

REVIEW REPORT TO THE MEMBERS 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 PAK DATACOM 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 and also ensure compliance with requirements of section 208 of the Companies Act, 2017. 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. We have not carried out any procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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.

We draw your attention to clause 12 of the Statement of Compliance and Regulation 30 of the Code of Corporate Governance which states that "the Board may constitute the risk management committee to carry out a review of the effectiveness of risk management procedure and present a report to the Board" and as best practice, we recommend that the board should establish a formal risk management policy and committee.

ISLAMABAD
DATED: 21 SEPT 2022
UDIN: CR20221009541rVQyNDE

CHARTERED ACCOUNTANTS
 Engagement Partner: Abdul Qadeer

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

Name of the company: Pak Datacom Limited

Year ending: 30 June 2022

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

1. The total number of directors is 8 as per the following:

a. Male: 07

b. Female: 01

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Shamim Ahmed Sherazi Ms. Rubina Safeer
Non-Executive Directors	Mr. Muhammad Izqar Khan
	Mr. Muhammad Waheed
	Mr. Syed Junaid Imam
	Mr. Syed Zomma Mohiuddin
	Mr. Perwaiz khan
Executive Director	Brig. Syed Zulfiqar Ali (R)
Female Director	Ms. Rubina Safir

- All 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.
- The Board has developed a vision/mission statement, overall corporate strategy, and significant policies of the company. The Board has ensured that a complete record of particulars of the significant policies along with their date of approval for 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 Act and these Regulations.
- 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.
- The Board has a formal policy as well as transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- The Board has carried out an in house self performance evaluation in quarter 4 of the financial year under consideration as per the guidelines issued by Securities Exchange Commission of Pakistan (SECP) vide S. R. O. 301 (I)/2020 dated April 09, 2020.
- Out of seven directors, four directors (Syed Zomma Mohiuddin, Engr. Perwaiz Khan, Ms. Rubina Safir and Mr. Shamim Ahmed Sherazi) have obtained Directors' Training Program certification in the current year and one director (Mr. Muhammad Waheed) had obtained the Directors' Training Program certification in prior year. Chief Executive, being the Executive Director, has also attained Directors' Training Program certification in the current year. One Director (Dr. Faiz Illahi Memon) has left the Board on June 01, 2022. Necessary arrangements have

been made for Director Training of Syed Junaid Imam in the month of Sep 2022, who could not attend the training because of his national level commitments as Member (IT), Ministry of Information Technology & Telecommunication (MOITT).

11. The terms of reference of the Audit Committee have been formed, documented/ approved by the Board and advised to the committee for compliance.
12. A process of periodic audit reviews is in place which identifies major commercial, operating and financial risks along side budgetary controls. In addition, business risks facing the Company is also monitored by the Board through its sub-committees to ensure that a sound system of risk identification, risk management and implementation of related systemic internal controls exists. Further, as per decision made by the Nomination Committee and subsequently approved by the Board in their meetings in June 2022, an appropriate mechanism will be finalized/ put in place by Oct 31, 2022. Following the implementation and monitoring of the Risk Management Policy, such a need may be reviewed at some stage in the future, if still deemed necessary.
13. 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.
14. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board.
15. The Board has formed committees comprising of members given below.

Sr#	Category	Names
1	Audit Committee	Ms. Rubina Safir (Chairperson) Mr. Shamim Ahmed Sherazi Muhammad Waheed Mr. Masood ur Rehman (Secretary)
2	Human Resource and Remuneration Committee	Mr. Shamim Ahmed Sherazi (Chairman) Syed Junaid Imam Dr. Faiz Illahi Memon * Ms. Rubina Safir Mr. Kalim Ullah (Secretary)
3	Nomination Committee	Syed Zomma Mohiuddin (Chairman) Syed Junaid Imam Engr. Perwaiz Khan Mr. Ali Saleem Rana (Secretary)
4	Procurement Committee	Syed Zomma Mohiuddin (Chairman) Mr. Muhammad Waheed Engr. Perwaiz Khan Dr. Faiz Illahi Memon * Mr. Ali Saleem Rana (Secretary)
5	Strategy & Project Appraisal Committee	Syed Zomma Mohiuddin (Chairman) Syed Junaid Imam Engr. Perwaiz Khan Mr. Ahmed Rafiq (Secretary)

*In place of Dr. Faiz Illahi Memon (resigned on June 01, 2022), Mr. Muhammad Izqar Khan joined the Board on July 06, 2022 as nominee director of State Life Insurance Corporation of Pakistan (SLIC).

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

17. The frequency of meetings (quarterly/half yearly/ yearly) of the Board and its committee were as per following:

Board/Committee	No of Meetings held in FY 2020-2022
Board	10
Audit Committee	04
Human Resource and Remuneration Committee	03
Nomination Committee	01
Procurement Committee	02
Strategy & Project Appraisal Committee	02

18. The Board has set up an effective internal audit function, headed by qualified and experienced person who is conversant with the policies and procedures of the Company.

19. 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 (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.

20. 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.

21. We confirm that all requirements of the Regulations 3,6,7,8,27,32,33 and 36 have been complied with:

Regulation #	Compliance	Non-Compliance
3	Yes	Nil
6	Yes	Nil
7	Yes	Nil
8	Yes	Nil
27	Yes	Nil
32	Yes	Nil
33	Yes	Nil
36	Yes	Nil

22. Explanation for deviation with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been given in paragraph 10 & 12.

23. All other requirements of the Code have been complied with.

Syed Zomma Mohiuddin
Chairman

September 21, 2022

Brig Syed Zulfiqar Ali (R)
Chief Executive