

# Statement of Compliance with the Code of Corporate Governance

The UDL Modaraba Management (Private) Limited (hereafter referred to as the Company), the Management Company of First UDL Modaraba 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:

<u>CATEGORY</u>	<u>NAMES</u>
Independent Non Executive Director	Mr. Majid Hasan - Chairman Mr. Abdul Rahim Suriya
Non Executive Directors	Ms. Farah Qureshi
Executive Director	Mr. Shuja Malik – Chief Executive

- 3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the Management Company.
- 4. The Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management 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 Management Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by 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 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. All directors are compliant with necessary requirements of Directors Training Certification.
- 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. The Chief Financial Officer and the Company Secretary is the same person, however, duties of both positions are distinct and clearly spelled out. Further, it has less financial burden on the Company.

11. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the board.
12. Pursuant to the provisions of the Regulations, the Board formed committees comprising of members given below, as on June 30, 2023:

**Audit Committee Composition:**

<u>NAME</u>	<u>DESIGNATION</u>
Abdul Rahim Suriya	Chairman
Majid Hassan	Member
Farah Qureshi	Member

**HR and Remuneration Committee Composition:**

<u>NAME</u>	<u>DESIGNATION</u>
Majid Hassan	Chairman
Abdul Rahim Suriya	Member
Farah Qureshi	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 meetings of the committee were as per following:
  - a) Audit Committee Four Quarterly Meeting
  - b) HR and Remuneration Committee One Annual Meeting
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 Modaraba 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 and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not a close relative (spouses, parents, dependents and minor children) of the CEO, CFO, head of internal audit, company secretary or directors of the Company.
17. The statutory auditors or the persons associated with them have not been appointed to provide to the 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 the Regulations have been complied with, except as referred in paragraph 10.

-Sd-

Shuja Malik  
Chief Executive  
Date: 26th September'2023.



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Rahman**

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**INDEPENDENT AUDITOR'S REVIEW REPORT**

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**TO THE CERTIFICATE HOLDERS OF FIRST UDL MODARABA (the Modaraba)  
REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN  
LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

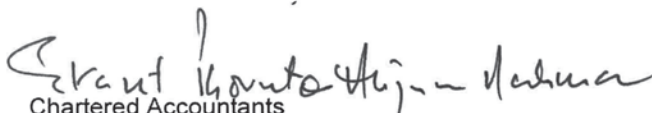
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors (the Board) of UDL Modaraba Management (Private) Limited, the Management Company of the Modaraba for the year ended 30 June 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 the Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Management Company's compliance with the provisions of the Regulations in respect of the Modaraba 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 Management Company's personnel and review of various documents prepared by the 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's statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Management Company's corporate governance procedures and risks.

The Regulations require the Management Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board for their review and approval, the Modaraba's 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 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 Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended 30 June 2023.

  
Chartered Accountants  
Place: Karachi  
Date: 03 October 2023  
UDIN: CR202310093i0UgZyYE8