

# STATEMENT OF COMPLIANCE

## WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (THE "REGULATIONS")

Name of Company: **Maple Leaf Cement Factory Limited**  
Year Ended: **June 30, 2023**

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

1. The total number of Directors are Nine (9) as per the following composition:

Male: 8  
Female: 1

2. The Composition of the Board is as follows: -

i.	Independent Directors	02
ii.	Non-Executive Directors	04
iii.	Executive Directors (including CEO)	02
iv.	Female Director (Non-Executive)	01

Determination of number of independent Directors comes to 2.66 (rounded to 2) which is based on Eight Elected Directors, excluding CEO who is considered as deemed director. The fraction contrived in one-third number is not rounded up as the two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third independent director is not warranted;

3. The Directors have confirmed that none of them is serving as a Director on 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;

The policies namely, communication and disclosure, code of conduct for members of Board of Directors, Senior Management and other employees, risk management and internal control exist in the Company's record and shall be uploaded on the Company's website in due course.

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 these Regulations;

7. 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 meetings of the Board;

8. The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;

9. Three Directors have obtained certificate for Directors' Training Program and Five Directors are exempt from this due to 14 years of education and 15 years of experience on the Boards of listed companies as under: -;

Sr.	Name of Directors	Qualification & Years of Experience
1.	Mr. Tariq Sayeed Saigol	Exempted from Directors' Training Program. He is Director in Kohinoor Textile Mills Limited (KTML) since 1971 and was graduated from Government College University, Lahore, following which he studied Law at University Law College, Lahore.
2.	Mr. Sayeed Tariq Saigol	Director in KTML since 1998. He graduated from McGill University with a degree in management.
3.	Mr. Taufique Sayeed Saigol	Exempted from Directors' Training Program. He is Director in KTML since 1976 and graduated as an Industrial Engineer from Cornell University, USA in 1974.
4.	Mr. Waleed Tariq Saigol	Director of the Company since 2004. He holds a bachelor's degree in Political Science from the London School of Economics & Political Science.
5.	Mr. Danial Taufique Saigol	Certificate obtained for Directors' Training Program. He began his career with KMLG in January 2012 as Executive Director. He holds a bachelor's degree in Finance from McGill University, Montreal, Canada.
6.	Ms. Jahanara Saigol	Appointed on the Board of the Company on December 31, 2019. She has completed PhD in Islamic Art and Architecture at SOAS, University of London. She has also obtained degrees in MA, SOAS, University of London and M. St, University of Oxford. Directors' Training Program is non-mandatory and compliance will be made in due course.
7.	Mr. Shafiq Ahmed Khan	Director in Trust Investment Bank Limited from 1997 to 2009 and Director in KTML from 2014 to April 2023. He got his bachelor degree from Punjab University and has experience over 36 years in different fields of finance.
8.	Mr. Zulfikar Monnoo	Director in Rafhan Maize Product Co. Limited since 1990 and certificate obtained for Directors' Training Program. He is a businessman with experience of more than three decades as a director having degree of bachelor in science and economics with a major in finance from University of Pennsylvania -Wharton School.
9.	Syed Mohsin Raza Naqvi	Certificate obtained for Directors' Training Program. Mr. Mohsin Naqvi is Fellow Member of the Institute of Chartered Accountants of Pakistan with more than three decades of Financial Management experience.

The Company has planned to arrange Directors' Training Program certification for female executives and head of departments over the next few years.

10. During the year, there was no any such appointment of the Chief Financial Officer, the Company Secretary and the Head of Internal Audit;

The Head of internal audit does functionally report to the Audit Committee and administratively to the CEO; however, it is pertinent to mention that any performance appraisals as well as increments/detriments in his remuneration package are solely vested with the CEO instead of the same in conjunction with the Chairman, Audit Committee; this is evident as per his appointment resolution.

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**

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)
Mr. Zulfikar Monnoo	Member (Independent Director)
Mr. Waleed Tariq Saigol	Member (Non-Executive Director)
Mr. Danial Taufique Saigol	Member (Non-Executive Director)

b) **Human Resource & Remuneration Committee**

NAME	DESIGNATION
Mr. Shafiq Ahmed Khan	Chairman (Independent Director)
Mr. Zulfikar Monnoo	Member (Independent Director)
Mr. Danial Taufique Saigol	Member (Non-Executive Director)

c) **Nomination Committee:** Currently, the Board has not constituted a separate nomination committee and the functions are being performed by the human resource and remuneration committee. The Board would consider to constitute nomination committee and compliance will be made in due course;

d) **Risk Management Committee:** Currently, the Board has not constituted a risk management committee and senior officers of the Company perform the requisite functions and apprise the Board accordingly. The Board would consider to constitute risk management committee and compliance will be made in due course;

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 of the committees were as per following:

MEETINGS	FREQUENCY
Audit Committee	Four meetings were held during the financial year.
Human Resource and Remuneration Committee	One meeting was held during the financial year.

15. The Board has set up an effective internal audit function with suitably qualified and experienced staff for the purpose and who are also 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 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 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 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; and

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.

**Tariq Sayeed Saigol**  
Chairman

Lahore: September 06, 2023

## INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF MAPLE LEAF CEMENT FACTORY 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 Maple Leaf Cement Factory 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.

**A. F. Ferguson & Co.**  
Chartered Accountants  
Lahore

Date: September 16, 2023

UDIN: CR202310070hs7mFDeGf

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