

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

Name of the company: **DAWOOD EQUITIES LIMITED**
 YEAR ENDED: **30 JUNE 2023**

1. The total number of directors are 07 as per the following:
 - a. Male: **06**
 - b. Female: **01**

2. The composition of the board is as follows:

Category	Names
*Independent Director	1. Mr. Muhammad Abbas 2. Mr. Junaid Dada
Chief Executive Officer	3. Mr. Abdul Aziz Habib
Non – Executive Directors	4. Mr. Khalid Yousuf 5. Ms. Sobia Saif 6. Mr. Areeb Shujaat 7. Mr. Saifullah

* The requirement of Independent Directors is at least two or one-third of members of the Board, whichever is higher. Two Independent Directors were appointed on the Company's Board and the fraction of 0.33 was not rounded up as one since the two Independent Directors have robustly protected the interests of the minority shareholders. Further, 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

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
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 on which they were approved or amended has been maintained.
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 the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
8. The board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The directors of the Company are experienced and seasoned corporate professionals and are well-versed with the relevant laws applicable to the Company, its policies and procedures and provisions of memorandum and articles of association and are aware of their duties and responsibilities. The Chief Executive Officer as a Director in the Board is exempted from the Directors Training Program in accordance with the criteria specified in Clause (xi) of the Code, The remaining directors will acquire the required director's training certification subsequent to renewal of business license.
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. The Chief Financial Officer has also been assigned the responsibilities of Company Secretary.



DAWOOD EQUITIES LIMITED

11. CFO and CEO duly endorsed the financial statements before approval of the board.
12. The board has formed following mandatory committees comprising of members given below:

AUDIT COMMITTEE

Mr. Muhammad Abbas - Chairman
Mr. Khalid Yousuf - Member
Mrs. Sobia Saif - Member

HUMAN RESOURCE AND REMUNERATION COMMITTEE

Mr. Muhammad Abbas - Chairman
Mr. Abdul Aziz Habib - Member
Mr. Areeb Shujaat - 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 the meetings (quarterly/half yearly/yearly) of the committee were as per following:
- a) Audit Committee - Quarterly meeting
b) HR and Remuneration Committee - Yearly meeting
15. The Board has outsourced the 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 ICAP and registered with Audit Oversight BOD of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 7, 8, 27, 32, 33 and 36 are below.

Reg. No.	Requirement	Explanation
24	An individual shall not simultaneously hold the position of Company secretary and Chief financial officer in a listed company.	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.

Chairman



DAWOOD EQUITIES LIMITED

 YOUSUF ADIL

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INDEPENDENT AUDITOR'S REVIEW REPORT To the members of Dawood Equities Limited

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2023

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 (the Board) of **Dawood Equities Limited** (the Company) 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's 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 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.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note / paragraph referred below where these are stated in the Statement of Compliance.

S. No.	Paragraph Reference	Description
1	18	Regulation 24 states that <i>"No person shall be appointed as the company secretary unless he holds the qualification as specified under the relevant Regulations by the Commission: Provided, the same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company."</i> However, during the course of our review we observed that the company secretary and the Chief Financial Officer is the same person.


Chartered Accountants

Place: Karachi
Date: October 02, 2023
UDIN: CR202310057ZDE0aGVdS

Independent, Correspondent Firm to
Deloitte Touche Tohmatsu Limited