

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

**Name of the Company: Leiner Pak Gelatine Limited**

**Year ended: June 30, 2022**

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

- The total number of directors are **7** as per the following:

a	Male director	6
b	Female director	1

- The composition of the Board is as follows:

<b>Categories</b>	<b>Name of Directors</b>
Independent Directors*	Rashid Minhas Syed Rizwan Haider
Non-Executive Directors	Ahmed Ali Riaz Ijaz Ahmed Khwaja Ayesha Ahmed
Executive Directors	Khwaja Imtiaz Ahmed Ibrar Ahmed Khwaja

\* In order to comply with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019, two independent directors were elected on the Board of Directors upon maturity of existing term, whereas the code requires to appoint at-least two or one-third of the Board members (whichever is higher). The fraction of 0.33 was not rounded up as the Board feels that two appointed independent directors are sufficient to maintain independence at the present Board level and the requisite skill is diverse enough to provide the necessary strategic direction to the Company to accomplish its determined goals.

- The directors have confirmed that none of them is serving 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 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 alongwith 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 the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program for the following:

Sr. No.	Name of Directors	Remarks
1	Khwaja Imtiaz Ahmed	Exempt under CCG.
2	Ijaz Ahmed Khwaja	Exempt under CCG.
3	Ibrar Ahmed Khwaja	Exempt under CCG.
4	Ahmed Ali Riaz	Completed Directors' Training Program.

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 officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below.-

**a) Audit Committee**

1. Rashid Minhas (Chairman)
2. Ijaz Ahmed Khwaja (Member)
3. Ahmed Ali Riaz (Member)

**b) HR and Remuneration Committee**

1. Rashid Minhas (Chairman)
2. Khwaja Imtiaz Ahmed (Member)
3. Ayesha Ahmed (Member)

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

14. The frequency of meetings of the committee were as per following,-
- a) Audit Committee; \_\_\_\_\_ (4 quarterly meetings)  
b) HR and Remuneration Committee \_\_\_\_\_ (yearly)
15. The Board has set up an effective internal audit function.
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 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; and
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr . No .	Requirement	Explanation of Non-Compliance	Regulation Number
1	<b>Directors' Training Program (DTP)</b> 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.	Four directors of the Company have either acquired Directors' Training Program certification or are exempted under CCG. One director, Syed Rizwan Haider, newly elected on 18-01-2022 will complete the Directors' Training Program within the prescribed time. Whereas two other directors namely, Rashid Minhas and Ayesha Ahmed will complete Directors' Training Program before June 30, 2023.	19(1)
2	<b>Directors' Training Program (DTP)</b> Companies are encouraged to arrange training for at least one female executive every year under the Directors' Training Program from year July 2020.	The Company has planned to arrange Directors' Training Program certification for female executive over the next few years.	19(3)

3	<p><b>Nomination Committee</b> 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.</p>	<p>The responsibilities as prescribed for the Nomination Committee are being addressed at Board level, with the help of Human Resource and Remuneration Committee, as and when needed so a separate committee is not considered to be necessary.</p>	29)
4	<p><b>Risk Management Committee</b> 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 effectiveness of risk management procedures and present a report to the Board.</p>	<p>Currently, the Board has not constituted a Risk Management Committee and senior officers of the Company along with the Audit Committee perform the requisite functions and apprise the Board accordingly.</p>	30

Khwaja Imtiaz Ahmed  
Chief Executive Office

Ahmed Ali Riaz  
Chairman

LAHORE  
Dated: October 07, 2022

## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Leiner Pak Gelatine 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 **Leiner Pak Gelatine Limited** 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.

Lahore

Dated: October 07, 2022

**UDIN: CR202210145KTePmCuhk**

M. Almas & Co.

Chartered Accountants

Audit Engagement Partner

Mohammad Ijaz