systems LIMITED

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that the Extraordinary General Meeting of the shareholders of the **Systems Limited** will be held on Friday, December 01, 2017 at 10:30 A.M. at Lahore Chamber of Commerce Building, Shahrah-e-Aiwan-e-Tijarat, Lahore, to transact the following business:

Ordinary Business:

1. To confirm the Minutes of the last Annual General Meeting held on April 28, 2017.

2. To Elect Seven (7) directors as fixed by the board of directors in accordance with the provisions of Section 159 of the Companies Act, 2017 for a period of three (3) years, in place of existing directors whose term of office will expire on December 01, 2017.

   The names of retiring directors are as follows:

1) Mr. Aezaz Hussain	2) Mr. Arshad Masood	3) Mr. Muhammad Asif Peer
4) Mr. Omar Saeed	5) Mr. Ayaz Dawood	6) Mr. Tahir Masaud
7) Mr. Asif Jooma		

The above retiring Directors are eligible for re-election.

Special Business:

3. To consider and, if thought fit, pass, with or without modification, the following special resolutions in terms of Section 199 of Companies Act, 2017, for making an investment in UUS Joint Venture (Private) Limited, an associated company of the Company, in the amount of Rs. 250,000,000 (Rupees two hundred fifty million only) in the form of loan and guarantee line:

   "**Resolved that** the Company shall make an investment of Rs. 250,000,000 (Rupees two hundred fifty million only) (the "Investment") in its associated company, UUS Joint Venture (Private) Limited (the "Associated Company"), in the form of loan and guarantee on the terms and conditions to be contained in the Agreement to be executed between the Company and the Associated Company in terms of Section 199 of the Companies Act, 2017.

   "**Further resolved that** Mr. Muhammad Asif Peer, the Chief Executive of the Company (the "Authorized Officer"), be and is hereby empowered and authorized to undertake, execute and implement all the decisions in respect of the Investment and to take and do and/or cause to be taken or done any/all necessary acts, deeds and things, and to take any or all necessary actions which are or may be necessary, incidental and/or consequential to give effect to the aforesaid resolution, including signing and execution of documents and agreements and to complete all necessary legal formalities and to file all necessary documents as may be necessary or incidental for the purposes of implementing the aforesaid resolution".

4. To transact any other business with the permission of chair.

Lahore
November 09, 2017

By the Order of the Board
Muhammad Khurram Iqbal
Company Secretary

Notes:

1. The share transfer Books of the Company will remain closed from November 24, 2017 to December 01, 2017 (both days inclusive). No transfer will be accepted for registration during this period. Transfers received in order by our Shares Registrar, M/s THK Associates (Private) Limited, 1st Floor, 40-C, Block 6, P.E.C.H.S., Karachi by the close of business on November 23, 2017 will be considered in time for the purpose of attending and vote in the Extraordinary General Meeting.

2. Any person who seeks to contest the election of director shall, whether he is a retiring director or otherwise, file with the company the following documents at its registered office not later than fourteen (14) days before the date of the meeting:

   (1) Notice of his/her intention to offer himself/herself for the election of directors in terms of Section 159 (3) of the Companies Act, 2017.

   (2) Form-28 - Consent to act as director as prescribed under Section 167 of the Companies Act, 2017.

   (3) A detailed profile along with his/her office address

   (4) Declaration confirming that:

   a) He/she is the member of the Company and in case of having physical shares will mention folio number an in case of a member, who have deposited his/her shares in Central Depository Company (CDC), will mention participant ID number and the account number maintained with the member of stock exchange.
   b) His/her name is borne in the register of the national tax payers (except where he/she is non-resident) mentioning NTN number.
   c) He/she has not defaulted in payment of any loan to a banking company, a DFI or an NBFI or being a member of stock exchange has not been declared as a defaulter by that stock exchange.
   d) He/she is not ineligible to become director of the Company under any applicable laws and regulations (including listing rules/regulation of the Pakistan Stock Exchange).
   e) He/she is aware of duties and powers as directors under relevant laws, Memorandum and Articles of Association of the Company and listing regulations of stock exchange.
   f) He/she is not engaged in the business of brokerage, or is not a spouse of such person or is not a sponsor, or director or officer of any corporate brokerage house.
   g) He/she is not serving as a director in more than seven (7) listed companies simultaneously. Provided that this limit shall not include the directorship in listed subsidiaries of a listed holding company.

3. Any member of the Company entitled to attend and vote may appoint his/her proxy to attend and vote instead of him/her. Proxies must be received at the Registered Office of the Company not less than forty eight (48) hours before the time of holding the Meeting.

4. CDC Account Holders will have to follow the guidelines mentioned below as laid down in Circular 1 dated January 26, 2000 issued by the Securities and Exchange Commission of Pakistan:

   A. For attending the Meeting:

   (i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the 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.

   (ii) In case of corporate entity, the Board of Directors' resolution/Power of Attorney with specimen signature and attested copy of valid CNIC of the nominee shall be produced (unless it has been provided earlier) at the time of the Meeting.

   B. For Appointing Proxies:

   (i) In case of individual, the account holder or sub-account holder whose securities and their registration details are up-loaded as per the CDC Regulations, shall submit the proxy form as per above requirement.

   (ii) The proxy form shall be witnessed by two persons whose names, addresses and CNIC numbers shall be mentioned on the form.

   (iii) Attested copies of CNIC or the passport of the beneficial owners and the proxy shall be furnished with the proxy form.

   (iv) The proxy shall produce his/her original CNIC or original passport at the time of the Meeting.

   (v) In case of corporate entity, the Board of Directors' Resolution/Power of Attorney with specimen signature and attested copy of valid CNIC of the person nominated to represent and vote on behalf of the corporate entity shall be submitted along with proxy form to the Company.

5. Members can also avail video conference facility. In this regard please fill the following and submit to registered address of the Company 10 days before holding the extraordinary general meeting. If the Company receives consent from members holding in aggregate 10% or more shareholding residing at geographical location, to participate in the meeting through video conference at least 10 days prior to the date of meeting, the Company will arrange video conference facility in that city subject to availability of such facility in that city. The Company will intimate members regarding venue of conference facility at least 5 days before the date of extraordinary general meeting along with complete information necessary to enable them to access such facility.

   I/We, ________________________ of _________, being a member of Systems Limited, holder of __________________ ordinary share (s) as per Register Folio/CDC Account No____________ hereby opt for video conference facility at ____________________.

   ____
   Signature of member

6. Members are requested to promptly notify the Company of any change in their addresses.

STATEMENT UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017 CONCERNING THE SPECIAL BUSINESS:

This statement sets out the material facts concerning the Special Business to be transacted at the Extraordinary General Meeting of the Company to be held on December 01, 2017.

Agenda Item No. 3:

To consider and, if thought fit, pass, with or without modification, the following special resolutions in terms of Section 199 of Companies Act, 2017, for making an investment in UUS Joint Venture (Private) Limited, an associated company of the Company, in the amount of Rs. 250,000,000 (Rupees two hundred fifty million only) in the form of loan and guarantee line.

Background: UUS Joint Venture (Pvt.) Limited is a joint venture with 50% sharing between Systems Limited and Beijing UniStrong Science & Technology Co. to execute multi-year contract, "Package 04A – Airport Information Management System (AIMS)", a turnkey project by Pakistan Civil Aviation Authority for New Islamabad International Airport. The contract value is approximately Rs. 1.55 billion.

Nature of information required to be disclosed pursuant to The Companies (Investment in Associated Companies or Undertakings) Regulations, 2012, is as follows:

Ref. No.	Requirement	Relevant Information
i	Name of the associated company	UUS Joint Venture (Pvt.) Limited
	Criteria of associated relationship	49.99 % shareholding / Common directorship
ii	Amount of loans or advances	Rs. 250,000,000 in the shape of loan and guarantee line (interchangeable)
iii	Purpose of loans or advances and benefits likely to accrue to the investing company and its members from such loans or advances	Purpose: To meet working capital requirements of UUS Joint Venture (Pvt.) Limited and to give performance guarantee to Pakistan Civil Aviation Authority. Benefit: The completion of project will results in distribution of profits by UUS Joint Venture (Pvt.) Limited to Systems Limited.
iv	In case any loan has already been granted to the said associated company or associated undertaking, the complete details thereof	N/A
v	Financial position, including main items of balance sheet and profit and loss account of the associated company or associated undertaking on the basis of its latest financial statements	N/A (newly incorporated company)

Ref. No.	Requirement		Relevant Information
vi	Average borrowing cost of the investing company or in case of absence of borrowing the Karachi Inter Bank Offered Rate for the relevant period		4.48%
vii	Rate of interest, mark up, profit, fees or commission etc. to be charged		For loan: 7% For guarantees: 0.10% per quarter
viii	Sources of funds from where loans or advances will be given		Own funds
ix	Where loans or advances are being granted using borrowed funds,-		N/A
	(I)	Justification for granting loan or advance out of borrowed funds	
	(II)	Detail of guarantees/assets pledged for obtaining such funds, if any; and	
	(III)	Repayment schedules of borrowing of the investing company;	
x	Particulars of collateral security to be obtained against loan to the borrowing company or undertaking, if any		Unsecured
xi	If the loans or advances carry conversion feature i.e. it is convertible into securities, this fact along with complete detail including conversion formula, circumstances in which the conversion may take place and the time when the conversion may be exercisable		N/A
xii	Repayment schedule and terms of loans or advances to be given to the investee company		Principal: One (1) year from disbursement. Mark-up: Quarterly basis.
xiii	Salient feature of all agreements entered or to be entered with its associated company or associated undertaking with regards to proposed investment.		None
xiv	Direct or indirect interest of directors, sponsors, majority shareholders and their relatives, if any, in the associated company or associated undertaking or the transaction under consideration		Mr. Asif Peer, CEO of Systems Limited is also member and director in UUS Joint Venture (Pvt.) Limited.
xv	Any other important details necessary for the members to understand the transaction; and		N/A
xvi	In case of investment in a project of an associated company or associated undertaking that has not commenced operations, in addition to the information referred to above, the following further		N/A

Ref. No.	Requirement	Relevant Information
	information is required, namely: -A description of the project and its history since conceptualization -Starting date and expected date of completion -Time by which such project shall become commercially operational -Expected return on total capital employment in the project -Funds invested or to be invested by the promoters distinguishing between cash and non-cash amount	

Lahore

Systems Campus
Software Technology Park
E-1, Sehjpal Near DHA Phase-VIII
(Ex-Air Avenue), Lahore Cantt, Pakistan.
UAN: 042 111 SYSTEMS (797 836)

Karachi

E-5, Central Commercial Area,
Shaheed-e-Millat Road,
Karachi, Pakistan.
T: + 92 42 34549385-87
F: + 92 42 34549389

Dubai

TechVista Systems FZ-LLC
Office 1905, Regal Tower
Business Bay, Dubai, UAE.
T: + 9714 369 3525
F: + 9714 456 3761

www.systemsltd.com