

May 29, 2026

**The General Manager**  
**Pakistan Stock Exchange Limited**  
Stock Exchange Building  
Stock Exchange Road  
Karachi

**Subject: Disclosure of Material Information**

Dear Sir,

This is in continuation to our earlier letter dated December 11, 2025 (the “**First Letter**”), wherein we conveyed that the Board of Directors of Systems Limited (the “**Company**”), by way of a resolution passed through circulation on December 10, 2025, had considered and approved the acquisition of Confiz Pakistan (Private) Limited (“**Confiz**”) by way of merger/amalgamation of Confiz with and into the Company (the “**Proposed Arrangement**”) in accordance with a Scheme of Arrangement (“**Scheme**”) that was prepared under the provisions of Sections 279 to 283 and 285(8) of the Companies Act, 2017.

In accordance with Sections 96 and 131 of the Securities Act, 2015 and Clause 5.6.1 of the Rule Book of the Pakistan Stock Exchange Limited, we, the Company, hereby convey the following information:

As communicated in the First Letter, the acquisition of Confiz by the Company by way of the Proposed Arrangement was subject to obtaining necessary (shareholders’, creditors’ and regulatory) consents and approvals, along with fulfilment of related legal formalities. In this regard, all relevant approvals and consents have been duly obtained by the Company.

The Honourable Lahore High Court (“**LHC**”), *vide* its order dated 06.05.2026 in the matter of ‘**Systems Limited and Confiz Limited**’ (C.O. No. 4862 of 2026) (the “**Order**”), has allowed the petition filed by the Company and Confiz and sanctioned the Scheme. A certified copy of the Order is attached herewith. Consequently, the Scheme and the Proposed Arrangement in terms thereof are deemed to be effective from the Effective Date, i.e., January 1, 2026. In the Order, the LHC, while expressing its satisfaction with the merits of the Scheme, has held that the Scheme is not prejudicial to the interests of the shareholders and creditors of the Company. Consequently, the Company and Confiz will now proceed to undertake all required steps for the purposes of giving effect to the Proposed Arrangement, including fixing the Record Date, determining the identities and entitlements of the Confiz shareholders by the directors of the Company in due course, and issuance of shares to the shareholders of Confiz by the Company, as envisaged in the Scheme.

You may please inform the TREC holders accordingly.

Yours faithfully,



**Fayeze Qamar Rasheed**  
Company Secretary

**Cc:**  
**Director / HOD**  
Surveillance, Supervision and Enforcement Department  
**Securities and Exchange Commission of Pakistan**  
NIC Building, 63 Jinnah Avenue  
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**ORDER SHEET**  
**IN THE LAHORE HIGH COURT LAHORE.**  
**JUDICIAL DEPARTMENT**

C.O. No. 4862 of 2026

In the matter of:

**Systems Limited and Confiz Limited**

Sr. No. of Order/ Proceeding	Date of order/ Proceeding	Order with signature of Judge, and that of parties or counsel, where necessary
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06.05.2026. M/s. Mikael Azmat Rahim, Uzair Shafiqe & Arshad Nazir Mirza, Advocates for the petitioners  
Hafiz Tallaha, Advocate for the respondent/SECP

Through this petition, the petitioners are seeking sanction of this Court to the Scheme of Arrangement (hereinafter referred to as the "Scheme") to merge the Petitioner No. 2 / Confiz Limited ("Confiz"), including its entire undertakings, business, assets, liabilities, obligations etc., with and into the Petitioner No. 1 / Systems Limited ("Systems").

2. Vide Order dated 26.01.2026, M/s. Jahanzeb Inam and Aamir Sana, Advocates were appointed as Joint Chairpersons for the Extraordinary General Meetings of the petitioner companies under Section 279(1) of the Act, read with Rule 55 & Rule 61 of the Companies (Court) Rules, 1997 ("Rules"). Notices were issued to the Securities and Exchange Commission of Pakistan ("SECP") as well as the secured creditors of the Petitioner No. 1 (noting that the Petitioner No.2 did not have any secured creditors).

3. The Learned Chairpersons submitted their reports on 30.03.2026, according to which separate Extraordinary General Meetings of the respective

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Petitioner Companies were held on 27.02.2026 and 11.03.2026 respectively, wherein shareholders of the petitioner companies approved the Scheme. It was highlighted by the learned counsel for the Petitioner No.1 that 99% of the members of the Petitioner No. 1, present and voted at the meeting, approved the Scheme, and 99.5% of the members of the Petitioner No. 2, present and voted at the meeting, approved the Scheme, thus significantly exceeding the statutory requirement under Section 279 of the Act.

4. The Petitioner No. 1 has also submitted / brought on record the No Objection Certificates (with respect to the Scheme) which have been issued by all its secured creditors.

5. In furtherance of the report filed by the Joint chairpersons appointed by this Court, the respondent/SECP has raised various observations in the nature of objections against the Scheme of Arrangement sought to be approved through the process of this Court. The main thrust of the objections is rooted in SECP's observation *qua* Article 9.9 of the Scheme, which deals with the swap ratio. It is contended by learned counsel for SECP that the final swap ratio of 0.9975 falls outside the independent Valuers range of 1.00 to 1.08; further contends that while responding to the observations raised by SECP, the petitioners have only relied upon the notion of commercial discretion and shareholder's approval, however, per learned counsel for SECP, neither the commercial discretion nor the shareholder's approval absolve the petitioners from

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demonstrating that the swap ratio is fair and reasonable in terms of Section 282(6) of the *Companies Act, 2017*. It is next contended by the learned counsel for SECP that as per Article 9.9 of the Scheme, the cash dividend on consideration has not lawfully been explained by the petitioners. Lastly contends that the petitioners have failed to substantiate their position on the basis of any numerical analysis to reflect as to how the cash dividend, if any, would compensate *Confiz Limited's* shareholders since the swap ratio is below the independent Valuers lower bound; adds that the foregoing clearly indicates that the shareholders of *Confiz Limited* will end up deriving an additional benefit from such surplus cash.

6. In response, learned counsel for the petitioners has filed a rejoinder to explain the impact of Article 9.9 has been explained. Learned counsel for the petitioners contend that the interplay between the swap ratio and the potential cash dividend is unequivocal and clear as envisaged in the Scheme; adds that this is apart from the fact that the Scheme was presented before the shareholders and has been deliberated in the Companies' meetings, including the meetings held under the chairmanship of Joint Chairpersons appointed by this Court. In order to refute the contentions of learned counsel for SECP, learned counsel for the petitioners submits that for the purposes of approved swap ratio, an anchor valuation of petitioner No.2 has been agreed and since it is an admitted position that the mergers take time and the

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petitioner No.2 would continue as a going concern, its value could increase or decrease based on operations and in the event of increase of value prior to the order of sanction of Scheme by this Court, there would be a payout to the shareholders of petitioner No.2/*Confiz Limited* in the form of dividends, which payment has been confined and made subjected to the existence of distributable reserves. In order to substantiate his submissions, learned counsel for the petitioner has referred to Article 9.9 of the Scheme of Arrangement, which explicitly supplies that payout to the shareholders of *Confiz Limited* is 'subject to the existence of distributable reserves'. Learned counsel has also placed reliance upon the judgments in the case of *International Multi Leasing Company v. Capital Assets Leasing Corporation Ltd and another (2004 CLD 1)*, *Brooke Bond Pakistan Ltd. and another v. Aslam Bin Ibrahim and another (1997 CLC 1873)*, *Dewan Salman Fibre Ltd, Islamabad v. Dhan Fibres Ltd. Rawalpindi (PLD 2001 Lahore 230)*, *In the matter of Gadoon Textile Mills Ltd and 2 others (2015 CLD 2010)*, *In the matter of Nutrico Morinaga (Pvt.) Ltd. and another (2022 CLD 1032)*, *In the matter of IGI Insurance Ltd and 3 others (2018 CLD 572)*, *Fauji Fertilizer Company Ltd and Fauji Fertilizer Bin Oasim Ltd. v. Securities and Exchange Commission of Pakistan and another (2025 CLD 343)*, *in the matter of Associated Consulting Engineers Ace Limited and Ace Architectural and Town Planning Service Ltd. (2022 CLD 161)*, *in the matter of Novatex Ltd and another (2023 CLD 1161)*,

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In the matter of the Companies Act, 2017 and Beach Luxury Holdings (Pvt.) Ltd. Spencer and Company (Pvt.) Ltd. and Physons (Pvt.) Ltd. (2025 CLD 1438).

7. In order to appreciate the contentions of the parties, the relevant clause of the Scheme of Arrangement i.e. Article 9.9 has been considered and the same clearly transpires that the distribution or payout, as the case may be, to the members of petitioner No.2/Confiz Limited in the form of dividends is clearly subject to the existence of distributable reserves, which is solely a commercial expediency and does not call for any unwarranted interference by the regulator as well as by this Court for the reason that the said Article 9.9 has been considered, deliberated and approved by more than 99% of the members of the companies, who participated in the meetings, which were scheduled in connection with the proposed Scheme of Arrangement placed for sanction of this Court. Thus, the members/shareholders being the best judge of the commercial expediencies and exigencies have a right to make decision in this regard as there is no statutory or regulatory prohibition against the proposed arrangement. It is well settled that the members/shareholders of the companies, who have joined hands to propose a Scheme of Arrangement are the best judges of their own interest and unless the Court finds that the Scheme is unfair or inherently unreasonable, the Court cannot interfere and question the collective wisdom of members of the companies, nor the Court exercises any such jurisdiction while

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considering the Scheme of Arrangement for launching an investigation upon the commercial merits and demerits of the Scheme.<sup>1</sup> Likewise, the Company Court does not act as a Court of appeal nor it sits in the judgment over the informed and consciously deliberated decision making process of the shareholders of the companies, who join hands for reaching a consensus and compromise. The reason for this restraint adopted by the Courts is rooted in the well settled realm of 'corporate and commercial wisdom of the concerned parties' for which the Courts neither have any expertise nor expected to pass decisions in such jargons. In short, the Court must act as an umpire to ensure that the process has been undertaken in a fair, lawful and transparent manner, therefore, the question of ratio of exchange of shares including the swap ratio and the method of valuations are best left at the wisdom of the shareholders and their auditors, who are the best judges and experts for these matters.<sup>2</sup> The overwhelming majority of the members has approved this commercial arrangement, which is under consideration, therefore, the sanction cannot be withheld on the observations of SECP as no element of lack of fairness and reasonableness has been made out. The sanctioning of the Scheme of Arrangement should not be scrutinized in a manner, which tantamount to a hair splitting expert nor the job of the Court is that of a meticulous accountant.<sup>3</sup> In the instant case, no objection of any nature has been

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<sup>1</sup> *International Multi Leasing Company v. Capital Assets Leasing Corporation Ltd and another* (2004 CLD 1)

<sup>2</sup> *Dewan Salman Fibre Ltd, Islamabad v. Dhan Fibres Ltd, Rawalpindi* (PLD 2001 Lahore 230)

<sup>3</sup> *Brooke Bond Pakistan Ltd. and another v. Aslam Bin Ibrahim and another* (1997 CLC 1873)

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raised from any quarter nor any shareholder of any of the petitioner companies has come forward, whereas, all the statutory requirements and requisite formalities have been fulfilled, therefore, no exception can be taken to the Scheme of Arrangement in view of the observations made by SECP as it is well settled that once the requirement of the Scheme for getting sanction of the Court are found to have been met, the Court will have no further jurisdiction to sit in appeal over the commercial wisdom of the majority of the class of persons, who with their open eyes have given their approval of the Scheme.<sup>4</sup>

8. In view of the above, the observations sought to be raised by respondent SECP are without any merit and thus, inconsequential, therefore, the same are rejected.

9. No objections have been filed by any of the creditors of the Petitioners or anyone else.

10. The Scheme of Arrangement for merger / amalgamation prima-facie is not prejudicial to the interests of the members and creditors of the petitioner companies. The Court is, therefore, satisfied with the merits of the Scheme (which is placed on record as "Annexure - A"). The **Scheme is, therefore, sanctioned** and it will take effect in terms thereof, and the Petition is allowed as prayed.

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<sup>4</sup> In the matter of IGI Insurance Ltd and 3 others (2018 CLD 572), In the matter of Nutrico Morinaga (Pvt.) Ltd. and another (2022 CLD 1032), Fauji Fertilizer Company Ltd and Fauji Fertilizer Bin Qasim Ltd. v. Securities and Exchange Commission of Pakistan and another (2025 CLD 343), in the matter of Associated Consulting Engineers Ace Limited and Ace Architectural and Town Planning Service Ltd. (2022 CLD 161), in the matter of Novatex Ltd and another (2023 CLD 1161), In the matter of the Companies Act, 2017 and Beach Luxury Holdings (Pvt.) Ltd. Spencer and Company (Pvt.) Ltd. and Physons (Pvt.) Ltd. (2025 CLD 1438)

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11. The Petitioners are directed to submit certified copy of this order with the SECP as required under Section 279(3) and 282(7) of the Act.

*[Signature]*  
 (Khalid Ishaq)  
 Judge

*Fais!*

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Copy Petition no: 1482915  
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IN THE LAHORE HIGH COURT, LAHORE

(Companies Jurisdiction)

C.O. No. 4862 of 2026

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IN THE MATTER OF:

Sections 279 to 283 and 285(8) of the Companies Act, 2017

1. SYSTEMS LIMITED, a public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at E-1, Sehjal Road, Near DHA Phase VIII (Ex-Air Avenue), Lahore Cantt., Lahore.

... PETITIONER NO. 1

2. CONFIZ LIMITED, a public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at Plot No. 13-14, Civic Centre, Township, Lahore.

... PETITIONER NO. 2

*Amjad Ali*  
Security and exchange Commission of Pakistan through its Registrar  
vs  
Head office Islamabad.  
Respondent

PETITION TO SANCTION THE SCHEME OF ARRANGEMENT UNDER SECTION 279 READ WITH SECTIONS 280 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017 AND ALL OTHER ENABLING PROVISIONS OF THE RELEVANT LAWS

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Respectfully Sheweth:

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1. That the object of this Petition is to, *inter alia*, obtain sanction of this Honourable Court, pursuant to Section 279 of the Companies Act, 2017 (the "Act"), to the Scheme of Arrangement dated 20.01.2026 (the "Scheme of Arrangement"), agreed and entered into between the Petitioner No. 1 and the Petitioner No. 2 (collectively referred to as the "Petitioners"), for the amalgamation of the Petitioner No. 2 with and into the Petitioner No. 1, and further seeks to obtain certain facilitating orders of this Honourable Court under Section 282 of the Act in connection with the said merger / amalgamation in accordance with the Scheme of Arrangement, in terms of which the entire undertaking and business of the Petitioner No. 2, inclusive of all assets, properties, rights, benefits, powers, bank accounts, privileges, authorizations, contracts, licences, liabilities, obligations, dues etc. of the Petitioner No. 2, as more particularly described in the Scheme of Arrangement, shall be transferred to, assumed by and stand vested in to the Petitioner No. 1. As consideration of the above-mentioned merger / amalgamation, the Petitioner No. 1 shall allot and issue such number shares to the shareholders of the Petitioner No. 2 as determined and calculated in accordance with the provisions of the Scheme of Arrangement. Upon the sanction of the Scheme of Arrangement, the Petitioner No. 1 will continue as a going concern under the name of 'Systems Limited', and as a consequence of the merger / amalgamation the Petitioner No. 2 will be dissolved without winding up, in accordance with the provisions of the Scheme of Arrangement.

A TRUE COPY OF THE SCHEME OF ARRANGEMENT IS FILED HEREWITH AND MARKED AS ANNEXURE – "A".

2. That the respective Board of Directors of each of the Petitioners have duly approved / adopted the Scheme of Arrangement.

THE EXTRACTS OF THE RESOLUTIONS PASSED BY THE RESPECTIVE BOARD OF DIRECTORS OF THE PETITIONERS ARE FILED HEREWITH AND MARKED AS ANNEXURES – "B" AND "B/1".

3. That the Petitioner No. 1 is a public company, the ordinary shares of which are listed on the Pakistan Stock Exchange Limited.
4. That the Petitioner No. 1 is incorporated and existing under the laws of Pakistan. The Petitioner No. 1 was incorporated as Systems Limited, a private company limited by shares, vide Certificate of Incorporation dated 13.12.1977. Subsequently, vide Certificate on Conversion of Private Company into Public Company dated 09.09.2005, the status of the Petitioner No. 1 changed from a private company to a public company with effect from 15.08.2005.

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TRUE COPIES OF THE CERTIFICATE OF INCORPORATION AND CERTIFICATE OF CONVERSION OF PRIVATE COMPANY INTO PUBLIC COMPANY, BOTH PERTAINING TO THE PETITIONER NO. 1 ARE FILED HEREWITH AND MARKED AS ANNEXURES – "C" AND "C-1".

5. That pursuant to the Memorandum and Articles of Association, the Petitioner No. 1 is authorized to, *inter alia*, set-up, purchase, own, lease, hire, install and operate, for the company and others, data processing centres for the purposes of processing, accounting, technical, statistical and all other forms of data required for compilation, as well as to act as professional advisors, management consultants, computer consultants in respect of systems analysis, programming activity and all other kinds of activity necessary for the successful operation of computer installation. The Petitioner No. 1 is principally engaged in the business engaged in the business of software development, trading of software, hardware and business process outsourcing services. The objects of the Petitioner No. 1 and the business description that is / may be undertaken by it are set-forth in its Memorandum and Articles of Association, which may be read and treated as an integral part hereof.

A TRUE COPY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE PETITIONER NO. 1 IS FILED HEREWITH AND MARKED AS ANNEXURE – "D".

6. That the authorized share capital of Petitioner No. 1 is PKR 4,000,000,000/- (Pakistan Rupees Four Billion only), divided into 2,000,000,000 (Two Billion) shares of PKR 2/- (Pak Rupees Two only) each.
7. That the issued, subscribed and paid-up share capital of the Petitioner No. 1 as of the date hereof is PKR 2,946,808,870/- (Pak Rupees Two Billion Nine Hundred Forty Six Million Eight Hundred Eight Thousand Eight Hundred Seventy only), comprising of 1,473,404,435 (One Billion Four Hundred Seventy Three Million Four Hundred Four Thousand Four Hundred Thirty Five) shares.
8. That the present petition is being filed by the Petitioner No. 1 through Fayez Qamar, son of Dr. Qamar Suhail (CNIC No. 35202-2706246-9) who has been duly authorized to file the instant petition and is well conversant with the facts and is able to depose to the same.
9. That the Petitioner No. 2 is a public limited company incorporated and existing under the laws of Pakistan vide Certificate of Incorporation dated 22.01.2013.

TRUE COPY OF THE CERTIFICATE OF INCORPORATION OF THE PETITIONER NO. 2 IS FILED HEREWITH AND MARKED AS ANNEXURE – "E".

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10. That pursuant to the Memorandum and Articles of Association, the Petitioner No. 2 is authorized to, *inter alia*, carry on any and all business to establish, develop, set, arrange, undertake, manage, promote, organize, design, conduct, observe, control, customize, provide, install, maintain, produce, modify, conceptualize and conceive software of all descriptions, applications and specifications, and for this purpose to do web based information systems, client server application, enterprise resource planning, network management, as well as to establish and maintain portals, act as internet service provider, develop electronic commerce activities, carry out website designing and optimization etc. The Petitioner No. 2 is principally engaged in the development and implementation of computer software and rendering of support and other IT related services globally. The objects of the Petitioner No. 2 and the business description that is / may be undertaken by it are set-forth in its Memorandum and Articles of Association, which may be read and treated as an integral part hereof.

**A TRUE COPY OF THE MEMORANDUM AND ARTICLES OF ASSOCIATION OF THE PETITIONER NO. 2 IS FILED HEREWITH AND MARKED AS ANNEXURE – "F".**

11. That the authorized share capital of Petitioner No. 2 is PKR 1,000,000,000/- (Pakistan Rupees One Billion only), divided into 100,000,000 (One Hundred Million) shares of PKR 10/- (Pak Rupees Ten only) each.
12. That the issued, subscribed and paid-up share capital of the Petitioner No. 2 as of the date hereof is PKR 577,234,140/- (Pak Rupees Five Hundred Seventy Seven Million Two Hundred Thirty Four Thousand One Hundred Forty only), comprising of 57,723,414 (Fifty Seven Million Seven Hundred Twenty Three Thousand Four Hundred Fourteen) shares.
13. That the present petition is being filed by the Petitioner No. 2 through Muhammad Raza Saeed, son of Nazir Ahmed Saeed (CNIC No. 31202-0249378-9) who has been duly authorized to file the instant petition and is well conversant with the facts and is able to depose to the same.
14. That upon sanction of the Scheme of Arrangement, without any payment of fees, charges, costs, and without the performance of any further acts and / or formalities, the authorized share capital of Petitioner No. 2 shall be subsumed by the Petitioner No. 1, and thus the authorized share capital of Petitioner No. 1 shall stand enhanced to PKR 5,000,000,000/- (Pakistan Rupees Five Billion only), divided into 2,500,000,000 (Two Billion Five Hundred Million) ordinary shares of PKR 2/- (Pak Rupees Two) each.

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Lahore High Court, Lahore

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15. That the Petitioner No. 1 hereby submits true copies of its audited financial statements for the year ended 31.12.2024, as well as its audited interim financial statements for the period ended 30.09.2025.

**TRUE COPIES OF THE AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2024 AND THE AUDITED INTERIM FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30.09.2025 OF THE PETITIONER NO. 1 ARE FILED HEREWITH AND MARKED AS ANNEXURES – “G” AND “G-1”.**

16. That except for the changes in the ordinary course of business, the financial position of the Petitioner No. 1 has not materially changed since the respective dates stated in the audited financial statements of Petitioner No. 1 annexed here to as Annexures “G” and “G-1”.

17. That the Petitioner No. 2 hereby submits true copies of its audited unconsolidated financial statements for the year ended 30.06.2025, as well as its consolidated interim financial statements for the quarter ended 30.09.2025 which have been specially audited.

**TRUE COPIES OF THE AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30.06.2025 AND THE AUDITED CONSOLIDATED INTERIM FINANCIAL STATEMENTS FOR THE QUARTER ENDED 30.09.2025 OF THE PETITIONER NO. 2 ARE FILED HEREWITH AND MARKED AS ANNEXURES – “H” AND “H-1”.**

18. That except for the changes in the ordinary course of business, the financial position of the Petitioner No. 2 has not materially changed since the respective dates stated in the audited financial statements of Petitioner No. 2 annexed here to as Annexures “H” and “H-1”.

19. That the Scheme of Arrangement pertaining to the Petitioners and their respective members, gives full particulars as to the benefits of the merger / amalgamation, the purpose / object of the same, the details of the merger / amalgamation of the Petitioner No. 2 with and into the Petitioner No. 1, including but not limited to the transfer / merger of the entire undertaking and business of the Petitioner No. 2, inclusive of all assets, properties, rights, benefits, powers, bank accounts, privileges, authorizations, contracts, licences, liabilities, obligations, dues etc. with and into the Petitioner No. 1, the consequences of the merger / amalgamation, the effective date of merger / amalgamation, the increase in the authorized share capital of the Petitioner No. 1, the effect on the employees of the Petitioner No. 2, consideration and related matters, including the allotment and issuance of the shares of the Petitioner No. 1 to the shareholders of the Petitioner No. 2, the dissolution of Petitioner No. 2 without winding up, and general provisions with respect to the arrangement. It is humbly submitted that the Scheme of Arrangement be treated as part and

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parcel of the Petition as though the entire Scheme of Arrangement was reproduced in this paragraph.

20. That the consideration, including the swap ratio, for the subject merger / amalgamation, as prescribed in the Scheme of Arrangement, has been determined and approved by the respective Board of Directors of each Petitioner, as per the arrangement envisaged by the managements of the respective companies, after taking into account and having considered the valuations stipulated in the swap letter dated 30.12.2025, issued by BDO Ebrahim & Co. Chartered Accountants ("Swap Letter") (attached as Annexure C to the Scheme of Arrangement), along with the corresponding share swap range detailed therein. The fair value assessment of the companies, as detailed in the Swap Letter, has been performed under the income based approach and market multiples based approach, with the valuation cut-off as of 30.11.2025, based, *inter alia*, on the management accounts of the respective companies for the period ended 30.11.2025, the financial projections of the companies up till the year ended 30.12.2030, and other related information, including the assumptions and representation provided by the companies. Accordingly, in the manner detailed in the Scheme of Arrangement, and as approved by the Board of Directors of each Petitioner, shares of the Petitioner No. 1 shall be allotted and issued to the shareholders of the Petitioner No. 2.

21. That the arrangements proposed under the Scheme of Arrangement would allow the Petitioners to effectuate the commercial arrangement envisaged by the Petitioners and their respective members, through the provisions of sections 279 to 283 and 285(8) of the Act.

22. That the Petitioner No. 1 shall obtain the consent / no objection from the requisite statutory majority of its secured creditors in respect of the Scheme of Arrangement , and the merger / amalgamation of the Petitioner No. 2 with and into the Petitioner No. 1 in terms thereof, at a meeting convened upon the directions of this Honourable Court. However, without prejudice to the above, it is submitted that under the Scheme of Arrangement, the secured creditors of the Petitioner No. 1 shall continue to remain duly secured.

**A LIST OF THE SECURED CREDITORS OF THE PETITIONER NO. 1 IS FILED HERewith AND MARKED AS ANNEXURE – "1".**

23. That the Petitioner No. 2 has no secured creditors as at the date hereof and accordingly no consents / no-objection certificates of the same are required.

24. That there are no investigation proceedings or the like pending in relation to any of the Petitioners under Sections 256 to 275 or any other provision of the Act.

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Mumbai High Court, Mumbai

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25. That pre-merger clearance of the Competition Commission of Pakistan, has been applied for under the Competition Act, 2010 and all rules and regulations thereunder, and will be obtained in due course and the consummation of the merger shall be subject to the approval / no objection of the Competition Commission of Pakistan.
26. That all costs, charges and expenses incurred in connection with the transfer to and vesting in the Petitioner No. 1 of the Petitioner No. 2, and all other costs, charges and expenses incurred in respect of the preparation of the Scheme of Arrangement and carrying the same into effect shall be borne and paid in accordance with the Scheme of Arrangement.
27. That the Petitioner No.1 has made all the necessary disclosures to the Pakistan Stock Exchange, and the relevant requirements of such disclosures have been complied with as required under the rules and regulations of the Pakistan Stock Exchange Limited.
28. That no prejudice shall be caused if the Scheme of Arrangement is sanctioned as the sanction of the same will benefit, and is in the interest of, the Petitioners, their members, employees as well as the general public.
29. That for the purposes of Section 279(2) of the Act, it would be sufficient to obtain agreement with respect to the Scheme of Arrangement by the requisite statutory majority of the members of the Petitioners No. 1 and 2, and the requisite statutory majority of the secured creditors of the Petitioner No. 1, at separate meetings convened under the orders of this Hon'ble Court. The Petitioner No. 2 does not have any secured creditors, and consequentially no meeting of the same is required to be convened. Accordingly, an interlocutory application as contemplated by Rule 55 of the Companies (Court) Rules, 1997 is being submitted for an order of this Hon'ble Court for (i) calling separate meetings of the members of the Petitioners No. 1 and 2 under Section 279 of the Act for approving, adopting and agreeing to the Scheme of Arrangement; and (ii) calling a meeting of the secured creditors of the Petitioner No. 1 under Section 279 of the Act for approving, adopting and agreeing to the Scheme of Arrangement. Chairman's reports with respect to such meetings will be submitted in due course after the respective meetings have been held under the order of this Hon'ble Court.
30. That each of the Petitioners have their registered offices in Lahore / Punjab within the jurisdiction of this Honourable Court; the Petitioner No. 1 is classified as a **Public Interest Company**, whereas the Petitioner No. 2 is classified as a **Large Sized Company** in terms of the Act, and therefore, in light of the Government of Pakistan, Finance Division's notification under Section 285(8) of the

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Act bearing S.R.O. 840(I)/2017 and amended through S.R.O. 1126(I)/2019, this Honourable Court has jurisdiction to hear the matter.

COPIES OF THE GOVERNMENT OF PAKISTAN, FINANCE DIVISION'S NOTIFICATIONS UNDER SECTION 285(8) OF THE COMPANIES ACT, 2017 BEARING S.R.O. 840 (I) /2017 AND 1126(I)/2019 ARE FILED HEREWITH AND MARKED AS ANNEXURE – "J".

31. That it would be just and equitable in the circumstances if the Scheme of Arrangement is sanctioned by this Honourable Court and orders are passed as prayed.
32. A copy of the Scheme of Arrangement has been filed with the Registrar of Companies, Securities and Exchange Commission of Pakistan under section 282(1)(c) of the Act.

COPIES OF ACKNOWLEDGMENT OF FILING ISSUED BY THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN AND LETTER ISSUED BY MOHSIN TAYEBALY & CO. TO THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN IS FILED HEREWITH AND MARKED AS ANNEXURES – "K" AND "K/1"

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PRAYER

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It is respectfully prayed that this Honourable Court may be pleased:

- a) to direct that separate meetings of the members and/or secured creditors (as may be applicable) of the Petitioners be called, for the purpose of considering, and if thought fit, approving, adopting and agreeing to the Scheme of Arrangement as set forth in Annexure A to this Petition;
- b) to issue directions, in connection with the meetings to be convened under the order of this Honourable Court as follows:
  - i. that the meetings of the members of each Petitioner shall be held within such days as this Honourable Court may order and at such place and at such time as the board of directors of that Petitioner may decide or this Honourable Court may otherwise direct;
  - ii. that Mr. Mohammad Asif Peer, son of Mr. Peer Mohammad (CNIC No. 42201-8158489-1), being the Chief Executive Officer of the Petitioner No. 1, or such other person as this Honourable Court may be pleased to appoint, be appointed as the Chairman of the meeting of the members of the Petitioner No. 1, and to direct the said Chairman to submit a report to this Honourable Court of the due convening and resolution(s) passed at such meeting by such date as may be fixed, and that the quorum requisite for the conduct of business at such meeting shall be as specified in the articles of association of the Petitioner No. 1;
  - iii. that Mr. Ahmad Pervaiz (Advocate), son of Mr. Pervaiz Malik, or such other person as this Honourable Court may be pleased to appoint, be appointed as the Chairman of the meeting of the secured creditors of the Petitioner No. 1, and to direct the said Chairman to submit a report to this Honourable Court of the due convening and resolution(s) passed at such meeting by such date as may be fixed;
  - iv. that Muhammad Raza Saeed, son of Nazir Ahmed Saeed (CNIC No. 31202-0249378-9), being the Director of the Petitioner No. 2, or such other person as this Honourable Court may be pleased to appoint, be appointed as the Chairman of the meeting of the members of the Petitioner No. 2, and to direct the said Chairman to submit a report to this Honourable Court of the due convening and resolution(s) passed at such meeting by such date as may be fixed, and that the quorum requisite for the conduct of business at such meeting shall be as specified in the articles of association of the Petitioner No. 2;

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### SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285(8) OF  
THE COMPANIES ACT, 2017

INVOLVING

SYSTEMS LIMITED

AND ITS MEMBERS

AND

CONFIZ LIMITED

AND ITS MEMBERS

FOR

The merger / amalgamation of the entire undertaking of Confiz Limited with and into  
Systems Limited, along with all ancillary matters.

TRUE COPY

C.O. No.

Examiner: JIS (Commercial Branch)  
Lahore High Court, Lahore

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Confiz Limited



SCHEME OF ARRANGEMENT

UNDER SECTIONS 279 TO 283 AND 285(8) OF THE COMPANIES ACT, 2017

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Judge  
(32)  
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BETWEEN

**SYSTEMS LIMITED**, a public company limited by shares and listed on the Pakistan Stock Exchange Limited, incorporated and existing under the laws of Pakistan and having its registered office at E-1, Sehjpal Road, Near DHA Phase VIII (Ex-Air Avenue), Lahore Cantt., Lahore (hereinafter referred to as "**Systems**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

**CONFIZ LIMITED**, a public company limited by shares, incorporated and existing under the laws of Pakistan and having its registered office at Plot No. 13-14, Civic Centre, Township, Lahore (hereinafter referred to as "**Confiz**", which expression shall mean and include, where the context so requires or admits, its successors-in-interest and permitted assigns);

AND

THEIR RESPECTIVE MEMBERS.

RECITALS

WHEREAS by this Scheme of Arrangement ("**Scheme**"), it is, *inter alia*, proposed that:

1. The entire undertaking, comprising all the Assets, Liabilities and Obligations, of Confiz shall, as at the Effective Date, stand merged with, transferred to, vested in, and be assumed by Systems.
2. As consideration for the above, it is proposed that Systems Shares shall be issued to the Confiz Shareholders in accordance with this Scheme.
3. Upon the merger and transfer of the entire undertaking (including all the Assets, Liabilities and Obligations) of Confiz in the manner prescribed under this Scheme, Confiz shall be dissolved without winding up.
4. This Scheme, if approved through a resolution by the requisite majority of the respective members of Systems and Confiz, along with the requisite majority of creditors (as may be applicable), and sanctioned by the Court by an order passed in this respect, is to be binding on Systems and Confiz along with all the members, creditors, employees, Customers, contracting parties, government, tax and regulatory / statutory authorities, bodies and departments of or with respect to Systems and Confiz (as applicable) respectively.

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BENEFITS OF THIS SCHEME

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Judge (33)  
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A. Arrangements Between Systems, Confiz and their Respective Members

The Amalgamation shall allow Systems and Confiz to effectuate the arrangement envisaged by the parties, including the companies and their respective members, through the provisions of sections 279 to 283 and 285(8) of the Act, in a seamless manner.

B. Larger Asset Base

The Amalgamation would lead to an increase in the asset base and the size of the surviving entity i.e. Systems. This would in turn allow the surviving / merged entity to have access to more external funds at competitive rates, as well as a combined pool of assets that is likely to provide better investment and growth opportunities. The larger size of the equity and asset base would provide greater comfort to existing and potential creditors of the surviving / merged entity. Moreover, access to a combined pool of resources is likely to improve growth prospects and the ability to undertake more efficient allocation of capital through larger assignments / projects.

C. Synergies

The Amalgamation would provide an opportunity to operate the business / operations of Systems and Confiz through a consolidated operations department, as well as a single finance and administration department, which is expected to result in the following potential synergies:

- (i) **Operational synergies**, including economies of scale through, *inter alia*, optimized planning and deployment with respect to the combined business / operations of Systems and Confiz (having similar and complementary nature of business);
- (ii) **Technical synergies**, including technological advancements, developments and process improvements from knowledge sharing, greater research and development activities for product / software development and cost reduction, improving efficiencies through resource optimization, obtaining the benefit of an enhanced engineering pool resulting in a reduction in engineering costs, and sharing of technical and other data for the improvement of business and execution capabilities; and
- (iii) **Human Resources synergies**, including workforce optimization through the use of experienced teams, improved resource allocation and skill optimization, knowledge and experience sharing, as well as employee development involving shared training and development programs to enhance employee capabilities.

D. Increase in Risk Absorption Capacity

The larger size of Systems (as the merged / amalgamated entity) would increase its risk absorption capacity, thus enhancing the capacity to manage the potential risks arising out of

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an adverse and / or uncertain operating environment. In the long run, this factor would provide greater stability as well as sustainability in the business and operations for Systems.

**E. Larger Product and Customer Portfolio**

The Amalgamation would result in Systems (as the surviving entity) having a greater product range / portfolio and potentially better profitability. The larger merged entity would also be in a position to explore additional value added product / services streams. The same would also be beneficial from a marketing, distribution and retail perspective.

Additionally, Systems would also have access to, and be able to benefit from, a larger customer base, including Confiz's international customers, many of which are serviced through the subsidiaries of Confiz, which would become subsidiaries of Systems as a consequence of the Amalgamation.

**F. Reduction in Administrative Costs**

The Amalgamation would enable the merged entity i.e. Systems to carry out the business / operations of Systems and Confiz through single operations, accounts / finance, treasury, administration, human resources and management information system departments, under one set of management and staff, as well as sharing of office space, thus resulting in considerable cost savings and economies of scales, as well as better and more efficient coordination and use of resources.

**G. Single Corporate and Tax Reporting**

The Amalgamation will make single corporate and tax reporting possible for the merged entity. The same will entail the elimination of maintenance of separate records for business operations, selling, purchasing, marketing, legal, administrative, and secretarial and other records under the various laws, which currently results in duplication of work and higher costs.

**H. Leveraging Against the Assets of Confiz**

The Amalgamation will allow Systems to acquire the benefit of the Assets of Confiz without having to pay cash consideration in respect of such Assets (including its subsidiaries), and leverage the same for raising further capital (potentially at lower cost) for growing the business and enhancing shareholder value.

**I. Cost Savings and Rationalization**

The Amalgamation would enable the companies and their respective members to rationalize and save costs under the applicable laws while effectuating the envisaged arrangement.

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**Benefits to the Respective Shareholders of Systems and Confiz**

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Overall, the Amalgamation is likely to (in the context of the benefits set out above) enhance shareholder value as well as future returns for all shareholders of Systems (including the shareholders of Confiz upon their becoming shareholders of Systems upon the effectuation of the Amalgamation). The merged entity will have larger market capitalization and an improved market position with the potential for better performance, both in terms of the ability to deploy capital more effectively and manage its resources and operations more efficiently.

Furthermore, taking into account that Systems is listed on the PSX, the merged / surviving entity will allow for more liquidity of shares, allowing shareholders (especially minority shareholders) to trade in their shares with more ease. This will also be beneficial for the shareholders of Confiz, in favour of whom Systems Shares shall be issued in consideration for the Amalgamation, as the said shareholders shall receive shares of a listed company, and shall be in a position to trade in such shares. Additionally, a robust company may attract more investors, further improving shareholder returns and shareholder value.

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**Confiz Limited**



NOW THEREFORE, this Scheme is presented as follows:

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ARTICLE 1

DEFINITIONS AND INTERPRETATION

1.1. In this Scheme, including in the recitals and benefits above, unless the subject or context otherwise requires, the following expression shall bear the meanings specified against them below:

“Act” means the Companies Act, 2017;

“Amalgamation” shall have the same meaning as prescribed thereto in Article 2.1;

“Annexure A” is the annexure attached hereto which lists the current members of the Board of Directors of Systems;

“Annexure B” is the annexure attached hereto which lists the current members of the Board of Directors of Confiz;

“Annexure C” is the annexure attached hereto containing the Swap Letter;

“Assets” mean assets, properties and rights of every description and kind (whether present or future, actual or contingent, tangible or intangible) and includes properties held on trust and benefit of securities/ obtained from Customers, benefits, interests, powers, rights, authorities, privileges, Contracts, Government consents, Government subsidies, tax refunds / credits, tax protections, remissions and exemptions (including holding period of such assets and liabilities along with all the rights attached and accrued thereto including, but not limited to, equity-based tax credits for unexpired period), sanctions and authorizations, including all registrations, licences, certifications, approvals, Claims, no objection certificates / letters, permits, categories, exemptions, quotas, entitlements, sanctions, empowerments, dispensations, charters, immunities, grants, prerogatives, permissions and benefits relating to the business / company, all trademarks, patents, copyrights, intellectual property rights (whether registered or not), licences, liberties, secret processes, know-how, goodwill, data and confidential information belonging / pertaining to a company. Without in any way limiting or prejudicing the generality of the foregoing, it is hereby clarified that the term ‘Assets’ shall include: (i) all properties, immovable and movable, real, corporeal or incorporeal, in possession or reversion, present or contingent of whatsoever nature and wheresoever situated belonging to a company, as well as equity, stocks, debentures, bonds, rights under futures, options, derivative contracts, commodities etc. (and all rights, titles, interests and easements associated therewith); (ii) all inventory, stock-in trade, raw materials, ingredients, packaging, consignments from shipments, consumable stores, plant, machinery, equipment, furniture and fixtures, work-in-progress, computer hardware and software, software applications and licences, motor vehicles, office and laboratory equipment and supplies, appliances and accessories, spare parts and tools; (iii) all Claims, choses-in-action, instruments, decretal amounts, bank and other accounts, cash balances, goodwill, revaluation surplus, reserve funds, revenue balances, investments (together with control in subsidiary and associated companies), other investments, interest / profit / dividends accrued on investments, loans, advances, guarantees, deposits, prepayments, receivables, book debts, trade debts and all other rights and interest in and arising out of such property in the

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ownership, possession, power or control of a company, whether legal or beneficial, whether within or out of Pakistan; (iv) all books of accounts, registers, records, information, data, documents of title, reports, policies, surveys, research, advertising or other promotional material, and all other documents of whatever nature relating thereto, in every form; (v) all benefits and rights under Contracts, including rights under or relating to Contracts; (vi) all the utilities connections, equipment, installations and facilities for telecommunications, electricity, gas, water, sewerage and other installations, owned by, leased or licensed to a company (including related deposits); (vii) goodwill, revaluation surplus, share premium amounts, capital and revenue reserves; (viii) Contingent Claims, tax credits / carry forward losses and proceeds realized from the Liquidation of the Contingent Claims; (ix) unadjusted tax receivables / losses and tax refunds; (x) sales tax carry forward balance and sales tax refunds; (xi) any subsidy receivable claims; and (xii) registrations, approvals, certifications and licenses with / from any and all regulatory authorities and bodies, Federal Board of Revenue, Provincial Boards of Revenue, including in respect of income tax, sales tax, excise duty and otherwise;

**"CDC"** means the Central Depository Company of Pakistan Limited;

**"CDS"** means the Central Depository System (an electronic book entry system for the recording and transfer of securities, established under the Central Depositories Act, 1997 and maintained by the CDC);

**"Claim"** means claim, counter-claim, demand or cause of action and includes a Contingent Claim;

**"Completion Date"** has the same meaning as prescribed thereto in Article 3.1;

**"Confiz"** shall have the meaning as prescribed in the Preamble above;

**"Confiz Shareholders"** means the members of Confiz, as determined on the Record Date, to whom Systems Shares shall be issued in accordance with the provisions of this Scheme;

**"Contingent Claim(s)"** means any potential Claim that a company may have against any person prior to the Effective Date which may not be disclosed or reflected as part of its Assets on its books or records;

**"Contracts"** means any contracts, agreements, deeds, instruments, insurance policies, letters or undertakings of every description, creating any obligations enforceable against the parties thereto, including any finance agreements;

**"Corporate Action"** means any of the following:

- (i) any action taken by Systems or Confiz for its further capitalization, whether through rights, bonus or issuance pursuant to the exercise of, or grant of, options under its employee stock option scheme; or
- (ii) any consolidation, stock split, sub-division, reorganization, reclassification or other similar corporate action in relation to the share capital of Systems or Confiz;

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**"Court"** means the Lahore High Court, Lahore, or any other Court / authority for the time being having jurisdiction under the Act in connection with the arrangements under this Scheme (including the Amalgamation);

**"Customer"** means any person having entered into a transaction, arrangement or other dealing with a company;

**"Effective Date"** shall have the same meaning as prescribed thereto in Article 3.1;

**"existing"** means existing, outstanding or in force immediately prior to the Effective Date (unless stated otherwise);

**"Liabilities and Obligations"** includes all borrowings, liabilities, duties, commitments and obligations of every description (whether present or future, actual or contingent) arising out of any Contract, law or otherwise whatsoever, and all Securities, and the terms **"Liabilities"** and **"Obligations"** are used interchangeably and / or in conjunction with each other;

**"Liquidation"** means the release, compromise, satisfaction, settlement or reduction to judgment of any Claim by a competent court of law;

**"PSX"** means the Pakistan Stock Exchange Limited;

**"Record Date"** means the (book closure) date to be fixed by the directors of Confiz, after the Completion Date, in accordance with the provisions of this Scheme, to determine the identities and entitlements of the Confiz Shareholders;

**"Scheme"** means this Scheme of Arrangement, in its present form with any modifications thereof or additions thereto, approved or with any conditions imposed by the Court;

**"Security"** or **"Securities"** means interest, right or title in and to any and all mortgages, encumbrances or charges (whether legal or equitable), debenture, bill of exchange, promissory note, guarantee, lien, pledge (whether actual or constructive), hypothecation, assignment by way of security, right of set-off, undertaking or other means of securing payment or discharge of any Liabilities and Obligations;

**"Swap Letter"** means the letter dated December 30, 2025, issued by BDO Ebrahim & Co. Chartered Accountants, to the respective Board of Directors of Systems and Confiz, attached hereto as Annexure C, pertaining to the Amalgamation, and detailing, *inter alia*, the fair value assessments of Systems and Confiz, along with the corresponding basis and calculations of the share swap ratio range;

**"Swap Ratio"** shall have the same meaning as prescribed thereto in Article 9.1;

**"Systems"** shall have the meaning as prescribed in the Preamble above; and

**"Systems Shares"** means the ordinary shares, having face value of PKR 2/- (Pak Rupees Two) each, in the share capital of Systems.

1.2. In this Scheme, unless specified otherwise:

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Confiz Limited

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- (i) the headings in this Scheme are for convenience only and shall not affect the construction or interpretation thereof;
- (ii) a reference to any legislation or legislative provision includes any statutory modification of, or re-enactment of, or legislative provision substituted for, and any subordinate legislation under that legislation or legislative provision;
- (iii) a reference to any agreement or document is to that agreement or document and, where applicable, any of its provisions, as amended, novated, restated or replaced from time to time;
- (iv) a reference to an Article or Annexure is to an article or annexure of or to this Scheme;
- (v) words denoting the singular shall include the plural and vice versa;
- (vi) a reference to a person includes a company, firm, trust, authority or government and vice versa;
- (vii) a reference to any person includes that person's executors, administrators, successors, legal heirs, and permitted assigns;
- (viii) "including" and "include" shall be deemed to mean "including, without limitation" and "include, without limitation"; and
- (ix) the word "hereof", "herein", "hereto" and "hereunder" and words of similar import when used, with the required linguistic and / or grammatical derivation, in this Scheme refer to this Scheme as a whole and not to any particular provision thereof.

## ARTICLE 2

### OBJECTS OF THE SCHEME

- 2.1. The principal object of this Scheme is to amalgamate the entire undertaking of Confiz with and into Systems, by transferring to, merging with and vesting in Systems the whole of Confiz, as a going concern, including all the Assets, Liabilities and Obligations of Confiz, as of the Effective Date (the "Amalgamation"), against the allotment and issue of Systems Shares to the Confiz Shareholders based on the Swap Ratio, and dissolving Confiz without winding up, in accordance with the provisions of this Scheme.
- 2.2. It is hereby clarified that although all of the above steps will take place on the same date, unless otherwise stipulated in this Scheme, the same shall be deemed to be effective as of the Effective Date.

## ARTICLE 3

### EFFECTIVE DATE

- 3.1. This Scheme shall become operative and bind Systems and Confiz as soon as an order is passed by the Court under Sections 279 / 282 of the Act, sanctioning this Scheme and making the

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necessary provisions under Section 282 of the Act (hereinafter referred to as the "Completion Date"). When this Scheme becomes operative on the Completion Date, the Amalgamation (along with other matters), in accordance with this Scheme, will be treated as having effect from the start of business at 00:00 hours on January 1, 2026, or such other date as may be stated by the Court (hereinafter referred to as the "Effective Date"). Each company shall file a certified copy of the order passed by the Court with the Registrar of Companies in accordance with Section 279 of the Act.

- 3.2. Accordingly, subject to the sanction of this Scheme, as of the Effective Date and thereafter, until the undertaking of Confiz (including the Assets, Liabilities and Obligations thereof) is actually transferred to and vested in Systems in terms of this Scheme, the business of Confiz, as well as any transactions, operations or activities in relation thereto, will be deemed to have been carried for and on account and for the benefit of Systems.
- 3.3. All income, profits, gains and losses accruing or arising to, or incurred by, Confiz (including any taxes paid or deducted or collected or withheld, all credits and refunds on account of sales tax, customs duty and other taxes, including the right to adjust the amount of sales tax paid in connection with the undertaking of Confiz) from the Effective Date shall be treated as the income, profits, gains or losses (including any taxes paid or deducted or collected or withheld, all credits and refunds on account of sales tax, customs duty and other taxes including the right to adjust the amount of sales tax paid in connection with the undertaking of Confiz), as the case may be, of Systems. The reserves, including the unappropriated profits / losses, of Confiz, up to and immediately preceding the Effective Date, if any, shall constitute and be treated as reserves / losses of a corresponding nature in Systems and shall be accounted for on that basis in the books of account of Systems. Subsequent to the Completion Date, and as consequence of the Amalgamation, the financial statements of Systems will be prepared in accordance with the applicable laws, including the Act (and other regulations and notifications), and the relevant accounting and reporting standards applicable in Pakistan.
- 3.4. Notwithstanding the provisions of Articles 3.2 and 3.3, during the period preceding the Completion Date (including between the Effective Date and Completion Date), each of Systems and Confiz shall continue to operate independently in the ordinary course and as per past practice or otherwise in the manner agreed, and further be entitled (without being obliged) to declare and distribute dividends from the profits earned during this period to its respective shareholders as determined by its respective Board of Directors in the ordinary course (unless otherwise agreed between the parties).
- 3.5. From the date of filing of this Scheme with the Court, and till the allotment of the Systems Shares to the Confiz Shareholders (unless this Scheme is withdrawn or the same is not sanctioned), the companies shall not take any Corporate Action, unless otherwise mutually agreed, provided that Systems Shares may be issued pursuant to vested options exercised before the date of filing of this Scheme under its employee stock option scheme, to the extent of the agreed threshold.

ARTICLE 4

CAPITAL

- 4.1. The authorized share capital of Systems is PKR 4,000,000,000/- (Pak Rupees Four Billion), divided into 2,000,000,000 (Two Billion) ordinary shares of PKR 2/- (Pak Rupees Two) each,

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out of which 1,473,404,435 (One Billion Four Hundred Seventy Three Million Four Hundred Four Thousand Four Hundred Thirty Five) ordinary shares have been issued, fully subscribed to and paid up as of the date hereof (with the understanding that additional Systems Shares may be issued pursuant to vested options exercised before the date of filing of this Scheme under its employee stock option scheme, to the extent of the agreed threshold).

- 4.2. The authorized share capital of Confiz is PKR 1,000,000,000/- (Pak Rupees One Billion), divided into 100,000,000 (One Hundred Million) ordinary shares of PKR 10/- (Pak Rupees Ten) each, out of which 57,723,414 (Fifty Seven Million Seven Hundred Twenty Three Thousand Four Hundred Fourteen) ordinary shares have been issued, fully subscribed to and paid up as of the date hereof.
- 4.3. Upon the sanction of this Scheme, the authorized share capital of Confiz shall be merged and combined with the authorized share capital of Systems. Resultantly, as a consequence of the above, the authorized share capital of Systems shall thus stand enhanced to PKR 5,000,000,000/- (Pak Rupees Five Billion), divided into 2,500,000,000 (Two Billion Five Hundred Million) ordinary shares of PKR 2/- (Pak Rupees Two) each, and accordingly the Memorandum and Articles of Association of Systems shall stand amended (to the extent required). Approval of the members of Systems to this Scheme shall also include and constitute an approval, by way of special resolution, from the members of Systems to the alteration of the Memorandum and Articles of Association of Systems for the increase of the authorized share capital of Systems to PKR 5,000,000,000/- (Pak Rupees Five Billion), as required in terms of the Act.

**ARTICLE 5**

**BOARD OF DIRECTORS**

- 5.1. The present directors of Systems are listed in Annexure A.
- 5.2. The present directors of Confiz are listed in Annexure B.
- 5.3. The directors of Systems are expected to continue as the directors after the Amalgamation / Completion Date, subject to compliance with the applicable laws and / or their ceasing to be directors in the meantime due to any reason(s) and appointments being made to the vacancies thus created and / or fresh elections being held prior to the Completion Date in compliance with applicable laws.
- 5.4. The directors of Confiz (comprising the Board of Directors of Confiz at the relevant time) shall cease to hold office as directors without any rights to any compensation for loss of office upon the dissolution of Confiz in accordance with the provisions of this Scheme.
- 5.5. All the respective directors of Systems and Confiz have interest in the Amalgamation to the extent of their respective directorships and (direct and / or indirect) shareholdings in the said companies (to the extent applicable). The effect of this Scheme on the interest of these directors does not differ from the respective interests of the members of each of Systems and Confiz, except to the extent stipulated in this Scheme or otherwise disclosed.

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ARTICLE 6  
AMALGAMATION

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6.1. General Description

- (i) As of the Effective Date, Confiz, as a going concern (without discontinuation) for the purpose of all laws, shall be amalgamated with and vest in Systems upon the terms and conditions set forth in this Scheme without any further act, deed, matter or thing, process or procedure.
- (ii) Upon the Amalgamation, Systems shall be able to carry out all the business being carried out by Confiz and shall be entitled to all the rights and the benefits thereof.
- (iii) As consideration for the Amalgamation, Systems shall allot and issue Systems Shares to the Confiz Shareholders, while all the shares of Confiz shall stand cancelled, in each case in accordance with Article 9.
- (iv) Confiz shall be dissolved, without winding up, from the date on which all the Systems Shares to be allotted by Systems to the Confiz Shareholders, as prescribed in Article 9, have been so allotted, or on such later date as the Court may prescribe.

6.2. Transfer of the Assets

- (i) As of the Effective Date, all the Assets of Confiz shall immediately, without any conveyance or transfer, and without any further act or deed, or payment of any duties or other amounts, be vested in and become the undertaking and Assets of Systems, which shall have, hold and enjoy the same in its own right as fully as the same were possessed, held and enjoyed by Confiz prior to the Amalgamation.
- (ii) The vesting / transfer of the Assets shall be subject to all Securities subsisting thereon (if any), including in the manner stipulated in this Scheme.
- (iii) The vesting / transfer of the Assets of Confiz to Systems, pursuant to the Amalgamation, shall be effectuated notwithstanding that the same may be in blocked accounts, or pledged by Confiz, or in freeze status (including maintained with the CDC in such form). Where required or applicable, the status of the same shall continue in such manner (under the ownership and title of Systems) once transferred to the relevant account(s) / sub-account(s) of Systems.
- (iv) All licences, permits, quotas, rights, permissions, concessions, privileges, sanctions, approvals, certifications, registrations, empowerments, dispensations, charters, immunities, grants, exceptions, entitlements etc. in relation to the business or undertaking of Confiz (including rights and control over subsidiaries and associated companies with respect to investments of Confiz), the benefit of which Confiz may be eligible and which are subsisting or having effect immediately prior to the Effective Date, shall, from the Effective Date, stand vested in and transferred to Systems without any further act or deed, and shall be appropriately mutated by the relevant authorities in favour of Systems.

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6.3. **Transfer of Liabilities and Obligations**

As of the Effective Date, all the Liabilities and Obligations of Confiz, including towards the creditors of Confiz (if any), shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of Systems, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

6.4. **Systems' Right to Execute Deeds**

Deeds, assignments or similar instruments to evidence the aforesaid transfer of Assets and / or assumption of Liabilities and Obligations of Confiz may, if required at any time after the Completion Date, and with effect from the Effective Date, be executed by officers of Systems authorized to do so in this regard.

6.5. **References to Assets and Liabilities and Obligations**

Any reference in this Scheme to Assets or Liabilities and Obligations of Confiz is a reference to Assets or Liabilities and Obligations to which Confiz is, for the time being, entitled or subject to (whether beneficially or in any fiduciary capacity) immediately preceding the Effective Date, wherever such Assets or Obligations and Liabilities are situated or arise and whether or not the same are capable of being transferred or assigned to or by Confiz under any applicable law or instrument.

6.6. **Assets held in Trust, etc.**

Any Asset comprised or vested in Confiz, which immediately before the Effective Date was held by Confiz as trustee or custodian in the form of any trust deed, settlement, covenant, agreement or will or as executor of the will, or administrator of the estate of a deceased person or as judicial trustee appointed by order of any court, or in any other fiduciary capacity, shall, as of the Effective Date, be held by Systems in the same capacity upon the trusts, subject to the powers, provisions and Liabilities applicable thereto.

6.7. **Contracts**

Every Contract to which Confiz is a party shall have effect as of the Effective Date as if:

- (i) Systems had been a party thereto instead of Confiz; and
- (ii) Any reference (however worded and whether express or implied) to Confiz therein shall stand substituted, with respect to anything to be done as of the Effective Date, to a reference to Systems.

6.8. **Bank Accounts**

Any and all account(s) maintained by Confiz with any bank and / or financial institution shall, as of the Effective Date, become account(s) between Systems and such bank and / or financial institution, subject to the same conditions and incidents as therefore; provided that nothing herein shall affect any right of Systems to vary the conditions or incidents subject to which any account is kept.

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Lahore High Court, Lahore



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Judge (43)  
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**6.3. Transfer of Liabilities and Obligations**

As of the Effective Date, all the Liabilities and Obligations of Confiz, including towards the creditors of Confiz (if any), shall immediately, and without any further act or deed, be assumed by and become the Liabilities and Obligations of Systems, which shall pay, undertake, satisfy, discharge and perform, when due, all such Liabilities and Obligations.

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**6.7. Contracts**

Every Contract to which Confiz is a party shall have effect as of the Effective Date as if:

- (i) Systems had been a party thereto instead of Confiz; and
- (ii) Any reference (however worded and whether express or implied) to Confiz therein shall stand substituted, with respect to anything to be done as of the Effective Date, to a reference to Systems.

**6.8. Bank Accounts**

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6.9. **Instructions**

Any existing instruction, order, direction, mandate, power of attorney, authority, undertaking or consent given to, or by, Confiz in writing shall have effect, as of the Effective Date, as if given to, or by, Systems.

6.10. **Negotiable Instruments**

Any negotiable instrument or order for payment of money drawn on or given to, or accepted or endorsed by Confiz, or payable at any place of business of Confiz, whether so drawn, given, accepted or endorsed immediately before the Effective Date, shall have the same effect as of the Effective Date, as if it had been drawn on, or given to, or accepted or endorsed by Systems, or were payable at any place of business of Systems.

6.11. **Custody of Documents**

The custody of any document, record or goods held by Confiz as bailee and duly recorded in their books that pass to Confiz under any Contract of bailment relating to any such document, record or goods shall, with effect from the Effective Date, become rights and obligations of Systems.

6.12. **Securities:**

(i) Any Security held immediately before the Effective Date by Confiz or by a nominee or agent of or trustee for Confiz, as security for the payment or discharge of any liability or obligation of a Customer shall, as of the Effective Date, be held by, or, as the case may require, by that nominee, agent or trustee for Systems and be available to Systems (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of that liability or obligation.

(ii) In relation to any Security vested in Systems, pursuant to and / or in accordance with the provisions of this Scheme, including pursuant to the foregoing provision, and any liabilities and obligations thereby secured, Systems shall be entitled to the rights and priorities to which Confiz would have been entitled if they had continued to hold the Security.

(iii) Any Security referred to in the foregoing provisions of this paragraph which extends to future advances or liabilities shall, as of the Effective Date, be available to Systems (whether for its own benefit or, as the case may be, for the benefit of any other person) as security for the payment or discharge of future advances and future liabilities to the same extent and in the same manner in all respects as future advances or liabilities to Confiz or, as the case may be, Systems, were secured thereby immediately before that time.

(iv) All Securities of any nature (whether legal or equitable) granted / created by Confiz in favour of its secured creditors, if any, and unless the same have been vacated prior to the Effective Date, will continue to remain operative and effective as Securities in the manner detailed below. In this respect, upon the Amalgamation:

(a) the *pari passu* Security holders of Confiz, holding Securities over the present and future Assets (excluding land and building), or any part or class thereof,

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of Confiz, shall rank *pari passu* with the *pari passu* Security holders of Systems, if any, having Securities over the same (class of) combined present and future Assets (excluding land and building) of Systems;

- (b) the ranking Security holders of Confiz, having ranking charges / Securities over the present and future Assets (excluding land and building), or any part or class thereof, of Confiz, shall continue to be treated as ranking charges / Securities over the combined Assets (or same class thereof) of Systems. The ranking of such charges / Securities, along with the ranking of Securities created by Systems in favour of its creditors, if any, shall be organized and determined, based on the date on which the same were registered with the Securities and Exchange Commission of Pakistan, irrespective of which company had created the same;
- (c) any mortgage over an immovable property of Confiz, granted in favour of a creditor of Confiz, if any, shall continue to remain as is (i.e. over such immovable property which stands transferred to and vested in Systems upon the Amalgamation);
- (d) any mortgage over an immovable property of Systems, granted in favour of a creditor of Systems, if any, shall continue to remain as is; and
- (e) any first exclusive charge or Security interest granted to a creditor of Confiz, by Confiz, over specific assets of Confiz, if any, will continue to remain and retain its priority over such specific Assets (which stand merged with and into Systems upon the Amalgamation), notwithstanding the time of creation and registration of any other charge / Security.

#### 6.13. Legal Proceedings

Where by virtue of this Scheme any right, Claim or Liability of Confiz becomes a right, Claim or Liability of Systems as of the Effective Date, Systems shall have the same rights, claims, powers and remedies (and in particular the same rights, Claims and powers as to taking or resisting legal proceedings or making or resisting applications to any authority) for ascertaining, perfecting or enforcing that right, Claim or Liability as if it had at all times been a right, Claim or Liability of Systems, and any legal proceedings or application to any authority existing or pending immediately before the Effective Date by or against Confiz may be continued by or against Systems.

#### 6.14. Judgments

Any judgment, decree, order (final or interim) or award obtained by or against Confiz, and not fully satisfied before the Effective Date shall at that time, to the extent to which it is enforceable and has not been fully satisfied by or against Confiz, become enforceable and be satisfied, to the extent not already satisfied, by or against Systems.

#### 6.15. Evidence

All books and other documents which would, before the Effective Date, have been evidenced in respect of any matter, for or against Confiz, shall be admissible in evidence in respect of the same matter for or against Systems.

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6.16. **Authorizations**

Any authorizations / powers of attorney granted by Confiz to any persons with respect to the undertaking / business / operations / Assets etc. of Confiz shall continue to subsist subsequent to the Amalgamation and shall be deemed to be authorizations / powers of attorney granted by Systems to such persons, until or unless otherwise revoked or modified by Systems.

6.17. **Clarification**

The provisions contained in Articles 6.2 to 6.16 are without prejudice to the generality of any other provisions in this Scheme, but subject to any provisions in this Scheme to the contrary effect.

**ARTICLE 7**

**CERTAIN OBLIGATIONS AND REPRESENTATIONS**

- 7.1. Upon the Amalgamation, Systems shall take all necessary and expedient steps to properly and efficiently manage its entire business and affairs and shall operate and promote its entire business and affairs in the normal course (to the extent applicable).
- 7.2. As of the Completion Date, but with effect from the Effective Date, Systems shall undertake, pay, satisfy, discharge, perform and fulfil the Liabilities and Obligations, Contracts, engagements and commitments whatsoever of Confiz.

**ARTICLE 8**

**THE SCHEME'S EFFECT**

- 8.1. The provisions of this Scheme shall be effective and binding by operation of law and shall become effective in terms of Article 3.
- 8.2. The execution and / or sanction of this Scheme, and the implementation of the Amalgamation, shall not: (i) constitute any assignment, transfer, devolution, conveyance, alienation, parting with possession, or other disposition under any law for the time being in force (including tax laws); (ii) give rise to any forfeiture; (iii) invalidate or discharge any Contract or Security; (iv) give rise to any right of first refusal or pre-emptive right that any person may have in respect of any investment made by such person in Systems and / or Confiz; and / or (v) constitute a contractual transfer, but a vesting by operation of law.
- 8.3. Upon the sanction of this Scheme, the terms of this Scheme shall be binding on Systems and Confiz, and also on all the respective shareholders / members of Systems and Confiz, the Customers of each of Systems and Confiz, the creditors of each of the companies (to the extent applicable), and on any other person having any right or liability in relation to either of them.
- 8.4. On the Completion Date, and with effect from the Effective Date, this Scheme will override the constitution / constitutive documents of each of Systems and Confiz in case of any inconsistency, only to the extent of such inconsistency.

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ARTICLE 9

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CONSIDERATION FOR THE AMALGAMATION AND RELATED MATTERS

- 9.1. As consideration for the Amalgamation, Systems shall allot and issue an aggregate of 57,578,420 (Fifty Seven Million Five Hundred Seventy Eight Thousand) Systems Shares to the Confiz Shareholders, credited as fully paid up, at par, on the basis of a swap ratio of approximately 0.9975 Systems Shares for every 1 (one) ordinary share of Confiz, of the face value of PKR 10/- (Pak Rupees Ten) each, held by each Confiz Shareholder (the "Swap Ratio"). All entitlements resulting in fractions less than a Systems Share shall be consolidated into whole Systems Shares which shall, save as otherwise agreed between the respective Board of Directors of Systems and Confiz, be allotted in favour of the company secretary (or such person authorised by the Board of Directors of System) of Systems upon trust to sell such shares on PSX at such time or times and at such price or prices and to such person, as the company secretary (or such person authorised by the Board of Directors of System) deems fit, but not later than a period of 30 (thirty) days from the date of issuance of such shares. The company secretary (or such person authorised by the Board of Directors of System) shall distribute the net proceeds, subject to tax deductions and other expenses as applicable, to the Confiz Shareholders who are entitled to fractions in proportion to their respective fractional entitlements. All entitlements of the Confiz Shareholders shall be determined in the proportion aforesaid.
- 9.2. The Swap Ratio has been determined and approved by the respective Board of Directors of Systems and Confiz, as per the arrangement envisaged by the managements of the respective companies, after taking into account and having considered the valuations stipulated in the Swap Letter, along with the corresponding share swap range detailed therein. The fair value assessment of the companies, as detailed in the Swap Letter, has been performed under the income based approach and market multiples based approach, with the valuation cut-off as of November 30, 2025, based, *inter alia*, on the management accounts of the respective companies for the period ended November 30, 2025, the financial projections of the companies up till the year ended December 30, 2030, and other related information, including the assumptions and representation provided by the companies. The draft Swap Letter has been adopted by the respective Board of Directors of each of Systems and Confiz.
- 9.3. Promptly after the Completion Date, at least 7 (seven) days' notice shall be given to the members of Confiz, by Confiz, specifying the Record Date (being the final book closure date) in order to determine the identities of the Confiz Shareholders and their entitlements to the Systems Shares. Such notice shall also specify the date by which the Confiz Shareholders shall deliver to Confiz, for cancellation, all the share certificates representing ordinary shares in Confiz held by them and such share certificates shall be delivered to Confiz on or before that date.
- 9.4. Confiz shall, within 2 (two) days of the Record Date, provide Systems with the list of the Confiz Shareholders along with details of their respective entitlements (based on the Swap Ratio) and CDC accounts / sub-accounts.
- 9.5. The share certificates delivered / to be delivered by the Confiz Shareholders in accordance with Article 9.3 shall stand cancelled (whether or not the same have been surrendered to Confiz by the prescribed date) and the Confiz Shareholders shall be entitled to CDC book-

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entries representing the number of fully paid up Systems Shares to which the respective Confiz Shareholder is entitled to in accordance with the provisions of this Scheme.

- 9.6. The allotment of the Systems Shares to the Confiz Shareholders (in accordance with the provisions of this Article 9) shall be made by Systems as soon as possible, but no later than 15 (fifteen) days from the date notified above. Thereafter, as soon as possible, but no later than 15 (fifteen) days from the date of allotment, Systems shall (cause CDC to) credit the respective CDC accounts / sub-accounts of the Confiz Shareholders with book entries relating to the corresponding number of Systems Shares which the relevant Confiz Shareholder is entitled to in accordance with this Article 9. Such allotment shall be carried out in accordance with the rules and regulations of the CDC.
- 9.7. The Systems Shares, allotted and issued to the Confiz Shareholders in accordance with the provisions of this Scheme, shall, in all respect, rank *pari passu* with the ordinary shares of Systems and shall be entitled to all dividends declared by Systems after the Completion Date.
- 9.8. Systems Shares issued in accordance with Article 9 shall initially be recorded in the books of account of Systems at cost. Any amount in excess of the par value of the share capital being issued by Systems shall be credited / recorded as a reserve, including as a "Reserve arising under the Scheme" / "Merger Reserve" or otherwise in accordance with applicable accounting standards, taking into account (and adjusting for) the carrying values of the net assets that shall vest in Systems as a consequence of the Amalgamation. Systems Shares issued under this Scheme shall be deemed to have been held from the date on which the corresponding shares in Confiz were originally acquired by the Confiz Shareholders, with the same cost basis and holding period of the original Confiz shares.
- 9.9. For the purposes of the Amalgamation, and as per the arrangement envisaged between the parties, the anchor valuation of Confiz is based, *inter alia*, on a benchmark quantum of revenue, profit and Assets (including cash and value of fixed assets), Liabilities and Obligations (including provisioning) that shall comprise the undertaking of Confiz immediately prior to the Effective Date. Consequently, before the Completion Date, based on the financial position of Confiz (as mutually determined by the companies), any surplus / excess cash over the agreed benchmark shall be the entitlement of the members of Confiz, who shall be permitted and authorized to withdraw the same in the form of dividend (subject to the existence of distributable reserves). Conversely, in the event of any shortfall, Systems shall be entitled to receive necessary funds from the relevant members of Confiz on the terms agreed.
- 9.10. Upon the allotment of the Systems Shares in favour of the Confiz Shareholders, and the withdrawal of excess cash (if any) prior to the Completion Date, in accordance with the provisions of this Scheme, the entitlements of the Confiz Shareholders as consideration for the Amalgamation under this Scheme shall stand satisfied, and they shall have no further claims towards or rights against Systems in relation to the same.
- 9.11. Subject to the sanction of this Scheme by the Court, Confiz shall, without winding up, stand dissolved from the date on which all the Systems Shares, to be allotted by Systems to the Confiz Shareholders as prescribed above, have been so allotted.

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**ARTICLE 10**

**EMPLOYEES**

- 10.1. On and from the Completion Date, but with effect from the Effective Date, all permanent officers and employees (including workmen) of Confiz shall become the employees of Systems (in lieu of their employment with Confiz) at the same levels of remuneration and benefits and terms and conditions of service, for the time being, which they were receiving or, as the case may be, by which they were governed immediately before the Completion Date, including those relating to entitlements and benefits arising upon termination of services, on the basis of continuation of service (which shall be taken into account for the purposes of all benefits to which such employees may be eligible, including for the purpose of provident and other terminal benefits), except where (i) otherwise negotiated with the relevant employee; or (ii) the employment of any such person(s) is terminated for any reason (including pursuant to resignation or otherwise) before the Completion Date.
  
- 10.2. On and from the Completion Date, and as a consequence of the Amalgamation, all amounts / funds (including in the nature of monies, investments or otherwise) in Confiz's Employees Contributory Provident Fund (the "Provident Fund"), held by the trustees thereof, including amounts standing to the credit of the Provident Fund (and / or entries pertaining to the Provident Fund) on the Completion Date, for the benefit of Confiz's eligible employees who are members and beneficiaries of the Provident Fund, shall be transferred from such fund and vest in the trustees of a similar fund established by Systems for the benefit of its employees. Systems and the trustees of the Provident Fund shall take necessary steps, including making necessary arrangements and entering into agreements (if required) for the purposes of the above. Thereafter, the provisions of Systems' fund and rules framed thereunder shall govern such arrangement with respect to all of Systems' eligible employees (including Confiz's relevant employees who shall become Systems' employees pursuant to Article 10.1).

**ARTICLE 11**

**GENERAL**

**11.1. Modifications by the Court**

This Scheme shall be subject to such modification of conditions, as the Court may deem expedient to impose. The Board of Directors of Systems and Confiz respectively may consent to any modifications or additions to this Scheme or to any conditions which the Court may think fit. In case of any difficulty in implementation of any aspect of this Scheme, clarifications, directions and / or approval may be obtained from the Court. Notwithstanding the above, in the event that the terms of this Scheme are not approved by the members and / or creditors of Systems and / or Confiz (as applicable) in its entirety and / or the Scheme, as approved by the respective companies, is modified by the Court, or otherwise, the Board of Directors of Systems and / or Confiz shall be entitled to withdraw this Scheme (whether or not approval from the members and creditors of the respective companies has been obtained).

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11.2. **Severability**

If any provision of this Scheme is found to be unlawful and unenforceable by a competent court of law, then to the fullest extent possible, all of the remaining provisions of the Scheme shall remain in full force and effect.

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Judge (58)  
Date = 20/21

11.3. **Costs and expenses**

Unless otherwise agreed, all costs, charges and expenses in respect of the preparation of this Scheme and carrying the same into effect shall be borne equally by Systems and Confiz. Subsequent to the sanction of this Scheme, costs, charges and expenses, including for the implementation of the Amalgamation and the arrangements hereunder, shall be borne by Systems (being the surviving company).

11.4. **Implementation of this Scheme**

The respective Board of Directors of Systems and Confiz, to the extent applicable, are hereby authorized and empowered to take all necessary steps and execute all documents, as they may consider necessary, expedient or appropriate, to give effect to the provisions of this Scheme and for the implementation hereof, including to delegate any powers from time to time.

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**Confiz Limited**



