

STATEMENT OF COMPLIANCE

With the Listed Companies (Code of Corporate Governance) Regulations, 2019

For the year ended June 30, 2022

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

1. The total number of Directors as at June 30, 2022 are 13 as per the following:

a. Male: 12 b. Female: 1

2. The composition of the Board as at June 30, 2022 is as follows:

i. Independent Director	1
ii. Non-Executive Directors	12 (including Female & Independent Director)
iii. Executive Director	1
iv. Female Director	1

The Company has one (1) independent director instead of one third of the total members of the Board as required by these Regulations. The matter of relaxation from the requirements of these Regulations is pending consideration at Hon'ble Islamabad High Court.

- The Directors have confirmed that none of them is serving as a Director on more than seven listed companies, including the Company.
- 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.
- 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.
- 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 these Regulations.
- 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 the Board.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- As at June 30, 2022, out of thirteen (13) directors on the Board, six (6) directors have acquired the Directors Training Program (DTP) certification, and one (1) director is exempt from DTP having completed 15 years working experience with a listed company.
- During the year, there was no fresh appointment of the Chief Financial Officer (CFO), Company Secretary (CS) and the Head of Internal Audit (HoIA). Revision in the remuneration of the CFO, HoIA and the CS for the year ended June 30, 2022 was made as per the Company policy in line with their terms of appointment.
- Chief Executive Officer (CEO) and CFO have duly endorsed the financial statements before approval of the Board.
- As at June 30, 2022, the Board had formed committees comprising of members given below:

a. Board Audit Committee (BAC)

1	Khalid Rafi, Independent Director	Chairman
2	Ch. Khaqan Saadullah Khan	Member
3	Mubasher H. Sheikh	Member
4	Asad Ali Shah	Member
5	Mark Gerard Skelton	Member

b. Board Human Resource & Remuneration Committee (BHR&RC)

1	Khalid Rafi, Independent Director	Chairman
2	Ch. Khaqan Saadullah Khan	Member
3	Shan A. Ashary	Member
4	Syed Moonis Abdullah Alvi, CEO	Member

c. Board Finance Committee (BFC)

1	Ruhail Muhammad	Chairman
2	Ch. Khaqan Saadullah Khan	Member
3	Dr. Ahmed Mujtaba Memon	Member
4	Shan A. Ashary	Member
5	Naveed Ismail	Member

d. Board Strategy & Projects Committee (BS&PC)

1	Ch. Khaqan Saadullah Khan	Chairman
2	Adeeb Ahmad	Member
3	Mark Gerard Skelton	Member
4	Shan A. Ashary	Member
5	Syed Moonis Abdullah Alvi, CEO	Member
6	Waseem Mukhtar	Member

e. Board Regulatory Affairs Committee (BRAC)

1	Shan A. Ashary	Chairman
2	Ch. Khaqan Saadullah Khan	Member
3	Asad Ali Shah	Member
4	Syed Moonis Abdullah Alvi, CEO	Member

13. The terms of reference (TORs) of the BAC, BHR&RC, BFC and BS&PC have been formed, documented, and advised to the committees for compliance.

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

Committee		Number of meetings				
		Q1	Q2	Q3	Q4	Total
a.	Board Audit Committee (BAC)	2	2	2	1	7
b.	Board Human Resource & Remuneration Committee (BHR&RC)	1	1	-	2	4
c.	Board Finance Committee (BFC)	1	1	-	1	3
d.	Board Strategy & Projects Committee (BS&PC)	3	2	1	5	11
e.	Board Regulatory Affairs Committee (BRAC)	1	-	-	-	1
	Total	8	6	3	9	26

15. The Board has set up an effective internal audit function manned by suitably qualified and experienced personnel that are involved in the internal audit function on a full-time basis 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 are 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 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 CEO, CFO, HoIA, CS 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. The related party transactions for the year ended June 30, 2022 have been recommended for approval of the Board of Directors by the Board Audit Committee subsequent to the year-end following which these transactions were approved by the Board of Directors.

19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with except for the matter stated in paragraph 2 above.

For and on behalf of the Board of Directors,



Mark Gerard Skelton
Chairman



Syed Moonis Abdullah Alvi
Chief Executive Officer



A.F. FERGUSON & CO.

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of K-Electric 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 K-Electric Limited (the Company) for the year ended June 30, 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 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, 2022.

Further, we highlight below instance of non-compliance with the requirement of the Regulations as reflected in the paragraph reference where it is stated in the Statement of Compliance:

S. No.	Reference	Description
(i)	Paragraphs 2 & 19	The Company has one (1) independent director instead of one third of the total members of the Board of Directors, as required under the Regulations.

A. F. Ferguson & Co.
Chartered Accountants
Karachi

Date: September 30, 2022

UDIN: CR2022100608a11PGvzZ

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