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## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of **Siemens (Pakistan) Engineering Co. Ltd. (the Company)**

**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 **Siemens (Pakistan) Engineering Co. Ltd.** for the year ended **30 September 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 **30 September 2022**.

**Chartered Accountants**  
**Place:** Karachi  
**Date:** 06 December 2022  
**UDIN:** CR202210120aNKlwSC16

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019 Siemens (Pakistan) Engineering Co. Ltd.

For the year ended September 30, 2022

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (here-in-after referred as 'Code') in the following manner:

1. The total number of directors is seven (07) as per the following:

- Male: Six (06)
- Female: One (01)

2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Qazi Sajid Ali Ms. Ayla Majid (Female Director)
Non-Executive Directors	Mr. Adnan Afridi Mr. Oliver Spierling Mr. Stefan Werner Mr. Harald Griem
Executive Director	Mr. Markus Strohmeier

NOTE: For the purpose of the rounding up of the fraction, the Company has not rounded up the fraction as one, since as it currently stands, the Board has adequate skill set.

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 called "Business Conduct Guidelines" 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 Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 and these Regulations.
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Companies Act, 2017 and these 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. Five directors are duly certified from approved institutions as per the Directors' Training requirements.
10. The Board has approved the appointment of Head of internal audit including her remuneration and terms and conditions as well as change in remuneration of Chief Financial Officer and Company Secretary. The Board has 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 following Committees comprising of members given below:

<b>Members of Audit Committee</b>	<b>Designation</b>
Ms. Ayla Majid	Chairwoman (Independent Director)
Mr. Adnan Afridi	Non-Executive Director
Mr. Stefan Werner	Non-Executive Director
Mr. Harald Griem	Non-Executive Director

<b>Members of Human Resource and Remuneration Committee</b>	<b>Designation</b>
Mr. Qazi Sajid Ali	Chairman (Independent Director)
Mr. Oliver Spierling	Non-Executive Director
Mr. Markus Strohmeier	Executive Director

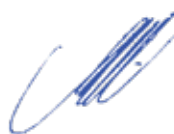
  

<b>Members of Nomination Committee</b>	<b>Designation</b>
Mr. Oliver Spierling	Chairman (Non-Executive Director)
Mr. Markus Strohmeier	Executive Director

13. The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.
14. The frequency of meetings of the Committees were as per following:
- Audit Committee: Four quarterly meetings during FY 2022 ended 30 September 2022
  - Human Resource and Remuneration Committee: Three meetings during FY 2022 ended 30 September 2022
  - Nomination Committee: One meeting during FY 2022 ended 30 September 2022
15. The Board has outsourced the internal audit function to Siemens AG 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 Directors 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 Companies Act, 2017, the Codes or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard; and
18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Listed Companies (Code of Corporate Governance), 2019 have been complied with.



**Karl Stefan Werner**  
Chairman of the Board



**Markus Strohmeier**  
Managing Director