

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

Name of Modaraba **FIRST EQUITY MODARABA**
Year ending **JUNE 30, 2022**

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

1. The total number of directors are 4 as per the following:

a. Male:	3
b. Female:	1
2. The composition of board is as follows:

a) Independent Directors	1
b) Other Non-executive Director	2
c) Executive Directors	1
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 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 as empowered by the relevant provisions of the Act, Modaraba Ordinance 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, Modaraba Ordinance and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program. Following Directors have completed the training
Mr Adil A Ghaffar
Mr Nadeem Maqbool
Ms Alizeh Bashir
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.-

<p>a) <i>Audit Committee</i></p> <table style="width: 100%; border: none;"> <tr> <td style="padding-right: 20px;">Mr Qaiser Ahmed Magoon</td> <td style="text-align: right;">Chairman</td> </tr> <tr> <td>Ms Alizeh Bashir</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>Mr Nadeem Maqbool</td> <td style="text-align: right;">Member</td> </tr> </table>	Mr Qaiser Ahmed Magoon	Chairman	Ms Alizeh Bashir	Member	Mr Nadeem Maqbool	Member	<p>b) <i>HR and Remuneration Committee</i></p> <table style="width: 100%; border: none;"> <tr> <td style="padding-right: 20px;">Mr Nadeem Maqbool</td> <td style="text-align: right;">Chairman</td> </tr> <tr> <td>Mr Adil A Ghaffar</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>Mr Qaiser Ahmed Magoon</td> <td style="text-align: right;">Member</td> </tr> </table>	Mr Nadeem Maqbool	Chairman	Mr Adil A Ghaffar	Member	Mr Qaiser Ahmed Magoon	Member
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<p>c) <i>Risk Management Committee</i></p> <table style="width: 100%; border: none;"> <tr> <td style="padding-right: 20px;">Mr Nadeem Maqbool</td> <td style="text-align: right;">Chairman</td> </tr> <tr> <td>Mr Adil A Ghaffar</td> <td style="text-align: right;">Member</td> </tr> <tr> <td>Mr Qaiser Ahmed Magoon</td> <td style="text-align: right;">Member</td> </tr> </table>		Mr Nadeem Maqbool	Chairman	Mr Adil A Ghaffar	Member	Mr Qaiser Ahmed Magoon	Member						
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13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. Quarterly the Audit Committee meetings is held, whereas one meeting each of HR and Remuneration Committee and Risk Management Committee is held
15. The Board has set up an effective 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. 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 requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. We confirm that there is no noncompliance with requirements of CCGR.

On behalf of the Board

Karachi
Dated October 05 2022

Adil A Ghaffar
Chief Executive Officer

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**TO THE CERTIFICATE HOLDERS OF FIRST EQUITY MODARABA
REVIEW REPORT ON 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 Board of Directors of Premier Financial Services (Private) Limited, the Modaraba Management company of First Equity Modaraba 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 Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba'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 Modaraba's personnel and review of various documents prepared by the Modaraba Management 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 Modaraba Management Company's corporate governance procedures and risks.

The Regulations require the Modaraba Management 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. 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 Modaraba Management Company's compliance for and on behalf of the Modaraba, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2022.



**Crowe Hussain Chaudhury Co.
Chartered Accountants**

Karachi.

Dated: **07 OCT 2022**

UDIN:CR2022102076T1SQoIP0

