



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

FIRST NATIONAL EQUITIES LIMITED

FOR THE YEAR ENDED JUNE 30, 2023

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

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

Male: 6

Female: 1

2. The composition of board is as follows:

CATEGORY	NAMES
Independent Directors	Mr. Adnan Amjad Khan Mr. Muhammad Bilal Mr. Zeeshan Tahir
Non-Executive Directors	Mr. Abid Yousaf Ms. Ayesha Anam
Executive Director	Mr. Amir Shehzad Mr. Ali Aslam Malik
Female Director	Ms. Ayesha Anam

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 particular 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 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 Board has planned to arrange the directors training program of the Mr. Zeeshan Tahir, Mr. Muhammad Bilal and Ms. Ayesha Anam in this financial year.
10. The Board has approved appointment of Chief Financial officer, Company Secretary, Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of regulation. The current Head of Internal Audit has resigned from his post and the appointment of new candidate is in process.
11. The financial statements of the Company were duly endorsed by the CEO, a Director and CFO, before approval of the Board.
12. The board has formed committees comprising of members given below:
 - **Audit Committee:** The audit committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, four (04) Audit Committee Meetings were held. Audit committee comprises of following members: -

Sr. No.	Name of Member	Status
i.	Mr. Muhammad Bilal (Independent Director)	Chairman
ii.	Mr. Adnan Amjad Khan (Independent Director)	Member
iii.	Mr. Abid Yousaf (Non-Executive Director)	Member
iv.	Mr. Arslan Tahir	Secretary

- **Human Resource & Remuneration (HR&R) Committee:** The Human Resource & Remuneration Committee is performing its duties in line with its terms of reference as determined by the Board of Directors. During the year under review, two (02) Human Resource & Remuneration Committee Meeting was held. Human Resource committee comprises of following members: -

Sr. No.	Name of Member	Status
i.	Mr. Zeeshan Tahir (Independent Director)	Chairman
ii.	Ms. Ayesha Anam (Non-Executive Director)	Member
iii.	Mr. Ali Aslam Malik (CEO/Executive Director)	Member
iv.	Mr. Arslan Tahir	Secretary

13. The terms of reference of the Audit and HR and Remunerations Committees have been formed, documented and advised to the committees.
14. The frequency of meetings of the committees were as per following,



Audit Committee	Quarterly
HR and Remuneration Committee	Twice a year

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. 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 Board 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 requirements of regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with;

Adnan Amjad Khan
Chairman

Dated: 27-09-2023



INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF M/S FIRST NATIONAL EQUITIES LIMITED

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 the Board of Directors of **"FIRST NATIONAL EQUITIES LIMITED"** (the Company) for the year ended **June 30, 2023** in accordance with the requirement 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 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 requires 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 and also ensure compliance with the requirements of section 208 of the Companies Act, 2017.

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. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 requirements contained in the Regulations as applicable to the Company for the year ended **June 30, 2023**.



Further, we highlight instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference 9 and 10, where these are stated in the Statement of Compliance: As at 30 June 2023, 100% of the members of the Board of Directors had not acquired the prescribed certification under any director training program (Regulation # 19 (1)). And further, the role of Head of Internal Auditor has been vacant from April 3, 2023, through the fiscal year ending on June 30, 2023. Furthermore, as of the date of the audit report, no appointment has been made (Regulation # 23).

Tariq Abdul Ghani Maqbool & Co.

Tariq Abdul Ghani Maqbool & Co.

Chartered Accountants

Name of Engagement Partner: Muhammad Safdar

Lahore

Date: September 27, 2023

UDIN: CR202310233hT7A4Oajl