

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

1. The total number of directors are ten (10) as per the following categories, and includes Chief Executive who is a deemed director under Section 188 of the Companies Act 2017:
 - a. Male: Nine (9)
 - b. Female: One (1)

2. The composition of the Board of Directors (the Board) as on June 30, 2023 was as follows:

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

*Chief Executive and deemed director

** Ms. Naeen Ahmed (female director) is an Independent 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, 2023, 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. Mr. Mahfuz-ur-Rahman Pasha
- ii. Mr. Pervez Inam
- iii. Mr. Fawad Salim Malik
- iv. Mr. Ismail H. Ahmed
- 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. Pervez Inam | Member |
| | Brig. Naveed Nasar Khan (Retd.) | Member |
| | Mr. Naeem Ali Muhammad Munshi | Member |
| | Ms. Naureen Ahmed | Member |
| b) | Human Resources and Remuneration Committee | |
| | Mr. Jan Ali Khan Junejo | Chairman |
| | Mr. Sohail Inam Ellahi | Member |
| | Mr. Pervez Inam | Member |
| | Mr. Ismail H Ahmed | Member |
| | Ms. Naureen 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: (five meetings) |
| b) | HR and Remuneration Committee: (one meeting) |
15. The Board has set up an effective internal audit function comprising of Head of Audit who is suitably qualified and experienced for the purpose and is well conversant with the policies and the 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.
20. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 (non-mandatory requirements) are noted below:

Sr. #	Requirement	Explanation	Reg #
1	It is encouraged that all the directors on their Boards 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.	The Directors of the Board are well acquainted with the roles and responsibilities and applicable laws and regulations. Till June 30, 2023, five (5) directors of the Company have acquired the required certificate of Directors Training Program while one (1) is exempt from this requirement and others will comply with the requirement in due course of time.	19(1)
2	Companies are also encouraged to arrange training for: (i) at least one female executive every year under the Directors' Training program from year July 2020; and (ii) at least one head of department every year under the Directors' Training program from July 2022.	In-house training of key executives, including female executives, is a continuous process and the Company will also arrange for Directors' Training program of key executives including female executives in due course of time.	19(3)
3	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.	Since the constitution of the Committee is non-mandatory, therefore the responsibilities prescribed for the nomination Committee are being taken care of by the Board of Directors.	29
4	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.	Since the constitution of the Committee is non-mandatory, therefore the responsibilities prescribed for the risk management committee are being performed by the Board of Directors and its various Committees. To comply with this requirement the Company will constitute Risk Management Committee in due course of time.	30
5	The Company may post the following on its website: (1) key elements of its significant policies including but not limited to the following: (i) communication and disclosure policy; (ii) code of conduct for members of board of directors, senior management and other employees; (iii) risk management policy; (iv) internal control policy; (v) whistle blowing policy; (vi) corporate social responsibility/sustainability/environmental, social and governance related policy.	Since the Regulation does not require mandatory disclosure of significant policies on the website, therefore the Company has not updated the website accordingly. In future, as desired, the Company will post the key elements of the significant policies on the website.	35

On behalf of the Board of Directors

Chairman

September 27, 2023
Karachi



Tel: +92 21 3568 3030
Fax: +92 21 3568 4239
www.bdo.com.pk

2nd Floor, Block-C
Lakson Square, Building No.1
Sarwar Shaheed Road
Karachi-74200
Pakistan

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, 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 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, 2023.

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: September 27, 2023

UDIN:CR202310166Chts2pym0

CHARTERED ACCOUNTANTS
Engagement Partner: Tariq Feroz Khan