

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED 30 JUNE 2024

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:

- a. Male: Nine
- b. Female: One

2. The composition of board is as follows:

Category	Names
Independent Director*	Mr. Rohail Ajmal Mr. Shahid Hussain Mr. Saleem Ahmed Ranjha
Executive Directors**	Mr. Murtaza Hashwani Mr. Shakir Abu Bakar Syed Haseeb Amjad Gardezi
Non-Executive Directors	Mr. Sadruddin Hashwani Mr. M. A. Bawany Mr. M. Ahmed Ghazali Marghoob
Non- Executive Female Director	Ms. Ayesha Khan

* In terms of Regulation No. 6[1] of the Listed Companies Code of Corporate Governance Regulations, 2019, it is mandatory for a listed company to have at least two or one-third members of the board, whichever is higher, as independent directors. The Company's board consists of ten members, one-third works out to 3.33, which is rounded down to 3 because the board remains well-balanced, with sufficient representation of qualified non-executive and independent directors who bring a wealth of experience and expertise to the Company. PSL board ensures that the independent directors exercise full authority in their governance responsibilities while providing effective oversight.

**Regulation No. 8 of the Listed Companies [Code of Corporate Governance] Regulations, 2019, stipulates that executive director, including the Chief Executive Officer, shall not exceed one-third of the Board. During the year, Mr. Murtaza Hashwani, an elected director who was also serving as the CEO of the Company, resigned from the office of CEO. The Board subsequently appointed a new CEO, who is a deemed director. As a result, the fraction of executive directors on the board, calculated as 3.33, was rounded up to 4. Despite this, the Board maintains an appropriate representation of non-executive and independent directors, all of whom possess the necessary qualifications, experience, and expertise to ensure effective governance and oversight.

- 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 Act and these 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting 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. All Directors have duly obtained training under the Directors' Training Program or are exempted, from the Directors' Training Program. During the year the Company has also arranged a training program for Mr. Muhammad Amir, VP Corporate Affairs & Company Secretary under the Director's Training Program.
10. The Board has approved the 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:

Name of Committee	Name of Member
Audit Committee	<ol style="list-style-type: none"> 1. Mr. Shahid Hussain [Chairman] 2. Mr. M. A. Bawany 3. Mr. M. Ahmed Ghazali Marghoob 4. Mr. Rohail Ajmal
HR & Remuneration Committee	<ol style="list-style-type: none"> 1. Mr. Rohail Ajmal [Chairman] 2. Mr. Murtaza Hashwani 3. Mr. M. A. Bawany 4. Syed Haseeb Amjad Gardezi 5. Mr. M. Ahmed Ghazali Marghoob
Nomination Committee	<ol style="list-style-type: none"> 1. Mr. Murtaza Hashwani [Chairman] 2. Mr. M. A. Bawany 3. Mr. Shakir Abu Bakar 4. Syed Haseeb Amjad Gardezi
Risk Management Committee	<ol style="list-style-type: none"> 1. Mr. Murtaza Hashwani [Chairman] 2. Mr. M. A. Bawany 3. Mr. Shakir Abu Bakar 4. Syed Haseeb Amjad Gardezi 5. Ms. Ayesha Khan 6. Mr. Rohail Ajmal

13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. Audit Committee meetings were held once every quarter and Human Resource and Remuneration Committee meeting was held once during the year.
15. The Board has set up an effective internal audit function 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 requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are

below:

Sr. No.	Requirement	Explanation	Regulation No.
1	Role of board and its members to address Sustainability Risks and Opportunities	On June 12, 2024, the Securities and Exchange Commission of Pakistan [SECP] introduced Regulation 10[A] through Notification No. S.R.O. 920(I)/2024 in the Listed Companies [Code of Corporate Governance] Regulations, 2019. The management will take the necessary steps to ensure compliance with this regulation in due course.	10[A]



Sadruddin Hashwani

Chairman

Dated: 29 October, 2024

INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF PAKISTAN SERVICES 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 Pakistan Services Limited for the year ended 30 June 2024 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 30 June 2024.

Further, we highlight below instance of non-compliance with the requirements of the Regulations as reflected in the note/paragraph reference where it is stated in the Statement of Compliance.

Reference	Description
Paragraph 19[1]	The requirements introduced in regulation 10[A] of the Regulations as notified by the Securities and Exchange Commission of Pakistan vide its Notification No. SRO 920(I)/2024 dated 12 June 2024 will be complied with in due course.



KPMG Taseer Hadi & Co.

Chartered Accountants

Islamabad

Date: 01 November 2024

UDIN: CR202410111j2bMlpte7