

# STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

- The total number of directors during the year 2023 are 8 as per the following:

Category	Number of Directors
a Male Director*	7
b Female Director	1

\*including the President & CEO who is an Executive Director

- The composition of the Board as at December 31, 2023 is as follows:

Category	Name
Non-Executive Director	Mr. Haji Jan Muhammad
	Mr. Muhammad Mehboob
	Mrs. Zillay Huma Khan
Independent Director	Mr. Faisal Zahid
	Mr. Farrukh Siddiqui
	Mr Muhammad Bilal Chaudhry
	Mr. Azam Khan Ghauri
President & CEO	Mr. Shaukat Zaman
	Mr. Zafar M Sheikh

\*\* During the year under review, Mr. Shaukat Zaman replaced with the outgoing director Mr. Azam Khan Ghauri to fill the casual vacancy.

- The Directors have confirmed that none of them is serving as a director on more than seven (7) listed companies, including Securities Investment Bank Limited (excluding the listed subsidiaries of listed holding companies where applicable).
- 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 approved a vision/mission statement, overall corporate strategy and significant policies of the company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
- 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 and these Regulations.
- The meetings of the Board 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 board.
- The Board of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Companies Act, 2017 and these Regulations.
- The Board has not arranged any training program for its directors during the year. One of the seven directors namely Mr. Muhammad Mehboob have already obtained certification under the Director’s Training Program and one of the directors namely Mr. Haji Jan Muhammad is exempt from Director’s Training Program as per criteria prescribed in the said regulation. The Board is committed to compliance with corporate governance regulations and plans fulfillment of the Director’s Training Program.
- The Board has approved the Appointment of the Chief Financial Officer and the Company Secretary, Auditor including their remuneration

and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. The financial statements of the company were duly endorsed by Chief Executive Office and Chief Financial Officer before approval of the Board.
12. The Board formulated the following committees comprising of the members in its first board meeting held on July 07, 2022 after completion of election process, which was held on June 29, 2022:

<b>Audit Committee</b>	
<b>Name</b>	<b>Designation</b>
Mr. Farrukh Siddiqui	Chairman
Mr. Haji Jan Muhammad	Member
Mr. Muhammad Mehboob	Member
Mr. Faizal Zahid	Member
<b>HR&amp; Remuneration Committee</b>	
Mr. Faizal Zahid	Chairman
Mr. Muhammad Mehboob	Member
Mr. Zafar M. Sheikh	Member
Mrs.Zillay Huma Khan	Member
<b>Risk Management Committee</b>	
Mr. Muhammad Mehboob	Member
Mr. Farrukh Siddiqui	Member
Mr. Faizal Zahid	Member
Mr. Zafar M Sheikh	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:

<b>Meetings</b>	<b>Frequency</b>
Audit Committee	Four quarterly meeting were held during the year ended December 31, 2023
HR & Remuneration Committee	One meeting was held during the year ended December 31, 2023

15. The Board has set-up an effective internal audit function/managed by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Company. Syed Ahsan Ali appointed as Head Internal Audit with effect from 11 September 2023,
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 ICAP and are registered with the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guide lines on code of ethics as adopted by the ICAP and that 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;

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. The Company has not arranged Directors training programs during the year as required under Regulation 19 of the Regulation.

**HAJI JAN MUHAMMAD**  
CHAIRMAN

Date: March 21- 2024

**ZAFAR M SHEIKH**  
CEO

# REVIEW REPORT TO THE MEMBERS ON STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF CODE OF CORPORATE GOVERNANCE

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 Security Investment Bank Limited, for the year ended December 31, 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 approvals 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 December 31, 2023.

We draw attention to paragraph 19 to the annexed statement of compliance as at December 31, 2023 which states that the Company is in non-compliance with certain provisions of the Regulations.

Engagement Partner: Mehmood A. Razzak

Karachi.

Date: March 21, 2024

UDIN: CR202310151clvtnJB2V