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# INDEPENDENT AUDITORS' REVIEW REPORT

To the members of sanofi-aventis Pakistan Limited (the Company)

Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2019 [the Regulations]

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 sanofi-aventis Pakistan Limited (the Company) for the year ended 31 December 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. 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 31 December 2022.

Chartered Accountants

Place: Karachi

Date: 26 April 2023

UDIN Number: CR202210120UY6aTIN7c

# Statement of Compliance

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

For the year ended December 31, 2022

This statement is being presented to comply with the Listed Companies [Code of Corporate Governance] Regulations, 2019 [here-in-after referred as 'the Regulations'] for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

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

1. The total number of Directors are 11 as per the following composition:

| Gender | Independent Directors | Executive Directors | Non-Executive Directors |
|--------|-----------------------|---------------------|-------------------------|
| Male   | 3                     | 2                   | 5                       |
| Female | -                     | -                   | 1                       |

2. The Composition of the board is as follows:

|  |  |
|--|--|
| Syed Babar Ali – Chairman, Non - Executive | Naira Adamyan – Non - Executive                    |
| Syed Hyder Ali – Non - Executive           | Heremes Martet – Non - Executive                   |
| Asim Jamal – Chief Executive Officer (CEO) | Marc Antoine Lucchini – Non - Executive            |
| Imtiaz Ahmed Husain Laliwala – Independent | Yasser Pirmuhammad – Chief Financial Officer (CFO) |
| Arshad Ali Gohar – Non - Executive         | Shahid Zaki – Independent                          |
| Rehmatullah Khan Wazir - Independent       |  |

NOTE: It is to be noted that the fractional requirement for independent directors has not been rounded up as the Board has an adequate number of independent directors and the same is in agreement with the Parent Company.

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 amendment has been maintained by the Company.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/Shareholders as empowered by the relevant provisions of the Companies Act, 2017 [here-in-after referred as '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 has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. The Board has approved the appointment, remuneration and terms & conditions of employment of the Company Secretary and the Head of Internal Audit and complied with the relevant requirements of the Regulations. There has been no new appointment of the Chief Financial Officer (CFO) during the current year.
10. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
11. The Board has formed an Audit Committee. It comprises of three members, out of which two are independent and one is Non – Executive Director. Chairman of the Audit Committee is an Independent Director who is not Chairman of the Board.

|                              |          |                          |
|------------------------------|----------|--------------------------|
| Shahid Zaki                  | Chairman | Independent Director     |
| Imtiaz Ahmed Husain Laliwala | Member   | Independent Director     |
| Syed Hyder Ali               | Member   | Non – Executive Director |

The Board has also formed a Human Resources and Remuneration Committee. It comprises of three members, out of which one is an Independent Director, who is also the Chairman and remaining two are Non – Executive Directors.

|                              |          |                          |
|------------------------------|----------|--------------------------|
| Imtiaz Ahmed Husain Laliwala | Chairman | Independent Director     |
| Syed Hyder Ali               | Member   | Non – Executive Director |
| Arshad Ali Gohar             | Member   | Non – Executive Director |

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
13. The frequency of the meetings of the committees were as per followings.

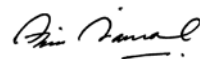
| <b>Committee</b>                          | <b>Frequency</b> |
|---|------------------|
| Board Audit Committee                     | Quarterly        |
| Human Resource and Remuneration Committee | Yearly           |

14. The Board has outsourced the internal audit function to BDO Ebrahim & Co., who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

15. 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 CEO, CFO, Head of Internal Audit, Company Secretary or Director of the Company.
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act the Resolutions or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
17. We confirm that requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
18. Four directors of the Company are certified under the Directors' Training Program, while three other directors of the Company are exempt from the requirement of Directors' Training Program. The remaining directors will be trained within a due course of time to comply with the requirements of clause 19 of the Regulations. It is to be noted that all directors are fully conversant with their duties.
19. With respect to Regulations 12 (1) there were some delays on certain occasion with respect to circulation of minutes of the meetings of the Board of Directors due to inadvertent delays.



Syed Babar Ali  
Chairman



Asim Jamal  
Chief Executive Officer

Karachi: April 19, 2023