

# Statement of Compliance

## With Listed Companies (Code of Corporate Governance) Regulations 2019 (the Regulations)

### Shell Pakistan Limited (the Company) for the year ended December 31, 2023

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

- The total number of directors is (eleven) 11 as per the following:

- Male: Ten (10)
- Female: One (1)

- The composition of the Board is as follows:

#### Category

#### Name

Independent directors

Parvez Ghias  
Imran R. Ibrahim  
Amir R. Paracha  
Zaffar A. Khan

Executive directors

Madiha Khalid  
Zarrar Mahmud  
Waqar I. Siddiqui

Non-executive directors

Rafi H. Basheer  
Zain K. Hak  
John King Chong Lo  
Badaruddin F. Vellani

Female director

Madiha Khalid

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company;
- 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;
- 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;
- 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;
- The meetings of the Board were presided over by the Chairperson 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 meetings of the Board. However, the circularization of minutes of the 332nd meeting was delayed by one day due to non-availability of the Company Secretary.

- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations;
- Following directors are certified under the Directors' Training Program:
  - Rafi H. Basheer
  - Parvez Ghias
  - Badaruddin F. Vellani
  - Madiha Khalid
  - Imran R. Ibrahim
  - Amir R. Paracha

Zaffar A. Khan is exempted from training while Zain K. Hak has successfully completed the Directors Training Program internationally from INSEAD and the Company has applied for an exemption. The Company shall continue to comply with the requirements of the Regulations for certification of remainder directors.

- The Board had approved terms and conditions of employment of the Chief Financial Officer, Company Secretary and Head of Internal Audit including their remuneration and complied with the relevant requirements of the Regulations and there has been no new appointment during the year;
- The financial statements of the Company were duly endorsed by the chief executive officer and the chief financial officer before approval of the Board;
- The Board has formed committees comprising of members given below:

#### Board Audit Committee (BAC)

- Imran R. Ibrahim (Chairperson)
- Badaruddin F. Vellani
- Rafi H. Basheer

#### Human Resource and Remuneration Committee (HRRC)

- Zaffar A. Khan (Chairperson)
- Parvez Ghias
- Zain K. Hak
- Waqar I. Siddiqui

- The Board has not constituted a separate Risk Management Committee and Nomination Committee. The responsibilities are covered by the Board itself, the concerned departments and the HRRC, respectively.
- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- The frequency of meetings of the committee were as follows:
  - Audit Committee: Four meetings were held during the year.
  - Human Resource and Remuneration Committee: Three meetings were held during the year.
- The Board has outsourced the internal audit function to BDO Ebrahim & Co. who are considered to be suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company;

- 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;
- 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;
- We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

*Zain Hak*

Zain K. Hak  
Chairperson

**Date:** March 06, 2024



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## Independent Auditors' Review Report

### To the members of Shell Pakistan Limited Review Report on the Statement of Compliance contained in the 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 Shell Pakistan Limited (the Company) for the year ended 31 December 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 Regulation as applicable to the Company for the year ended 31 December 2023.

*Ey Ford Rhodes*

Chartered Accountants

**Place:** Karachi

**Date:** March 28, 2024

**UDIN Number:** CR2023101202e7nhAF94