


**A.F. FERGUSON & CO.**
**INDEPENDENT AUDITOR'S REVIEW REPORT**
**TO THE MEMBERS OF MARI PETROLEUM 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 Mari Petroleum Company Limited, (the Company) for the year ended June 30, 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 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, 2023.

Chartered Accountants  
Islamabad  
Date: August 29, 2023

UDIN: CR202310050s34zLjrYv

*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
54-East, 2nd Floor, Blue Area, Jinnah Avenue, P.O. Box 3021, Islamabad-44000, Pakistan  
Tel: +92 (51) 2271457-66/2604334-379 Fax: +92 (51) 2277924, 22664771 <[info.pwc.com/pk](mailto:info.pwc.com/pk)>*

# STATEMENT OF COMPLIANCE

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

## MARI PETROLEUM COMPANY LIMITED

For the year ended June 30, 2023

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

1. The total number of Directors is eleven as per the following detail:
  - a. Male: 10
  - b. Female: 01
2. The composition of the Board is as follows:  
As at June 30, 2023:



Category	Names
Independent Directors* (Excluding Female Director)	Mr. Adnan Afridi
	Mr. Abid Niaz Hasan
Executive Director	Mr. Faheem Haider
Non-executive Directors	Mr. Waqar Ahmed Malik
	Dr. Nadeem Inayat
	Maj. Gen Ahmad Mahmood Hayat (Retd)
	Capt. (Retd) Muhammad Mahmood
	Mr. Abdul Rasheed Jokhio
	Mr. Ahmed Hayat Lak
	Mr. Muhammad Aamir Salim
Female Director (Independent Director)	Ms. Seema Adil

*\*The Company has elected three (03) independent directors, while the fraction of 0.67 was not rounded up as one. The Participation and Shareholders Agreement (PSA) among the principal shareholders and the Articles of Association (AoA) of the Company require that the representation on the Board shall be proportionate to, as closely as possible, the shareholding of the sponsors. Currently, four (04) out of total eleven (11) directors are nominees of the Government of Pakistan and OGDCL and Fauji Foundation has four (4) directors.*

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including MPCL;
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 the decisions on relevant matters have been taken by the Board/ shareholders as empowered by the relevant provisions of the Act and the 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 meetings of the Board;



8. The Board has a formal policy and transparent procedures for the remuneration of directors in accordance with the Act and the Regulations;
9. The following Directors were certified under SECP approved Directors' Training Program as at June 30, 2023:

S#	Directors
1.	Mr. Waqar Ahmed Malik
2.	Dr. Nadeem Inayat
3.	Maj Gen Ahmad Mahmood Hayat (Retd)
4.	Mr. Faheem Haider
5.	Mr. Abdul Rasheed Jokhio
6.	Mr. Ahmed Hayat Lak
7.	Mr. Adnan Afridi
8.	Mr. Abid Niaz Hasan
9.	Ms. Seema Adil

The Director's Training Program for two newly appointed directors will be arranged in due course.

Two Director's Training Program from SECP approved institution were arranged during the year, which were attended by the following:

**Directors:**

Ms. Seema Adil – Independent, Non-Executive Director

**Executives:**

Mr. Abdul Rauf Khan – Director (Exploration)

Mr. Sajjad Akhtar – Chief Internal Audit

Mr. Muhammad Sajjad – Acting Company Secretary

Ms. Aisha Zia – HR Business Partner (Technical)

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;



## Statement of Compliance with the Code of Corporate Governance

11. Chief financial officer and the chief executive officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed the following committees\* comprising of the members as given below:

a) **Audit Committee**

Director	Designation
Mr. Abid Niaz Hasan	Chairman (independent director)
Dr. Nadeem Inayat	Member
Capt. (Retd) Muhammad Mahmood	Member
Mr. Ahmed Hayat Lak	Member
Mr. Adnan Afridi	Member

b) **HR and Remuneration Committee**

Director	Designation
Mr. Adnan Afridi	Chairman (independent director)
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Abdul Rasheed Jokhio	Member
Mr. Ahmed Hayat Lak	Member
Mr. Abid Niaz Hasan	Member

c) **Technical Committee:**

Director	Designation
Maj Gen Ahmad Mahmood Hayat (Retd)	Chairman
Mr. Abdul Rasheed Jokhio	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	Member

d) **Investment Committee**

Director	Designation
Dr. Nadeem Inayat	Chairman
Maj Gen Ahmad Mahmood Hayat (Retd)	Member
Mr. Muhammad Aamir Salim	Member
Mr. Adnan Afridi	Member
Ms. Seema Adil	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 the meetings of committees was as given below:

Committee	Frequency of meeting
1. Audit Committee:	At least quarterly/required basis
2. HR and Remuneration Committee:	At least once a year/ required basis
3. Technical Committee:	Required basis
4. Investment Committee:	Required basis

\* The Board constituted ESG Committee on August 08, 2023.


15. The Board has set-up an effective internal audit function staffed with personnel 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 the 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 any 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, the 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 pertaining to Regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S.No	Requirement	Explanation	Reg. No.
i.	Constitution of Nomination Committee	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary.	29
ii.	Constitution of Risk Management Committee	The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its ToRs. Hence a separate Risk Management Committee is currently not needed.	30



**Waqar Ahmed Malik (SI)**  
Chairman

August 08, 2023



**Faheem Haider**  
Chief Executive Officer