

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

Name of Company: Johnson & Phillips (Pakistan) Limited
Year ended: June 30, 2023

Johnson & Phillips (Pakistan) Limited (the Company) has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are seven as per the following:
 - a. Male: 5
 - b. Female: 2
2. The composition of the Board of Directors (the Board) is as follows:

Category	Names
Independent Directors	Mr. Muhammad Hanif Chamdia
Non-Executive Directors	Mr. Usman Mianoor Mr. Umair Mianoor
Executive Directors	Mr. Anis Mianoor
Female Directors	Mrs. Uroosa Mianoor Mrs. Zainab Anis Mianoor

The Company has two independent directors on the Board of Directors. We regret to state that one of them Mr. Muhammad Amin Khanani has expired. As required, a vacant position of Independent Director will be filled within 90 days (Insha Allah)

While the requirement of having fraction of one-third of the directors to be rounded up to one has not been complied with, due to the fact that the operations of the Company are still not completely operative and the Board considers the two independent directors as sufficient at the moment.

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 and overall corporate strategy. While significant policies of the Company are in the process of formulation as the Company is in the initial phase for the revival of the operations;
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 Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board except the first quarterly meeting which was delayed due to non-availability of the Directors;
8. The Board is yet to design and implement a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and these Regulations;
9. The Board has not arranged any training program during the year as the Company is in initial phase of the revival of operations;
10. The Board has approved the appointment of Chief Financial Officer and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations. However, head of internal audit is not appointed during the year due to operational inactivity of the Company;
11. Chief Financial Officer and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board;
12. The Board had formed committees comprising of members given below:

a. Audit Committee

Sr. #	Name	Designation
i	Mr. Umair Mianoor	Member
ii	Mrs. Uroosa Mianoor	Member

b. HR and Remuneration Committee

Sr. #	Name	Designation
i	Mr. Muhammad Hanif Chamdia	Chairman
ii	Mr. Usman Mianoor	Member
iii	Mrs. Zainab Anis Mianoor	Member

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committees for compliance;

14. The frequency of meetings of the committees were as per following:

Committee	Frequency of Meetings
a) Audit Committee	04
b) HR and Remuneration Committee	01

15. There is no internal audit function in the Company due to operational inactivity;

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, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except as follows:

a. The Company is yet to comply with the manner of appointment of independent directors as specified under the Companies Act, 2017; and

b. The audit committee meeting was not held in the first quarter by the members as it is the practice of the audit committee to hold the first meeting of the year after the completion of external audit.

19. Explanation for non-compliance with the requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

a. as stated above in paragraphs 5, 7, 8, 9, 10 and 15;

b. formal and effective mechanism for the annual evaluation of Board members will be put in place when the operations are completely revived;

c. Company secretary does not possess academic qualification as envisaged in the Regulations as the Company cannot afford qualified professionals at the moment due to liquidity issues; and

On Behalf of the Board,



Mrs. Zainab Anis Mianoor
Chairman

Dated: October 04, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF JOHNSON & PHILLIPS (PAKISTAN) LIMITED

Review Report on the Statement of Compliance contained in the 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 **Johnson & Phillips (Pakistan) Limited** for the year ended **June 30, 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 June 30, 2023.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph references, where these are stated in the Statement of Compliance:

S. No.	Reference	Description
i	Para 5 & 19a	Company is in the process of formulating significant policies.
ii	Para 7 & 19a	The meeting of the Board of Directors was not held in the 1st quarter of the financial year.
iii	Para 8 & 19a	Formal policy and transparent procedures are not formulated for remuneration of Directors in accordance with the Act and the Regulations.
iv	Para 9 & 19a	The Board has not arranged any training program during the year.
v	Para 10, 15 & 19a	There is no internal audit function in the Company, and accordingly, no head of internal audit appointed by the Board.
vi	Para 18a	Company has not considered the manner specified under the Act for the appointment of independent directors.
vii	Para 18b	The meeting of the audit committee was not held in the 1st quarter of the financial year.
viii	Para 19 b	There is no mechanism for the annual evaluation of the Board members.
ix	Para 19 c	Company secretary is not qualified for the position.

Reanda Haroon Zakaria & Company
Chartered Accountants

Place: Karachi
Dated: October 04, 2023
UDIN: CR202310086LibcwumG8

RHzaor Reanda Haroon Zakaria

Engagement Partner
Zakaria