

# Independent Auditors' Review Report on Statement of Compliance



A.F.FERGUSON & CO.

## Independent Auditor's Review Report

To the members of Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited)

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 Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) for the year ended December 31, 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 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 December 31, 2023.

A handwritten signature in black ink, appearing to be 'A.F. Ferguson &amp; Co.', written over a horizontal line.

**A.F. Ferguson & Co.**  
Chartered Accountants

Karachi

Date: March 15, 2024

UDIN: CR202310069ZqTfo3ycM

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■ KARACHI ■ LAHORE ■ ISLAMABAD

# Statement of Compliance

## with Listed Companies (Code Of Corporate Governance) Regulations, 2019

For the Year Ended December 31, 2023

Hoechst Pakistan Limited (formerly Sanofi-Aventis Pakistan Limited) (the Company) has complied with requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 9 as per the following:

- a. Male: Seven (7)
- b. Female: Two (2)

2. The composition of the Board is as follows:

Category	No.	Names
Independent Directors (Male)	2	Mr. Imtiaz Ahmed Husain Laliwala Syed Anis Ahmad Shah
Independent Director (Female)	1	Ms. Saadia Naveed
Non-Executive Directors (Male)	4	Syed Babar Ali Syed Hyder Ali Mr. Arshad Ali Gohar Mr. Muhammad Salman Burney
Non-Executive Director (Female)	1	Ms. Iqra Sajjad
Executive Director (CEO)	1	Mr. Sajjad Iftikhar

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including the 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 / Shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and the 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;

9. At present, out of nine (9) Directors on the Board, four (4) Directors (including the CEO) have acquired the Directors' Training Program Certifications whilst the four (4) Directors are exempt from the requirement of Directors' Training Program. One director will complete training within a due course of time to comply with the requirements of Regulation 19 of the Regulations;

10. The Board has approved appointment of Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. There was no change in the position of Chief Financial Officer 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 committees comprising of members given below:

AUDIT COMMITTEE	
Name of the Member	Category
Mr. Imtiaz Ahmed Husain Laliwala (Independent Director)	Chairman
Syed Anis Ahmad Shah (Independent Director)	Member
Mr. Muhammad Salman Burney (Non-executive Director)	Member
Ms. Saadia Naveed (Independent Director)	Member

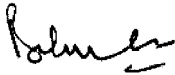
HUMAN RESOURCE AND REMUNERATION COMMITTEE	
Name of the Member	Category
Ms. Saadia Naveed (Independent Director)	Chairperson
Syed Hyder Ali (Non-executive Director)	Member
Mr. Arshad Ali Gohar (Non-executive Director)	Member
Mr. Imtiaz Ahmed Husain Laliwala (Independent Director)	Member
Mr. Muhammad Salman Burney (Non-executive Director)	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 committees during the year were as per following:
- |                               |           |
|-------------------------------|-----------|
| Audit Committee               | Quarterly |
| HR and Remuneration Committee | Yearly    |
15. The Board has outsourced the internal audit function to BDO Ebrahim & Co., 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 the 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 any 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, the 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 the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is stated below.

**Nomination Committee and Risk Management Committee (Regulations 29 and 30)**

The responsibilities of the Nomination Committee and the Risk Management Committee are currently fulfilled by the Human Resource and Remuneration Committee and the Audit Committee, respectively. Therefore, establishing a separate committee for Nomination and Risk Management is not considered necessary.



**Syed Babar Ali**  
Chairman



**Sajjad Iftikhar**  
Chief Executive Officer

Karachi  
Date: February 22, 2024