

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

M/s. Arif Habib Limited ("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 7 as per the following:

- a. Male: 5 members
- b. Female: 2 members

2. The composition of the Board of Directors ('the Board') is as follows:

Category	Names
a) Independent Directors:	Mr. Zafar Alam Dr. Muhammad Sohail Salat
b) Non-Executive Directors:	Mr. Muhammad Haroon Mr. Mohsin Madni Ms. Sharmin Shahid Ms. Nida Ahsan
c) Executive Director:	Mr. Muhammad Shahid Ali Habib
d) Female Directors:	Ms. Sharmin Shahid Ms. Nida Ahsan

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. A complete record of particulars of significant policies along with the dates of approval or updation / amendment 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 Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 ('the Act') and the 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 Act 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 procedure for remuneration of directors in accordance with the Act and the Regulations.

9. Company stands complied with the requirement of having all the directors of the board Director's Training Program (DTP) certified as prescribed under the sub clause 1(iii) of regulation no. 19 of the Regulations as out of total seven (7) directors, the total number of certified directors of the Company stands six (6) and one (1) director meets the exemption requirement of the DTP.

10. The board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. CFO and CEO duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a) Audit Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Muhammad Haroon	Member
Mr. Mohsin Madni	Member

b) HR and Remuneration Committee

Dr. Muhammad Sohail Salat	Chairman
Mr. Muhammad Shahid Ali Habib	Member
Mr. Muhammad Haroon	Member
Ms. Nida Ahsan	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 committee were as per following:

- a) Audit Committee Four quarterly meetings were held during the financial year ended June 30, 2022.
- b) HR and Remuneration Committee Three meetings were held during the financial year ended June 30, 2022.

15. The board has set up an effective internal audit function 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 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 (ICAP) 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 ICAP 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 the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; Explanation as required under the regulations is mentioned below;

Company, currently has two elected independent directors out of total seven directors on the Board. Both the independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently as per laws and regulations under which hereby fulfill the necessary requirements; however, the Company intends to elect another independent director in the next election of directors which are due to be held in September 2023.

19. We confirm that all other requirements of the Regulations have been complied with except for the requirement that the position of Chief Financial Officer and Company Secretary has been held by the same person, as the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations") allowed the Companies to either comply or explain the reason otherwise. Therefore, the Company has adopted explanation approach as the management is of the view, that the current CFO & Company Secretary is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost effective measure that is in the better interest of the shareholders of the Company, therefore hiring a separate person for both position is not feasible. However, the Company shall create a separate position of a Secretary as soon as such a demand appears in our operations.

On behalf of the Board of Directors



Zafar Alam
Chairman

August 31, 2022
Karachi

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES

(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

To the members of M/s. Arif Habib Limited

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 Limited (the Company) for the year ended June 30, 2022 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, 2022.

Karachi.

Date: September 21, 2022



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants