

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

Name of company: Summit Bank Limited ('the Bank')  
Year ended: December 31, 2022

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

1. The total number of Directors are six (06) as per the following:

- Male 05
- Female 01

2. The composition of Board is as follows \*:

Category	Names
Independent Directors (including Female Director)	Mr. Waseem Mehdi Syed Ms. Fauzia Hasnain
Executive Directors	Mr. Jawad Majid Khan, President & CEO Mr. Salman Zafar Siddiqi **
Non-Executive Directors	Mr. Zafar Iqbal Siddiqi Mr. Wajahat Ahmed Baqai

\* The seventh (7th) slot on the Board of Directors of the Bank has remained vacant despite of the best efforts of the Board Members to fill-in with the replacement nominations due to their not qualifying the Fit and Proper Test (FPT) clearance from the State Bank of Pakistan. Considering the fact that the Bank's due diligence exercise conducted then by the prospective investor had consummated and the proposed equity injection transaction was close to finalization, thereby the Board Members preferred to seek an exemption from conducting the election of directors that was due in March 30, 2022 with simultaneous extension in the term of the existing Board of Directors until December 31, 2022. Since the completion of the contemplated transaction would entail the reconstitution of the Board with the representation of the majority directors of the investor in near future, thereby the election of directors shall be conducted in further compliance with the direction to be issued in this matter by the Securities and Exchange Commission of Pakistan. Further, there were no quorum issues in convening of Board Meetings at any time during the financial year ended December 31, 2022 whilst proceeding with the current slate of six (6) Board Members.

\*\* Mr. Aziz Morris has resigned as Executive Director on April 20, 2022 and in his place, the Board of Directors had approved the appointment of Mr. Salman Zafar Siddiqi, Chief Financial Officer as the Executive Director of the Bank whose FPT clearance was granted on July 04, 2022 from the State Bank of Pakistan.

3. The directors, have confirmed that none of them is serving as a director on more than seven (07) listed companies, including the Bank.
4. The Bank has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Bank along with its supporting policies and procedures.
5. The Board has developed a vision/mission statement, overall corporate strategy and significant policies of the Bank. The Board has ensured that complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board as empowered by the relevant provisions of the Act and these Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with SBP BPRD Circular No. 03 dated August 17, 2019, Companies Act, 2017 and these Regulations.
9. The current Board of Directors of the Bank is fully compliant with the requirements of the Directors' Training Program under the Code of Corporate Governance Regulations as on December 31, 2022.
10. There have been no new appointments during the year for the positions of Company Secretary, Chief Financial Officer and Head of Internal Audit.
11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board.
12. The Board has formed sub-committees comprising of members detailed below:

S. No	Board Audit Committee	Position
1	Ms. Fauzia Hasnain	Chairperson
2	Mr. Wajahat Ahmed Baqai	Member
3	Mr. Zafar Iqbal Siddiqi	Member

S. No	Board Human Resource and Remuneration Committee	Position
1	Ms. Fauzia Hasnain	Chairperson
2	Mr. Zafar Iqbal Siddiqi	Member
3	Mr. Wajahat Ahmed Baqai	Member
4	Mr. Jawad Majid Khan	Member

S. No	Board Risk Management Committee	Position
1	Mr. Wajahat Ahmed Baqai	Chairman
2	Ms. Fauzia Hasnain	Member
3	Mr. Salman Zafar Siddiqi	Member
4	Mr. Zafar Iqbal Siddiqi	Member

S. No	Board Information Technology Committee	Position
1	Mr. Zafar Iqbal Siddiqi	Chairman
2	Mr. Salman Zafar Siddiqi	Member
3	Mr. Waseem Mehdi Syed	Member

S. No	Board Compliance Committee	Position
1	Mr. Wajahat Ahmed Baqai	Chairman
2	Mr. Waseem Mehdi Syed	Member
3	Mr. Salman Zafar Siddiqi	Member
4	Mr. Zafar Iqbal Siddiqi	Member

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 Board committees were as per following:
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|---|---|
| Board Audit Committee                           | 6 Meetings<br>(2 in the first quarter, 1 in the second quarter, 1 in the third quarter and 2 in the fourth quarter) |
| Board Human Resource and Remuneration Committee | 9 Meetings<br>(3 in the first quarter, 2 in the second quarter, 2 in the third quarter and 2 in the fourth quarter) |
| Board Risk Management Committee                 | 5 Meetings<br>(1 in the first quarter, 1 in the second quarter, 2 in the third quarter and 1 in the fourth quarter) |
| Board Information Technology Committee          | 5 Meetings<br>(1 in the first quarter, 1 in the second quarter, 2 in the third quarter and 1 in the fourth quarter) |
| Board Compliance Committee                      | 4 Meetings<br>(1 in the first quarter, 1 in the second quarter, 1 in the third quarter and 1 in the fourth quarter) |
15. The Board has set up an effective internal audit function that is manned by suitably qualified and experienced personnel who are conversant with the policies and procedures of the Bank.
16. The statutory auditors of the Bank have confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan (ICAP) and registered with Audit Oversight Board of Pakistan, that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by ICAP.
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 other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

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JAWAD MAJID KHAN  
President and Chief Executive Officer  
Summit Bank Limited

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WASEEM MEHDI SYED  
Chairman  
Summit Bank Limited

Place: Karachi

Date: February 21, 2023

## **REVIEW REPORT ON STATEMENT OF COMPLIANCE CONTAINED IN THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

To the Members of Summit Bank Limited

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 Summit Bank Limited (the Bank) for the year ended December 31, 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 Bank. Our responsibility is to review, whether the statement of compliance reflects the status of the Bank'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 Bank's personnel and review of various documents prepared by the Bank to comply with the Regulations.

As part of our audit of 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 Bank's corporate governance procedures and risks.

The Regulations require the Bank 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 approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out any procedures to assess and determine the Bank'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 Bank's compliance, in all material respects, with the best practices contained in the Regulations as applicable to the Bank for the year ended December 31, 2022.

**Engagement Partner: Mehmood A. Razzak**

Karachi

Date: February 22, 2023

UDIN: CR2022101513YryLAWna