



Securities and Exchange Commission of Pakistan
Company Law Division
Corporate Supervision Department

CHECKLIST FOR COMPLIANCE WITH THE MANDATORY REQUIREMENTS OF THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 (the CCG Regulations) BY THE LISTED COMPANIES

Date: May 29, 2020

DISCLAIMER

- (i) This checklist is developed to know compliance status with the mandatory requirements of the CCG Regulations by the listed companies on a particular date which is to be mentioned in the email, covering letter, or circular etc. requiring the companies to respond to the questions provided in this checklist.
- (ii) The checklist does not reflect complete list of the requirements of the CCG Regulations, therefore, the listed companies are advised to go through Section 156 of the Companies Act, 2017 (the Act) and the CCG Regulations and ensure that all the applicable provisions thereof are fully complied with.
- (iii) The listed insurers and listed Takaful companies must also consult the relevant Insurance and Takaful Laws including the Code of Corporate Governance for Insurers, 2016.

- Note:
- (a) The checklist is for all those listed companies that attract applicability of the CCG Regulations.
 - (b) In case of a listed Public Sector's Company (PSC), where there is any inconsistency with the CCG Regulations, the provisions of the Public Sector Companies (Corporate Governance) Rules, 2013 shall prevail and reason(s) for non-compliance, if any, with any of the provisions of the CCG Regulations shall be given, in the remarks column.
 - (c) In case response to any of the questions given below is in the form of Yes or No, then please fill in the relevant cell with, "✓".
 - (d) In case of non-compliance with any of the provisions given below, reasons for non-compliance, may please be provided in the remarks column.
 - (e) The word, "auditors" used in this checklist shall means the external auditors.

Name of the Company: _____

Status as on ... , 2020

Name of CEO of the Company: _____

Name of CS: _____

Name of the Secretary of AC: _____

Name of Head of Internal Audit: _____

Date of last election of Directors: _____

Board of Directors:

| S. No. | Name | Date of Appointment / Election | Designation/Class |
|--------|------|--------------------------------|-------------------|
| i. | | | |
| ii. | | | |
| iii. | | | |
| iv. | | | |
| v. | | | |
| vi. | | | |
| vii. | | | |

| Sr. No. | Requirement | Relevant provision of the CCG Regulations | Compliance Status | | |
|-----------|--|---|-------------------|----|------------------|
| | | | Yes | No | Remarks (if any) |
| 1. | Number of Directorships: | 3 | - | - | - |
| | Number of directorships, in listed companies, of each director including directorship in the Company: Director 1: Name _____ and No. of directorships: _____ Director 2: Name _____ and No. of directorships: _____ Director 3: Name _____ and No. of directorships: _____ Director 4: Name _____ and No. of directorships: _____ Director 5: Name _____ and No. of directorships: _____ Director 6: Name _____ and No. of directorships: _____ Director 7: Name _____ and No. of directorships: _____ | | - | - | - |
| 2. | Independent Director: | 6 | - | - | - |
| 2.1 | Total No. of Directors: _____ | 6(1) | - | - | - |
| 2.2 | No. of Independent Directors (ID): _____ | 6(1) | - | - | - |
| | Percentage of ID: _____ | | - | - | |
| 2.3 | Please provide explanation in the remarks column or on a separate sheet, if fraction, if any, is not rounded upward. | 6(1) | | | |
| | Whether each ID has submitted: | 6(3) | | | |
| 2.4 | (i) the consent to act as director?; and | 6(3) | | | |

| | (ii) the declaration that he qualifies the criteria of independence notified under the Act? | 6(3) | | | | | | | | | | | | | | | | | | | |
|--------|--|---------------------------|---------------------------|---------------------------|---------------------------|----|--|--|--|-----|--|--|--|------|--|--|--|------------|---|---|---|
| 2.5 | Whether the declaration mentioned to above is submitted to the chairman of the board at the first meeting of the board which is held after election of directors? | 6(3) | | | | | | | | | | | | | | | | | | | |
| 2.6 | Whether any of the IDs has reported to the Company during the last FY, ceasing of his/her independence? | 6(3) | | | | | | | | | | | | | | | | | | | |
| 3. | Female Director: | 7 | - | - | - | | | | | | | | | | | | | | | | |
| 3.1 | No. of female directors on the board: _____ | 7 | - | - | - | | | | | | | | | | | | | | | | |
| 4. | Executive Director: | 8 | - | - | - | | | | | | | | | | | | | | | | |
| 4.1 | Total No. of directors: _____ | 8 | - | - | - | | | | | | | | | | | | | | | | |
| 4.2 | No. of the executive directors: _____ | 8 | - | - | - | | | | | | | | | | | | | | | | |
| 4.3 | Percentage of executive directors: _____ Please provide explanation in the remarks column or on a separate sheet, if fraction, if any, is not rounded upward. | 8 | - | - | - | | | | | | | | | | | | | | | | |
| 5. | Audit Committee(AC): | 27 | - | - | - | | | | | | | | | | | | | | | | |
| 5.1 | Total No. of the members of AC: _____ | 27(1)(i) | - | - | - | | | | | | | | | | | | | | | | |
| 5.2 | No. of Non-Executive Directors in AC: _____ | 27(1)(i) | - | - | - | | | | | | | | | | | | | | | | |
| 5.3 | No. of IDs in AC: _____ | 27(1)(i) | - | - | - | | | | | | | | | | | | | | | | |
| 5.4 | Whether Chairman of AC is: ID/Executive Director/Non-Executive Director [Please tick the relevant one] | 27(1)(ii) | - | - | - | | | | | | | | | | | | | | | | |
| 5.5 | Whether Chairman of the board is also Chairman of AC? | 27(1)(ii) | | | | | | | | | | | | | | | | | | | |
| 5.6 | Educational qualification of each member of AC: <table border="1" data-bbox="300 1480 1013 1787"> <thead> <tr> <th>S. No.</th> <th>Name</th> <th>Educational Qualification</th> <th>Experience (No. of years)</th> </tr> </thead> <tbody> <tr> <td>i.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>ii.</td> <td></td> <td></td> <td></td> </tr> <tr> <td>iii.</td> <td></td> <td></td> <td></td> </tr> </tbody> </table> | S. No. | Name | Educational Qualification | Experience (No. of years) | i. | | | | ii. | | | | iii. | | | | 27(1)(iii) | - | - | - |
| S. No. | Name | Educational Qualification | Experience (No. of years) | | | | | | | | | | | | | | | | | | |
| i. | | | | | | | | | | | | | | | | | | | | | |
| ii. | | | | | | | | | | | | | | | | | | | | | |
| iii. | | | | | | | | | | | | | | | | | | | | | |
| 5.7 | Name of the Secretary of AC: _____ | 27(1)(iv) | - | - | - | | | | | | | | | | | | | | | | |
| 5.8 | Name of the Company Secretary: _____ | 27(1)(iv) | - | - | - | | | | | | | | | | | | | | | | |
| 5.9 | Name of the Head of Internal Audit: _____ | 27(1) (1)(iv) | - | - | - | | | | | | | | | | | | | | | | |

| | | | | | |
|------|--|------------|---|---|---|
| | [Please mention name of the audit firm, if the internal audit function is outsourced: _____] | | | | |
| 5.10 | Whether meetings of AC are held quarterly? | 27(2)(i) | | | |
| 5.11 | Date of each meeting of AC held during last FY of the Company: (a) _____ (b) _____ (c) _____ (d) _____ | 27(2)(i) | - | - | - |
| 5.12 | Date of approval of interim results of the Company: _____ | 27(2)(i) | - | - | - |
| 5.13 | Date of completion of the external audit: _____ | 27(2)(i) | - | - | - |
| 5.14 | Date(s) of meeting(s) of AC held on request, if any, of the auditors, Head of internal audit, and/or Chairman of AC: _____ | 27(2)(ii) | - | - | - |
| 5.15 | Date(s) of meeting(s) of AC attended by Head of internal audit and by the auditors: _____ | 27(2)(iii) | - | - | - |
| 5.16 | Has AC met with auditors during the last FY of the Company? | 27(2)(iii) | | | |
| 5.17 | If answer to question above is yes, then has AC met with auditors during the last FY, without CFO and Head of internal audit being present? | 27(2)(iii) | | | |
| 5.18 | Has AC met with the Head of internal audit and other members of the internal audit function during the last FY of the Company? | 27(2)(iii) | | | |
| 5.19 | If answer to question above is yes, then has AC met with the Head of internal audit and other members of the internal audit function during the last FY, without CFO and the auditors being present? | 27(2)(iii) | | | |
| 5.20 | Has the board determined ToRs of AC? | 27(3) | | | |
| 5.21 | Has the board provided adequate resources and authority to AC? | 27(4) | | | |
| 5.22 | Has minutes of AC, been circulated to all members of AC, directors, Head of internal audit before each subsequent meeting of the board? | 27(5) | | | |
| 5.23 | Has minutes of AC, also been circulated to CFO of the company? | 27(5) | | | |
| 6. | Terms of appointment of external auditor: | 32 | - | - | - |
| 6.1 | Does name of the auditors appear in the list of audit firms having satisfactory Quality Control Review (QCR) Ratings as maintained by ICAP? | 32(1) | | | |

| | | | | | |
|------|--|-------|---|---|---|
| 6.2 | Date of registration of the auditors with Audit Oversight Board: __ | 32(1) | - | - | - |
| 6.3 | Whether the audit firm, appointed as auditor, and its partners are compliant with International Federation of Accountants (IFAC)'s Guidelines on Code of Ethics as adopted by the Institute of Chartered Accountants of Pakistan (ICAP)? | 32(2) | | | |
| 6.4 | Whether appointment of auditor is recommended by the board? | 32(3) | | | |
| 6.5 | Whether remuneration of the auditor is recommended by AC? | 32(3) | | | |
| 6.6 | Whether board's recommendation w.r.t. appointment of auditor have been included in the Directors' Report? | 32(3) | | | |
| 6.7 | Whether AC's recommendation w.r.t. remuneration of auditors have been included in the Directors' Report? | 32(3) | | | |
| 6.8 | Whether the board has recommended appointment of auditors other than the retiring auditors? | 32(3) | | | |
| 6.9 | In case response to question above is yes, then whether reasons for the same have been disclosed in the Directors' Report? | 32(3) | | | |
| 6.10 | Whether the Company has assigned any non-audit services to the auditors? | 32(4) | | | |
| 6.11 | In case response to the above question is yes, then whether the Company has ensured that the auditors has observed IFAC's Guidelines in this regard? | 32(4) | | | |
| 6.12 | Whether, during the last FY of the Company, has the auditor performed any management function or made any decision which is actually responsibility of the board and management? | 32(5) | | | |
| 6.13 | In case response to above question is yes, then please mention the function performed and/or the decision taken by the auditors: _____ | 32(5) | - | - | - |
| 6.14 | Does, the auditor is close relative (spouse, parents, dependents and non-dependent children)) of CEO, any of the directors, CFO, CS and/or the head of internal audit? | 32(6) | | | |
| 6.15 | In case response to above question is yes, then please mention name(s) of such CEO, director, CFO, CS and/or the head of internal audit, and their relationship with the auditor: _____ | 32(6) | - | - | - |

| | | | | | |
|------|---|-----------|---|---|---|
| 6.16 | Whether the Company has required the auditors to furnish the Management Letter to the board of the Company, within 45 days of the date of the Audit Report? | 32(7) | | | |
| 6.17 | In case response to above question is yes, then whether the auditor has furnished the Management Letter with respect to the last Audit Report? | 32(7) | | | |
| 6.18 | Whether the auditor, during the last audit, has communicated to the board, in writing, any matter which it deemed significant? | 32(7) | | | |
| 6.19 | In case response to the above question is yes, then please mention the following: | 32(7) | - | - | - |
| | (i) date of reporting the significant matter to the board: _____; and | 32(7) | - | - | - |
| | (ii) date of approval of the audited accounts by the board: _____; | 32(7) | - | - | - |
| 6.20 | In case response to above question is yes, then please mention the matter: _____ | 32(7) | - | - | - |
| 7. | Rotation of external auditor: | 33 | - | - | - |
| | (a) Whether the Company is a bank, NBFC, Modaraba, insurer, or Takaful company? [please tick any one] | 33(1) | - | - | - |
| | (b) In case response to the above questions is yes, then please mention date of appointment of the existing Auditors: _____ | 33(1) | - | - | - |
| | (c) Whether the Company is other than a bank, NBFC, Modaraba, insurer, or Takaful company? | 33(2) | | | |
| | (d) In case response to the above question is yes, then please mention date of appointment of the engagement partner of the existing auditors: _____ | 33(2) | - | - | - |
| | (e) Whether the auditor is a sole proprietor? | 33(2) | | | |
| | (d) In case response to the above question is yes, then please mention date of appointment of the auditor: _____ | 33(2) | - | - | - |
| 8. | Compliance statement and Auditor Review: | 36 | - | - | - |
| | | 36(1) | | | |

| | | | | |
|---|-------|---|---|---|
| (a) Does the annual financial report of the Company for the last FY contain Statement of Compliance (SoC) on the format given at Annexure-A of the CCG Regulations? | | | | |
| (b) In case response to the above question is yes, then please state whether the said SoC is reviewed and certified by the statutory auditors? | 36(2) | | | |
| (c) In case response to the above question is yes, then please state whether the statutory auditor has observed and highlighted any non-compliance? | 36(3) | | | |
| (d) In case response to the above question is yes, then please mention the non-compliance(s): _____ | 36(3) | - | - | - |

