

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

**NAME OF COMPANY: MCB-ARIF HABIB SAVINGS AND INVESTMENTS LIMITED
YEAR ENDED: JUNE 30, 2021**

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

1. The total number of Directors are seven as per the following:
(a) Male: 6 (excluding the Chief Executive Officer)
(b) Female: 1
2. The composition of Board is as follows:
(a) Independent Directors: 3 (including a female director)
(b) Other Non-executive Directors: 4
(c) Executive Directors (CEO): 1
(d) Female Director: 1
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 significant policies along with their dates 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.
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 Board.
8. The Board of Directors has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
9. Following Directors have obtained Directors' Training Program:

Name of Director	Status
Mr. Ahmed Jahangir	Non-Executive Director
Mr. Kashif A. Habib	Non-Executive Director
Mirza Qamar Beg	Independent Director
Ms. Mavra Adil Khan	Independent Director
Mr. Muhammad Saqib Saleem	Chief Executive Officer

Mr. Haroun Rashid and Mr. Nasim Beg are exempt from the training requirement by virtue of their education and their experience on the Board of listed companies, as per the requirement.

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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 have duly endorsed the financial statements before approval of the Board.
12. The Board has formed Committees comprising of members given below:

(a) Audit Committee

<u>Name of Director</u>	<u>Status</u>
Mirza Qamar Beg	Chairman
Mr. Nasim Beg	Member
Mr. Ahmed Jahangir	Member
Mr. Kashif A. Habib	Member
Syed Savail Meekal Hussain	Member

(b) Human Resource and Remuneration Committee

<u>Name of Director</u>	<u>Status</u>
Mirza Qamar Beg	Chairman
Mr. Nasim Beg	Member
Mr. Ahmed Jahangir	Member
Syed Savail Meekal Hussain	Member
Ms. Mavra Adil Khan	Member
Mr. Muhammad Saqib Saleem (CEO)	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 Committees was as per following:

(a) Audit Committee: Minimum quarterly meetings of the Audit Committee were held, the details of which are as under:

<u>Sr. No.</u>	<u>Particulars of Meeting</u>	<u>Date of Meetings</u>
1.	1 st meeting of the Committee for the year	August 17, 2020
2.	2 nd meeting of the Committee for the year	August 18, 2020
3.	3 rd meeting of the Committee for the year	October 22, 2020
4.	4 th meeting of the Committee for the year	October 23, 2020
5.	5 th meeting of the Committee for the year	December 24, 2020
6.	6 th meeting of the Committee for the year	February 04, 2021
7.	7 th meeting of the Committee for the year	February 08, 2021
8.	8 th meeting of the Committee for the year	April 14, 2021
9.	9 th meeting of the Committee for the year	April 15, 2021

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(b) Human Resource and Remuneration Committee: The HR&R Committee met on several occasions during the year, the details of which are as under:

<u>Sr. No.</u>	<u>Particulars of Meeting</u>	<u>Date of Meetings</u>
1.	20 th meeting of the Committee	July 03, 2020
2.	21 st meeting of the Committee	August 17, 2020
3.	22 nd meeting of the Committee	November 17, 2020
4.	23 rd meeting of the Committee	June 22, 2021

15. The Board has set up an effective Internal Audit function, which is 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 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 Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not close relatives (spouses, 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. The Company is following the requirements and regulations laid down in Section 208 of the Companies Act, 2017 except for the definition of "Related Party", compliance of which is dependent on the clarification from the Securities and Exchange Commission of Pakistan. The Company has presented the details of all related party transactions as disclosed in the financial statements before the Audit Committee and upon their recommendation to the Board for review and approval.
19. We confirm that all other requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

Haroun Rashid

Chairman – Board of Directors

MCB-Arif Habib Savings & Investments Limited