PIAHCL
PIA Holding Company Ltd.

PIA HOLDING COMPANY LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the Members of **PIA Holding Company Limited (PIAHCL)** will be held at **11:00 AM, on Saturday, October 25, 2025, at Ramada Hotel, Murree Road, Islamabad, as well as through video link facility** to transact the following business:

Special Business:

1. To consider and, if deemed fit, to pass, with or without modifications, the following resolution for, inter alia, approval of carving out of Precision Engineering Complex (PEC) from PIA Holding Company Limited (PIAHCL) to Precision Engineering Complex (Private) Limited, a designated entity of Pakistan Air Force (PAF), along with ancillary matters thereto, as approved by the Board of Directors of the Company on September 23, 2025.

   The Resolution to be passed by the requisite majority of members of the Company under Sections 279 and 282 of the Companies Act, 2017, is as under:

   "RESOLVED THAT, pursuant to Sections 279 to 283 and Section 285(8) of the Companies Act, 2017, and in line with the decision of the Federal Government approved by the Cabinet vide Case No. 282/Rule-19/2025/404 dated May 01, 2025, the shareholders of PIA Holding Company Limited ("PIAHCL") do hereby approve the Scheme of Arrangement as approved by the Board of Directors and circulated to the members of the Company, for the carving out and transfer of Precision Engineering Complex (PEC) from PIAHCL to Precision Engineering Complex (Private) Limited (PECPL), a designated entity of Pakistan Air Force, with effect from May 01, 2025, along with all ancillary matters thereto, subject to sanction by the Securities and Exchange Commission of Pakistan (SECP) and compliance with applicable legal and regulatory requirements.

   FURTHER RESOLVED THAT the Chief Executive Officer and the Company Secretary be and are hereby authorized, jointly and severally, to complete any or all necessary corporate, legal and regulatory compliances and formalities to give effect to the above, including to sign, execute, deliver and issue, on behalf of the Company, all such notices, documents, forms, instruments and any other papers of any nature whatsoever that may be required in connection with the above resolution(s), to obtain no objection certificates from third parties and to complete regulatory requirements including filing the required documents with the Securities and Exchange Commission of Pakistan and other regulatory authorities, as required."

The Statement under Section 134(3) of the Companies Act, 2017 setting forth all material facts regarding special business given in Agenda Item No. 1 is annexed to the notice being sent to the shareholders.

Other Business:

2. To transact any other business with the permission of the Chair.

By Order of the Board

Rao Muhammad Imran
Company Secretary

Islamabad: October 03, 2025

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

WHEREAS, as per the decision of the Federal Government approved by the Cabinet via Case No. 282/Rule-19/2025/404 dated May 01, 2025, for the transfer of ownership of the Precision Engineering Complex (PEC) from PIA Holding Company Limited (PIAHCL) ("Company") to Precision Engineering Complex (Private) Limited (PECPL), the PIAHCL Board has decided to enter into an arrangement with PECPL, a designated entity of the Pakistan Air Force (PAF), in terms of the Scheme of Arrangement ("Scheme") under Sections 279 to 283 and 285(8) of the Companies Act, 2017 ("Act"), for carving out PEC from PIAHCL and its transfer to the designated entity by Pakistan Air Force (PAF).

Precision Engineering Complex (PEC) was initially a business division under Pakistan International Airlines Corporation Limited (PIACL). As part of the restructuring plan approved by the Federal Government, PEC was transferred from PIACL to PIA Holding Company Limited (PIAHCL) through a duly sanctioned Scheme of Arrangement under Sections 279 to 283 of the Companies Act, 2017. This transfer was undertaken as part of the strategic separation of PIACL's core and non-core assets, with PEC categorized as a non-core undertaking. The said Scheme between PIACL and PIAHCL provided for the legal coverage and seamless transfer of all assets, liabilities, rights, and obligations associated with PEC to PIAHCL. The purpose of this restructuring was to consolidate non-core businesses of PIACL under PIAHCL and streamline the management and governance of such undertakings for future policy decisions. The said Scheme was approved by the Securities and Exchange Commission of Pakistan (SECP), with all statutory and procedural formalities duly complied with.

In order to effectuate the said transfer of PEC, PIAHCL Board while adopting the decision of the Federal Cabinet, had decided that the legal mechanism available under Sections 279-283 of the Companies Act, 2017, shall be adopted being more feasible legal course for both the entities. Accordingly, this Scheme of Arrangement has been drafted, which shall give effect to the proposed arrangement along with all ancillary and related matters thereto. Salient features of the proposed Scheme are as follows:

a) Precision Engineering Complex (Private) Limited ('PECPL'), a wholly owned subsidiary of Shaheen Foundation and beneficially owned by the Government of Pakistan, was incorporated for the purpose of independently managing and operating PEC.

b) The proposed Scheme is being undertaken pursuant to Sections 279 to 283 and 285(8) of the Companies Act, 2017, read together with S.R.O 135(I)/2023 of the Finance Division (Investment Wing), Ministry of Finance of the Government of Pakistan and is subject to approvals from:

   (i) the Securities and Exchange Commission of Pakistan (SECP);
   (ii) relevant creditors;
   (iii) the shareholders of PIAHCL and PECPL; and
   (iv) approval or exemption under applicable Competition laws and regulations of Pakistan.

c) The proposed Scheme shall become effective from May 01, 2025, subject to sanction by SECP and filing of the certified order (Sanction Date).

d) PEC Undertaking, as defined in the proposed Scheme, includes all assets, liabilities, contracts, and employees related to PEC (listed in annexures to the proposed Scheme).

e) PECPL shall pay PIAHCL PKR 2.5 billion over five years (in accordance with the payment schedule issued by the Finance Division - Government of Pakistan and annexed to the proposed Scheme). Additionally, PECPL shall also assume all present and future obligations and liabilities of PIAHCL in connection with retired and active PEC employees. Proposed Scheme also envisages that in the event of default of payment on due dates, the matter will be referred to Secretary, Ministry of Defence, Government of Pakistan for appropriate resolution.

f) All PEC active employees will be transferred to PECPL on their existing terms with no break in service. PECPL will continue to honor all existing collective bargaining and employment arrangements.

g) Assets and liabilities relating to PEC will be transferred to and vested in PECPL on and from the Effective Date. Proposed Scheme envisages that all assets of PEC will be transferred to PECPL free and clear of any encumbrances.

h) Financing arrangements with the consortia of banks led by BOP and NBP, respectively, will not be affected. No objection certificates from BOP and NBP, in their capacities as agents on behalf of the respective financiers, will be required at the creditors meeting to be held upon the directions of the SECP. Both the BOP and NBP consortia have agreed to release all existing encumbrances over PIAHCL's movable assets relating to PEC. Under the BOP finance documents, PIAHCL was originally obligated to create a mortgage by deposit of title deeds over the PEC immovable asset listed in Annexure-'A' of the proposed Scheme; however, PIAHCL, PECPL and BOP have agreed that the said asset will remain part of musharaka pool for identification purposes only and that PIAHCL will have no obligation to create any encumbrance over it.

i) PIAHCL's all present and future obligations relating to retired PEC employees and inactive PEC employees (employees who have not initiated pension process) will be transferred to and assumed by PECPL, on and from the Effective Date.

j) All licenses, permits and approvals of PEC will be transferred to PECPL by operation of law. All existing contracts (if any), legal proceedings, judgments and authorizations related to PEC shall be enforceable by or against PECPL from the Effective Date. No contractual right of first refusal or pre-emption shall be triggered by this transfer.

k) Upon sanction of the proposed Scheme by SECP, all bank guarantees, performance bonds and similar instruments issued by PIAHCL or any of its group companies in connection with PEC shall stand cancelled as of the Effective Date and shall not transfer to PECPL. The issuing entity will have no further obligation thereunder and PECPL may arrange replacement guarantees if required by the relevant beneficiaries.

l) No new shares will be issued or cancelled by PIAHCL nor there will be any change to the capital structure or listing status of PIAHCL. PIAHCL shareholders will not be allotted or issued any shares in PECPL in consideration for the transfers contemplated under the proposed Scheme.

m) All present and past tax liabilities of PIAHCL related to PEC will be transferred to PECPL, details described in the split balance sheet annexed to the proposed Scheme. Both entities are permitted to revise tax filings or claims post-transfer, as necessary.

n) Proposed Scheme to be submitted to SECP for sanction after approval of the boards of PIAHCL and PECPL. SECP may approve with modifications, which may be accepted by the boards of both the companies. All implementation costs of the proposed Scheme will be borne by PECPL.

The assets, properties, investments, rights, liabilities, obligations etc. of PEC are based on the special audited financial statements of PIAHCL for the period ended April 30, 2025, details of which form an integral part of this Scheme. The objects and benefits of the arrangements are also provided in detail in the Scheme.

A copy of the Scheme is available for inspection to any person entitled to attend the Extraordinary General Meeting, at the registered office of PIAHCL, free of cost during normal office hours. Copies of the same may also be obtained upon request by such persons from the registered office of PIAHCL free of cost during normal office hours. Furthermore, in accordance with the provisions of Section 282(2) of the Companies Act, 2017, a copy of the Scheme, statement under Section 281 of the Companies Act read with statement of material facts under Section 134(3) of the Companies Act has been enclosed with the Notice of the Meeting circulated to the members of PIAHCL.

No director of the Company has any interest, whether directly or indirectly, except to the extent of their shareholding held by them in the respective company and, for the executive directors, their employment within the respective company. The directors are also interested to the extent of remuneration and benefits as per the policy of the respective company. The effect of this Scheme on the interest of these directors does not differ from the respective interest of the shareholders of PIAHCL and PECPL, except to the extent stipulated herein.

In view of the above, the Board of Directors of the Company has approved and recommended the Scheme, vide its 16th Meeting held on September 23, 2025, along with the arrangements stipulated thereunder, which have been described hereinabove.

NOTES:

i. The Notice along with Statement under Section 134(3) of the Companies Act, 2017 setting forth all material facts and Statement under Section 281 of the Companies Act, 2017, have been uploaded on the website of the Company, which can be downloaded from the following website link and/or QR Code:

Weblink	QR Code
https://piahcl.com.pk/investor-information.html	

ii. Apart from accessibility through the abovementioned link, the same will also be circulated to the members through their emails as maintained with the PIA Holding Company Limited (the **"Company"**) and is also accessible through the website of the Company www.piahcl.com.pk .

Notice of Book Closure

iii. The Company's Register of Members and Share Transfer Books will remain closed from **Friday, October 17, 2025** through **Saturday, October 25, 2025** (both days inclusive). Only transfers lodged, complete in all respects by **5:00 pm on Thursday, October 16, 2025** at our Share Registrar/Transfer Agent, CDC Share Registrar Services Ltd., CDC House, 99-B, Block-B, Main Shahrah-e-Faisal, Karachi will be effective for voting at the EOGM.

For Attending the Meeting

iv. In case of individuals, the account holder or sub-account holder and/or the person whose registration details are uploaded as per CDC Regulations, shall authenticate his/her identity by showing his/her original Computerized National Identity Card (CNIC) or original passport at the time of attending the Meeting.

v. In case of corporate entity, the Board of Directors' resolution/power of attorney with specimen signature of the nominee shall be produced (unless it has been provided earlier) at the time of Meeting.

For Appointing Proxies

vi. Any member of the Company entitled to attend and vote at the General Meeting may appoint another member as their proxy to attend and vote on their behalf. Corporate entities, however, may appoint a proxy who need not to be a member. Proxies must be submitted at the Company's Registered Office at least 48 hours prior to the meeting. Proxy forms, available in both English and Urdu, can be downloaded from the Company's website at www.piahcl.com.pk

vii. Individual account holders or sub-account holders registered under CDC Regulations must authenticate their identity by presenting their original CNIC or passport at the meeting. For corporate entities, a Board of Directors' Resolution or Power of Attorney with a specimen signature of the nominee must also be presented, unless previously submitted. CDC account holders are required to adhere to SECP guidelines outlined in Circular 01 dated January 26, 2000.

viii. Proxy forms must be witnessed by two individuals, with their names, addresses, and CNIC numbers included. Attested copies of the CNIC or passport of the beneficial owner and proxy must accompany the Proxy Form and the proxy must present their original CNIC or passport at the meeting. For corporate entities, the required Board Resolution or Power of Attorney, along with the Proxy Form, must be submitted to the Company unless already provided.

Polling on Special Business

ix. The members are hereby notified that pursuant to Companies (Postal Ballot) Regulations, 2018 ("the Regulations") amended through Notification dated March 20, 2025, issued by the SECP, all the listed companies are required to provide the right to vote through electronic voting facility and voting by post to the members on all businesses classified as 'special business'.

x. Accordingly, members of the Company will be allowed to exercise their right to vote through electronic voting facility or voting by post for the special business in its forthcoming Extraordinary General Meeting in accordance with the requirements and subject to the conditions contained in the aforesaid Regulations.

Procedure for Voting through Postal Ballot

xi. The members shall ensure that duly filled and signed ballot paper, along with copy of valid Computerized National Identity Card (CNIC), or passport for foreign member and Board Resolution / Power of Attorney for body corporate, Corporation, should reach the Chairman of the meeting through post at the Liaison Office of the Company **(The Company Secretary, 1st Floor, Executive Corridor, PIA Head Office Building, Karachi Airport, Pakistan) or via email at corporate.affairs@piac.aero.** The signature on the ballot paper should match the signature on CNIC / record of the Company. A postal ballot received after **Friday, October 24, 2025 at 5:00 P.M**, shall not be considered for voting. For convenience of the members, Ballot Paper is annexed to this notice and the same is also available on the Company's website i.e. www.piahcl.com.pk

xii. It shall be noted that in case of any dispute in voting including the casting of more than one vote, the Chairman shall be the deciding authority.

Procedure for E-Voting

xiii. Details of the e-voting facility will be shared through an email with those members of the Company who have their valid CNIC numbers, cell numbers and email addresses available in the register of members of the Company.

xiv. The web address, login details, will be communicated to members via email. The security codes will be communicated to members through SMS from web portal of CDC Share Registrar Services Limited (being the e-voting service provider).

xv. Identity of the members intending to cast vote through e-Voting shall be authenticated through electronic signature or authentication for login.

xvi. E-Voting lines will be open from **Tuesday, October 21, 2025** at 09:00 a.m. and shall close on **Friday, October 24, 2025** at 5:00 p.m. Members can cast their vote(s) any time during this period. Once the vote on a resolution is cast by a Member, he / she shall not be allowed to change it subsequently.

xvii. CDC Share Registrar Services Limited (CDCSRSL), as e-voting service provider will be required to keep the result of e-voting confidential and provide access to the Chairman of the Extraordinary General Meeting in which poll was demanded to unblock result of e-voting on the day of poll.

Change of Address

xviii. Shareholders (holding physical scrip) are requested to promptly notify any change in their address to CDC Share Registrar Services Limited (CDCSRSL), CDC House, 99-B, Block-B, S.M.C.H.S. Main Shahrah-e-Faisal, Karachi.

Conversion of Shares into Book-Entry Form

xix. As per Section 72 of the Companies Act, 2017, all listed companies are required to replace physical shares with book-entry form within four years from the promulgation of the Companies Act, 2017. Furthermore, SECP vide its letter No. CSD/ED/Misc/2016-639-640, dated March 26, 2021, had advised to comply with Section 72 of the Act and encourage shareholders to convert their physical shares into book-entry form. Accordingly, all shareholders of the Company having physical shares are requested to convert their shares into book-entry form at the earliest. The shareholders may contact the Company or Share Registrar, CDC Share Registrar Services Limited (CDCSRSL) for the conversion of physical shares into book-entry form.

Online Participation

xx. As per instructions of Securities and Exchange Commission of Pakistan, the Company has arranged video link facility for online participation of members in the Extraordinary General Meeting. To attend the meeting through video link, the members are requested to register themselves by providing the following information along with valid copy of CNIC / passport/ certified copy of board resolution/power of attorney (in case of corporate shareholders) with the subject "Registration for PIA Holding Company Limited - Extraordinary General Meeting" through email cdcsr@cdcsrsl.com or **Whatsapp No. 0321-8200864** at least 24 hours before the time and date of Meeting:

Name of Member	CNIC No.	CDC Account No. / Folio No.	Contact Number	Email Address

xxi. The members who are registered after the necessary verification, shall be provided a video link by the Company through return email. The Login facility will remain open from start of the meeting till its proceedings are concluded.

Restriction on Distribution of Gifts, Coupons / Vouchers or Any Other Form of Gift

xxii. In compliance with Section 185 of the Companies Act, 2017 and SECP directives vide S.R.O. 452(I)/2025 dated March 17, 2025, **NO GIFTS, CASH, COUPONS / VOUCHERS OR ANY OTHER FORM OF GIFT WILL BE DISTRIBUTED** at the Extraordinary General Meeting.