



**INDEPENDENT AUDITOR'S REVIEW REPORT**

**To the members of OLP Financial Services Pakistan 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 OLP Financial Services Pakistan Limited (the Company) for the year ended June 30, 2024 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. 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 June 30, 2024.

  
A. F. Ferguson & Co.  
Chartered Accountants

Karachi

Dated: September 30, 2024

UDIN: CR2024100611bdSosMcP

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# Statement of Compliance

## WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30, 2024

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 is Eight (08) as given below:

- a. Male:                 \*Six (6)
- b. Female:             Two (2)

\*including CEO, who is a Deemed Director under section 188 of the Companies Act, 2017

2. The composition of the Board of Director is as follows:

Independent Directors	Mr. Rashid Ahmed Jafer Mr. Anwar Mansoor Khan*
Non-Executive Directors	Mr. Khalid Aziz Mirza Mr. Ramon Alfrey Mr. Yoshiaki Matsuoka Ms. Keiko Watanabe
Non-Executive Female Directors	Ms. Mika Takeda
Executive Directors	Mr. Shaheen Amin**

\*Appointed with effect from June 10, 2024

\*\*Serving as deemed director under section 188 of the Companies Act, 2017

- 3. The Directors have confirmed that none of them is serving as a director on more than seven (07) 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 approved 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 the Board / Shareholders, as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the Regulations;
- 7. The meetings of the Board were presided over by the Chairman of the Board. The Board has complied with the requirements of the 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 procedure for remuneration of the directors in accordance with the Act and the Regulations;
9. At present, seven out of eight Directors of the Board have certification / exemption under the Directors Training Program (DTP) and the remaining one director being recently appointed, will complete DTP within stipulated time as required under the Code;
10. The Board approved the 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. The Chief Financial Officer and the Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has the following Committees as of June 30, 2024, comprising of the members given below:

Name of Committees	Name of members and Chairman	
Audit and Risk Committee	Mr. Rashid Ahmed Jafer Mr. Ramon Alfrey Ms. Keiko Watanabe Ms. Mika Takeda	Chairman Member Member Member
Human Resource, Nomination and Remuneration Committee	Mr. Khalid Aziz Mirza Mr. Yoshiaki Matsuoka Mr. Shaheen Amin	Chairman Member Member
Credit Committee	Mr. Yoshiaki Matsuoka Mr. Shaheen Amin Mr. Ramon Alfrey	Chairman Member Member

The terms of reference of the aforesaid Committees have been formed, documented and advised to the Committees for compliance.

14. The frequency of meetings of the Board Committees were as follows:
  - a) **Audit and Risk Committee** – Five meetings were held during the year; at least one meeting was held in each quarter of the year.
  - b) **Human Resource, Nomination and Remuneration Committee** – Three meetings were held during the year.
  - c) **Credit Committee** – One meeting was held during the year
15. The Board has set up an effective internal audit function. The Internal Auditors are conversant with the policies and procedures of the Company and are considered suitably qualified and experienced for the purpose;
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 the Audit Oversight Board of Pakistan, that they and all their partners are in compliance with the 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, 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 regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.
19. In relation to Regulation 6, it may be noted that two independent directors are on the Board of the Company as of June 30, 2024. Given the size of the board, the Board is confident that the board has a balanced composition and includes a fair representation of independent directors. The current Board of Directors are a sound mix of independent, female and non-executive directors enabling the Board to effectively guide the Company to achieve its strategic objectives.
20. Explanation for as to impediment in its compliance with requirements as required by Regulation 2, other than 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations are given below:

**a. Anti-harassment, Diversity, Equity and Inclusion (DE&I) & Sustainability Committees (Regulations 10, and 10a)**

Pursuant to the Securities and Exchange Commission of Pakistan's (SECP) notification (S.R.O. (1)/2024) dated June 12, 2024, a new regulation 10a and amendment to Regulation 10 and 35 have been introduced in the Regulations. Accordingly, the formation of committee for DE&I and sustainability related risks is under review and will be presented to the Board for its consideration.

**b. Directors Training (Regulation 19)**

During the year, one female executive completed director training program. For next year, the Company has identified department heads as potential candidates for the program.

**c. Human Resource, Nomination and Remuneration Committee (HRN&RC) (Regulation 28)**

The Regulation 28 of the Code requires that the chairman of the HRN&RC to be an independent director. The composition of the committee was in line with the Code, when formed. However, it may be noted that as of June 30, 2024, the Chairman of the HRN&RC was not an independent director. Accordingly, subsequent to the year end, the Board has reconstituted the composition of the Board and appointed an independent director, as chairman of the HRN&RC.

**d. Nomination Committee (Regulation 29)**

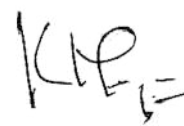
The functions of nomination committee are being performed by the Human Resource, Nomination and Remuneration Committee.

**e. Risk Management Committee (Regulation 30)**

The mandate of the Audit & Risk Committee has been amended to include the functions of the Risk Management Committee. Therefore, a separate committee for Risk Management is not needed.



**SHAHEEN AMIN**  
Chief Executive Officer



**KHALID AZIZ MIRZA**  
Chairman Board of Directors