

**GHANI CHEMICAL INDUSTRIES LIMITED**  
**NOTICE OF EXTRA ORDINARY GENERAL MEETING**

Notice is hereby given that the **Extra Ordinary General Meeting** (EOGM) of the Shareholders of **Ghani Chemical Industries Limited** (the Company/GCIL) will be held on Tuesday December 20, 2022 at 11:00 AM at registered office of the Company at 10-N, Model Town Ext., Lahore to transact the following special business:-

1. To consider and if thought fit to approve the sale/export of 110 TPD existing ASU manufacturing plant of the Company installed at Phool Nagar, District Kasur to some prospective buyer in GCC region and pass the special resolution under section 183(3) of the Companies Act 2017 as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed with the notice of EOGM.
2. To consider and if thought fit to amend/ alter/ addition in Articles of Association of the Company by insertion of Employees Stock Option Scheme (ESOS) clause, by passing the Special Resolution as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed with the notice of EOGM.
3. To consider and approve the Employee Stock Option Scheme (ESOS) by passing the Special Resolution as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed with the notice of EOGM.
4. To consider and approve to disinvest the shareholdings of Ghani Chemical Industries Limited in its wholly own subsidiary companies namely, (1) A One Prefabs (Private) Limited (2) Awal Engineering (Private) Limited (3) A One Batteries (Private) Limited, by passing the Special Resolutions under section 183(3) of the Companies Act 2017 as proposed in the Statement under section 134(3) of the Companies Act, 2017 annexed with the notice of EOGM.

Place: Lahore  
Dated: November 28, 2022

By order of the board

**Farzand Ali**  
Company Secretary



**NOTES:**

**1. Book Closure**

Share Transfer books of the Company will remain closed and no transfer of shares will be accepted from Wednesday December 14, 2022 to Tuesday December 20, 2022 (both days inclusive). Transfer receive in order at the office of the share registrar

M/s Corplink (Private) Limited,  
1-K, Commercial Model Town, Lahore  
Telephone No. 042-36375531, 36375339  
Fax No. 042-36312550, E-mail: [shares@corplink.com.pk](mailto:shares@corplink.com.pk)

at the close of business on Tuesday December 13, 2022 will be treated in time for the purpose of attending the EOGM.

**2. Attendance of the Meeting**

In the light of COVID-19 situation in the Country, the Company has made the arrangement for the safety of the members attending the meeting physically. The relevant SOPs should be followed strictly.

A member entitled to attend, speak and vote at the EOGM is entitled to appoint a proxy to attend, speak and vote instead of him/her.

Proxies in order to be effective duly signed, filled and witnessed must be deposited at the Registered Office of the Company, along with the attested copies of Computerized National Identity Card (CNIC) or Passport, not less than 48 hours before the meeting.

CDC Account Holders will have to follow the guidelines as laid down in Circular No. 1 dated January 26, 2000 issued by the SECP for attending the meeting.

Attendance in the meeting shall be on production of Computerized National Identity Card (NCIC) or passport.

**3. Consent For Video-Link**

The Company has made arrangements to ensure that all shareholders, can now participate in the EOGM proceedings via video link. In order to attend the meeting through video link members are requested to share the below information at [eogmgcil22@ghaniglobal.com](mailto:eogmgcil22@ghaniglobal.com), for their appointment/registration and proxy verification by or before Saturday December 17, 2022 as per below format.

Full Name	Folio/CDC No.	Company Name	CNIC Number	Registered Email Address	Cell Number

Video link details and login credentials will be shared with those members whose registered emails containing all the particulars are received on or before Saturday December 17, 2022.



Members are therefore, encouraged to attend the EOGM through video link or by consolidating their attendance through proxies.

**STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017**

The statement set out the material facts concerning the special business to be transacted at the EOGM of the Company to be held on December 20, 2022:

**Agenda Item No.1**

**Approval for export of ASU plant of the Company.**

The Company is in process to install liquid gases manufacturing plant of 275TPD capacity at Hattar Economic Zone. This plant will be operational in the first quarter of calendar year 2023. The Board of Directors has decided to export one of the existing 110TPD ASU plant of the Company installed at Phool Nagar District Kasur with fair market value around US\$ 3.00 million to US\$ 4.00 million to some prospective buyer in GCC region. The Ghani Chemical Industries Limited will be the first company of Pakistan to export industrial and medical gases manufacturing plant & know how and bring back precious dollars in the country.

Special resolution to be passed with or without modification by shareholders of the Company is as under:

**RESOLVED THAT** approval of the shareholders of Ghani Chemical Industries Limited (GCIL/the Company) be and is hereby accorded to sell and export one of the existing 110TPD ASU plant of the Company installed at Phool Nagar, District Kasur at fair market value around US\$ 3.00 million to US\$ 4.00 million to some prospective buyer in GCC region's country.

**FURTHER RESOLVED THAT** Hafiz Farooq Ahmad, Chief Executive Officer and Mr. Atique Ahmad Khan, director of the Company are singly/ jointly authorized to negotiate the sale price and all other terms and enter into sale deed/ agreement with prospective buyers for export of 110TPD ASU plant of the Company.

**FURTHER RESOLVED THAT** the Chief Executive Officer and the Company Secretary of the Company be and is hereby singly authorized to take all necessary steps and execute documents including legal and corporate formalities and file all requisite documents with the Securities Exchange Commission of Pakistan, the Pakistan Stock Exchange Limited, State Bank of Pakistan, Registrar of Companies and/or any other Government Department as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolutions.



## **Agenda Item No.2**

### **Approval for alteration/amendments/addition in Articles of Association**

Ghani Chemical Industries Limited (GCIL/the Company), consider its employees to be the most valuable asset and to get their commitment and efforts, the Company firmly believes in providing them conducive environment and making them feel a sense of security. Management of the Company intends to initiate Employees Stock Option Scheme to its eligible employees in pursuant to the Section 83 & 83A of the Companies Act, 2017 and **Chapter VI-Employees Stock Option Scheme under the Companies (Further Issue of Shares) Regulations, 2020**. Core objective of the scheme is to provide incentives to Management & Junior Executive employees of the Company. This is not only the key element of employees' retention policy but will also provide them a sense of ownership of the Company resulting in better performance towards growth of the Company.

Provision has to be made in Articles of Association of the Company to offer Employees Stock Option Scheme (ESOS) under Chapter VI-Employees Stock Option Scheme under the Companies (Further Issue of Shares) Regulations, 2020. To affect change in the Articles of Association of the Company under section 38 of the Companies Act, 2017 is required through special resolution of the shareholders.

The directors of the Company have no direct interest in the above mentioned Special Business except to the extent that they are the members of the Company. However, they may have interest as executive directors whenever ESOS Scheme is presented to the shareholders for their approval.

Special resolution to be passed with or without modification by shareholders of the Company is as under:

**RESOLVED THAT** approval of shareholders of the Ghani Chemical Industries Limited (the Company) be and is hereby accorded to insert a new clause 51a. in Articles of Association of the Company as under;

51a. The Company shall have the power to make Employees' Stock Options and to provide share option(s) to its eligible employees, directors and other officers either of the Company and/or subsidiaries of the Company in accordance with the laws of Pakistan for the time being.	Employee Stock Option
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**FURTHER RESOLVED THAT** the Chief Executive Officer and the Company Secretary of the Company be and is hereby singly authorized to take all necessary steps and execute document including legal and corporate formalities and file all requisite documents with Securitax & Exchange Commission of Pakistan and/or Registrar of the Companies as may be necessary or expedient for the purpose of giving effect to the spirit and intent of the above resolution.



### **Agenda Item No.3**

#### **Approval of Employee Stock Option Scheme (ESOS)**

Ghani Chemical Industries Limited (GCIL/the Company) consider its employees are to be the most valuable asset and to get their commitment and efforts, the Company firmly believes in providing them conducive environment and making them feel a sense of security.

Core objective of the scheme is to provide incentives to the key employees of the Company for retention purposes. Moreover, it will provide them a sense of ownership of the Company, which will result in their better performance towards the growth of their own Company and to give them reward for their services to the Company.

The Directors of the Company are not interested in the aforementioned special business except to the extent those executive directors including chief executive which may entitled to the options as an eligible employee.

Full text of Employees Stock Option Scheme to be approved with or without modifications, additions or deletions by the shareholders of the Company is annexed with the notice dispatched to the shareholders as Annexure "A".

#### **Draft Proposed Resolutions:**

The following resolutions are proposed to be passed as Special Resolution, with or without modifications, additions or deletions to approve Employees Stock Option Scheme:

**RESOLVED THAT**, subject to approval/ sanction of the Securities & Exchange Commission of Pakistan (SECP), the Employees Stock Option Scheme (ESOS) of the Company (Ghani Chemical Industries Limited) under the Companies (Further Issue of Shares) Regulations, 2020, considered by in this meeting and circulated by the Company along with notice of the meeting, be and is hereby approved, adopted and agreed.

**RESOLVED FURTHER THAT**, subject to the ESOS being approved and sanction by the Securities and Exchange Commission of Pakistan (SECP), the Company be and is hereby authorized, pursuant to second proviso to Section 83 & 83A of the Companies Act, 2017, to raise further capital in terms of the ESOS and to reserve, allot and issue further shares of the Company up to a maximum of three percent (3%) in a single year and up to fifteen percent (15%) in all years of the total issued share capital of the Company in terms of the ESOS to the eligible employees under the ESOS without offering such shares to the existing shareholders of the Company.

**RESOLVED FURTHER THAT** the Chief Executive Officer and Company Secretary of the Company be and are hereby singly authorized to make such amendment, modification, addition or deletion to the ESOS as may be directed by the Securities and Exchange Commission of Pakistan (SECP) or as may otherwise be considered expedient and such amendment, modification, addition or deletion shall be



deemed to be have been approved as part of the passed Special Resolution without the need of members to pass a fresh Special Resolution."

**RESOLVED FURTHER THAT** the Chief Executive Officer and Company Secretary of the Company be and are hereby singly authorized to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient for the purpose of giving effect to the aforementioned Resolutions and for matters connected therewith or incidental thereto, and to take all necessary steps as required under the law or otherwise and to sign and execute any petitions, applications, documents, letters of authorities etc. for and on behalf of the Company in relation to the foregoing and to further sub-delegate any or all of his powers hereunder.

**RESOLVED FURTHER THAT** once necessary approvals under applicable laws are taken Ordinary Shares of the Company can be issued to the Entitled Employees of the Company as per the ESOS, which shares shall rank pari passu with the existing Ordinary Shares of the Company in all respects including dividends, bonus Shares, voting rights and / or any corporate benefit, if declared by the Company out of the profit for the ensuing years.

#### **Agenda Item No. 04**

#### **Approval for disinvestment of shareholding in its subsidiaries companies**

Ghani Chemical Industries Limited (GCIL/the Company) has three subsidiary companies namely (1) A One Prefabs (Private) Limited (2) Awal Engineering (Private) Limited (3) A One Batteries (Private) Limited with nominal paid up capital of Rs. 25,000 each. None of these subsidiaries has so far commence any business activity. GCIL the holding company of these subsidiaries has recently listed on Pakistan Stock Exchange Limited. To avoid unnecessary legal formalities regarding attachment and publications of consolidated accounts of these subsidiaries with the holding company, the Board of Directors of GCIL has decided to sale out the investments of GCIL to some interested parties including directors of these subsidiaries.

#### **Draft Proposed Resolutions:**

The following resolutions are proposed to be passed as Special Resolution:

**"RESOLVED THAT,** approval of shareholders of the Company (Ghani Chemical Industries Limited) be and is hereby accorded to disinvest the investments made by Ghani Chemical Industries Limited (GCIL) in its wholly own subsidiary companies namely, (1) A One Prefabs (Private) Limited (2) Awal Engineering (Private) Limited (3) A One Batteries (Private) Limited to some interested parties including directors of these subsidiaries at some appropriate price not less than par value of shares.

**"RESOLVED FURTHER THAT** Hafiz Farooq Ahmad, the Chief Executive Officer, of the Company be and is hereby singly authorized and empowered to take all necessary steps and make the requisite decisions from time to time, for the purposes of carrying out the disinvestment of GCIL shares in subsidiary companies."



**“RESOLVED FURTHER THAT** that the Chief Executive Officer and Company Secretary of the Company be and are hereby singly authorized to do all such acts, deeds, matters and things, as may be deemed necessary, proper or expedient for the purpose of giving effect to the aforementioned Resolutions and for matters connected therewith or incidental thereto, and to take all necessary steps as required under the law or otherwise for disinvestment of GCIL shares in subsidiary companies.





## Ghani Global Group

### GHANI CHEMICAL INDUSTRIES LIMITED EMPLOYEES STOCK OPTION SCHEME, 2022

Ghani Chemical Industries Limited, was incorporated in Pakistan as private limited company under the Companies Ordinance, 1984 (now the Companies Act, 217), converted into public limited company on May 18, 2017 and became listed on Pakistan Stock Exchange Limited on November 14., 2022, hereby introduces a stock option scheme to be known as the **Ghani Chemical Industries Limited Employees Stock Option Scheme, 2022** for offer of stock options to its Eligible Employees in pursuant to the Chapter VI – Employee Stock Option Scheme under the Companies (Further Issue of Shares) Regulations, 2020.

#### The purposes of the Scheme are:

- (i) To improve Company's performance and thereby increase shareholders value;
- (ii) To increase productivity and share the rewards of success of the Company;
- (iii) To reward the abilities and efforts of all such eligible employees of the Company, as considered fit by the Compensation Committee;
- (iv) To attract and retain key employees; and
- (v) To align the interests of such employees with those of the Company's shareholders.

#### 1. Definitions and Interpretation

1.1. In this Employees Stock Option Scheme the words and expressions set out below shall have the meanings as specified against them:

- 1.1.1. **'Act'** means the Companies Act, 2017;
- 1.1.2. **'The Company'** means Ghani Chemical Industries Limited;
- 1.1.3. **'The Board'** means the Board of Directors, for the time being, of the Company acting at a meeting or through a committee of Board of Directors;
- 1.1.4. **'Commission'** means the Securities and Exchange Commission of Pakistan (SECP);
- 1.1.5. **'CDC'** means Central Depository Company of Pakistan Limited
- 1.1.6. **'Regulations'** means the Companies (Further Issue of Shares) Regulations, 2020 [specifically Chapter VI – Employee Stock Option Scheme];





- 1.1.7. **'The Scheme'** means the Ghani Chemical Industries Limited Employees Stock Option Scheme, 2020 approved by the Commission and introduced under the Chapter VI – Employee Stock Option Scheme under the Companies (Further Issue of Shares) Regulations, 2020;
- 1.1.8. **'The Compensation Committee' or 'CC'** means a Human Resource and Remuneration Committee appointed by the Board. Subject to regulation 7(1)(ii), the initial CC shall comprise of the following three non-executive and Independent Directors of the Company where Chairman is an Independent Director:
- |     |                        |          |
|-----|------------------------|----------|
| (a) | Independent Director   | Chairman |
| (b) | Independent Director   | Member   |
| (c) | Non-Executive Director | Member   |
- 1.1.9. **'Financial Year'** means the period starting from 1<sup>st</sup> July in a calendar year and ending on 30<sup>th</sup> June in the following calendar year;
- 1.1.10. **'Shares'** means fully paid up ordinary shares of Rs. 10/- each in the capital of the Company;
- 1.1.11. **'Allotment of Shares'** means Shares that will be allotted in scrip-less form in the Central Depository System (CDS) of CDC to an Option Holder in accordance with clause 4.6;
- 1.1.12. **'ESOS Account'** means the book account opened by the Company in the name of each Eligible Employee to facilitate Cashless Exercise of Options;
- 1.1.13. **'Option'** means a right granted to an Eligible Employee to subscribe for Shares at the Option Price, pursuant to the Scheme;
- 1.1.14. **'Date of Approval'** means the date on which the Commission approves the Scheme in accordance with the requirements of Sections 83 and 83A of the Companies Act, 2017 and the Regulations;
- 1.1.15. **'Employment'** means employment by the Company or any subsidiary(ies) of the Company, as the case may be, of an Eligible Employee;
- 1.1.16. **'Eligible Employee'** means:
- A regular employee (including contractual) who is on payroll of the Company working in Pakistan or outside Pakistan and who is admitted to the Scheme by the Board; or
  - An Executive Director who is on the payroll of the Company; or
  - A Chief Executive Officer who is on the payroll of the Company; or
  - Subject to compliance with regulation 7 (1)(vii) of the Regulations, a regular employee of any subsidiary company(ies) of the Company, and/or an Executive Director and/or Chief Executive Officer who is on the payroll of any subsidiary company(ies) and who is admitted to the Scheme by the Board.
- 1.1.17. **'Entitlement Criteria'** means criteria that will be determined or laid down from time to time by the Compensation Committee based on, inter alia, the following factors:



- a) Competitive pay levels;
- b) Level of responsibility;
- c) Performance; and
- d) No. of years of Service.

1.1.18. **'Date of Entitlement'** means the 1<sup>st</sup> of January of each calendar year, or any other date decided by the Compensation Committee. First entitlement date will be 1<sup>st</sup> January 2023 or later date as decided by the Compensation Committee;

1.1.19. **'Date of Grant'** means the date on which an Option is granted to an Eligible Employee in accordance with this Scheme;

1.1.20. **'Entitlement Pool'** means the total number of Shares available for being made the subject of Options, as determined by the Board from time to time, which shall not, at any time, exceed fifteen percent (15%) of the paid-up capital of the Company (as increased from time to time). After the merger of G3 Technologies Limited with and into Ghani Chemical Industries Limited through Court Order dated October 11, 2022 paid up capital of the Company is Rs. 4,347,163,380/- divided into 434,716,338 shares of Rs.10/- each and accordingly today the Entitlement Pool is 69,554,614 Shares. However, it is clarified that until such point in time that the number of Shares issued under the Scheme equal fifteen percent (15 %) of the paid-up capital of the Company, the balance Entitlement Pool shall be calculated taking into account any increase(s) in the paid up capital. However, once the number of Shares issued under this Scheme equal fifteen percent (15%) of the paid up capital of the Company, the Entitlement Pool shall be exhausted and this Scheme shall cease to operate, notwithstanding any subsequent increase in the paid-up capital;

1.1.21. **'Option Holder'** means an Eligible Employee or permitted successor/transferee of an Eligible **Employee** holding an Option;

1.1.22. **'Option Notice'** means the notice given by an Eligible Employee to the Company for the exercise of Option held;

1.1.23. **'Option Price'** means the subscription price for a Share comprised in any Option which, unless otherwise determined by the Compensation Committee in compliance with regulation 7(1)(viii) of the Regulations, shall be weighted average of the closing market price of the Share of the Company at the Pakistan Stock Exchange Limited for the last 90 consecutive calendar days immediately preceding the Date of Grant of the relevant Option. Provided that it shall not in any case be less than the face value of Rs.10.00 per share.

1.1.24. **'Option Certificate'** means a certificate issued to an Option Holder in accordance with clause 3.3 of the Scheme;

1.1.25. **'Normal Anticipated Retirement Date'** means 60 years of age or such other age at which an Eligible Employee is required to retire by his contract of employment or as per rules and policy of the Company including subsidiary Company(ies);

1.1.26. **'Retirement'** means the ceasing of Employment of an Eligible Employee on attaining the Normal Anticipated Retirement Date;



- 1.1.27. '**Cashless Exercise**' means the mechanism described in clause 4.5 whereby the Company may fund all or part of the Option Price;
- 1.1.28. "**Exercise Period**" means a period of one (1) year from the expiry of the Minimum Period;
- 1.1.29. '**Share Entitlement**' means that number of Shares for which an Option is granted to an Eligible Employee in accordance with the Scheme, as stated in the Option Certificate relating to such Option; and
- 1.1.30. '**Minimum Period**' means, for each Option or portion thereof, the period, as specified in clause 4.2, after which the Option or portion thereof can be exercised by the Option Holder.
- 1.1.31. '**Stock Exchange**' means Pakistan Stock Exchange Limited where Company's Shares are listed;
- 1.1.32. In the Scheme, unless the context otherwise requires, words denoting the singular number shall include the plural number and words denoting the masculine gender shall include the feminine gender.
- 1.1.33. In the Scheme, unless the context otherwise requires, a reference to a regulation is to a regulation under the Regulations, and a reference to a clause is to a clause of the Scheme.
- 1.1.34. A reference to any legislation or legislative provision includes any statutory modification or re-enactment of, or legislative provision substituted for, and any subordinate legislation under, that legislative provision.
- 1.1.35. A reference to any agreement or document is to that agreement or document (and, where applicable, any of its provisions) as stands amended, novated, restated or replaced at the relevant time.
- 1.1.36. A reference to any person includes that persons' executors, administrators, and successors, permitted transferees.

## **2. Effectiveness and the Compensation Committee**

- 2.1. The Scheme shall come into force with effect from the Date of Approval.
- 2.2. The Compensation Committee shall be constituted in terms of this Scheme and the Rules and shall exercise such powers as are stated herein and/or in the Rules to be exercised by the Compensation Committee. **(Please refer to Annexure B-Rules and Procedure of the Scheme)**

## **3. Grant of Options**

- 3.1. On or prior to the Date of Entitlement (and at least once in every Financial Year), the Compensation Committee shall determine and recommend to the Board as to which Eligible Employees are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option. The CC shall, in determining the aforementioned entitlement, take into account the Entitlement Criteria and undertake performance evaluation based on a system of ratings, competitive pay levels, level of responsibility, number of years of service and information provided by the heads of department.



- 3.2. Within 30 days of the Date of Entitlement, the Board, on recommendation of the CC, may in its discretion grant the recommended Options to the recommended Eligible Employee in respect of the immediately preceding Financial Year.
- 3.3. In evidence of the Option granted to an Eligible Employee pursuant to Clause 3.2, the Company shall deliver an Option Certificate to such Eligible Employee, stating therein the Entitlement of the Eligible Employee, the Date of Grant, the Exercise Period, the Minimum Period and the Option Price. Each Option shall be personal to the Eligible Employee to whom it is granted and, other than a transfer to the Eligible Employee's legal heirs on his death, shall not be transferable, assignable or chargeable in any manner whatsoever. Any other purported transfer, assignment, charge, disposal or dealing with the rights and interest of the Option Holder under the Scheme or under an Option shall render such Option null void.
- 3.4. The aggregate number of the Shares for all Options to be granted under this Scheme to all Eligible Employees shall not, at any time, exceed the Entitlement Pool.
- 3.5. The aggregate number of the Shares for all Options to be granted under the Scheme to any single Eligible Employee shall not, at any time, exceed three percent (3%) of the paid-up capital of the Company (as increased from time to time). Provided that the grant of Options to Eligible Employee in any one calendar year exceeding one percent (1 %) of the paid-up capital of the Company (as increased from time to time but excluding outstanding conversions) shall require the approval of the shareholders of the Company under regulation 7(1)(b).
- 3.6. No Option shall be granted to an Eligible Employee specified in Clause 1.1.16 except with the approval of the shareholders of the Company under regulation 7(1)(a) of the Regulations.
- 3.7. An Eligible Employee who is on long leave (i.e. leave in excess of the normal leave requirements provided in the terms and conditions of employment) may also become entitled to such Options as may be determined by the CC in its discretion from time to time.

#### **4. Exercise of Options**

- 4.1. An Option or any portion thereof shall be exercised during the applicable Exercise Period, subject to expiry of the relevant Minimum Period.
- 4.2. There shall be a minimum period of one year between the grant of option and vesting of option. An employee shall not have right to receive any dividend or to vote or in any manner enjoy the benefits of a shareholder in respect of option granted to him, till shares are issued to him on exercise of option.
- 4.3. An Option may be exercised in full or in part, from time to time within the applicable Exercise Period (subject to expiry of the relevant Minimum Period).
- 4.4. In order to exercise an Option in whole or in part, the Option Holder must, after expiry of the relevant Minimum Period and prior to expiry of the relevant Exercise Period, deliver to the Secretary of the Company an Option Notice in writing specifying the number of Shares in respect of which the Option is being exercised, and deliver a copy of such Option Notice along with the Option Certificate. Payment for the Option Price relating to the Option or part thereof



being exercised must also be made to the CC, in readily available funds accompanying the Option Notice and/or, in case Clause 4.5 is applicable, by the Option Holder opting for the Cashless Exercise of Option there under. The date of delivery of the Option Notice to the Company shall constitute, for all purposes, the date of exercise of such Option. Each Option Notice shall be given only in such form, and shall be subject to such other requirements and modalities, as the Company may from time to time prescribe.

- 4.5. Under the Cashless System of exercise of Option, the Company may, in its discretion, fund by way of an interest free advance, up to the entire amount of the relevant Option Price, to the Eligible Employees that come within the scope of the proviso to Section 86 (2) of the Act, The CC may, within ten working days of receipt of an Option Notice opting for a Cashless Exercise under this Clause 4.5, (in its discretion) either refuse the funding of such Option or make payment (by debiting the ESOS Account of such Eligible Employee) of the relevant portion of Option Price in respect of which such Eligible Employee has opted for Cashless Exercise under this Clause 4.5 (as specified in the Option Notice).
- 4.6. As soon as practicable and in any event not more than thirty days after the later to occur of receipt by the Company of each Option Notice and the payment of the applicable Option Price, the Shares in respect of which the Option has been exercised shall be allotted by the Company to the Eligible Employee. Employees exercising the option must have account in CDC and the Shares shall be directly credited through book entries into the respective Central Depository System (CDS) accounts of allottees maintained with the CDC and the name of such Eligible Employee shall be entered in the register of members of the Company in respect of the Shares so allotted. The Option Holders, therefore, must have a CDS Account at the time of exercising the Option. Provided, however, in case the Eligible Employee has opted for a Cashless Exercise under Clause 4.5 in respect of all or part of such Option Price, the Company shall have a lien on the Shares allotted there under up to the amounts advanced by the Company under Clause 4.5, and the Company shall be entitled to sell such number of Shares as are required to repay such amounts and reduce the debit balance in such Eligible Employee's ESOS Account to nil.
- 4.7. No Option Holder shall have any right to receive any sort of dividend or to vote in any manner or enjoy the benefits of a shareholder in respect of any Option granted to him until Shares are actually issued to him on exercise of the Option (and thereafter such rights shall be limited only to the extent of the Shares issued to him).
- 4.8. There is no lock-in period for any Shares allotted and issued to an Option Holder on exercise of his Option, i.e. an Option Holder shall be free to sell or otherwise dispose of his Shares (subject to the provisions of Clause 4.5, if applicable). **Please refer to Annexure-A – Time Schedule [and mechanism] of the Scheme.**

## 5. Lapse of Options

- 5.1. The unexercised portion of an Option shall lapse at the completion of the relevant Exercise Period.
- 5.2. Notwithstanding anything to the contrary contained herein, upon an Option Holder ceasing to be in Employment for any reason (including termination of



employment for misconduct) other than Retirement or death or permanent incapacity, only such Options or portion thereof held by him for which the Minimum Period has expired on or prior to the date of termination / resignation shall remain valid and all other Options or portions of Options shall immediately lapse thereafter. The Options or portions thereof that remain valid under this Clause 5.2 may be exercised any time up till the expiry of applicable Exercise Period or within the period of **nine months** from the date of termination/ resignation of the Option Holder, whichever is earlier, and the unexercised Options or portion thereof, if any, shall lapse thereafter. Provided, however, the Compensation Committee may, in its discretion, extend the permissible period for exercise of the aforementioned Options beyond the aforementioned period but not, in any case, beyond the Exercise Period relating to such Option.

- 5.3. Notwithstanding anything to the contrary contained herein, upon the Option Holder ceasing to be in Employment by reason of Retirement or permanent incapacitation, all remaining Options held by him on the date of Retirement or permanent incapacitation shall immediately vest in his name (irrespective of the applicable Minimum Period) and will remain capable of exercise only up till the expiry of applicable Exercise Period or the period of twelve months from the date of such Retirement / permanent incapacitation, whichever is earlier, and any unexercised portion of the Option shall lapse thereafter.
- 5.4. Notwithstanding anything to the contrary contained herein, upon the death of any Option Holder, all remaining Options held by him on the date of death shall immediately vest in the name of his legal heirs (irrespective of the applicable Minimum Periods) and will remain capable of exercise by such legal heirs only up till the expiry of the applicable Exercise Period or the period of twelve months from the date of death, whichever is earlier, and any unexercised portion of the Option shall lapse thereafter. Provided however that such legal heirs shall, prior to exercise of an Option, be required to show evidence to the Company's satisfaction that they are the only legal heirs of the deceased Option Holder.
- 5.5. Upon the lapse of an Option, any outstanding Shares for which the Option was issued and not exercised may be offered by the CC to other Eligible Employees and shall not be double-counted for the purposes of the Entitlement Pool.

## **6. Calculation of Entitlement**

The Board, on recommendation of the CC, shall determine the entitlement to Options of the Eligible Employees in a meeting to be held within 30 days of the Date of Entitlement.

## **7. Compliance**

- 7.1. The Scheme shall be administered and implemented in due compliance with law, including without limitation, applicable provisions of the Act and the Regulations.
- 7.2. Without prejudice to the generality of the foregoing, the Board shall ensure compliance with regulation 7 of the Regulations.
- 7.3. The policy and system for controlling insider trading shall be as follows:
  - (a) the Company will ensure that each Eligible Employee is provided with a copy of the Scheme prior to grant of any Option;



- (b) while granting any Option to an Eligible Employee, he/she will be cautioned in writing that all Options granted will lapse forthwith if the Eligible Employee is found guilty of insider trading;
- (c) the Company will provide the Eligible Employee, prior to grant of any Option, with copies of the relevant sections of law (including any updates or amendments thereto) dealing with the prohibition against insider trading;
- (d) all trades of the Company's securities by all Option Holders must be reported within five (5) working days to the Company Secretary of the Company;
- (e) An Eligible Employee shall neither disclose any inside information to any other person nor make recommendations nor express opinion on the basis of inside information as to trading in the Company's securities.

7.4. Without prejudice to the foregoing, the CC may from time to time modify the aforementioned policy or make other suitable policies and system to ensure that there is no violation of insider trading provisions of Securities Act, 2015 and the Securities and Exchange Commission of Pakistan Act, 1997 or the rules made under these laws.

7.5. "Inside information" and "insider trading" shall have the same meaning as described thereto in the Act, 2015.

7.6. If any Option Holder is found involved in or suspected of insider trading, the Options granted to him but not yet exercised shall be withdrawn.

## **8. Expenses**

Any expenses of the Company involved in any issue of Shares in the name of any Option Holder shall be payable by the Company.

## **9. General**

9.1. 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, 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 or the Secretary of the Company shall be properly given if sent to or delivered to the registered office of the Company.

9.2. The Board 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.

9.3. The decision of the CC in any dispute or question relating to any Option shall be final and conclusive, subject to the written confirmation of the auditors of the Company whenever required in the determination of the break-up value or fair value of the Shares for the purposes of this Scheme.

9.4. Participation in this Scheme by an Option Holder is a matter entirely separate from any gratuity, provident fund or pension right or entitlement he may have and from his terms or conditions of Employment and participation in this Scheme shall in no respects whatsoever affect in any way an Option Holder's other rights or entitlement or terms or conditions of his Employment. In



particular (but without limiting the generality of the foregoing words) any Option Holder who leaves 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.

- 9.5. If a provision of this Scheme is or becomes illegal, invalid or unenforceable, that shall not affect the legality, validity or enforceability of any other provision of this Scheme.
- 9.6. In case of a conflict between the provisions of this Scheme and the provisions of the Act or the Regulations (as the case may be), the provisions of the Act or Regulations (as the case may be) shall prevail.
- 9.7. In approving this Scheme, the shareholders of the Company shall be deemed to be expressly permitting issuance, from time to time, of Shares under or pursuant to the Options granted hereunder as shares other than right shares.

#### **10. Modifications and Alterations:**

- 10.1. The terms of this Scheme may at any time be modified or altered only in accordance with regulation 7(1)(viii) of the Regulations.
- 10.2. Rights already vested in Option Holders' by the grant of Options cannot be retrospectively altered or modified to the Option Holders' detriment by any alteration or modification to the Scheme.

#### **11. Termination**

- 11.1. 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 (i.e. options granted and not lapsed) shall continue in full force and effect.

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## **Annexure -B**

### **Rules & Procedures**

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#### **Objective:**

We, Ghani Group (GG) consider our employees to be our most valuable asset and to get their commitment and efforts, GG firmly believes in providing them conducive environment and making them feel a sense of security.

Core objective of the scheme is to provide incentives to the key employees of the Company for retention purposes. Moreover, it will provide them a sense of ownership of the Company, which will result in their better performance towards the growth of their own Company and to give them reward for their services to the Company..

#### **Appraisal Process:**

On or prior to the Date of Entitlement (and at least once in every Financial Year), Management will recommend a list of employees to the Compensation Committee (CC), the CC shall determine and recommend to the Board as to which Eligible Employees are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option. The CC shall, in determining the aforementioned entitlement, take into account the Entitlement Criteria and undertake performance evaluation based on a system of ratings, competitive pay levels, level of responsibility, number of years of service and information provided by the heads of department.

#### **Entitlement Criteria shall include the following factors:**

- 1. Grade and Pay Scale;**
- 2. Performance Evaluation;**
- 3. Level of Responsibility;**
- 4. No. of Years of Service;**

#### **Procedure:**

1. Within 30 days of the Date of Entitlement, the Board, on recommendation of the CC, may in its discretion grant the recommended Options to the recommended Eligible Employee in respect of the immediately preceding Financial Year.
2. In evidence of the Option granted to an Eligible Employee, the Company shall deliver an Option Certificate to such Eligible Employee, stating therein the Entitlement of the Eligible Employee, the Date of Grant, the Option Period, the Minimum Vesting Period and the Option Price. Each Option shall be personal to the Eligible Employee to whom it is granted and, other than a transfer to the Eligible Employee's legal heirs on his death, shall not be transferable, assignable or chargeable in any manner whatsoever. Any other purported transfer, assignment, charge, disposal or dealing with the rights and interest of the Option Holder under this Scheme or under an Option shall render such Option null void.
3. The aggregate number of the Shares for all Options to be granted under this Scheme to all Eligible Employees shall not, at any time, exceed the Entitlement Pool.



The Company will ensure that each eligible employee is provided with a copy of the Scheme prior to the grant of any Option that includes the following;

Administration and Compliance including controlling Insider Trading	Clause 7 of the Scheme
Calculation of Entitlement	Clause 6 of the Scheme
Lapse Procedures	Clause 5 of the Scheme
Exercise Procedures	Clause 4 of the Scheme
Grant of Options	Clause 3 of the Scheme

**Summary:**

a. Total number of options to be granted:	15% of the paid-up capital of the Company (as increased from time to time)
b. Identification of classes of employees entitled to participate in the Scheme:	<p>a. A regular employee who is on payroll of the Company working in Pakistan or outside Pakistan (and who is admitted to the Scheme by the Board);</p> <p>b. An Executive Director who is on the payroll of the Company;</p> <p>c. A Chief Executive who is on the pay roll of the Company;</p> <p>d. Subject to compliance with regulation 7 of the Regulations, a regular employee of any wholly subsidiary company(ies) of the Company, and/or an Executive Director and/or Chief Executive Officer who is on the payroll of any wholly subsidiary Company(ies) and who is admitted to the Scheme by the Board.</p>
c. Requirements of vesting and period of vesting:	<p>An Option or any portion thereof shall be exercised during the applicable Option Period, subject to expiry of the relevant Minimum Vesting Period.</p> <p>The Minimum Vesting Period for an Option shall, unless otherwise determined by the Compensation Committee at the time of grant of an Option, be a period of 12 months from the Date of Grant of the Option.</p>
d. Maximum period within which any option shall be vested:	One (1) year from the expiry of the Minimum Vesting Period;
e. Exercise price or pricing formula:	Weighted average of the closing market price of the Shares of the Company at the Pakistan Stock Exchange Limited for the last 90 consecutive days immediately preceding the Date of Grant of the relevant Option. Provided that it shall not in any case be less than the face value of Rs.10.00 per share.
f. Appraisal process for determining eligibility of an employee to the Scheme:	On or prior to the Date of Entitlement (and at least once in every Financial Year), the CC shall determine and recommend to the Board as to which Eligible Employees are entitled to grant of Options for the Financial Year preceding the Date of Entitlement, and the proposed terms and conditions and quantum of each Option. The



	CC shall, in determining the aforementioned entitlement, take into account the Entitlement Criteria and undertake performance evaluation based on a system of ratings, competitive pay levels, level of responsibility, number of years of service and information provided by the heads of department.
g. Maximum number of options to be issued per employee and in aggregate	The aggregate number of the Shares for all Options to be granted under this Scheme to any single Eligible Employee shall not, at any time, exceed five percent (3%) of the paid-up capital of the Company (as increased from time to time). Provided further that the grant of Options to Eligible Employees in any one calendar year exceeding Three percent (3 %) of the paid-up capital of the Company (as increased from time to time but excluding outstanding conversions) shall require the approval of the shareholders of the Company

**Please refer to the Annexure – A for the Mechanism (with the help of an illustration).**

