

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

for the Year Ended June 30, 2023

Treet Holdings Limited (the Management Company) managing First Treet Manufacturing Modaraba (the Modaraba) has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are seven (7) as per the following:
  - a) Male: 6
  - b) Female: 1
2. The composition of the Board is as follows:

Category	Name of Directors
i. Independent Director	Dr. Salman Faridi
	Dr. Haroon Latif Khan
ii. Non-Executive Directors	Mr. Imran Azim (Chairman)
	Mr. Munir Karim Bana
	Mr. Syed Sheharyar Ali
iii. Executive Directors	Mr. Syed Shahid Ali (Chief Executive)
iv. Female / Independent Director	Ms. Sidra Fatima Sheikh

3. The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including this Modaraba.
4. The Modaraba has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Modaraba along with its supporting policies and procedures.
5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Modaraba. 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 Modaraba.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by the Board / certificate holders 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 the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings 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 (DTP) for the following directors during the year.
  - (i) Ms. Sidra Fatima Sheikh

CCG regulations encourages the director training program of all directors. Being a responsible and compliant, Modaraba has already arranged DTP for one director whereas four directors are exempt on the basis of their education and prior experience. The remaining one directors are expected to attain DTP certification in due course.

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for the Year Ended June 30, 2023

10. The Board has approved appointment of Chief Financial Officer, company secretary and head of internal Audit, including their remuneration and term and conditions of employment and complied with relevant requirements of the Regulations. No new appointments have been made during the year.
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed committee comprising of members given below:

#### **Audit Committee**

Dr. Salman Faridi	(Chairman)
Mr. Imran Azim	(Member)
Mr. Munir Karim Bana	(Member)

#### **Human Resource Committee**

Human Resource committee has not been formed as all the work force is outsourced.

13. The terms of reference of the aforesaid committee have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings of the committees were as per following:
  - a) Audit Committee (4 Quarterly)
15. The Board has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes, Chartered Accountants, 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 Modaraba 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 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, Modaraba Secretary or Director of the Modaraba.
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 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.



**Mr. Imran Azim**  
Chairman

**Dated:** September 28, 2023

# Independent Auditor's Review Report

To the Certificate Holders of First Treet Manufacturing Modaraba  
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 Treet Holdings Limited (the Company) managing the First Treet Manufacturing Modaraba for the year ended 30 June, 2023 in accordance with the requirements of Regulation No. 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.

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 30 June 2023.



Rahman Sarfaraz Rahim Iqbal Rafiq  
Chartered Accountants

Engagement Partner: Adnan Rasheed

Lahore

UDIN: CR202310701jXMCDcN2p