

STATEMENT OF COMPLIANCE WITH BEST PRACTICES OF THE CODE OF CORPORATE GOVERNANCE

This statement is being presented in compliance with the Code of Corporate Governance (the CCG) contained in Listing Regulations of Pakistan Stock Exchange Limited for the purpose of establishing a framework whereby a listed Company is managed in compliance with best practices for good Corporate Governance.

The Board has applied the principles contained in the CCG in the following manner:

1. The Company encourages representations of independent non-executive Directors and Directors representing minority interest on the Board of the Company. At present, the Board comprises of;

CATEGORY	NAMES
Independent Director	Khawaja Muhammad Ilyas
Executive Directors	Mr. Ashfaq Ahmad Mr. Nadeem Ashfaq Mr. Waseem Ashfaq
Non-Executive Directors	Mr. Amjad Aslam Mrs. Shazia Amjad Mrs. Nazia Irfan Mr. Muhammad Idrees

The independent director meets the criteria of independence under clause 5.19.1.(b) of the CCG.

2. The Directors have confirmed that none of them is serving as a Director in more than seven listed Companies, including this Company.
3. All the Directors of the Company are registered tax payers and none of them has defaulted in payment of any loan to a banking Company, a DFI or an NBFI.
4. During the year, no causal vacancy occurred in the Board.
5. The Company has prepared a 'Code of Conduct', and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.
6. The Boards has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which these were approved or amended has been maintained.

7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of CEO and other executive directors have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and the Board met at least once in every quarter. Written notices of the Board meetings, alongwith agenda and working papers, were circulated at least seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.
9. The Directors are aware of their duties and responsibilities under the relevant laws and regulations and they are regularly appraised with the amendments in the Corporate and other laws if any. Three out of eight directors are exempt from the requirement of certification under the Directors' Training Program. The remaining Directors will complete their certifications by June 30, 2021.
10. The appointment of Company Secretary, CFO and Head of Internal Audit, including their remuneration and terms and conditions of employment, as recommended by the CEO, was approved by the Board.
11. The Directors' report for the year has been prepared in compliance with the requirements of the CCG and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
13. The CEO, Directors and Executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the CCG.
15. The Board has formed an Audit Committee. It comprises of three members, of whom two are non-executive directors and one is an independent director who is the Chairman of the Committee.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final results of the Company and as required by the CCG. The terms of reference of the Committee have been defined and communicated to the Committee for compliance.

17. The Board has formed a Human Resource and Remuneration Committee. It comprises of three members, of whom two are non-executive directors including the Chairman of the committee and one is an independent director.
18. The Board has set-up and effective Internal Audit function with employees, who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
19. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the institute of Chartered Accountants of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
20. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
21. The related parties transaction and pricing methods have been placed before the audit committee and approved by the board of directors. The transactions were made on terms equivalent to those that prevail in arm's length transaction.
22. The "closed period" prior the announcement of interim / final results, and business decisions, which may materially affect the market price of Company's shares were determined and intimated to directors, employees and the Pakistan Stock Exchange Limited.
23. Material / price sensitive information has been disseminated among all market participants at once through the Pakistan Stock Exchange Limited.
24. We confirm that all other material principles contained in the CCG have been complied with.

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On behalf of the Board
(ASHFAQ AHMAD)
Chief Executive Officer