pwc A·F·FERGUSON&Co.

Transparency Report

October 31, 2026

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Message from leadership

Welcome to our Transparency Report 2026

I am delighted to bring you the 2026 Transparency Report for A. F. Ferguson & Co. Chartered Accountants (a member firm of the PwC network). Throughout this report, the terms “A. F. Ferguson & Co.”, “we”, “firm” and “our” refer to A. F. Ferguson & Co. Chartered Accountants.

We have prepared this Transparency Report, in respect of the financial year ended 30 June 2026, in accordance with the requirements of The Statutory Auditors and Third Country Auditors Regulations of the United Kingdom.

At PwC, our purpose is to build trust in society and solve important problems. We’re a network of firms in 136 countries with more than 369,945 people who are committed to delivering quality in assurance, advisory and tax services. We are committed to driving a strong culture of quality and excellence that is core to our purpose.

PwC’s approach to building trust is designed to meet rising expectations of transparency, accountability and stakeholder engagement. It combines expertise in audit, tax and compliance activities with a drive to expand specialist capabilities in areas such as cyber security, data privacy, ESG and AI. It also recognises the importance of quality - and that reporting and compliance represent just one link in a chain that includes organisational culture, executive mindset, aligned standards, certified professionals, stringent controls, tailored technologies and appropriate governance. It is part of our public interest commitment to consistently perform quality engagements and be transparent about our system of quality management.

Similar to building trust, delivering sustained outcomes requires us to work in an integrated way. Instead of taking a traditional technology-driven approach to transformation, PwC focuses on the outcomes that our work is seeking to achieve. To deliver the agreed outcomes, we then mobilise our expertise in areas including – among many others – strategy, digital and cloud services, value creation, people and organisation, tax, sustainability reporting, deals, business recovery services, legal and compliance.

Our strategy builds on our ongoing commitment to quality.

It’s not just what we do at PwC that matters, we also pay attention to how we do it. Our Values are our core beliefs, guiding and unifying our actions and behaviours. We build trust and deliver sustained outcomes by combining human expertise and ingenuity with the right technology. It starts with tone at the top, ensuring that our culture and values are aligned, and encouraging the right behaviours all the time and it’s underpinned by having the right people.

We continuously upskill and invest in our people - including developing our people’s capabilities to deploy the latest tools, technology, and methodologies - so we can provide more value for our clients. We are working towards a future that is human-led and tech-powered. It is as important as ever that we attract and retain our top talent and that we utilise the technology available to us to work efficiently and effectively.

As part of our commitment to quality, we are leveraging technology to transform our audit ecosystem and setting a new benchmark for next generation audits. Our people are aided by the significant investments we have made to enhance our delivery model to elevate our audit quality and respond to the needs of our stakeholders. Technology is evolving at a swift pace, and we continue to assess, understand, and incorporate technological advancements into our services. We are excited for the opportunities that harnessing technology will allow us to explore and are committed to leveraging the power of transformation to augment the quality of our services.

Taking action to lead the profession

Our role as auditors is to build trust in information that drives the capital markets – its accuracy, reliability, and consistency. As the needs and expectations of users of independent audits continue to evolve and information flows grow increasingly complex, PwC is committing to a series of bold actions in the following areas over the next several years that will further enhance confidence in the independent audit:

Message from leadership

Accountability – we will implement tangible measures to demonstrate to our stakeholders that the leaders of our firm are accountable for audit quality, which will include firm leadership compensation.

Quality – we will execute a series of initiatives to enhance confidence in audit quality with a focus on fraud and going concern and to explore enhancements to the audit report through more expressive content.

Independence – we will cease the provision of certain types of non-audit services to organisations that we audit who are PIE (Public Interest Entity) clients in accordance with firm policy.

Transparency – we will continue to increase the level of transparency over key aspects of audit quality performance, including enhancing our audit quality report and communicating information related to our policies and practices with respect to potential conflicts of interest.

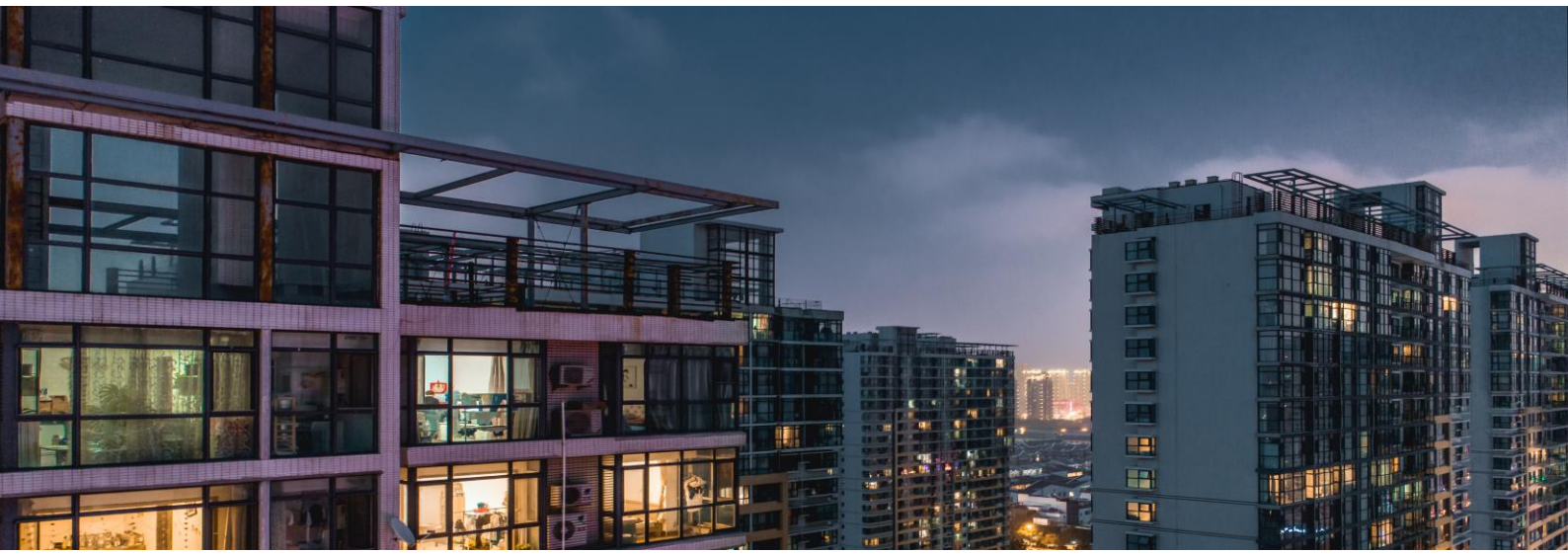
Engagement – we will execute a series of initiatives to enhance engagement with key sets of stakeholders, including potential talent, audit committees and investors, including investing time to raise awareness of careers in accounting.

We're approaching these actions in phases – starting with accountability – and expect that each will evolve over time as we consider standard setting and regulatory developments and emerging practice matters.

We remain committed to our role as assurance providers helping people make decisions with more confidence in a rapidly changing world.

Salman Hussain

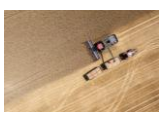
Territory Senior Partner and Assurance Leader



Our approach to Quality

Message from leadership

Our approach to quality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Our approach to quality

International Standard on Quality Management 1 (ISQM 1)

In December 2020, the International Auditing and Assurance Standards Board (IAASB), approved and released three new and revised standards that strengthen and modernise a firm's approach to quality management, including ISQM 1. This standard, which became effective 15 December 2022, required all firms to have designed and implement the requirements of the standard and evaluate their SoQM under the new standard by 15 December 2023.

ISQM 1 is an objectives-based approach that expects firms to have a system of quality management (SoQM) that operates in a continuous and iterative manner taking into consideration the conditions, events, circumstances, actions and inactions that impact a firm. It enhances the firm's responsibilities around monitoring and remediation, emphasising the need for more proactive, real time monitoring of the SoQM, a more effective, efficient, and timely root cause analysis process, and timely and effective remediation of deficiencies.

ISQM 1 states that the objective of the firm is to design, implement and operate an SoQM that provides the firm with reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and
- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

The standard goes on to say that the public interest is served by the consistent performance of quality engagements and that this is enabled by an effective system of quality management.

A specific focus on audit quality across the Network

The PwC Network's Assurance QMSE framework

Delivering high-quality work is at the heart of what we do at PwC; it is what our stakeholders rightly expect of us.

To deliver services in an effective and efficient manner that meets the expectations of our clients and other stakeholders, the PwC Network has established the Quality Management for Service Excellence (QMSE) framework which integrates quality management into how each firm runs its business and manages risk.

The QMSE framework is designed to align with the objectives and requirements of ISQM 1 and provides a model for quality management in PwC firms that integrates quality management into business processes and the firm-wide risk management process. Under QMSE, our overall quality objective is supported by a series of underlying quality management objectives and each firm's SoQM should be designed and operated so that the overall quality objective, which includes meeting the objectives and requirements of ISQM 1, is achieved with reasonable assurance.

> **Overall quality objective**
>
> To have the necessary capabilities in our organisation and to deploy our people to consistently use our methodologies, processes and technology to deliver services in an effective and efficient manner to fulfil the expectations of our clients and other stakeholders

Integrated and aligned in the right way

Our SoQM includes quality objectives identified from the following components of ISQM 1 as well as any additional objectives the PwC Network has identified in the QMSE framework:

- Governance and leadership
- Relevant ethical requirements
- Acceptance and continuance of client relationships and specific engagements
- Engagement performance
- Resources
- Information and communication

To help us achieve these objectives, the PwC Network invests significant resources in the continuous enhancement of quality across our network. This includes having a strong quality infrastructure supported by the right people, underlying tools and technology at both the network level and within our firm, and a programme of continuous innovation and investment in our technology. The PwC Network's Global Assurance Quality (GAQ) organisation aims to support PwC firms in promoting, enabling, and continuously improving Assurance quality through effective policies, tools, guidance and systems used to further promote and monitor quality and to build an appropriate level of consistency in what we do.

Our approach to quality

These elements have been integrated and aligned by our network to create a comprehensive, holistic and interconnected quality management framework that each firm tailors to reflect our individual circumstances. Each firm is responsible for utilising the resources provided by the network as part of our efforts to deliver quality to meet the expectations of our stakeholders.

The Quality Management Process

The achievement of these objectives is supported by a **quality management process (QMP)** established by our firm and Assurance leadership, business process owners, and partners and staff. This quality management process includes:

- identifying risks to achieving the quality objectives
- designing and implementing responses to the assessed quality risks
- monitoring the design and operating effectiveness of the policies and procedures through the use of process-integrated monitoring activities such as real-time assurance as well as appropriate Assurance quality indicators
- continuously improving the SoQM when areas for improvement are identified by performing root cause analyses and implementing remedial actions; and
- establishing a quality-related recognition and accountability framework to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations through consistent and transparent use in appraisals, remuneration, and career progression decisions

This involves the integrated use of Assurance Quality Indicators to aim to predict quality issues, Real-Time Assurance to aim to prevent quality issues, Root Cause Analysis to learn from quality issues and a Recognition and Accountability Framework to establish, communicate and reinforce quality behaviours, culture and actions.

Our firm's SoQM

Our SoQM must be designed, implemented and operating on an ongoing basis to achieve the quality objectives. This ongoing process includes monitoring, assessing, evaluating, reporting, and being responsive to changes in quality risks, driven by the firm's internal and external environment. This is our QMP.

Our focus on quality management is therefore not to apply prescribed rules but rather to design and implement risk responses which are fit for purpose to manage the risks we identify in our own risk assessment and achieve the quality objectives taking into consideration the conditions, events, circumstances, actions and/or inactions that may impact our SoQM.

Our risk assessment process

The past several years have seen unprecedented challenges and our firm's SoQM has helped us navigate and respond to the impact that identified factors had on our ability to achieve the overall assurance quality objective - to deliver quality audit engagements. Our SoQM includes the performance of a risk assessment over the quality objectives identified in the QMSE framework. We consider how and the degree to which a condition, event, circumstance, action or inaction may adversely affect the achievement of the quality objectives which may result in:

- New or changing quality risks to achieving one or more of the quality objectives
- Changes to the assessment of existing quality risks
- Changes to the design of the firm's SoQM, including the risk responses

A quality risk is one that has a reasonable possibility of occurring and individually, or in combination with other quality risks, could adversely affect the achievement of one or more quality objectives.

Our approach to quality

2026 key factors impacting our SoQM

This year, we have seen various factors impact our SoQM but in particular, some of the more meaningful conditions, events, circumstances actions and/or inactions that have necessitated changes to our SoQM include the use of technology (including Generative AI) and expansion of the Alternate Delivery Model.

These developments required thorough evaluation and led to investments in upskilling our team.

Our firm's system of quality management

Aim to Predict: Assurance Quality Indicators

We have identified a set of Assurance Quality Indicators (AQIs) that support our Assurance leadership team in the early identification of potential risks to quality, using metrics to aim to predict quality issues. This quality risk analysis is an essential part of our QMSE, and the AQIs, in addition to other performance measures, also provide a key tool in the ongoing monitoring and continuous improvement of our SoQM.

Throughout this transparency report, we have provided insight into the policies and procedures we have designed, implemented and are operating to reduce the quality risks we have identified to an acceptable level and help us achieve reasonable assurance over the firm's SoQM.

As mentioned above, some of our policies and procedures are provided by the PwC Network which we have assessed to determine that these resources are appropriate for use as part of our SoQM and in the performance of engagements. The following sections of the report cover the following ISQM 1 quality objectives:

- Cultures and values – Governance and leadership, relevant ethical requirements, acceptance and continuance of client relationships and specific engagements
- Our people – Human resources
- Our approach – Intellectual and technological resources, engagement performance, information and communication

Our monitoring and remediation process

In the section, Monitoring, found on page 29, we have described the types of ongoing and periodic monitoring our firm has designed, implemented and is operating to provide relevant and reliable information about our firm's SoQM and to help us take appropriate actions over any identified deficiencies so we can remediate those deficiencies effectively and on a timely basis. To support the timely and effective remediation of identified deficiencies, our firm has designed, implemented and is operating a root cause analysis program that is described further on page 31.

The information gathered from our monitoring and remediation process along with other sources of information, such as external reviews, is used to help us evaluate our SoQM.

Statement on the effectiveness of the firm's system of quality management

During the year, we completed our assessment of the firm's system of quality management in accordance with ISQM 1. On behalf of A. F. Ferguson & Co, the Territory Senior Partner and the Assurance Leader evaluated whether our firm's SoQM provides us reasonable assurance that:

- The firm and its personnel fulfil their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements; and

- Engagement reports issued by the firm or engagement partners are appropriate in the circumstances.

Based on all the relevant information of the firm's SoQM, as at June 30, 2026, we believe, except for matters related to the deficiency described below, that has a severe but not pervasive effect on the design, implementation and operation of the firm's SoQM, that our SoQM provides us with reasonable assurance that the quality objectives noted above have been achieved.

Our prior year monitoring activities identified a non-compliant engagement and a small number of inspected engagements that were compliant with improvement required, alongside certain SoQM related deficiencies, primarily linked to workload management and resource constraints, including in IT risk assurance.

During the year, remedial actions have been implemented to address these deficiencies, including improvements in workload rebalancing, enhanced resourcing and team assignment procedures, and strengthened oversight mechanisms. Further, no non-compliant engagements were identified in the current year's Engagement Compliance Review which also had a broader engagement coverage. However, these actions require ongoing effort and additional time to demonstrate that the remediation is achieving sustained improvement in engagement performance.

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Our culture and values

Definition and culture

At PwC, we define quality service as consistently meeting the expectations of our stakeholders and complying with all applicable standards and policies. An important part of our ability to deliver against this quality definition is building a culture across a network of more than 369,945 people. This culture of quality emphasises that quality is the responsibility of everyone. Continuing to enhance this culture of quality is a significant area of focus for our global and local leadership teams and one which plays a key part in the measurement of their performance.

Measurement and transparency

For all our businesses, each PwC firm – as part of the agreement by which they are members of the PwC network – is required to have in place a comprehensive SoQM; to annually complete an SoQM performance assessment; and to communicate the results of these assessments to global leadership. These results are then discussed in detail with the leadership of each local firm and if they are not at the level expected, a remediation plan is agreed with local leadership taking personal responsibility for its successful implementation.

As the services that our network provides change and develop, and the needs and expectations of our stakeholders also change, the PwC network is continually reviewing and updating the scale, scope and operations of our PwC firms' systems of quality management and investing in programmes to enhance the quality of the services that the PwC network provides.

Our firm's commitment to quality

Leadership and tone at the top

Our purpose and values are the foundation of our success. Our purpose is to build trust in society and solve important problems, and our values help us deliver on that purpose. Our purpose reflects 'why' we do what we do, and our strategy provides us with the 'what' we do. 'How' we deliver our purpose and strategy is driven by our culture, values and behaviours. This forms the foundation of our SoQM and permeates how we operate, including guiding our leadership actions, and how we deliver 'trust in what matters'.

Trust in what matters

Today companies are judged on far more than financial outcomes. A company's performance in areas like ESG and cyber security can affect its reputation, staff retention, access to capital, and ultimately enterprise value.

That's why we're evolving our assurance offering to provide confidence not just in companies' financial statements but in their broader impact.

We call this 'trust in what matters.' We apply rigorous standards to analyse companies' performance on issues such as climate and diversity. This helps companies demonstrate their progress, enabling these firms to build trust, enhance their corporate reputations, and grow enterprise value.

We encourage our clients to understand what matters to their stakeholders, and we deliver assured information about the company's performance on these measures. We believe that if it needs to be trusted, it needs to be assured. High-quality assurance heightens accountability and trust while giving companies a robust basis for tracking and working to improve their performance.

When working with our clients and our colleagues to build trust in society and solve important problems, we:

- Act with integrity
- Make a difference
- Care
- Work together
- Reimagine the possible

This culture is supported by appropriate tone at the top through regular communication from leadership to all partners and staff about the firm's commitment to quality. Key messages are communicated to our firm by our Senior Partner and our leadership team and are reinforced by engagement partners. These communications focus on what we do well and actions we can take to make enhancements. Leadership and engagement partners take the lead on these actions as they role model the expected behaviours in interactions with clients and teams. We measure whether our people believe that our leaders' messaging conveys the importance of quality to the success of our firm. Based on this tracking, we are confident our people understand our quality objectives. Delivering service of the highest quality is core to our purpose and our Assurance strategy, the focus of which is to strengthen trust and transparency in our clients, in the capital markets and wider society.

We carried out a quality culture survey with an aim of identifying the cultural and behavioural aspects that are critical for our firm. This will help to set clear expectations from our teams as these behaviours will be embedded into our processes going forward including induction, performance evaluation and training, among others.

Act with Integrity

Make a difference

Care

Work together

Reimagine the possible

Reinforce: Recognition and Accountability Framework

Our Recognition and Accountability Framework (RAF) reinforces quality in everything our people do in delivering on our strategy, with a focus on the provision of services to our clients, how we work with our people and driving a high-quality culture. Our RAF has been designed to both set clear expectations of expected quality behaviours and outcomes and reinforce those expectations by holding Partners accountable for quality behaviours and quality outcomes beyond compliance. Our RAF considers and addresses the following key elements:

- Quality outcomes: We provide transparent quality outcomes to measure the achievement of the quality objectives. Our quality outcomes take into account meeting professional standards and the PwC network and our firm's standards and policies
- Behaviours: We have set expectations of the right behaviours that support the right attitude to quality, the right tone from the top and a strong engagement with the quality objectives
- Interventions/recognition: We have put in place interventions and recognition that promote and reinforce positive behaviours and drive a culture of quality
- Consequences/reward: We have implemented financial and non-financial consequences and rewards that are commensurate to outcome and behaviour and sufficient to incentivise the right behaviours to achieve the quality objectives

Ethics, independence and objectivity

Ethics

At PwC, we adhere to the fundamental principles of ethics set out in the International Ethics Standards Board for Accountants (IESBA) Code of Ethics for Professional Accountants (the Code), which are:

i. **Integrity** – to be straightforward and honest in all professional and business relationships.
ii. **Objectivity** – to not allow bias, conflict of interest or undue influence of others to override professional or business judgements.
iii. **Professional Competence and Due Care** – to maintain professional knowledge and skill at the level required to ensure that a client or employer receives competent professional service based on current developments in practice, legislation and techniques and act diligently and in accordance with applicable technical and professional standards.
iv. **Confidentiality** – to respect the confidentiality of information acquired as a result of professional and business relationships and, therefore, not disclose any such information to third parties without proper and specific authority, unless there is a legal or professional right or duty to disclose, nor use the information for the personal advantage of the professional accountant or third parties.
v. **Professional Behaviour** – to comply with relevant laws and regulations and avoid any action that discredits the profession.

Our network standards applicable to all network firms cover a variety of areas including ethics and business conduct, independence, anti-money laundering, anti-trust/fair-competition, anti-corruption, information protection, firm's and partner's taxes, sanctions laws, internal audit and insider trading. We take compliance with these ethical requirements seriously and strive to embrace the spirit and not just the letter of those requirements. All partners and staff undertake annual mandatory training, as well as submitting annual compliance confirmations, as part of the system to support appropriate understanding of the ethical requirements under which we operate. Partners and staff comply with the standards developed by the PwC Network and leadership in A. F. Ferguson & Co. monitors compliance with these obligations.

In addition to the PwC Values (Act with Integrity, Make a difference, Care, Work together, Reimagine the possible) and PwC Purpose, A. F. Ferguson & Co. has adopted PwC's Global Code of Conduct, Network Standards and related policies that clearly describe the behaviours expected of our partners and other professionals, behaviours that will enable us to build public trust. Because of the wide variety of situations that our professionals may face, our standards provide guidance under a broad range of circumstances, but all with a common goal-to do the right thing.

Upon hiring or admittance, A. F. Ferguson & Co. provides an overview of the PwC Global Code of Conduct and the expected behaviours for all partners and staff, who should follow these expectations throughout their professional careers at our firm. As part of the values and expectations in the Code, they also have a responsibility to report and express concerns, and to do so fairly, honestly, and professionally when dealing with a difficult situation or when observing conduct inconsistent with the Code. In addition, all partners and staff are required to complete new hire training, which covers the ethics and compliance network standards, including ethics and the Code of Conduct.

Ethics, independence and objectivity

PwC has implemented a network-wide confidential ethics helpline for the reporting of questions or concerns related to behaviours that are inconsistent with the Code of Conduct and related policies. Every PwC firm has a separate and secure tier of the ethics helpline for their confidential matters and investigations. The ethics helpline is also available for third parties, including clients. The ethics helpline allows our partners, staff and third parties to feel safe raising a question or concern without fear of retaliation.

The PwC Code of Conduct and the ethics helpline are available on-line for all internal and external stakeholders at https://www.pwc.com/ethics.

A. F. Ferguson & Co. has adopted an accountability framework to facilitate remediation of behaviours that are inconsistent with the Code of Conduct.

Finally, the Organisation for Economic Co-operation and Development (OECD) provides guidance, including the OECD Guidelines for Multinational Enterprises (the OECD Guidelines), by way of non-binding principles and standards for responsible business conduct when operating globally. The OECD Guidelines provide a valuable framework for setting applicable compliance requirements and standards. Although the PwC network consists of firms that are separate legal entities which do not form a multinational corporation or enterprise, PwC's network standards and policies are informed by and meet the goals and objectives of the OECD Guidelines.

Objectivity and Independence

As auditors of financial statements and providers of other types of professional services, PwC firms and their partners and staff are expected to comply with the fundamental principles of objectivity, integrity and professional behaviour. In relation to assurance clients, independence underpins these requirements. Compliance with these principles is fundamental to serving the capital markets and our clients.

The PwC Global Independence Policy, which is based on the Code, including International Independence Standards, contains minimum standards with which PwC firms have agreed to comply, including processes that are to be followed to maintain independence from clients, when necessary.

The independence requirements of the United States Securities and Exchange Commission (SEC) are, in certain instances, more restrictive than the Global Independence Policy. Given the reach of these requirements and their impact on PwC firms in the network, the Policy identifies key areas where an SEC requirement is more restrictive. Provisions that are specifically identified as applicable to SEC restricted entities must be followed in addition to, or instead of, the Policy in the associated paragraph. A. F. Ferguson & Co. has a designated partner (known as the 'Partner Responsible for Independence' or 'PRI') with appropriate seniority and standing, who is responsible for implementation of the PwC Global Independence Policy including managing the related independence processes and providing support to the business. The partner is supported by a team of independence specialists. The PRI reports directly to the Territory Senior Partner of the firm.

Independence policies and practices

The PwC Global Independence Policy covers, among others, the following areas:

- personal and firm independence, including policies and guidance on the holding of financial interests and other financial arrangements, e.g., bank accounts and loans by partners, staff, the firm and its pension schemes;
- non-audit services and fee arrangements. The policy is supported by Statements of Permitted Services (SOPS), which provide practical guidance on the application of the policy in respect of non-audit services to audit clients and related entities;
- business relationships, including policies and guidance on joint business relationships (such as joint ventures and joint marketing) and on purchasing of goods and services acquired in the normal course of business; and
- acceptance of new audit and assurance clients, and the subsequent acceptance of any non-assurance services to be provided to those clients.

In addition, there is a Network Risk Management Policy governing the independence requirements related to the rotation of key audit partners.

These policies and processes are designed to help PwC firms comply with relevant professional and regulatory standards of independence that apply to the provision of assurance services. Policies and supporting guidance are reviewed and revised when changes arise such as updates to laws and regulations, including any changes to the Code or in response to operational matters.

A. F. Ferguson & Co. supplements the PwC Global Independence Policy as required by local regulations including Listed Companies (Code of Corporate Governance) Regulations, 2019, the Public Sector Companies (Corporate Governance) Rules, 2013, Listing Regulations of Pakistan Stock Exchange and the requirements of the Companies Act, 2017 of Pakistan, where they are more restrictive than the network's policy.

Independence-related systems and tools

As a member of the PwC network, A. F. Ferguson & Co. has access to a number of systems and tools which support PwC firms and their personnel in executing and complying with their independence policies and procedures. These include:

- The Central Entity Service (CES), which contains information about corporate entities including all PwC audit clients and their related entities (including all public interest audit clients and SEC restricted entities) as well as their related securities. CES assists in determining the independence restriction status of clients of the PwC firm and those of other PwC firms before entering into a new non-audit service or business relationship. This system also feeds Independence Checkpoint and the Authorisation for Services system;
- 'Independence Checkpoint' which facilitates the pre-clearance of publicly traded securities by all partners and managerial practice staff before acquisition and is used to record their subsequent purchases and disposals. Where a PwC firm wins a new audit client or there is a change in the restriction status of a security, this system automatically informs those holding relevant securities of the requirement to sell the security where required;

Independence-related systems and tools, continued

- Authorisation for Services (AFS) which is a global system that facilitates communication between a non-audit services engagement leader and the audit engagement leader, regarding a proposed non-audit service, documenting the analysis of any potential independence threats created by the service and proposed safeguards, where deemed necessary, and acts as a record of the audit partner's conclusion on the permissibility of the service;
- Joint Business Relationships (JBR) which is a global system used to clear joint (close) business relationships from an independence perspective. JBR is used to facilitate PwC firms' compliance with JBR requirements for new and existing joint business relationships. It assists independence specialists in gathering information to assess, from an independence perspective, the permissibility of proposed joint business relationships and in monitoring the continued permissibility of previously approved existing joint business relationships;
- My Compliance Dashboard (MCD) which is a global compliance system that facilitates annual compliance confirmations, engagement independence confirmations and reporting; and
- Global Breaches Reporting System which is designed to be used to report any breaches of external auditor independence regulations (e.g., those set by regulation or professional requirements) where the breach has cross-border implications (e.g., where a breach occurs in one territory which affects an audit relationship in another territory). All breaches reported are evaluated and addressed in line with the Code or relevant independence regulations

A. F. Ferguson & Co. also has a number of Pakistan-specific systems which include:

- A rotation tracking system which monitors compliance with A. F. Ferguson & Co.'s audit rotation policies for the firm, engagement leaders and other key audit partners involved in an audit.
- Partner Independence Confirmation Tool aids in the review of specific local regulations (Companies Act, 2017) impacting independence compliance for Partners, that are not covered under the Global Standards, specifically the restrictions on companies by virtue of common directorship which are not reflected in CES or Checkpoint.

Independence training and confirmations

A. F. Ferguson & Co. provides all partners and practice staff with annual or ongoing training in independence matters. Training typically focuses on milestone training relevant to a change in position or role, changes in policy or external regulation and, as relevant, provision of services. Partners and staff receive computer-based training on A. F. Ferguson & Co.'s independence policy and related topics. Additionally, in-person training is delivered to members of the staff on an as-needed basis by A. F. Ferguson & Co.'s independence specialists and risk and quality teams.

All partners and practice staff are required to complete an annual compliance confirmation, whereby they confirm their compliance with relevant aspects of the PwC firm's independence policy, including their own personal independence. In addition, all partners confirm that all non-audit services and business relationships for which they are responsible comply with policy and that the required processes have been followed in accepting these engagements and relationships. These annual confirmations are supplemented by periodic and ad-hoc engagement level confirmations for all audit services.

Independence monitoring and disciplinary policy

A. F. Ferguson & Co. is responsible for monitoring the effectiveness of its SoQM in managing compliance with independence requirements. In addition to the confirmations described above, as part of this monitoring, we perform:

- Compliance testing of independence controls and processes;
- Personal independence compliance testing of a random selection of, at a minimum, partners and practice managers as a means of monitoring compliance with independence policies; and
- An annual assessment of our firm's adherence with the PwC network's standard relating to independence.

The results of A. F. Ferguson & Co.'s monitoring and testing are reported to the firm's management on a regular basis with a summary reported to them on an annual basis.

A. F. Ferguson & Co. has an Accountability Framework and supporting disciplinary policies and mechanisms in place that promote compliance with independence policies and processes, and that require any breaches of independence requirements to be reported and addressed.

This would include discussion with the client's audit committee regarding the nature of a breach, an evaluation of the impact of the breach on the independence of the PwC firm and the engagement team and the need for actions or safeguards to maintain objectivity. Although most breaches are minor and attributable to an oversight, all breaches are taken seriously and investigated as appropriate. The PwC firm also follows supplemental local requirements relating to the reporting of breaches. The investigations of any identified breaches of independence policies also serve to identify the need for improvements in A. F. Ferguson & Co.'s systems and processes and for additional guidance and training.

Considerations in undertaking the audit

Our principles for determining whether to accept a new client or continue serving an existing client are fundamental to delivering quality, which we believe goes hand-in-hand with our purpose to build trust in society. We have established policies and procedures for the acceptance of client relationships and audit engagements that consider whether we are competent to perform the engagement and have the necessary capabilities including time and resources, can comply with relevant ethical requirements, including independence, and have appropriately considered the integrity of the client. We reassess these considerations in determining whether we should continue with the client engagement and have in place policies and procedures related to withdrawing from an engagement or a client relationship when necessary. The policies and processes we have in place emphasise risk and quality considerations such that financial and operational priorities do not lead to inappropriate judgements about whether to accept or continue a client relationship.

Client and Engagement Acceptance and Continuance

A. F. Ferguson & Co. has a process in place to identify acceptable clients based on the PwC network's proprietary decision support systems for audit client acceptance and retention called Acceptance. Acceptance facilitates a determination by the engagement team, business management and risk management specialists of whether the risks related to an existing client or a potential client are manageable, and whether or not PwC should be associated with the particular client and its management. More specifically, this system enables:

Engagement teams:

- To document their consideration of matters required by professional standards related to acceptance and continuance;
- To identify and document issues or risk factors and their resolution, for example through consultation, by adjusting the resource plan or audit approach or putting in place other safeguards to mitigate identified risks or by declining to perform the engagement; and
- To facilitate the evaluation of the risks associated with accepting or continuing with a client and engagement.

PwC firms (including PwC firm leadership and risk management):

- To facilitate the evaluation of the risks associated with accepting or continuing with clients and engagements;
- To provide an overview of the risks associated with accepting or continuing with clients and engagements across the client portfolio; and
- To understand the methodology, basis and minimum considerations all other PwC firms in the network have applied in assessing audit acceptance and continuance.

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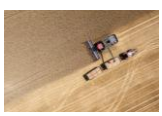
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People Strategy

Our people strategy is developed to deliver on our ambition of becoming the pre-eminent professional services network. We are focused on building the strength, agility, and impact of our people.

We aim to deliver our strategy by unlocking powerful lessons from stretch opportunities and exposure of the work we do; amplifying our agility by evolving strategic workforce planning in a rapidly changing world; combining the power of AI with our uniquely human skills to innovate and solve complex problems; and maximizing impact by working together to drive transformation and strengthen how we go to market.

In the era of AI, we are committed to building visibility of capacity, capability, skills and demand so better workforce decisions can be made at pace, and developing human and AI skills, and technical expertise, our people need to deliver distinctive client outcomes.

We hire talent with diverse backgrounds and ability to rapidly upskill in the changing world; have a questioning mindset and intellectual curiosity; and demonstrate courage and integrity.

The PwC Professional

The PwC Professional is the set of behaviours we expect of all our people, at all levels, to demonstrate with each other and with our clients and other stakeholders. When we focus on the behaviours that guide our interactions, we create opportunities to build trust and empower our teams to deliver distinctive outcomes.

Trusted Leadership enables us to deliver for ourselves, our clients and the communities in which we serve. Distinctive Outcomes is a set of behaviours that enable us to bring our collective expertise, collaboration and inclusiveness to our stakeholders.

Inclusion and diversity

We're an organization that fosters a culture of belonging and equity where our diverse workforce can thrive and feel like they belong. We do this by delivering on our Inclusion First strategy, which is centered on embedding inclusion into Human Capital, inclusive upskilling, empowering our networks, and accountability and measurement.

We embrace and encourage differences and help our people actively develop the skills to work and lead inclusively with our focus on gender equity, disability inclusion, ethnic inclusion and skill diversification.

Recruitment

A. F. Ferguson & Co. aims to recruit, train, develop and retain the best and the brightest staff who share in the firm's strong sense of responsibility for delivering high-quality services. Our hiring standards include a structured interview process with behavior-based questions built upon the PwC Professional framework, assessment of academic records, and background checks. Across the firm in FY26, we recruited over 216 employees and 271 CA trainees.

Team selection, experience and supervision

Our audit engagements are staffed based on expertise, capabilities and years of experience. Engagement leaders determine the extent of direction, supervision and review of junior staff.

Feedback and continuous development

Our team members obtain feedback on their overall performance, including factors related to audit quality, such as technical knowledge, auditing skills and professional skepticism. Audit quality is an important factor in performance evaluation and career progression decisions for both our partners and staff. Feedback on performance and progression is collected via Feedback Exchange – a multi-directional feedback tool for giving and receiving feedback across our everyday interactions, to capture how employees create value through both behaviors (PwC Professional) and project contributions. Ongoing feedback conversations help our people grow and learn faster, adapt to new and complex environments, and bring the best to our clients and firm.

Career progression

A. F. Ferguson & Co. uses the PwC Professional, our global career progression framework, which sets out clear expectations at all staff levels across six key behaviors. The framework underpins all elements of **'Trusted Leadership'** and **'Distinctive Outcomes'** that help our people develop into well-rounded professionals and leaders with the capabilities and confidence to produce high-quality work, deliver an efficient and effective experience for our clients, execute our strategy, and support our brand. Moreover, we have an annual performance cycle supported by continuous feedback conversations and regular check-ins with the individual's Team Leader to discuss their development, progression and performance.

Retention

Turnover in the public accounting profession is often high because as accounting standards and regulations change, accountants are in demand and the development experience we provide makes our staff highly sought after in the external market. Our voluntary turnover rate fluctuates based on many factors, including the overall market demand for talent, growing international jobs and career transition opportunities.

Global People Survey

Supported by PwC Listen Technology, each PwC firm participates in an annual Global People Survey, administered across the network to all of our partners and staff. A. F. Ferguson & Co. is responsible for analysing and communicating results locally, along with clearly defined actions to address feedback. Following the survey, we develop a clearly defined action plan to address the year's findings. This year, the firm achieved a People Engagement and Quality Behaviors Index of 83%. Notably, we identified strengths rooted in our commitment to quality behaviors, our innovative approach to purpose-led work, and our focus on future-oriented growth and development.

Learning and education

Professional Development

We are committed to putting the right people in the right place at the right time. Throughout our people's careers, they are presented with career development opportunities, classroom, virtual classroom and on-demand learning, and on-the-job real-time coaching/development. Our flexible training portfolio facilitates personalized learning with access to a variety of educational materials, including webcasts, podcasts, articles, videos, and courses.

Achieving a professional credential support our firm's commitment to quality through consistent examination and certification standards. Our goal is to provide our staff with a more individualized path to promotion and support them in prioritizing and managing their time more effectively when preparing for professional exams. Providing our people with the ability to meet their professional and personal commitments is a critical component of our people experience and retention strategy.

Continuing Education

We, and other PwC firms, are committed to delivering quality assurance services around the world. To maximise consistency in the network, the formal curricula, developed at the Network level, provide access to training materials covering the PwC audit approach and tools, as well as areas of audit risk and areas of focus for quality improvement.

This formal learning is delivered using a blend of delivery approaches, which include remote access, classroom learning, virtual classroom, and on-the-job support. The curricula supports our primary training objective of quality, while providing practitioners with the opportunity to strengthen their technical and professional skills, including professional judgement while applying a sceptical mindset.

The design of the curricula allows us to select, based on local needs, when we will deliver the training. Our Learning & Education leader then considers what additional training is appropriate – formal and/or informal – to address any additional specific local needs.

Our training investment in people

Assurance Training FY26
Average hours achieved by partners and staff

71

FY26 Total hours completed
100,192

Assurance Training FY25
Average hours achieved by partners and staff

76

FY25 Total hours completed
113,214

Mandatory training attendance

99%

Of partners and staff have completed all mandatory training in FY26

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The quality and effectiveness of audit is critical to all of our stakeholders. We therefore invest heavily in the effectiveness of our audits, in the skills of our people, in our underlying methodology, the technology we use, and in making the right amount of time and resources available. We pay close attention to the internal indicators and processes that routinely monitor the effectiveness of our risk and quality processes, and provide timely information about the quality of our audit work and any areas for improvement.

As a member of the PwC network, A. F. Ferguson & Co. has access to and uses PwC Audit, a common audit methodology and process. This methodology is based on the International Standards on Auditing (ISAs), with additional PwC policy and guidance provided where appropriate. PwC Audit policies and procedures are designed to facilitate audits conducted in compliance with all ISA requirements that are relevant to each individual audit engagement. Our common audit methodology provides the framework to enable PwC firms to consistently comply in all respects with applicable professional standards, regulations and legal requirements.

Technology, Data & AI Transformation

Continued investment in technology, data analytics and artificial intelligence enhances the quality and effectiveness of our audits. As a member of the PwC network, A. F. Ferguson & Co. uses a common digital audit ecosystem across planning, execution, supervision and review—supporting consistency, transparency and audit quality.

Digital Audit Platform

Aura, our global audit documentation platform, is used across the PwC network. Aura helps drive how we build and execute our audit plans by supporting teams in applying our methodology effectively, by creating transparent linkage between risks, required procedures, controls and the work performed to address those risks, as well as providing comprehensive guidance and project management capabilities. Targeted audit plans specify risk levels, controls reliance and substantive testing. Real-time dashboards show teams audit progress and the impact of scoping decisions more quickly.

Connect is our collaborative platform that allows clients to quickly and securely share audit documents and deliverables. Connect also eases the burden of tracking the status of deliverables and resolving issues by automatically flagging and tracking outstanding items and issues identified through the audit for more immediate attention and resolution. Clients are also able to see audit adjustments, control deficiencies, and statutory audit progress for all locations in real time.

Connect Audit Manager streamlines, standardizes and automates group and component teams' coordination for group and statutory/regulatory audits. It provides a single digital platform to see all outbound and inbound work and digitizes the entire coordination process which facilitates greater transparency, compliance and quality for complex multi-location audits.

Data-Driven Audit

The firm continues to expand the use of technology-enabled audit procedures and data analytics to support audit quality and risk-focused auditing.

Halo for Journals enables engagement teams to analyze complete journal populations and identify unusual transactions and risk indicators, supporting risk assessment and substantive testing procedures.

Halo Platform provides a central environment for managing audit data acquisition, execution and storage, allowing engagement teams to utilize data consistently across multiple audit applications and procedures.

During FY26, the firm implemented **Acquisition Hub**, which supports the efficient acquisition and management of client data, and **Data Pro**, which supports data transformation, preparation and standardization activities that facilitate the use of analytics and other technology-enabled audit procedures across engagements.

Responsible AI

The PwC network continues to invest significantly in artificial intelligence and emerging technologies. Our professionals are increasingly supported through AI-enabled capabilities, including **ChatPwC and Microsoft Copilot**, while maintaining appropriate human oversight, professional judgement and compliance with applicable professional standards, quality requirements and firm policies. We are committed to the responsible use of AI to enhance and enrich insights and support quality outcomes for our stakeholders.

Next Generation Audit

As part of PwC's ongoing Assurance Transformation Programme, the PwC network continues to invest in the Next Generation Audit (NGA) Programme to further enhance audit quality through increased standardization, automation, data capabilities and collaboration tools. NGA is designed to provide engagement teams with improved access to relevant information, enhanced workflow management and technology-enabled capabilities throughout the audit lifecycle.

As part of the NGA roadmap, the firm is preparing for the adoption of **Maestro**, PwC's global audit platform, which is intended to provide a more integrated audit environment by bringing together workflow, documentation, data, analytics and collaboration capabilities.

Looking Ahead

Upcoming capabilities include Assisted Disclosure Checking and PwC Confirmations, targeted to further improve audit quality, efficiency and stakeholder experience.

FY26 Transformation Highlights

- Implemented Acquisition Hub
- Implemented Data Pro
- Expanded use of Halo for Journals
- Adopted Microsoft Copilot and ChatPwC
- Preparing for Maestro (NGA)
- Assisted Disclosure Checklist and PwC Confirmations targeted in upcoming releases

Reliability and auditability of audit technologies

Our firm has designed and implemented processes and controls to underpin the reliability of these audit technologies. This includes clarification of the roles and responsibilities of audit technology owners and users. In addition, we have guidance focused on the sufficiency of audit documentation included in the workpapers related to the use of these audit technologies, including consideration of the reliability of the solution, and the documentation needed to assist the reviewer in meeting their direction, supervision and review responsibilities as part of the normal course of the audit.

Confidentiality and Information Security

A. F. Ferguson & Co. has policies and procedures that treat confidential information in accordance with applicable laws, contractual obligations, and professional standards. Our personnel are trained and are required to confirm their understanding of the firm's confidentiality, information security and data privacy policies when they join the firm and are expected to consistently adhere to those policies at all times.

Data Privacy

A. F. Ferguson & Co. has dedicated data privacy teams and programs and employs a combination of physical, technical and administrative controls. We have policies on information security, confidentiality, personal information, and data privacy. We have continued to comply with network data protection programme and are committed to embedding sound data management practices across our practice.

Information Security

Information Security is a high priority for the PwC Network. Our firm is accountable to our people, clients, suppliers, and other stakeholders to protect information that is entrusted to us. Failure to protect information could potentially harm the individuals whose information our firm holds, lead our firm to suffer regulatory sanctions or other financial losses, and impact the PwC reputation and brand. As such, our firm complies with the Information Security Policy which outlines the minimum-security requirements for all PwC firms.

Engagement Performance

Evolving delivery model

We continue to evolve the way we deliver our services, so our people give our clients an even better experience, further enhance the quality of what we do and create economic capacity to invest in the future.

Direction, coaching and supervision

Engagement leaders and senior engagement team members are responsible and accountable for providing quality coaching throughout the audit and supervising the work completed by junior members of the team, coach the team and maintain audit quality. Engagement teams utilise Aura which has capabilities to effectively monitor the progress of the engagement to determine that all work has been completed and reviewed by appropriate individuals, including the engagement leader.

Consultation culture

Consultation is key to maintaining high audit quality. We have formal protocols about mandatory consultation, in the pursuit of quality. For example, our engagement teams consult with appropriate groups in areas such as assurance, risk, valuation, IFRS and other specialties as well as individuals within our Methodology group.

Methodology group

Our Methodology group comprises technical auditing and financial reporting groups as well as risk and quality. These specialists play a vital role in keeping our policies and guidance in these areas current by tracking new developments in accounting and auditing and providing those updates to professional staff.

Quality Review Partners (QRP)

Specific audit engagements are assigned a QRP as part of the member firm's system of quality management as required by professional standards. These partners, who have the necessary experience and technical knowledge, are involved in the most critical aspects of the audit. For example, they may advise on matters of firm independence, significant risks and a team's responses to those risks, and specific accounting, auditing, and financial reporting and disclosure issues.

Differences of opinion

Protocols exist to resolve situations where a difference of opinion arises between the engagement leader and either the QRP or another Assurance partner.

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Monitoring of Assurance quality

We recognise that quality in the Assurance services we deliver to clients is key to maintaining the confidence of investors and other stakeholders in the integrity of our work. It is a key element to our Assurance strategy.

Responsibility for appropriate quality management lies with the leadership of A. F. Ferguson & Co. This includes the design and operation of an effective SoQM that is responsive to our specific risks to delivering quality audit engagements, using the network's QMSE framework.

The overall quality objective under the QMSE framework is to have the necessary capabilities in our firm and to deploy our people to consistently use our methodologies, processes and technology in the delivery of Assurance services in an effective and efficient manner to fulfil the valid expectations of our clients and other stakeholders.

Our firm's monitoring includes an ongoing assessment aimed at evaluating whether the policies and procedures which constitute our SoQM are designed appropriately and operating effectively to provide reasonable assurance that our audit, non-audit assurance and related services engagements are performed in compliance with laws, regulations and professional standards (also referred to as our ongoing monitoring). This includes the use of Real-Time Assurance.

Our Aim to Prevent: Real-Time Assurance

We have developed a Real-Time Assurance (RTA) programme designed to provide preventative monitoring that helps coach and support engagement teams to get the 'right work' completed in real-time, during the audit.

The RTA programme which is a coaching program to the teams was run in FY26 for 28 Pakistan engagements. There is good breadth of coverage across engagement leaders targeting the higher risk engagements based on client risk profile. The reviews are performed by experienced managers, senior managers and directors with relevant industry expertise. Issues identified through this programme are communicated to the practice through mandatory training programme, briefings and additional guidance. The internal monitoring process of the program leveraged on current technologies allowing for standardisation and automation.

In addition to the ongoing monitoring noted above, our monitoring also encompasses periodic assessment of our SoQM which includes the review of completed engagements (Engagement Compliance Reviews - ECR), as well as periodic monitoring of our SoQM by an objective team within our firm. The results of these procedures, together with our ongoing monitoring, form the basis for the continuous improvement of our SoQM. ECRs are performed under a network-wide inspection programme based on professional standards and PwC audit methodology

ECRs are risk-focused reviews of completed engagements covering, on a periodic basis, individuals in our firm who are authorised to sign audit, non-audit assurance or related services reports. The review assesses whether an engagement was performed in compliance with PwC Audit guidance, applicable professional standards and other applicable engagement-related policies and procedures. Each signer is reviewed at least once every five years, unless a more frequent review is required based on the profile of that signer's client engagements.

Reviews are led by experienced Assurance partners, supported by objective teams of partners, directors, senior managers and other specialists. ECR reviewers may be sourced from other PwC firms if needed to provide appropriate expertise or objectivity. Review teams receive training to support them in fulfilling their responsibilities and utilise a range of checklists and tools developed at the network level when conducting their inspection procedures. The network inspection team supports review teams by monitoring the consistent application of guidance on classification of engagement findings and engagement assessments across the network.

Additionally, the PwC network undertakes periodic reviews to evaluate certain elements of PwC firms' systems of quality management. The network also looks at the PwC firm leadership's own assessment of the effectiveness of their system of quality management and their determination of whether the overall quality objective has been achieved.

The inspection results are reported to our firm's leadership who are responsible for analysing the results of the inspections along with quality findings identified from all sources of information, for performing timely root cause analysis, and for implementing remedial actions as necessary. In situations where adverse quality matters on engagements are identified, based on the nature and circumstances of the issues, the responsible engagement leader or our firm's Assurance leadership personnel may be subject to additional mentoring, training or further sanctions in accordance with our firm's Recognition and Accountability Framework.

Assurance engagement leaders of our firm receive information on the results of the network inspection program, designed for their use in assessing the scope of audit work they determine needs to be performed and their reliance on work performed by PwC firms in connection with their audit of a client's consolidated financial statements.

External Inspections

A. F. Ferguson & Co. is eligible to undertake statutory audit as prescribed under the relevant regulations by virtue of its registration with the Institute of Chartered Accountants of Pakistan (ICAP). The selection of audit engagements for the inspection by ICAP is made in such a manner that at least one third (33%) of all partners in the audit practice are covered under a review in one cycle. Two engagements for each Partner selected are covered under the review. Each office location of the firm conducting the audit is reviewed in one cycle. Historically the Firm has always achieved Compliant rating by all inspections carried out by ICAP. The latest ICAP QCR has been concluded in April 2026. All engagements have been rated as "satisfactory" with the overall firm rating also rated as "satisfactory".

The firm is registered with the Financial Reporting Council, UK (FRC) as a Third Country Auditor (TCA). During the year ended 30 June 2024, the firm was subject to audit quality inspection of FRC in respect of annual audit of financial statements of the relevant audit client. The final report of FRC was received in September 2024 and no finding was identified.

Learn: Root cause Analysis

Learn: Root cause analysis

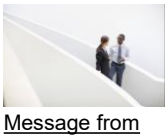
We perform analyses to identify potential factors contributing to our firm's audit quality so that we can take actions to continuously improve. Our primary objectives when conducting such analyses are to understand what our findings tell us about our SoQM and to identify how our firm can provide an effective environment for our engagement teams to deliver a quality audit. We look at quality findings from all sources including our own ongoing monitoring of our SoQM as well as Network inspection of our SoQM, audits both with and without deficiencies—whether identified through our own internal inspections process or through external inspections and other inputs such as our Global People Survey and financial statement restatements and accounting errors—to help identify possible distinctions and learning opportunities.

For individual audits, an objective team of root cause specialists identifies potential factors contributing to the overall quality of the audit. We consider factors relevant to technical knowledge, supervision and review, professional scepticism, engagement resources, and training, amongst others. Potential causal factors are identified by evaluating engagement information, performing interviews, and reviewing selected audit working papers to understand the factors that may have contributed to audit quality.

In addition, the data compiled for audits both with and without engagement-level findings is compared and contrasted to identify whether certain factors appear to correlate to audit quality. Examples of this data include the hours incurred on the audit, the number of years that key engagement team members have been on the engagement, the number of other audits that engagement partners are involved in, whether the engagement was subject to a pre-issuance review, and the timing of when the audit work was performed.

Our goal is to understand how quality audits may differ from those with engagement-level findings, and to evaluate how these learnings may be used to continuously improve all of our audits. We evaluate the results of these analyses to identify enhancements that may be useful to implement across the practice. We believe these analyses contribute significantly to the continuing effectiveness of our quality management.

PwC Network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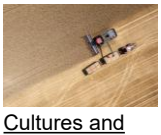
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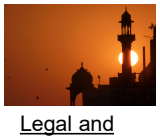
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PricewaterhouseCoopers International Limited

PwC is the brand under which the member firms of PricewaterhouseCoopers International Limited (PwCIL) operate and provide professional services. Together, these firms form the PwC network. 'PwC' is often used to refer either to individual firms within the PwC network or to several or all of them collectively.

In many parts of the world, accounting firms are required by law to be locally owned and independent. Although regulatory attitudes on this issue are changing, PwC member firms do not and cannot currently operate as a corporate multinational. The PwC network is not a global partnership, a single firm, or a multinational corporation.

For these reasons, the PwC network consists of firms which are separate legal entities. The firms that make up the network are committed to working together to provide quality service offerings for clients throughout the world. Firms in the PwC network are members in, or have other connections to, PricewaterhouseCoopers International Limited (PwCIL), an English private company limited by guarantee. PwCIL does not practise accountancy or provide services to clients. Rather its purpose is to facilitate coordination between member firms in the PwC network. Focusing on key areas such as strategy, brand, and risk and quality, the Network Leadership Team and Board of PwCIL develop and implement policies and initiatives to achieve a common and coordinated approach among individual firms where appropriate. Member firms of PwCIL can use the PwC name and the resources and methodologies of the PwC network are made available to them. In addition, member firms may request the resources of other member firms and/or secure the provision of professional services by other member firms and/or other entities. In return, member firms agree to abide by certain common policies and to maintain the standards of the PwC network as put forward by PwCIL.

The PwC network is not one international partnership and PwC member firms are not otherwise legal partners with each other. Many of the member firms have legally registered names which contain "PricewaterhouseCoopers", however there is no ownership by PwCIL. A member firm cannot act as agent of PwCIL or any other member firm, cannot obligate PwCIL or any other member firm, and is liable only for its own acts or omissions and not those of PwCIL or any other member firm. Similarly, PwCIL cannot act as an agent of any member firm, cannot obligate any member firm, and is liable only for its own acts or omissions.

The governance bodies of PwCIL are:

The governance bodies of PwCIL are:

- **Global Board,** which is responsible for the governance of PwCIL, the oversight of the Network Leadership Team and the approval of network standards. The Board does not have an external role. The Board is comprised of elected partners from PwC firms around the world and one or more external independent directors. Please refer to the following page on the PwC Global website for a list of the current members of the Global Board.
- **Network Leadership Team,** which is responsible for setting the overall strategy for the PwC network and the standards to which the PwC firms agree to adhere.
- **Strategy Council,** which is made up of the leaders of the largest PwC firms and regions of the network, agrees on the strategic direction of the network and facilitates alignment for the execution of strategy.
- **Global Leadership Team**, which is appointed by and reports to the Network Leadership Team and the Chairman of the PwC network. Its members are responsible for leading teams drawn from PwC firms to coordinate activities across all areas of our business.

The Territory Senior Partner of A. F. Ferguson & Co. maintains our relationships with the Network Leadership Team.

European Union (EU) / European Economic Area (EEA) Member firms

A list of audit firms and statutory auditors within the PwC network from EU and EEA Member States can be found in Annexure – I to this report. Total turnover achieved by statutory auditors and audit firms from EU / EEA Member States that are members of the PwC network resulting, to the best extent calculable, from the statutory audit of annual and consolidated financial statements are approximately 3 billion Euros. This represents the turnover from each entity's most recent financial year converted to Euros at the exchange rate prevailing as of 30 June 2026.

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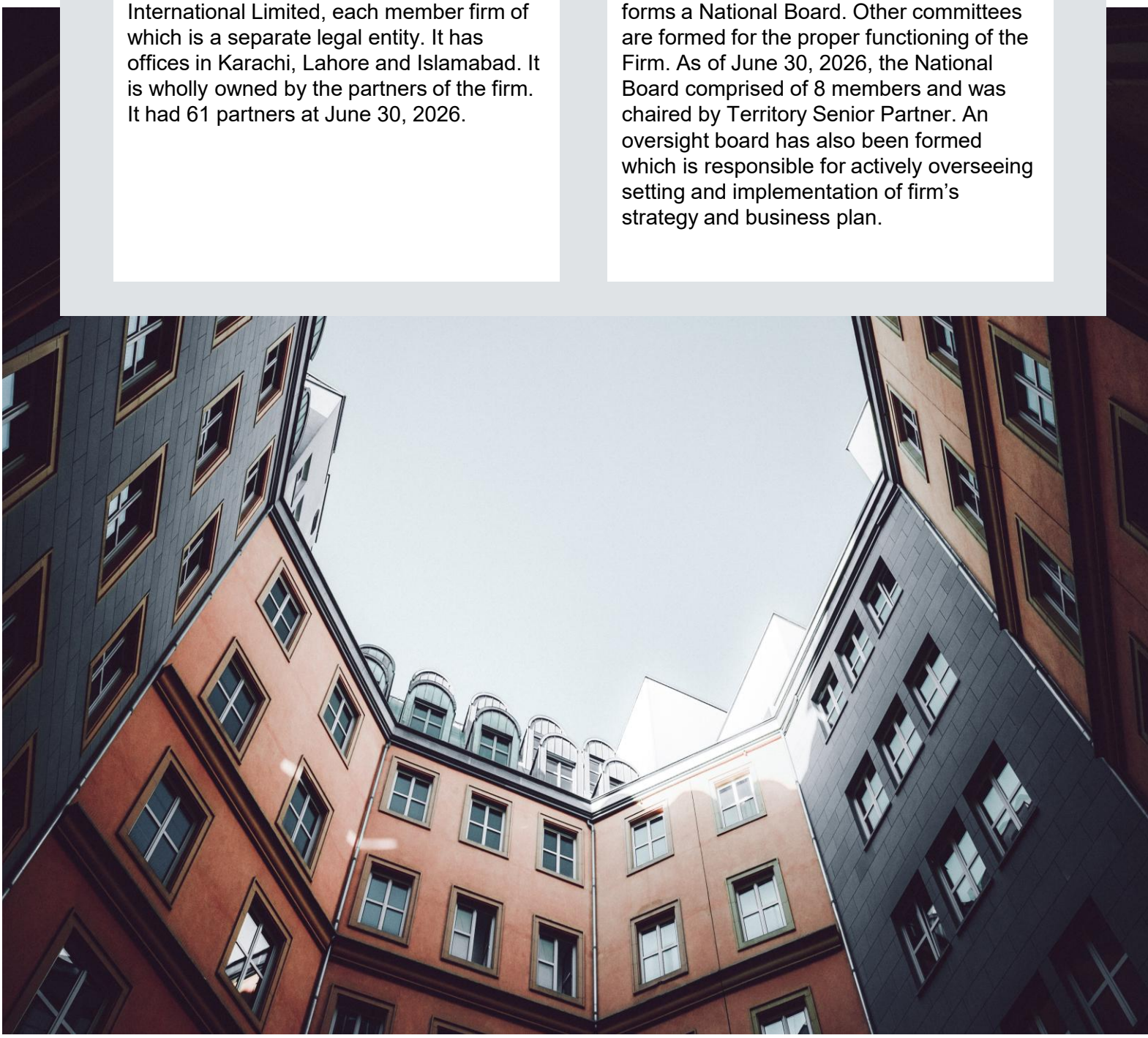
Legal structure and ownership of the A. F. Ferguson & Co.

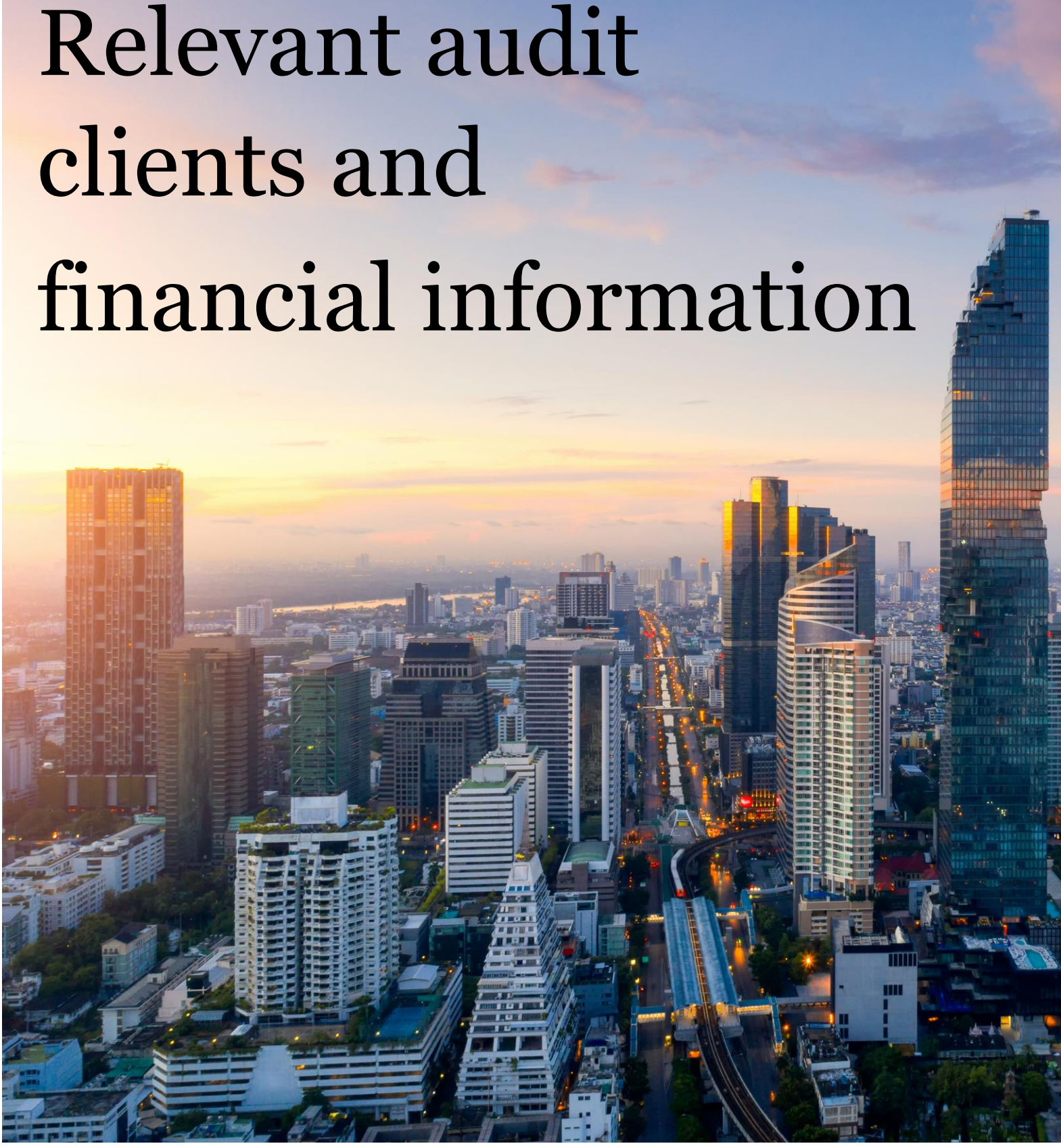
A. F. Ferguson & Co. is a partnership formed under the laws of Pakistan. It is a member firm of PricewaterhouseCoopers International Limited, each member firm of which is a separate legal entity. It has offices in Karachi, Lahore and Islamabad. It is wholly owned by the partners of the firm. It had 61 partners at June 30, 2026.

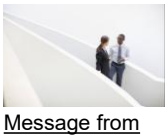
Governance structure of the A. F. Ferguson & Co.

Every three years, the Council of Partners (all active Partners) elects a Territory Senior Partner. The Territory Senior Partner forms a National Board. Other committees are formed for the proper functioning of the Firm. As of June 30, 2026, the National Board comprised of 8 members and was chaired by Territory Senior Partner. An oversight board has also been formed which is responsible for actively overseeing setting and implementation of firm's strategy and business plan.

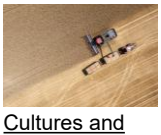


Relevant audit clients and financial information




Message from leadership

Our approach to quality

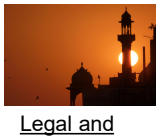

Cultures and values

Our people

Our approach

Monitoring

PwC Network


Legal and governance structure

Relevant audit clients and Financial Information

Remuneration of partners and rotation policy

Relevant audit clients and financial information

Relevant Audit Clients

During the period covered by this Transparency Report, A. F. Ferguson & Co. has signed an audit report for Oil and Gas Development Company Limited (OGDCL) that has transferable securities listed on a regulated market in the United Kingdom.

Financial Information

The firm's revenue from the relevant audit clients as mentioned above and all other clients for the year ended June 30, 2026 are as follows:

Assurance revenues earned from OGDCL represented Pak Rupees 56.6 million for the year ended June 30, 2026.

Assurance revenues earned from all other clients represented Pak Rupees 4,663 million for the year ended June 30, 2026.

Non-assurance services revenues earned from OGDCL represented Pak Rupees 39.1 million for the year ended June 30, 2026.

Non-assurance services revenues earned from all other clients represented Pak Rupees 8,114 million for the year ended June 30, 2026.

Remuneration of partners and rotation policy

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Remuneration of partners and rotation policy

Remuneration of partners and rotation policy

Remuneration of Partners

Partners are remunerated solely out of the profits of A. F. Ferguson & Co. Audit partners are not permitted to be incentivized, evaluated or remunerated for the selling of non-audit services to their audit clients.

The final allocation and distribution of profit to individual Partner is made, in accordance with the Partnership Deed applicable, once the annual financial statements have been finalized. The Council of Partners approves the process and oversees its application.

Each partner's remuneration comprises of various elements agreed upon by the Partnership for that year.

Rotation Policy

A. F. Ferguson & Co. follows the policy concerning the rotation of key audit partners and staff as prescribed in the Companies Act, 2017, Listing Regulations of Pakistan Stock Exchange and the requirements of PwC network, which requires the companies in the financial sector to change their external auditors every five years and all listed companies to rotate the engagement partner after every five years. For non-listed High Profile clients (HPC) / Public Interest Entities (PIE), the maximum period of involvement for the engagement partner is 7 years. For all other entities other than listed, PIE and HPC, maximum period of engagement partner involvement is 10 years which is extendable based on Risk Management approval. There is no rotation requirement for Very Small Entity (VSE) clients.

Annexure I - EU EEA Member firms

The table below is a list of audit firms and statutory auditors within the network i.e. from EU or EEA Member States as of 30 June 2026.

Member State	Audit firm / statutory auditor
Austria	PwC Österreich GmbH Wirtschaftsprüfungsgesellschaft, Wien (formerly, PwC Wirtschaftsprüfung GmbH, Wien)
Austria	PwC Wirtschaftsprüfungs- und Steuerberatungsgesellschaft GmbH, Linz
Austria	PwC Tax & Audit Services Wirtschaftsprüfung und Steuerberatung GmbH, Graz
Austria	PwC Österreich GmbH, Wien
Austria	PwC Assurance GmbH Wirtschaftsprüfung, Wien
Belgium	PwC Bedrijfsrevisoren bv/Reviseurs d'enterprises srl
Bulgaria	PricewaterhouseCoopers Audit OOD
Croatia	PricewaterhouseCoopers d.o.o
Croatia	PricewaterhouseCoopers Savjetovanje d.o.o
Cyprus	PricewaterhouseCoopers Limited
Czech Republic	PricewaterhouseCoopers Audit, s.r.o.
Denmark	PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab
Estonia	AS PricewaterhouseCoopers
Finland	PricewaterhouseCoopers Oy
France	PricewaterhouseCoopers Audit
France	PricewaterhouseCoopers France
Germany	PricewaterhouseCoopers GmbH Wirtschaftsprüfungsgesellschaft
Germany	Wibera Wirtschaftsberatung Aktiengesellschaft Wirtschaftsprüfungsgesellschaft
Greece	PricewaterhouseCoopers Auditing Company SA
Hungary	PricewaterhouseCoopers Könyvvizsgáló Kft.
Iceland	PricewaterhouseCoopers ehf
Ireland	PricewaterhouseCoopers
Ireland	PricewaterhouseCoopers (Northern Ireland) LLP
Italy	PricewaterhouseCoopers SpA
Latvia	PricewaterhouseCoopers SIA
Liechtenstein	PricewaterhouseCoopers GmbH, Ruggell
Lithuania	PricewaterhouseCoopers UAB
Luxembourg	PricewaterhouseCoopers Assurance, Société coopérative
Malta	PricewaterhouseCoopers
Netherlands	PricewaterhouseCoopers Accountants N.V.
Norway	PricewaterhouseCoopers AS
Poland	PricewaterhouseCoopers Polska sp. z. o.o.

Annexure I - EU EEA Member firms

Member State	Audit firm / statutory auditor
Poland	PricewaterhouseCoopers Polska spółka z ograniczoną odpowiedzialnością Audyt sp. k.
Portugal	PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda
Romania	PricewaterhouseCoopers Audit S.R.L.
Slovakia (Slovak Republic)	PricewaterhouseCoopers Slovensko, s.r.o.
Slovenia	PricewaterhouseCoopers d.o.o.
Spain	PricewaterhouseCoopers Auditores, S.L.
Sweden	PricewaterhouseCoopers AB
Sweden	Öhrlings PricewaterhouseCoopers AB

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