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## INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Synthetic Products Enterprises Limited

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 Synthetic Products Enterprises Limited ("the Company") for the year ended 30 June 2022 in accordance with the requirements of regulation No. 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 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 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 June 2022.

Lahore

Date: 27 September 2022

UDIN: CR2022101195sjrSqHEa

  
KPMG Taseer Hadi & Co.  
Chartered Accountants

# Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

## Synthetic Products Enterprises Limited Year Ended 30 June 2022

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

1. The total number of directors are nine as per the following:
  - a) Male: Eight
  - b) Female: One
2. The composition of the Board is as follows:

Category	Name
Independent Directors	Mr. Haroon Sharif Mr. Khawar Anwar Khawaja Dr. Syed Sohail Hussain Naqvi
Non-Executive Directors	Mr. Almas Hyder Mr. Raza Haider Naqi Mr. Sheikh Naseer Hyder
Executive Directors	Mr. Zia Hyder Naqi Mr. Abid Saleem Khan
Female Non Executive Director	Dr. Nighat Arshad

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 the significant policies along with their date of approval or updating is maintained by the Company;
6. All 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 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 board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The following Directors are certified under the Directors Training Program and one Director is exempted from the requirement of DTP.

Mr. Almas Hyder	Certified
Mr. Zia Hyder Naqi	Certified
Mr. Haroon Sharif	Certified
Mr. Sheikh Naseer Hyder	Certified
Mr. Khawar Anwar Khawaja	Exempted
Dr. Nighat Arshad	Certified
Mr. Abid Saleem Khan	Certified

10. The board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and 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 committees comprising of members given below:-

**a) Audit Committee**

Mr. Haroon Sharif	Chairman
Mr. Almas Hyder	Member
Mr. Raza Haider Naqi	Member
Mr. Khawar Anwar Khawaja	Member

**b) HR and Remuneration Committee**

Mr. Khawar Anwar Khawaja	Chairman
Mr. Almas Hyder	Member
Mr. Zia Hyder Naqi	Member
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Abid Saleem Khan	Member

**c) Finance Committee**

Mr. Almas Hyder	Chairman
Mr. Zia Hyder Naqi	Member
Mr. Haroon Sharif	Member
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Sheikh Naseer Hyder	Member
Mr. Abid Saleem Khan	Member

**d) Risk Management Committee**

Mr. Zia Hyder Naqi	Chairman
Mr. Haroon Sharif	Member
Dr. Syed Sohail Hussain Naqvi	Member
Mr. Sheikh Naseer Hyder	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:

- a) Audit Committee – Quarterly
  - b) HR and Remuneration Committee – Annually
  - c) Finance Committee – (No meeting held during the year)
  - d) Risk management Committee (No meeting held during the year)
15. The Board has set up an effective internal audit function who is 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 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 other requirements of regulations 3,6,7,8,27,32,33and 36 of the Regulations have been complied with.
  19. Currently seven directors of the Company have either attained the director training program (DTP) certification or are exempted from the requirement. The Company will arrange the DTP for the remaining directors in the coming years to ensure that 100% of the eligible Directors have attained the DTP certification.



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Chairman



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Director

Dated: 14 Sep 2022  
Lahore