

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

Name of Company: Thal Limited (The Company)  
Year ended: June 30, 2020

The company has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 7 as per the following:

a. Male	6
b. Female	1

2. The composition of board is as follows:

a. Independent Directors	Mr. Asif Qadir Ms. Aliya Saeeda Khan
b. Other Non-Executive Director	Mr. Rafiq M. Habib Mr. Mohamedali R. Habib Mr. Imran Ali Habib Mr. Salman Burney
c. Executive Director	Mr. Muhammad Tayyab Ahmad Tareen

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this company.

4. The company has prepared a code of conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Company along with its supporting policies and procedures.

5. The board has developed a vision / mission statement, overall corporate strategy and significant policies of the Company. The board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 (the Act) and these Regulations.

7. The meetings of the board were presided over by the Chairman and, in his absence, by a director elected by the board for this purpose. The board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.

8. The board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Mr. Rafiq M. Habib and Mr. Salman Burney are exempted by SECP from the Directors Training Program as each of them has requisite qualification and experience of serving on the Boards. Mr. Mohamedali R. Habib, Mr. Imran Ali Habib, Mr. Asif Qadir and Ms. Aliya Saeeda Khan are certified by Pakistan Institute of Corporate Governance.

10. The board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed committees comprising of members given below:

a. <b>Audit Committee</b>		
Mr. Asif Qadir		Chairman
Mr. Mohamedali R. Habib		Member
Mr. Imran Ali Habib		Member
Mr. Salman Burney		Member

b. <b>Human Resource and Remuneration Committee</b>		
Mr. Asif Qadir		Chairman
Mr. Salman Burney		Member
Mr. Muhammad Tayyab Ahmad Tareen		Member

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

14. The frequency of meetings (quarterly / half-yearly / yearly) of the committee were as per following:

a. Audit Committee	5 meetings
b. HR and Remuneration Committee	1 meeting

15. The board has outsourced the internal audit function to Noble Computer Services (Private) Limited who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.

16. The statutory auditors of the company have confirmed that they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company.

17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanations for not rounding up the fractional number under Regulation 6(1) and for not carrying out Directors' Orientation Program under Regulation 18 are as follows:

a. In a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5), the fraction contained in such one-third is not rounded up to one. Further, the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.

b. The Directors' Orientation Program was planned during the fourth quarter of the financial year, however, due to COVID-19 it is now being planned in the near future.

RAFIQ M HABIB  
CHAIRMAN

MUHAMMAD TAYYAB  
AHMAD TAREEN  
DIRECTOR

Karachi  
September 08, 2020