

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of company: Altern Energy Limited

Year ended: June 30, 2022

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

1. The total numbers of directors are 8 (including Chief Executive Officer) as per the following:

a)	Male	7
b)	Female	1

2. The composition of the board is as follows:

Sr. No.	Category	Names
1	Independent Directors	Syed Rizwan Ali Shah
2		Mrs. Nausheen Ahmad
3	Non-Executive Directors	Mr. Taimur Dawood
4		Mr. Faisal Dawood
5		Mr. Farooq Nazir
6		Mr. Salih Merghani
7		Mr. Shah Muhammad Chaudhary
8	Chief Executive	Mr. Umer Shehzad Sheikh

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 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 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 requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of board.
8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Out of the eight, seven directors have obtained certificate of Directors' training program. The remaining one non-resident director will undertake training program or get the exemption certificate in due course.
10. The board has approved appointment of Chief Financial Officer, 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. Chief Executive Officer and Chief Financial Officer duly endorsed the financial statements before approval of the Board.
12. The board has formed two committees comprising of members given below:
 - (a) **Audit Committee:**
 1. Syed Rizwan Ali Shah (Independent Director) – Chairman
 2. Mr. Farooq Nazir (Non-executive Director)
 3. Mr. Shah Muhammad Chaudhary (Non-executive Director)
 - (b) **Human Resource and Remuneration Committee:**
 1. Mr. Farooq Nazir (Non-executive Director) – Chairman
 2. Mr. Shah Muhammad Chaudhary (Non-executive Director)
 3. Syed Rizwan Ali Shah (Independent Director)
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:
 - a) **Audit Committee:**
Four quarterly meetings were held during the financial year ended June 30, 2022.
 - b) **Human Resource and Remuneration Committee:**
One meeting was held during the financial year ended June 30, 2022.
15. The board has set up an effective internal audit function which is 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 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 other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with, and;
 - a) In respect of regulation 6(1), the Company believes that it has sufficient impartiality and is able to exercise independence in decision making within the Board and hence, does not require to roundup the fraction to 3 independent directors.
19. Explanation for non-compliance with requirements, other than regulation 3, 6, 7, 8, 27, 32, 33, and 36 is as follows:

Requirement	Regulation	Explanation
Nomination Committee: The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.	29(1)	Currently, the board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource & Remuneration Committee.
Risk Management Committee: The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	30(1)	Currently, the board has not constituted a RMC and the Company's Risk Manager performs the requisite functions and appraises the board accordingly.



Umer Shehzad Sheikh
Chief Executive

Lahore
September 19, 2022



Taimur Dawood
Chairman



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF ALTERN ENERGY 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 Altern Energy Limited 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.

A.F. Ferguson & Co.

**Chartered Accountants
Lahore,**

Date: September 26, 2022

UDIN: CR202210070Ax81t5NbH