

SHAMS TEXTILE MILLS LIMITED
NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE is hereby given that an Extraordinary General Meeting ("EOGM") of the members of Shams Textile Mills Limited (the "Company") will be held on **Monday, June 01, 2026** at **11:00 a.m.** at the Office No. 801, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore to transact the following business:

Ordinary Business:

1. To elect Seven (07) directors of the Company, as fixed by the Board of Directors in accordance with Section 159 of the Companies Act, 2017, for a term of three (03) years commencing from May 30, 2026. Names of the retiring directors are:

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|-------------------------------|-----------------------------|
| 1. Mr. Asif Bashir | 2. Mr. Adil Bashir |
| 3. Mr. Muhammad Anwar | 4. Mr. Khurram Mazhar Karim |
| 5. Mr. Shahid Arshad | 6. Mr. Muhammad Shafiq Gill |
| 7. Mrs. Minail Mishal Adamjee | |

By Order of the Board

(Muhammad Haroon Arif)
Company Secretary

Lahore, May 11, 2026

Notes:

1. The Share Transfer Books of the Company will remain closed from May 25, 2026 to June 01, 2026 (both days inclusive). Transfers received in order at the office of our Share Registrar, M/s. CorpTec Associates (Pvt) Limited, 503-E, Johar Town, Lahore by the close of business on May 23, 2026, will be considered in time for the purpose of attending and voting at the EOGM.
2. Any member seeking to contest the election of directors shall file with the Company, at its Registered Office, Office No. 801, Tricon Corporate Centre, 73-E, Main Jail Road, Gulberg-II, Lahore, not later than 14 days before the date of the EOGM, the following documents and information:
 - (a) Notice of intention to offer himself/herself for election as a director in terms of Section 159(3) of the Companies Act, 2017.
 - (b) A candidate must be a member of the Company except a person representing a member, which is not a natural person.
 - (c) His/her Folio No./CDC Investors Account No./CDC Participant No./Sub-Account No.;
 - (d) Consent to act as a Director on Appendix to Form 9 in accordance with Section 167 of the Companies Act, 2017;
 - (e) A detailed profile, along with the office address, for placement on the Company's website;
 - (f) Attested copy of valid CNIC/Passport and NTN;
 - (g) A declaration on non-judicial stamp paper, confirming that he/she:
 - i. is not ineligible to become a director of a listed company under Section 153 and any other provision of the Act, any other applicable law, rules, or regulations;

- ii. is aware of his/her duties and powers under the relevant laws, Code, the Memorandum and Articles of Association of the Company, and the listing regulations of the Pakistan Stock Exchange Limited;
 - iii. is not serving as a director on more than seven listed companies, including the Company; and
 - (h) Candidates contesting the election as independent directors shall also submit a declaration under Clause 6(3) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 on non-judicial stamp paper that he / she qualifies the criteria of independence laid down under Section 166 of the companies Act, 2017 and an undertaking on a non-judicial stamp paper that he / she meets the requirements of sub-regulation (1) of regulation 4 of the Companies (Manner and selection of Independent Directors) Regulations, 2018. Furthermore, the candidates contesting election as independent directors shall provide the attested copies of the educational qualification and experience as provided in sub-regulation (1) of the aforesaid regulations
3. The candidates are requested to read the relevant provisions / requirements relating to the election of Directors, as stipulated in the Companies Act, 2017 and the Listed Companies (Code of Corporate Governance) Regulations, 2019, the other applicable laws and regulations and ensure compliance with the same in letter and spirit.
 4. E-Voting / Voting by Postal Ballot: If the number of persons who offer themselves to be elected is more than the number of directors fixed under Section 159 of the Companies Act, 2017, then the Company shall provide its members with options of e-voting or voting by postal ballot in accordance with the provisions of the Companies (Postal Ballot) Regulations, 2018 ("Regulations").
 5. In accordance with the Regulations, the Board of Directors of the Company has appointed M/s Riaz Ahmad and Company., Chartered Accountants, a QCR-rated audit firm, as Scrutinizer for the election of directors. The Scrutinizer possesses the necessary knowledge and experience to independently scrutinize the voting process in accordance with the applicable legal requirements.
 6. Furthermore, M/s CorpTec Associates (Pvt.) Limited, the Company's Share Registrar, has been appointed as the e-voting service provider in accordance with the requirements of the said Regulations.
 7. Members who intend to participate in the EOGM through electronic means are hereby requested to register themselves with the Company Secretary's Office by sending a clear copy of both sides of their valid Computerized National Identity Card (CNIC), along with their name, folio number, mobile number, and number of shares held, at least 48 hours before the time of the EOGM, to the Company at haroon.arif@shams.com.pk. Upon receipt of the above information and documents from interested members, the Company will provide login credentials to enable their participation in the EOGM through electronic means.
 8. Requirements for Attending the EOGM:
 - a. In the case of individuals, the CDC account holders, sub-account holders, and/or persons whose securities are held in a group account and whose registration details are uploaded as per the CDC Regulations, shall authenticate their identity by presenting their original valid Computerized National Identity Card (CNIC) or original valid passport at the time of attending the meeting.
 - b. In the case of a corporate entity, a Board of Directors' resolution or power of attorney, along with the specimen signature of the nominee and his/her original valid Computerized National Identity Card (CNIC) or original valid passport, shall be produced at the time of attending the meeting (if not already provided earlier).

9. A member entitled to participate and vote at the EOGM is also entitled to appoint a proxy to participate and vote on his/her behalf. To be valid, proxy forms must be duly stamped, signed, and received at the Registered Office of the Company not later than 48 hours before the time of the meeting. The proxy form must be witnessed by two persons, whose names, addresses, and CNIC numbers shall be stated on the form. Copies of the valid CNIC or passport of both the member and the proxy shall also be furnished with the proxy form.
10. The Company has electronically transmitted the notice of the EOGM via email to those members whose email addresses are available with the Share Registrar. A copy of the Notice of the EOGM, the Proxy Form, and other relevant information has been placed on the Company's website: www.shams.com.pk
11. Members are hereby informed that no gifts will be distributed at the EOGM.

STATEMENT MADE UNDER SECTION 166(3) OF THE COMPANIES ACT, 2017 IN RESPECT OF APPOINTMENT OF INDEPENDENT DIRECTORS

Section 166 of the Companies Act 2017 ("Act") provides that a statement of material facts is annexed to the notice of the general meeting called for the purpose of election of directors which shall indicate the justification for choosing the appointee for appointment as independent director. As per Section 166 of the Act, independent directors are to be elected in the same manner as other directors are elected in terms of section 159 of the Companies Act, 2017. The Company is required to have two independent directors on its Board in accordance with the Listed Companies (Code of Corporate Governance) Regulations, 2019. Accordingly, it will be ensured that the persons contesting as independent directors must meet the criteria under Section 166 of the Companies Act, 2017 and their names are listed on the data bank of independent directors maintained by Pakistan Institute of Corporate Governance. Further, they will possess the requisite competencies, skills, knowledge and experience.

No directors have direct or indirect interest in the above said business except that they may consent for election of directors accordingly.