



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

**TELECARD LIMITED
Year Ending: June 30, 2022**

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

1. The total number of Directors are 07 as follows:

- a) Male: 06
- b) Female: 01

2. The Composition of Board is as follows:

Category	Names
Independent Director*	Mr. Asad Mujtaba Naqvi
	Mrs. Fabzia Ahsen
Non-Executive Director	Syed Muhammad Pervez Sadiq
	Mr. Tipu Saeed Khan (Former Director**)
Executive Directors***	Syed Aamir Hussain
	Mr. Waseem Ahmad
	Syed Hashim Ali
Female Director	Mrs. Fabzia Ahsen

*Note: In terms of Regulation 6(1) COCG, one third of the Company's Board of seven members works out to 2.33. As a general principle, since the fraction is below 0.5 (half), the fraction contained in such one-third is not rounded up as one. Furthermore, the composition of the Board is adequate, with a good mix of skilled, experienced and professional Independent and Non-Executive Directors that have diligently looked after the interests of the Company and are capable of robustly protecting the interests of its minority shareholders.

**Subsequent to the year ended June 30, 2022, Mr. Tipu Saeed Khan resigned and the casual vacancy has been filled within the stipulated timeline.

***It is mandatory that the Executive Directors, including the Chief Executive Officer, shall not be more than one third of the Board. The number of Executive Directors on the Board exceeds the limit prescribed by the Regulations.

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 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 Act and these Regulations;

TELECARD LIMITED

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7. 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations;
9. During the year the Company has arranged a training program of Non-Executive Director / Chairman, S.M. Pervez Sadiq.
10. During the year, there has been no change in the position and terms and conditions of employment of the Head of internal Audit, Company Secretary and Chief Financial Officer;
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:

Board Audit Committee		
Name of Members	Category	Designation
Mr. Asad Mujtaba Naqvi	Independent Director	Chairman
Mr. S.M. Pervez Sadiq	Non-Executive Director	Member
Mr. Tipu Saeed Khan	Non-Executive Director	Member

Human Resource & Remuneration Committee		
Name of Members	Category	Designation
Mr. Asad Mujtaba Naqvi	Independent Director	Chairman
Mr. Tipu Saeed Khan	Non-Executive Director	Member
Mrs. Fabzia Ahsen	Independent Director	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 (quarterly/half yearly/ yearly) of the committee were as per following:

Board Audit Committee	Quarterly
Human Resource & Remuneration Committee	Annually

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;
16. During the year, one casual vacancy occurred on the Board that was duly filled up by the Directors within the prescribed number of days



17. 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 (ICAP) 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 ICAP 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;
18. 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;
19. We have been compliant with the Regulations 3, 6, 7, 27, 32, 33, and 36 of the Regulations have been complied with
20. Explanation for non-compliance with requirement, other than regulation 3, 6, 7, 27, 32, 33 and 36, are below;

Sr. No.	Para No.	Description	Explanation
1	2	The number of Executive Directors on the Board, including the Chief Executive Officer, exceeds the limit prescribed by Regulation No 8.	Efforts are underway to decrease the number of Executive Directors as prescribed by the Regulations.
2	9	All of the Directors on the Board shall acquire prescribed certification under any Director Training Program as per the criteria specified in Regulation No 19 (1) (ii).	This year Director's Training Program was successfully attended by our Chairman. Further, efforts are underway to achieve compliance for other Directors on Board.


Syed Hashim Ali
Director/Chief Financial Officer


Syed Aamir Hussain
Chief Executive Officer

07 October 2022

Independent Auditor's Review Report to the Members of Telecard 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 **Telecard Limited** (the Company) for the year ended June 30, 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 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 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 June 30, 2022.

Further, we highlight below instances of non-compliance with the requirements of the Regulations, 2019 as disclosed in the para 20 of the Statement of Compliance:

#	Description
1	The number of Executive Directors on the Board, including the Chief Executive Officer, exceeds the limit prescribed by Regulation No 8.
2	The requirement for all the Directors on the Board to acquire prescribed certification under any Director Training Program as per the criteria specified in Regulation No 19 (1) (ii) has not been complied.



(Chartered Accountants)

Place: Karachi

Date: October 7, 2022

UDIN: CR202210192VzDIIm2NML