



## CERTIFICATE

We certify to the Board of Directors (BOD) of MCB-Arif Habib Savings and Investments Limited that we have reviewed all non-compliances reported by Compliance Department during the period from April 01, 2021 to June 30, 2021 and no major non-compliance is observed that require BOD's attention. However, we would like to highlight two (2) finding to the Board of Directors.

A handwritten signature in blue ink, appearing to read 'M. Saqib Saleem'.

Muhammad Saqib Saleem  
Chief Executive Officer

A handwritten signature in blue ink, appearing to read 'A. Mehdi'.

Muhammad Asif Mehdi Rizvi  
Chief Operating & Financial Officer

**SUMMARIZED COMPLIANCE REPORT**  
**FOR THE PERIOD FROM APRIL 01, 2021 TO JUNE 30, 2021**



**MCB-ARIF HABIB**  
Savings and Investments Limited

| S.No. | Name of Department | Heading                                                          | Non-compliance Detail                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Management's Comments                                                                                                                                                                                                                                     |
|-------|--------------------|------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.    | Corporate Affairs  | Details of shareholding of Directors and Officers of the Company | <p>Sub-Regulation No. 58 (1) (h) of the Non-Banking Finance Companies and Notified Entities Regulations, 2008 states that an Asset Management Company on behalf of a Collective Investment Scheme managed by it shall not invest in any security of a company, if,</p> <p>(a) any director or officer of the Asset Management Company owns more than five per cent of the total amount of securities issued by that company; or</p> <p>(b) the directors and officers of the Asset Management Company collectively own more than ten per cent of those securities.</p> <p>Sub-Rule No. 28 (3) of the Voluntary Pension System Rules, 2005 states that the pension fund shall not be invested in any security of a company if any director or officer of the Pension Fund Manager owns more than five per cent of the total nominal amount of the securities issued, or, collectively the directors and officers of the Pension Fund Manager owns more than ten per cent of those securities.</p> <p>We have been continuously requesting Corporate Affairs Department since August 31, 2020 to provide above-mentioned details. However, such details were not provided till the date of this Compliance Report despite several reminders. In the absence of requisite details, we are unable to perform compliance procedures in accordance with the above-mentioned statutory requirements. This non-compliance was also reported in the Compliance Report for the quarter ended September 30, 2020.</p> | <p><b>Company Secretary's Comments:</b></p> <p><i>Shareholdings of all directors in other Companies have been received. Details will be compiled and provided after receipt of shareholding details of employees from Human Resources Department.</i></p> |
| 2.    | Human Resources    | Non-Compliance of SECP's Direction No. 24 of 2016                | <p>Paragraph No. 1 of SECP's Direction No. 24 of 2016 "Verification of antecedents of persons seeking employment in AMCs" states that the AMCs must verify the antecedents of persons seeking employment in AMCs within <u>ninety (90) days</u> of the date of employment from the former employers. In order to verify compliance of above-mentioned statutory directive, we selected a sample of fifteen (15) employees of the Company. During our compliance review, we noted that antecedents of eleven (11) selected employees were not verified from their former employers within ninety (90) days of the date of joining.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | <p><b>Head of Human Resources' Comments:</b></p> <p><i>Verification of antecedents of highlighted employees have been initiated and will be closed by 1st week of August, 2021. Noted for future compliance.</i></p>                                      |