

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

For the Year ended June 30, 2022

The Modaraba has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:

- a) Male: 6
- b) Female: 1

2. The composition of the Board is as follows:

Category	Name
i. Independent Director	Dr. Salman Faridi
ii. Non-Executive Directors	Mr. Imran Azim (Chairman) Mr. Munir Karim Bana Mr. Muhammad Shafique Anjum Mr. Syed Sheharyar Ali
iii. Executive Director	Mr. Syed Shahid Ali (Chief Executive)
iv. Female / Independent Director	Ms. Sidra Fatima Sheikh

Determination of number of Independent Directors comes to 2.33 (rounded to 2) which is based on seven elected Directors. The fraction of one-third number is not rounded up, as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third Independent Director is not warranted.

- 3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Modaraba.
- 4. The Modaraba has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Modaraba along with its supporting policies and procedures.
- 5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Modaraba. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Modaraba.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / certificate holders as empowered by the relevant provisions of the Act and these Regulations.
- 7. The meetings of the Board were presided over by the Chairman and, in his absence, by a director elected by the Board for this purpose. The Board has complied with the requirements of the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
- 8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The board arranged training program for the following director during the year.

(i) Syed Sheharyar Ali.

CCG regulations encourages the director training program of all directors. Being a responsible and compliant, Modaraba has already arranged DTP for one director whereas three directors are exempt. The remaining three directors are expected to attain DTP certification in due course.

10. No new appointments have been made during the year for the Chief Financial Officer (CFO), the Modaraba Secretary and the Head of Internal Audit. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board and complied with relevant requirements of the Regulations;

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committee comprising of members given below:

Audit Committee

Dr. Salman Faridi	(Chairman)
Mr. Imran Azim	(Member)
Mr. Munir Karim Bana	(Member)

Human Resource Committee

Human Resource committee has not been formed as all the work force is outsourced.

13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings of the committees were as per following:

a) Audit Committee (4 Quarterly)

15. The Board has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes, Chartered Accountants, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The statutory auditors of the Modaraba have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, Modaraba secretary or director of the Modaraba.

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17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
18. We confirm that all other requirements of Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.

For and Behalf of the Board of Directors



Syed Shahid Ali
Chief Executive Officer

Lahore
27th September 2022