

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

## FOR THE YEAR ENDED JUNE 30, 2023

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

1. The total number of directors are seven as per the following:

- a) Male: 6
- b) Female: 1

2. The composition of the Board is as follows:

**i. Independent Directors:**

Mr. Abdul Ghaffar Umer Kapadia  
Mr. Imran Chishti

**ii. Non-executive Directors:**

Mr. Ebrahim Qassim  
Mr. Vali Muhammad A. Habib  
Mrs. Saadia Naveed

**iii. Executive Directors**

Mr. Mohammad Haroon Qassim  
Mr. Mohammad Salman Qassim

**iv. Female Directors**

Mrs. Saadia Naveed

In a Board comprising 7 members, one third works out to be 2.33, which is below half (i.e., 0.5). The fraction contained in such one-third is not rounded up to one as the Company has experienced and well reputed Independent Directors on the Board who perform and carryout their responsibilities diligently.

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 significant policies along with the 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. All directors of the Company are compliant with the requirement of the Regulation related to Directors' Training Program. The Board ensures arrangement of orientation course for its directors to apprise them of their duties and responsibilities at the beginning of their term. No training session for directors was held during the year;

10. The Board has approved appointment of Chief Financial Officer (CFO), Company Secretary and Head of Internal Audit, including their remunerations and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. CFO and Chief Executive Officer (CEO) duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

**Audit Committee:**

Mr. Abdul Ghaffar Umer Kapadia – Chairman  
Mr. Vali Muhammad A. Habib  
Mr. Imran Chishti

**HR and Remuneration Committee:**

Mr. Imran Chishti – Chairman  
Mr. Mohammad Haroon Qassim  
Mr. Vali Muhammad A. Habib

**Risk Management Committee:**

Mr. Mohammad Haroon Qassim – Chairman  
Mr. Vali Muhammad A. Habib  
Mr. Abdul Ghaffar Umer Kapadia

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. During the financial year ended 30 June 2023, the frequency of meetings of the committees were as per following:

Audit Committee	Four meetings
HR and Remuneration Committee	One meeting
Risk Management Committee	One meeting

15. The Board has outsourced the internal audit function to M/s. Yousuf Adil Chartered Accountants who are considered suitably qualified and experienced for the purpose;
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.



Mohammad Haroon Qassim  
Chief Executive



Muhammad Rafique Umer Afinwala  
Director

**INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF SHIELD CORPORATION 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 Shield Corporation 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. 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 June 30, 2023.

**KARACHI**

**DATED: SEPTMEBER 21, 2023**

**UDIN: CR202310166Akp8ci2DI**



**CHARTERED ACCOUNTANTS**

Engagement Partner: Tariq Feroz Khan