



FIRST DAWOOD INVESTMENT BANK LIMITED

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

Name of the company: FIRST DAWOOD INVESTMENT BANK LIMITED  
Year ending: 30 JUNE 2023

1. The total number of directors are 7 as per the following:

- a. Male: 06
- b. Female: 01

2. The composition of the Board is as follows:

Category	Names
Independent Director	Mr. Khurshid Abul Khair Mr. Abu Khurshed Muhammad Ariff
Chief Executive Officer	Mr. Muhammad Rizwan-ul Haque (Subject to SECP Approval)
Non - Executive Directors	Mr. Christopher John Aitken Andrew Mrs. Farhat Ali Mr. Asad Ali Sheikh (Subject to SECP Approval) Mr. Iqbal Ahmed (Subject to SECP Approval)

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. Certain non compliance of the NBFC Regulation are identified which are disclosed appropriately in the financial statements.
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 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. Out of the Seven, the two Directors in the Board are exempted from the Directors Training Program in accordance with criteria specified in regulation 19(2), while the remaining directors will undertake the Directors' Training Program certification subsequent to renewal of business license.



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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 or any two directors in absence of 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. Abu Khursheed M. Arif	Chairman
Mr. Khursheed A. Khair	Member
Ms. Farhat Ali	Member

**HUMAN RESOURCE AND REMUNERATION COMMITTEE**

Mr. Khursheed A. Khair	Chairman
Ms. Farhat Ali	Member
Mr. Abu Khursheed M. Arif	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 04 meeting were held during FY 2022-23
  - b) HR and Remuneration Committee 01 meeting was held during FY 2022-23
15. The Board has set up an effective internal audit function/ or has outsourced the internal audit function to who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. One casual vacancy occurred in the Board during the year which was filled by the Directors as under; Mr. Asad Ali Sheikh is hereby appointed as Director of First Dawood Investment Bank Limited to fill casual vacancy caused by death of Mr. Syed Iqbal Hussian Rizvi and Mr. Iqbal Ahmed appointed as Director to fill casual vacancy caused by resignation of Mr. Iqbal Shafiq and Mr. Muhammad Rizwan-ul Haque is hereby appointed as Director & Chief Executive Officer of First Dawood Investment Bank Ltd. to fill casual vacancy caused by death of Mr. Rafique Dawood, the approval of all three aforesaid proposed directors & Chief Executive officer is awaited from SECP.
17. 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;
18. 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.
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with; and
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:



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<b>Non-Mandatory Requirement</b>	<b>Regulation No.</b>	<b>Explanation</b>
<b>Responsibilities of the Board and its members:</b> Adoption of the corporate governance practices.	<b>10(1)</b>	Non-mandatory provisions of the CCG Regulations are partially complied.
<b>Directors' Training:</b> It is encouraged that: (i) by June 30, 2020 at least half of the directors on their Boards; (ii) by June 30, 2021 at least 75% of the directors on their Boards; and (iii) by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	<b>19(1)</b>	The directors of the Company are experienced and seasoned corporate professionals and are well-conversant 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 two Directors in the Board are exempted from the Directors Training Program in accordance with the criteria specified in Regulation 19(2) of the Regulations. The remaining directors will acquire the required director's training certification subsequent to renewal of business license.
<b>Qualification of company secretary:</b> The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	<b>24</b>	The Chief Financial Officer has also been assigned the responsibilities of Company Secretary. The Board shall comply with this regulation subsequent to renewal of business license.

Christopher John Aitken Andrew  
Chairman



**J.A.S.B. & Associates**  
Chartered Accountants

1104, Uni Tower  
I.I. Chundrigar Road  
Karachi.  
Phone: +92(21)32468154-5  
+92(21)32468158  
Fax: +92(21)32468157  
E-mail: [contact@jasb-associates.com](mailto:contact@jasb-associates.com)  
Website: [www.jasb-associates.com](http://www.jasb-associates.com)

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of First Dawood Investment Bank 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 **First Dawood Investment Bank 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 part of our audit of 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 corporate governance procedures and risks.

The Regulations requires the Company to place before 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.



Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references, where it is stated in the Statement of Compliance:

	References	Description
I	Para 4	Management of the Company could not comply with the corporate and financial reporting requirements of the regulation 17(1), 17(2) and 19(g) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008.
II	Para 19	The Company is in non-compliance with certain requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations and explanations is given.

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**Chartered Accountants**

Engagement Partner: **Basharat Rasool**

Karachi

Dated:

UDIN: CR202310452gK8oYNnCL