

## STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

### SAUDI PAK LEASING COMPANY LIMITED

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

For the year ended June 30, 2022

M/s. Saudi Pak Leasing Company ('the Company') has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations 2019, ('the Regulations') in the following manner:

1. The total number of directors of the Company are seven (07) as follows:

Male:	06
Female:	01

2. The composition of the Board of Directors ('the Board') is as follows:

<b>I) Non -Executive Directors</b>	
a. Independent Directors	Mr. Niaz Ahmed Khan; Mr. Muhammad Waqar and Syed Najmul Hasnain Kazmi
b. Other Non -Executive Directors	Mr. Sheikh Aftab Ahmad; Ms. Fozia Fakhar and Mr. Zafar Iqbal
<b>II) Executive Director</b>	Mr. Ahsan Ullah(CEO)

- The directors have confirmed that none of them is serving as a director on more than seven (7) listed companies including the Company;
- The Company has prepared a "Code of Conduct". The same is being displayed at Company's website for information of stakeholders and all concern.
- The Company has developed its vision/mission statement, overall corporate strategy and significant policies. The vision/mission statement, overall corporate strategy are printed on Annul Report each year. However, significant policies are under review for updates and subsequent approval of the Board.
- 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 and the Regulations;
- The meetings of the Board were 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 the Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
- The Board have a formal policy and transparent procedure for remuneration of directors in accordance with the Companies Act, 2017 and the Regulations;
- The Board has arranged Directors' Training program for all the directors;
- The Board has approved appointment of Acting 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;

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11. The Acting Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:

<b>Audit Committee</b>	
Mr. Syed Najmul Hasnain Kazmi	Chairman
Mr. Shaikh Aftab Ahmad	Member
Ms. Fozia Fakhra	Member
Mr. Muhammad Waqar	Member
<b>HR &amp; Remuneration Committee</b>	
Mr. Niaz Ahmed Khan	Chairman
Mr. Shaikh Aftab Ahmad	Member
Mr. Zafar Iqbal	Member
Mr. AhsanUllah	Member

13. The terms of reference of the aforesaid committees have been formed and documented.
14. The frequency of meetings of the committees were as follows:
- |                               |           |
|-------------------------------|-----------|
| Audit Committee               | Quarterly |
| HR and Remuneration Committee | Annually  |
15. The Board has appointed Mr. Haider Ali Khan, as Head of Internal Audit and Compliance who was considered suitably qualified and experienced for the purpose and is 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, Acting 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 Companies Act, 2017, the 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 the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations (Code of corporate Governance Regulations 2019) have been complied with.
19. Except as stated above, there have been no non-compliances with the requirements of non-mandatory provisions of the Regulations.



Niaz Ahmed Khan

Chairman of the Board of Directors  
Saudi Pak Leasing Company Limited  
September 28th, 2022

## INDEPENDENT AUDITORS' REVIEW REPORT

To the members of M/s. Saudi Pak Leasing Company 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 (here-in-after referred to as 'the Regulations'), prepared by the Board of Directors of **Saudi Pak Leasing Company Limited** (the Company) for the year ended 30 June 2022 in accordance with the requirements of the Regulation 36 of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

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.

Following instances of non-compliance with the regulations were observed which either are not stated or misstated in the Statement of Compliance:

- The Company has no formal and effective mechanism put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees which is the non-compliance of sub-clause 3(v) of clause 10.
- The complete record of particulars of the significant policies along with their dates of approval or updating is not maintained by the company which is non-compliance of sub-clause 4 of clause 10.
- The Company has not maintained minutes of Board meetings in hard form, for last 10 years and in electronic form permanently, is non-compliance of sub-clause 1 of clause 12.

- We have noted that internal auditor hasn't issued Internal audit reports, including cases of fraud, bribery, corruption, or irregularities of material nature which is non-compliance of sub-clause (vi) of clause 14.
- We have noted that Chief executive officer hasn't issued report on governance, risk management and compliance issues which is non-compliance of sub-clause (xiv) of clause 14. Risks to be considered shall include reputational risk and shall address risk analysis, risk management and risk communication.

Based on our review, except for the matters stated above 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.

UHY Hassan Naeem & Co.

KARACHI

DATE: 1<sup>st</sup> October 2022

UDIN: CR202210215CegqmjK3h