

# Statement of Compliance

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

### For the Year Ended December 31, 2023

KSB Pumps Company Limited has complied with the requirements of the Regulations in the following manner: -

1. The total number of directors is 8 as per the following:
  - i. Male : 7
  - ii. Female : 1
2. The composition of Board is as follows:

**Independent Director**

  - i. Mr. Asif Malik
  - ii. Ms. Ayesha Aziz
  - iii. Mr. Shahid Mahmood

**Non-Executive Directors**

  - i. Dr. Sven Baumgarten
  - ii. Mr. Dieter Antonius Pott
  - iii. Mr. Hasan Aziz Bilgrami

**Executive Director**

  - i. Mr. Imran Ghani

**Female Director**

  - i. Ms. Ayesha Aziz

**Nominee Director (NIT)**

  - i. Sheikh Asim Rafiq
3. The Directors have confirmed that none of them is serving as a Director in 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 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 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board;
8. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. The majority of the Directors have either completed the Director's Certification from authorised institutions or have the prescribed qualification and experience pursuant to Regulation 19 of the CCG. However, no Director Training program was arranged during the year ended December 31, 2023.
10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below, -

a) **Audit Committee**

- |                            |             |
|----------------------------|-------------|
| • Ms. Ayesha Aziz          | Chairperson |
| • Mr. Dieter Antonius Pott | Member      |
| • Mr. Shahid Mahmood       | Member      |

b) **HR and Remuneration Committee**

- |                           |          |
|---------------------------|----------|
| • Mr. Asif Malik          | Chairman |
| • Mr. Hasan Aziz Bilgrami | Member   |
| • Mr. Imran Ghani         | 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 (quarterly/half yearly/ yearly) of the committees were as per following;

**Audit Committee**

The meetings of Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company.

**HR and Remuneration Committee**

Two meeting of HR&R Committee was held during the year.

15. The Board has outsourced the internal audit function to Tariq Abdul Ghani Maqbool & Co. 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 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 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 Companies Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied.
19. Explanation for non-compliances with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):
  - As per clause 10 (3) (v) of CCG, the Board annual evaluation will be carried out in the year 2024, as the Board was elected in 2023 and will complete the annual term in April 2024.

For and on behalf of the Board.

March 14, 2024  
Lahore



Imran Ghani  
Chief Executive Officer / MD



Shahid Mahmood  
Director



A.F. FERGUSON &amp; CO.

# Independent Auditor's Review Report

## To the Members of KSB Pumps 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 KSB Pumps Company Limited (the company) 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 Director's 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.F. Ferguson & Co.**  
**Chartered Accountants**  
**Name of engagement partner: Amer Raza Mir**  
**Lahore**  
**Date: March 30, 2024**  
**UDIN: CR202310118QD7Kzm9kY**

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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