



NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given to all the members of Systems Limited (the "Company") that 40th Annual General Meeting of the Company is scheduled to be held on 28 April 2017 at 10:00 A.M. at Chamber of Commerce Building, 11 Sharae Aiwan-e-Tijarat, Lahore to transact the following business:

Ordinary Business:

1. To confirm the minutes of the last Extraordinary General Meeting held on December 28, 2016.
2. To, receive, consider and adopt the Audited Accounts of the Company for the year ended 31 December 2016 together with the Board of Directors' and Auditors' report thereon.
3. To approve and declare cash dividend @ 18.6 % i.e. PKR 1.86/ per share, for the year ended 31 December 2016 as recommended by the Board of Directors.
4. To appoint Auditors and fix their remuneration for the year ending 31 December 2017. The Board of Directors upon recommendation of audit committee has recommended M/s EY Ford Rhodes, Chartered Accountants, being eligible for re-appointment as auditors of the company for the year ending 31 December 2017.

Special Business

5. To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification for alterations in the Articles of Association of the Company:

"RESOLVED that pursuant to Section 28 and other applicable provisions, if any, of the Companies Ordinance, 1984 and any other law(s), Articles of Association of the Company be and are hereby amended by inserting a new Article 52A immediately after the existing Article 52 to read as under;

52A. ELECTRONIC VOTING: The Company shall comply with the mandatory e-voting requirements as may be prescribed by the Securities and Exchange Commission of Pakistan from time to time and members may be allowed to appoint members as well as non-members as proxies for the purposes of electronic voting pursuant to this Article."

RESOLVED FURTHER that the Chief Executive Officer or Company Secretary be and is hereby singly authorized to do all acts, deed and things, take all steps and necessary action, ancillary and incidental for altering the Articles of Association of the Company including filing of all requisite documents/ statutory forms as may be required to be filed with the Registrar of Companies and complying with all other



regulatory requirements so as to effectuate the alterations in the Articles of Association and implementing the aforesaid resolution.”

6. To consider and, if deemed fit, pass the following resolution as a Special Resolution with or without modification to increase in authorized capital of the Company and to make consequent amendments in the Memorandum and Articles of Association subject to requisite approvals, if any.

“RESOLVED that:

- a) the Authorized Share Capital of the Company be and is hereby increased from Rs. 1,500,000,000/- divided into 150,000,000 ordinary shares of Rs 10 each to Rs. 2,000,000,000/- divided into 200,000,000 ordinary shares of Rs 10 each by creation of additional 50,000,000 Ordinary Shares of Rs. 10 each.
- b) in consequent of the said increase in the Authorized Share Capital of the Company, the existing Clause V of the Memorandum of Association of the Company and Article 4 of the Articles of Association of the Company be and are hereby amended accordingly, to read as follows:

Clause V of the Memorandum of Association:

“V. The authorized share capital of the Company is Rs. 2,000,000,000/- (Rupees Two Billion only) divided into 200,000,000 (Two Hundred million only) ordinary shares of Rs. 10/- each. The Company has power from time to time increase and reduce its capital and to divide the shares in the capital for the time being into several classes in accordance with the provisions of the Companies Ordinance, 1984.

Article 4 of the Articles of Association:

- “(4) The authorized share capital of the Company is Rs. 2,000,000,000/- (Rupees Two Billion only) divided into 200,000,000 (Two Hundred million only) ordinary and preference shares of Rs. 10/- each, with such preferential, qualified or special rights, privileges, conditions or restrictions or postponement of rights as the Company may from time to time determine by special resolution, with the power insofar as is permitted by law, to redeem any of the shares, to increase or reduce the share capital for the time being, and to divide the share capital into several classes, and to attach thereto, respectively, such preferential, qualified or special rights, privileges, conditions, or restrictions or postponement of rights and to vary, modify or abrogate such rights, privileges or conditions as may for the time being be provided by these Articles in accordance with law.
- c) the ordinary shares when issued shall carry equal voting rights and rank pari passu with the existing ordinary shares of the company in all respects/matters in conformity with the provisions of Section 92 of the Companies ordinance, 1984.
 - d) The Chief Executive Officer or Company Secretary be and are hereby singly authorized to do all acts, deeds and things, take any or all necessary actions to complete all legal and corporate formalities and file all requisite documents with the Registrar to effectuate and implement this resolution.”



Other Business:

7. Any other Business with the permission of the Chair.

By Order of the Board

Muhammad Khurram Iqbal
Company Secretary

07 April 2017
Lahore

NOTES:

1. The Share Transfer books of the Company will be closed from 22 April 2017 to 28 April 2017 (both days inclusive). Transfer received at the address of M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi at the close of business on 21 April 2017 will be treated in time for the purpose of above entitlement to the transferees.
2. A member entitled to attend and vote at the meeting may appoint another member as his/her proxy to attend and vote in his/her place. Proxies completed in all respect, in order to be effective, must be received at the Registered Office of the Company not less than forty eight (48) hours before the time of meeting.
3. Pursuant to the directive of the Securities & Exchange Commission of Pakistan, CNIC numbers of shareholders are mandatorily required to be mentioned on Dividend Warrants. Shareholders are, therefore, requested to submit a copy of their CNIC (if not already provided) to the Company Share Registrar, M/s THK Associates (Pvt.) Limited, 1st Floor, 40-C, Block-6, P.E.C.H.S., Karachi.
4. The Government of Pakistan through Finance Act, 2016 has made certain amendments in Section 150 of the Income Tax Ordinance, 2001 whereby different rates are prescribed for deduction of withholding Tax on the amount of dividend paid by the companies/banks. These tax rates are as follows:
 - (a) For filers of income tax returns 12.5%
 - (b) For non-filers of income tax returns 20%

To enable the Company to make tax deduction on the amount of cash dividend @12.5% instead of 20% all shareholders whose names are not entered into the Active Tax- payers list (ATL) provided on the website of FBR, despite the fact that they are filers, are advised to make sure that their names are entered



into ATL before the date of payment of the cash dividend, otherwise tax on their cash dividend will be deducted @20% instead of 12.5%.

The joint shareholders are requested to provide shareholding proportions of principal shareholders & joint shareholders as withholding tax will be determined separately on Filer/Non-filer status based on their shareholding proportions otherwise it will be assumed that shares are equally held.

The Corporate shareholders having CDC account are required to have their National Tax Number (NTN) updated with their respective participants, whereas physical shareholders should send a copy of their NTN Certificate to the Company or Company's Share Registrar, M/s. THK Associates (Pvt.) Limited. The shareholders while sending NTN or NTN Certificate, as the case may be, must quote Company name and their respective folio numbers.

5. SECP through its notification SRO 787(1) /2014 dated September 8, 2014 has allowed the circulations of Audited Financial Statement along with Notice of Annual General Meeting to the Members through e-mail. Therefore, all members of the Company who wish to receive soft copy of Annual Report are requested to send their e-mail addresses. The consent form for electronic transmission could be downloaded from the Company Website: www.systemsltd.com Audited financial statements & reports are being placed on the aforesaid website.
6. All the account holders whose registration details are uploaded as per CDC Regulations shall authenticate their identity by showing original CNIC at the time of attending the meeting. In case of corporate entity, a certified copy of resolution of the Board of Directors / valid Power of Attorney having the name and specimen signature of the nominee should be produced at the time of meeting.
7. In order to make process of payment of cash dividend more efficient, e-dividend mechanism has been envisaged where shareholders can get amount of dividend credited into their respective bank accounts electronically without any delay. In this way, dividends may be instantly credited to respective bank accounts and there are no chances of dividend warrants getting lost in the post, undelivered or delivered to the wrong address, etc. The Securities and Exchange Commission of Pakistan (SECP) through Notice No. 8(4) SM/CDC 2008 dated 5 April 2013 has advised all Listed Companies to adopt e-dividend mechanism due to the benefits it entails for shareholders. In view of the above, you are hereby encouraged to provide a dividend mandate in favour of e-dividend by providing dividend mandate form duly filled in and signed.



Statement under Section 160 (1)(b) of the Companies Ordinance, 1984

This statement set out the material facts concerning the special business to be transacted at the annual general meeting of the Company to be held on April 28, 2017.

Alteration in the Articles of Association

Securities and Exchange Commission of Pakistan has issued Companies (E-Voting) Regulation 2016 on January 22, 2016 vide S.R.O 43(1)/2016. The directors have recommended alteration in the Articles of Association by inserting a new Article 52A therein which will give the members option to be part of the decision making in the general meeting of the Company through electronic means. Accordingly, it has been proposed to pass the resolution as a Special Resolution for alteration in the Articles of Association of the Company, as specified in the notice of meeting.

Increase in Authorized Shares Capital of the Company and Consequent Amendments in the Memorandum and Articles of Association:

In order to cater for the future increase in paid up share capital, the Authorized Share Capital of the Company needs to be enhanced. Accordingly, the Board of Directors has recommended to increase the Authorized Share Capital of the Company from Rs. 1,500,000,000/- divided into 150,000,000 ordinary shares of Rs 10 each to Rs. 2,000,000,000/- divided into 200,000,000 ordinary shares of Rs. 10 each by creation of additional 50,000,000 ordinary shares of Rs. 10 each.

The proposed increase in the Authorized Share Capital of the Company will also necessitate amendments in clause V of the Memorandum of Association and clause 4 of the Articles of Association of the Company. The Board of Directors have also recommended alteration in the Memorandum and Articles of Association of the Company to reflect increase in Authorized Share Capital of the company.

The new ordinary shares when issued shall rank pari passu with the existing ordinary shares in all respects.

A copy of the Memorandum and Articles of Association has been kept at the registered Office of the Company and may be inspected during business hours on any working day from the date of publication of this notice till the conclusion of the Annual General Meeting.

The directors are not interested, directly or indirectly, in the above special businesses except to the extent of their shareholdings as has been detailed in the pattern of shareholding annexed to the Directors Report.