

STATEMENT OF COMPLIANCE

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED MARCH 31, 2022

Exide Pakistan Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (“the Regulations”) in the following manner:

1. The total number of directors are eight as per the following
 - a) Male: Seven
 - b) Female: One
2. The composition of the Board of Directors (“the Board”) is as follows:

Category	Names
Independent Director	Mr. Ayub Hameed
Non-Executive Directors	Mr. Arif Hashwani Mr. Hussain Hashwani Mr. Altaf Hashwani
Executive Directors	Mr. Arshad Shahzada Mr. S Haider Mehdi Mr. Quaid Johar Udaipurwala
Female Independent Director	Mrs. Navin Salim Merchant

The total number of directors are eight, the fraction of which works out to 2.67. The company intends to correct composition of executive and non-executive directors subsequent to year end for which Mr. Quaid Johar Udaipurwala has resigned from the Board of Directors of the Company and that from audit committee as well. The Board also intends to appoint a non-executive director in his place to comply with the requirement of the code.

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 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 Companies Act, 2017 (“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 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. The Board remained fully compliant with the provision with regard to their directors' training program. Out of total of eight directors, five directors are exempt from training program as mentioned in regulation no. 19 of the Regulations. Furthermore, remaining two directors have already completed this training earlier. In view of Covid-19 pandemic, Mr. Quaid Johar Udaipurwala could not get himself registered for training program. Since he has resigned from the Board of Directors of the Company, the new director being appointed by the Board in their upcoming meeting will complete his training in the year 2022-23.
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 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
- Mr. Ayub Hameed (Chairman)
 - Mr. Altaf Hashwani
 - Mr. Quaid Johar Udaipurwala
- b) HR and Remuneration Committee
- Mr. Ayub Hameed (Chairman)
 - Mr. Arif Hashwani
 - Mr. Altaf Hashwani
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 aforesaid committees were as per following:
- a) Audit Committee: Four meetings during the financial year ended March 31, 2022
- b) HR and Remuneration Committee: one meeting during the financial year ended March 31, 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 ("the 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 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, 7, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements are as follows, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below
- a) Regulation 24 of the Code requires that no person shall be appointed as company secretary unless he holds the qualification as specified under the relevant Regulations issued by the Commission. Management has decided to address and fix it in upcoming Board of Director meeting.



Altaf Hashwani

Chairman

Karachi: June 29, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Exide Pakistan 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 Exide Pakistan Limited (the Company) for the year ended March 31, 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.

Following instances of non-compliances with the requirements of the Regulations were observed which are not stated in the Statement of Compliance:

S.No.	Description
1	<p>Section 6(1) of the Regulations states that, "It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors."</p> <p>However, there were only two independent directors on the board out of eight directors representing 25% of the total composition of the Board.</p>

Based on our review, except for the above instances of non-compliances, 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 March 31, 2022.

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: