

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES

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 JS Investments Limited ("the Company") for the year ended 31 December 2022 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 31 December 2022.

Date: 8 March 2023

Karachi

UDIN: CR202210106N6gLnQE5j

*KPMG Taseer - 1*

**KPMG Taseer Hadi & Co.**  
Chartered Accountants

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

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulation). The purpose of the Code is to establish a framework of good governance whereby a listed entity is managed in compliance with the best practices of corporate governance.

The Company has complied with the requirements of the regulations in the following manner:

- The total number of directors is eight as per the following:

a.	Female	03
b.	Male	05

- The Company encourages the representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present, the Board includes:

i)	Independent Directors	Ms. Aisha Fariel Salahuddin Ms. Mediha Kamal Afsar Mr. Farooq Ahmed Malik
ii)	Executive Directors	Ms. Iffat Zehra Mankani
iii)	Non-Executive Directors	Mr. Suleman Lalani Mr. Atif Salim Malik Mr. Hasan Shahid Mr. Mirza M. Sadeed H. Barlas

The independent directors meet the independence criteria defined under section 166 of the Companies Act, 2017 (Act).

- The directors have confirmed that no one serves as a director on more than seven listed companies, including this Company.
- The Company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it along with its supporting policies and procedures.
- The Board has developed a vision/mission statement, overall corporate strategy and significant policies for the Company. A complete record of particulars of the important policies, along with the date on which they were approved or amended, has been maintained.
- 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 applicable 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 Act and the Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board.
8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and these Regulations.
9. Out of eight directors on the Board, five are certified under the Directors Training Program (DTP).
10. There was no change of Company Secretary and Head of Internal Audit during the year. However, the Board has approved the appointment of the chief financial officer, together with his remuneration and terms and conditions of employment, which complied with the 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 committees comprising of members given below:

Committees	Members
Audit Committee	Ms. Mediha Kamal Afsar Mr. Mirza M. Sadeed H. Barlas Mr. Hasan Shahid
Human Resources and Remuneration Committee	Ms. Aisha Fariel Salahuddin Mr. Suleman Lalani Ms. Iffat Zehra Mankani
Executive Risk Management Committee	Mr. Suleman Lalani Ms. Iffat Zehra Mankani Mr. Atif Salim Malik

13. The terms of reference of the committees described above have been formed, documented and advised to the Committee for compliance.
14. The frequency of meetings of the committees is as follows:
  - a) Audit Committee; Four meetings during the financial year.
  - b) Human Resource and Remuneration Committee; One meeting during the financial year.
  - c) Executive Risk Management Committee; Four meetings during the financial year.
15. The Board has outsourced the internal audit function to BDO Ebrahim & Company, 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 Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the ICAP and registered with the Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its 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 (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 mandatory regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

Please note that non-mandatory regulation no.5 of the Regulations was not applicable this year. In addition, the Company is maintaining a record of significant policies as required under non-mandatory regulation no.10 (4) of the regulations.

19. The independent directors have the requisite competencies, skills, knowledge, and experience to discharge and execute their duties competently, as per applicable laws and regulations under which they hereby fulfilled the requirements; they do not warrant the appointment of a third independent director.
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 as below:

The broad functions of the Nomination Committee are already being performed by another committee. Therefore, the BOD believes that a separate committee for Nomination is optional.



**Iffat Zehra Mankani**

Chief Executive Officer

February 24, 2023

Karachi.



**Hasan Shahid**

Director