



A·F·FERGUSON&CO.

# Independent Auditor's Review Report

To the members of Arif Habib Corporation Limited

## Review report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Arif Habib Corporation Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

A handwritten signature in blue ink, appearing to read 'A.F. Ferguson &amp; Co.', is positioned above the printed name of the firm.

A.F. Ferguson & Co.  
Chartered Accountants  
Karachi

Dated: 2 October 2023  
UDIN: CR202310059EA6fKDUWQ

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

FOR THE YEAR ENDED 30<sup>TH</sup> JUNE 2023

The company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 [the Regulations] in the following manner:

1. The total number of directors are 8 (eight) as per the following:
  - a. Male Directors : 7
  - b. Female Director: 1
2. The composition of board is as follows:

Category	Names
Independent Directors	Khawaja Jalaluddin Roomi Ms. Zeba Bakhtiar
Other Non-executive Directors	Mr. Asadullah Khawaja Mr. Nasim Beg Mr. Samad A. Habib Mr. Kashif A. Habib Mr. Muhammad Ejaz
Executive Director	Mr. Arif Habib
Female Director	Ms. Zeba Bakhtiar (Also mentioned above in the list of Independent Directors)

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
4. The company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the company along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the company. 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 company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / shareholders as empowered by the relevant provisions of the Act and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Four directors had already completed the directors' training / education program earlier whereas remaining four directors are exempt from attending the directors training program as per criteria mentioned under Code of Corporate Governance.
10. No new appointments of Chief Financial Officer, Company Secretary or Head of Internal Audit were made during the year under review
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. The board has formed committees comprising of members given below:

a) **Audit Committee:**

Khawaja Jalaluddin Roomi	Chairman
Mr. Kashif A. Habib	Member
Mr. Muhammad Ejaz	Member

**b) HR and Remuneration Committee:**

Ms. Zeba Bakhtiar	Chairperson
Mr. Arif Habib	Member
Mr. Nasim Beg	Member
Mr. Kashif A. Habib	Member

**c) Investments & Risk Management Committee:**

Mr. Arif Habib	Chairman
Mr. Nasim Beg	Member
Mr. Samad A. Habib	Member
Mr. Kashif A. Habib	Member

**d) Nomination Committee:**

Mr. Arif Habib	Chairman
Mr. Samad A. Habib	Member

13. The terms of reference of the aforesaid committees 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 (four) meetings of the committee were held during the financial year.
  - b) HR and Remuneration Committee - 2 (Two) meetings of the committee were held during the financial year.
  - c) Investments & Risk Management Committee - 2 (Two) meetings of the committee were held during the financial year.
  - d) Nomination Committee - 1 (One) meeting of the committee was held during the financial year.
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. The statutory auditors of the company 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 that 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, company secretary or director of the company.
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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

**Explanation as required under the regulations 6(1) is mentioned below:**

During the year ended 30th June 2023, the Company had two eminent and seasoned independent directors out of total eight directors on the Board. Both the independent directors had requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations; therefore, the appointment of a third independent director is not considered.

**For and on behalf of the Board**

  
**ARIF HABIB**  
 Chief Executive

  
**ASADULLAH KHAWAJA**  
 Chairman

Karachi: 28<sup>th</sup> September 2023