

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019

Name of Company

Kot Addu Power Company Limited (the “Company”)

Year Ended

June 30, 2024

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 eight (8) as per the following:
 - a) Male: Seven (7)
 - b) Female: One (1)
2. The composition of the Board of Directors (the “Board”) is as follows:

Category	Names
Independent Directors	<ul style="list-style-type: none">• Mr. Aqeel Ahmed Nasir• Mr. Hafiz Mohammad Yousaf• Mr. Saad Iqbal• Ms. Mahwish Humayun Khan
Non-Executive Directors	<ul style="list-style-type: none">• Lt. General (Retd.) Sajjad Ghani• Mr. Naveed Asghar Chaudhry• Mr. Jamil Akhtar
Executive Director	<ul style="list-style-type: none">• Mr. Aftab Mahmood Butt* (Chief Executive)
Female Director	<ul style="list-style-type: none">• Ms. Mahwish Humayun Khan

3. The Directors have confirmed that none of them is serving as a director on the board(s) of 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, 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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
8. The Board has a formal policy and transparent procedure for remuneration of Directors in accordance with the Act and the Regulations.
9. The majority of the Directors have either completed the Director’s Certification from authorized institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the Code of Corporate Governance.
10. The Board has approved the appointment of the Company Secretary, Chief Financial Officer and Head of Internal Audit including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. The Chief Executive and Chief Financial Officer duly endorsed the financial statements before approval by the Board.

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

12. The Board has formed Board Committees comprising of following:

Audit Committee

Mr. Hafiz Mohammad Yousaf	Chairman
Mr. Saad Iqbal	Member
Mr. Naveed Asghar Chaudhry	Member
Mr. Jamil Akhtar	Member

HR Committee

Mr. Aqeel Ahmed Nasir	Chairman
Mr. Aftab Mahmood Butt*	Member/Chief Executive
Ms. Mahwish Humayun Khan	Member
Mr. Jamil Akhtar	Member

Investment Committee

Mr. Hafiz Mohammad Yousaf	Chairman
Mr. Saad Iqbal	Member
Mr. Jamil Akhtar	Member
Mr. Naveed Asghar Chaudhry	Member

13. The terms of reference of the Board Committees have been formed, documented and advised to the Members for compliance.

14. The frequency of Board Committee Meetings (year ended June 30, 2024) were as follows:

Audit Committee	Four (4)
HR Committee	Six (6)
Investment Committee	Ten (10)

15. The Board has set-up an effective internal audit function, which has suitably qualified and experienced personnel for the purpose and 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 programme 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 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 close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive, Chief Financial Officer, 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 other services, except in accordance with the Act, the Regulations or any other regulatory requirements and the auditors have confirmed that they have observed IFAC Guidelines in this respect.

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.

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

*Mr. Aftab Mahmood Butt, Chief Executive having completed his term of office has ceased to be Chief Executive of the Company w.e.f July 31, 2024 and Mr. Muhammad Rabnawaz Anjum, Chief Financial Officer, has been appointed as Chief Executive (Acting) w.e.f. August 1, 2024.

EXPLANATION FOR NON-COMPLIANCE

of Non-Mandatory Requirements of the Code of Corporate Governance, 2019 ("CCG")

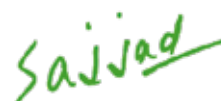
Sr. No.	Requirement	Explanation of Non-Compliance	Regulations Number
1.	Directors' Training It is encouraged that by June 30, 2022, all directors on the Board have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Six Directors of the Company have acquired Directors' Training Program Certification. The Company is planning Directors' Training Program Certification for its remaining Directors after election of Directors in October, 2024.	19(i)
2.	Nomination Committee The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.	The function of the Nomination Committee is performed by the HR Committee of the Board of Directors.	29(i)
3.	Risk Management Committee The Board may constitute the Risk Management Committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of the effectiveness of risk management procedures and present a report to the Board.	This requirement is not mandatory. The Board of Directors considered the matter and it was decided that the Company's Audit Committee is adequately performing this function.	30 (i)
4.	Disclosure of significant policies on website The company may post key elements of its significant policies, brief synopsis of reference of the Board Committees on its website and key elements of the directors' remuneration policy.	The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1). The Company has however, placed key elements and synopsis of policies on its website. The Directors' Remuneration Policy has also been placed on its website in August, 2024.	35

5.	Role of board and its members to address Sustainability Risk and Opportunities	<p>During the year, the Securities and Exchange Commission of Pakistan issued certain amendments (in relation to Regulation 10) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 through its notification dated June 12, 2024.</p> <p>The matter will be further reviewed and progressed once the Company has an operating regime, after renewal of its PPA.</p>	10 A
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For and on behalf of the Board



Muhammad Rabnawaz Anjum
Chief Executive (Acting)



Lt. General (Retd.) Sajjad Ghani
Chairman, Board of Directors

Islamabad
September 3, 2024



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kot Addu Power Company 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 Kot Addu Power Company Limited (the Company) for the year ended June 30, 2024 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, 2024.

A. F. Ferguson & Co.

Chartered Accountants

Lahore

Date: September 30, 2024

UDIN: CR202410118xYrZkqTM6

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