

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

Hascol Petroleum Limited (hereinafter referred to as 'the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner:

1. The total number of Directors are seven (7) as per the following:
 - (a) Male: 7
 - (b) Female: Nil
2. The composition of Board as at 31 December 2022 is as follows:
 - (a) Independent Directors: Mr. Mustafa Ashraf
Mr. Zafar Iqbal Chaudhry
 - (b) Non-executive Directors: Sir Alan Duncan
Mr. Mohammad Zubair
Mr. Abdul Aziz Khalid
Mr. Farid Arshad Masood
 - (c) Executive Directors: Mr. Aqeel Ahmed Khan
 - (d) Female Directors: Nil
- * Currently, the Company has a functioning board comprising of seven directors and the Company is making its utmost efforts searching for a female director.
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 approved a vision/mission statement, overall corporate strategy and significant policies of the Company. The Board has ensured that complete record of particulars 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 the meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Presently, the following three (03) directors of the Company have acquired prescribed certification under the Directors' Training Program:
 - Mr. Mustafa Ashraf
 - Mr. Mohammad Zubair
 - Mr. Farid Arshad Masood
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 four committees comprising of members given below:

(a) Audit Committee:

Mr. Mustafa Ashraf	Chairman / Independent Director
Mr. Mohammad Zubair	Non-Executive Director
Mr. Farid Arshad Masood	Non-Executive Director
Mr. Zafar Iqbal Chaudhry	Independent Director

(b) Human Resource and Remuneration Committee:

Mr. Zafar Iqbal Chaudhry	Chairman / Independent Director
Sir Alan Duncan	Non-Executive Director
Mr. Mohammad Zubair	Non-Executive Director

(c) Risk Committee:

Mr. Mustafa Ashraf	Chairman / Independent Director
Mr. Abdul Aziz Khalid	Non-Executive Director
Mr. Mohammad Zubair	Non-Executive Director

(d) Restructuring Committee:

Mr. Farid Arshad Masood	Chairman / Non-Executive Director
Mr. Abdul Aziz Khalid	Non-Executive Director
Mr. Mohammad Zubair	Non-Executive Director

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 (quarterly / half yearly / yearly) of the committees were as per following:
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|----------------------------------|-----------------------|
| a) Audit Committee | Quarterly |
| b) HR and Remuneration Committee | Half Yearly |
| c) Risk Committee | Half Yearly |
| d) Restructuring Committee | Fortnightly / Monthly |
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 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 (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 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, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 has been provided below:
- (i) The Board had decided to defer its annual performance evaluation for year 2022 as there are plans of conducting such evaluation through a third party in the mid of year 2023.
- (ii) Company maintains an internal audit function, however, audit plan was approved only for last quarter of 2022 and no internal audit reports were issued for the year ended December 31st 2022.

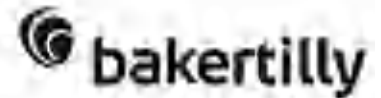
Karachi: August 2023



Aqeel Ahmed Khan
Chief Executive Officer



Farid Arshad Masood
Director



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**TO THE MEMBERS OF HASCOL PETROLEUM 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 **Hascal Petroleum Limited**, for the year ended December 31, 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 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 unconsolidated 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 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 approvals of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out 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.

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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 December 31, 2022.

Further, we draw attention to following instances of non-compliances to the annexed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019:

1. **No Female Director (Regulation 7):** As referred in point no. 2 to the annexed Statement of Compliance, currently, the Company has a functioning board comprising of seven directors and the Company is making its utmost efforts searching for a female director;
2. **Internal Audit Plan and Reports (Regulation 31):** As referred in point no. 19 to the annexed Statement of Compliance, Company maintains an internal audit function, but no audit plan for 2022 was approved by the Audit Committee nor any quarterly audit reports were issued;
3. **Annual Performance Evaluation (Regulation 10(3)v):** As referred in point no. 19 to the annexed Statement of Compliance, the Board had decided to defer its annual performance evaluation for year the 2022 as there are plans of conducting such evaluation through a third party in the mid of year 2023.

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 Engagement Partner: Mehmood A. Razzak

Karachi.

Date: August 11, 2023

UDIN: CR2022101514nP0t8o9Q