE

Name of Option Holder:

Address of Option Holder:

Date of Grant:

Share Entitlement:

Exercise Price:

Cash Payment:

Vesting Period:

Exercise Date:

Pace (Pakistan) Limited hereby grants to the Option Holder named above an Option to subscribe for a maximum of [•] ordinary shares in the Company at a price per share of [-----].

The Option is exercisable subject to and in accordance with the terms of the Pace Pakistan Limited Employees Stock Option Scheme, 2025 (the **Scheme**) as amended from time to time.

The Option is not transferable but may be exercised by your heirs/nominees in the event of your death or Permanent Incapacitation as specified in the Scheme.

Please submit the acceptance letter in the form specified in Schedule 2 of the Scheme within one (1) month of the receipt of this Certificate.

For and behalf of
Pace (Pakistan) Limited
[insert name]
[insert designation]

SCHEDULE - 2

FORM OF ACCEPTANCE OF OPTION

Date:

To:

Pace (Pakistan) Limited
[insert address]

Dear Sirs,

I hereby agree to accept the grant of an option over shares on [insert date] and be bound by the terms and conditions set out in the Pace (Pakistan) Limited Employees Stock Option Scheme, 2025 (the Scheme).

2. I hereby authorize Pace (Pakistan) Limited to disclose to any such other person charged with the responsibility for the administration of the Scheme any information about me which is reasonably necessary to enable such other person to fulfil any duty or obligation which it may have pursuant to or in connection with the Scheme.

Yours faithfully,

Signature:

Name:

Designation

SCHEDULE - 3

NOTICE OF EXERCISE OF OPTION

Date:

To:

Pace (Pakistan) Limited
[insert address]

Dear Sirs,

I hereby exercise the option referred to overleaf and request the allotment of shares in accordance with the Scheme and the memorandum and articles of association of Pace (Pakistan) Limited (the Company).

Cheque amounting to PKR..... (amount in words.....) dated drawn on BankBranch..... is attached as per the option granted.

Upon receipt of the Exercise option, Pace (Pakistan) Limited is kindly requested to credit my CDC account with the shares mentioned in the foregoing.

Details of my CDC Account are as follows:

Participant ID

Account Number

Yours faithfully,

Signature:

Name:

Designation