

786 INVESTMENTS LIMITED

POLICY ON SALE AND LEASE OF ASSETS, UNDERTAKING, CAPITAL EXPENDITURE, PLANNING AND CONTROL

1. PURPOSE

The purpose of this Policy is to establish an effective framework for the **planning, acquisition, utilization, sale, lease, disposal, and control of assets and capital expenditure** of 786 Investments Limited ("the Company").

The Policy ensures that:

- Capital resources are used efficiently and economically;
- Capital expenditure is properly planned, justified, budgeted, and approved;
- Company assets are adequately safeguarded;
- Asset sales and leases are conducted transparently and on commercially reasonable terms;
- Material transactions receive appropriate management/Board oversight; and
- Financial, legal, tax, accounting, and regulatory risks are properly managed.

2. SCOPE

This Policy applies to Company-owned or controlled assets, including:

- Property and leasehold improvements;
- Furniture, fixtures, and office equipment;
- IT equipment and software;
- Vehicles;
- Right-of-use assets; and
- Other fixed and intangible assets.

It also covers capital projects, asset acquisitions, sales, disposals, leases, and major renovations.

Fund Assets

Assets belonging to mutual funds, collective investment schemes, or other client portfolios **are not Company assets** and shall not be dealt with under this Policy.

Transactions involving fund assets shall comply separately with applicable SECP requirements, Trust Deed, Offering Document, investment policy, valuation requirements, and other applicable regulations.

3. GOVERNING PRINCIPLES

All asset and CAPEX decisions shall be based on:

1. Business necessity and strategic relevance;
 2. Value for money and cost effectiveness;
 3. Approved budgets and financial capacity;
 4. Transparency and proper documentation;
 5. Segregation of duties and appropriate approvals;
 6. Protection and efficient utilization of Company assets;
 7. Proper management of conflicts of interest; and
 8. Compliance with applicable laws, SECP requirements, tax laws, and accounting standards.
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4. CAPITAL EXPENDITURE PLANNING

The Company shall prepare an annual **Capital Expenditure (CAPEX) Budget** as part of its overall budgeting process.

The CAPEX plan shall identify:

- Proposed projects and asset requirements;
- Estimated cost and implementation period;
- Business justification and expected benefits;
- Funding requirements;
- Asset replacement needs; and
- Major risks.

Priority shall generally be given to regulatory/compliance requirements, business continuity, technology, cybersecurity, operational efficiency, asset replacement, and strategically important investments.

5. CAPEX APPROVAL AND CONTROL

No material capital expenditure shall be incurred without prior approval under the Company's approved Delegation of Authority.

A material CAPEX proposal should include:

- Business justification;
- Estimated cost;
- Budget availability;
- Vendor quotations/proposals;
- Cost-benefit assessment, where appropriate;
- Implementation timeline;
- Funding source; and
- Key risks and accounting/tax considerations.

Capital expenditure exceeding the approved budget shall require revised approval before commitment.

Expenditure shall not be split into smaller transactions to avoid approval limits.

6. PROCUREMENT AND ACQUISITION

Capital assets shall generally be acquired through the Company's approved procurement procedures.

Depending on value and nature, procurement may involve competitive quotations, tendering, technical evaluation, commercial evaluation, or other appropriate methods.

Vendor selection shall consider price, quality, specifications, capability, warranty, delivery, service support, and total cost of ownership.

Upon acquisition, Finance and the relevant department shall verify the asset, supporting documents, ownership, capitalization criteria, and appropriate accounting treatment.

7. FIXED ASSET REGISTER AND SAFEGUARDING

The Company shall maintain an updated **Fixed Asset Register** containing, as appropriate:

- Asset description and identification;
- Acquisition date and cost;
- Location/custodian;
- Useful life;

- Depreciation/amortization;
- Net book value; and
- Disposal details.

Assets shall be physically verified periodically. Loss, theft, damage, or misuse shall be promptly reported and investigated.

Departments shall ensure proper use, maintenance, security, and insurance of assets where appropriate.

8. SALE AND DISPOSAL OF ASSETS

Assets may be sold or disposed of where they are:

- Obsolete or technologically outdated;
- Surplus to requirements;
- Beyond economical repair;
- No longer required; or
- Uneconomical to maintain.

A disposal proposal shall normally include:

- Asset description and condition;
- Original cost and net book value;
- Reason for disposal;
- Estimated market value;
- Proposed disposal method; and
- Expected financial impact.

Disposals should, where commercially appropriate, be conducted through **competitive quotations, bidding, tender, auction, or another transparent method** designed to obtain reasonable value.

9. APPROVAL OF ASSET SALE/DISPOSAL

Unless otherwise specified in the Delegation of Authority:

Transaction Value	Minimum Approval
Up to PKR 500,000	CFO + Relevant Department Head
Above PKR 500,000 to PKR 2,000,000	CFO + CEO
Above PKR 2,000,000	Board of Directors
Material/strategic assets	Board of Directors
Related-party disposal	Board of Directors, subject to applicable requirements

The Board may revise these limits from time to time.

10. LEASING OF ASSETS

The Company may lease property, equipment, vehicles, technology, or other assets where leasing is commercially or operationally appropriate.

Before entering into a material lease, management shall consider:

- Total cost and lease period;
- Business requirement;
- Renewal and termination terms;
- Maintenance obligations;
- Security deposits and escalation clauses;
- Tax and accounting implications; and
- Alternative acquisition options.

Material lease commitments shall require approval under the Delegation of Authority.

Where Company-owned assets are leased to third parties, an appropriate agreement, commercially reasonable consideration, security arrangements where applicable, and proper accounting shall be ensured.

11. RELATED-PARTY TRANSACTIONS

Any acquisition, sale, lease, transfer, or disposal involving a director, employee, officer, associated company, group entity, or other related party shall comply with applicable legal and regulatory requirements.

Such transactions shall:

- Be properly disclosed;
- Have a clear commercial rationale;
- Be supported by market evidence or independent valuation where appropriate;
- Receive the required approval; and
- Avoid conflicts of interest.

A related party shall not participate in approving its own transaction.

12. CAPITAL PROJECT MONITORING

Major capital projects shall have:

- Approved scope and budget;
- Responsible project owner;
- Defined milestones;
- Procurement/payment arrangements;
- Progress monitoring; and
- Change-control procedures.

Material changes in project scope or cost shall require prior approval.

The CFO shall monitor **CAPEX budget versus actual expenditure** and report significant variances and overruns to management and, where appropriate, the Board/Audit Committee.

13. ACCOUNTING, TAX AND IMPAIRMENT

All asset acquisitions, leases, disposals, and capital projects shall be accounted for in accordance with applicable accounting standards and the Company's accounting policies.

Finance shall ensure appropriate treatment of:

- Capitalization;
- Depreciation/amortization;
- Right-of-use assets and lease liabilities;
- Disposal gains/losses;
- Impairment; and
- Applicable taxes and withholding requirements.

Assets shall be assessed periodically for impairment or obsolescence where indicators exist.

14. PROHIBITED PRACTICES

The following are prohibited:

- Unauthorized capital expenditure;
- Splitting transactions to circumvent approval limits;
- Sale of assets below reasonable value without justification;
- Unauthorized disposal or transfer of assets;
- Preferential sale/lease to related parties;
- Personal or unauthorized use of Company assets;
- Concealment of asset losses or disposals; and
- Misclassification of capital expenditure to bypass controls.

15. INTERNAL AUDIT AND MONITORING

Internal Audit shall periodically review compliance with this Policy, including:

- CAPEX approvals and budget controls;
- Procurement;
- Fixed Asset Register;
- Physical existence and safeguarding;
- Asset disposals and proceeds;
- Lease commitments;
- Related-party transactions; and
- Accounting treatment.

Material exceptions shall be reported to the Audit Committee/Board.

16. RESPONSIBILITIES

Board of Directors

- Approve the Policy and material CAPEX;
- Approve significant asset sales/disposals and lease commitments; and
- Provide overall governance and oversight.

Chief Executive Officer

- Ensure implementation;

- Approve transactions within delegated authority; and
- Escalate material matters to the Board.

Chief Financial Officer

- Coordinate CAPEX planning;
- Monitor budgets and commitments;
- Ensure appropriate accounting and financial controls;
- Review asset disposal and lease proposals; and
- Report material variances and exceptions.

Department Heads

- Identify asset requirements;
- Prepare business justification;
- Ensure proper utilization and safeguarding; and
- Monitor approved projects.

Internal Audit

- Independently review compliance and control effectiveness.
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17. RECORD RETENTION

All records relating to asset acquisition, CAPEX, procurement, leases, disposals, valuations, approvals, and payments shall be retained in accordance with applicable laws, regulatory requirements, and the Company's record-retention policy.

18. POLICY REVIEW

This Policy shall be reviewed **at least annually** or earlier if required due to changes in laws, SECP regulations, accounting standards, business activities, risk profile, or audit recommendations.

Material amendments shall require Board approval.

Approval Date: April 09, 2026
