

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

Pak-Gulf Leasing Company Limited (the Company)

For the year ended June 30, 2022

The 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 categories, and includes Chief Executive who is a deemed director under Section 188 of the Companies Act 2017:
 - a. Male: Eight (8)
 - b. Female: One (1)
2. The composition of the Board of Directors (the Board) as on June 30, 2022 was as follows:

Independent Directors	Mr. Ismail H. Ahmed Mr. Jan Ali Khan Junejo Ms. Naeen Ahmed
Non-Executive Directors	Mr. Sohail Inam Ellahi Mr. Fawad Salim Malik Mr. Pervez Inam Brig. Naveed Nasar Khan (R) Mr. Naeem Ali Muhammad Munshi
Executive Director	Mr. Mahfuz-ur-Rahman Pasha*
Female Director	Ms Naeen Ahmed

*Chief Executive and deemed director

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.

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 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 meeting of the Board.
8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. Till June 30, 2022, following five (5) directors of the Company have acquired the required certificate of Directors Training Program while one (1) is exempt from this requirement:

Directors

- i. Mahfuz-ur-Rahman Pasha
 - ii. Pervez Inam
 - iii. Ismail H. Ahmed
 - iv. Fawad Salim Malik
 - v. Mr. Jan Ali Khan Junejo
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

Mr. Ismail H Ahmed	Chairman
Mr. Naeem Ali Muhammad Munshi	Member
Mr. Pervez Inam	Member
Brig. Naveed Nasar Khan (Retd)	Member

b) HR and Remuneration Committee

Mr. Jan Ali Khan Junejo	Chairman
Mr. Sohail Inam Ellahi	Member
Mr. Pervez Inam	Member
Mr. Ismail H Ahmed	Member
Ms. Naeen Ahmed	Member
Mr. Mahfuz-ur-Rehman Pasha	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: (four quarterly meetings)
 - b) HR and Remuneration Committee: (two meetings)
15. The Board has set up an effective internal audit function comprising of people 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 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 the requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and
19. With regard to the Regulation 24, it is stated that the Chief Financial Officer is also working as the Company Secretary of the Company. The arrangement is in the best interest of the Company as it is cost effective. Moreover, the workload of the Company Secretary is not much as to justify a full time Company Secretary.

On behalf of the Board of Directors

SOHAIL INAM ELLAHI
Chairman of the Board

Karachi

Dated: November 15, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAK-GULF LEASING COMPANY LIMITED 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-Gulf Leasing Company 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 the 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 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.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in the paragraph reference where these are stated in the Statement of Compliance:

S. No.	Paragraph reference	Description
(i)	19	that the Chief Financial Officer is also working as the Company Secretary of the Company.

KARACHI

DATED: NOVEMBER 15, 2022

UDIN: CR202210166H5Vgi7wWT



CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan