

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017

The Thal Industries Corporation Limited (“the Company”) has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2017 (“the Regulations”) in the following manner:

1. The total number of directors are seven as per the following:
 - a. Male: Six
 - b. Female: One

2. The composition of the Board of Directors (the Board”) is as follows:

Category	Names
Independent Directors*	Mr. Muhammad Ashraf Khan Durani Mr. Hafiz Rab Nawaz
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan

*Number of Independent Directors as prescribed by the Regulations, shall be implemented in accordance with the timeline given in proviso of Regulation 6 of the Regulations, i.e. not later than expiry of its current term pursuant to provisions of the Regulations.

3. The directors have confirmed that none of them is serving as a director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
6. All the powers of the board have been duly exercised and decisions on relevant matters have been taken by the board /shareholders as empowered by the relevant provisions of the 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 the Act and the Regulations with respect to frequency, recordings and circulating minutes of meeting of the board.
8. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The company is planning to arrange training program for one director namely Mr. Hafiz Rab Nawaz as provided by code. Company is taking steps to complete the directors training program by 30 June 2019, whereas Mr. Ashraf Khan Durani, director, has completed DTP during last year, remaining five directors are exempt from such training as they have fourteen years of education and fifteen years of experience on the board of the listed company.
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. No new appointments were made during the year.

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:

Audit Committee

Mr. Muhmmad Ashraf Khan Durani (Chairman)
Mrs. Qaiser Shamim Khan
Mr. Adnan Ahmed Khan

HR AND REMUNERATION COMMITTEE

Mr. Hafiz Rab Nawaz (Chairman)
Mr. Adnan Ahmed Khan
Mr. Muhammad Khan

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 of the aforesaid committees were as per following:

- a) Audit Committee: (6) meetings during the year.
- b) HR and Remuneration Committee: Once during the year.

15. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Company.

16. The statutory auditors of the Company confirmed that they have been given a satisfactory rating under the quality control review program of the Institute of Chartered Accountants of Pakistan ("the ICAP") and registered with Audit Oversight Board 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 ICAP.

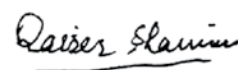
17. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regards.

18. We confirm that all other requirements of the Regulations have been complied with.

For and on behalf of Board of Directors,
The Thal Industries Corporation Ltd.



Muhammad Shamim Khan
Chief Executive



Mrs. Qaiser Shamim Khan
Chairperson

Lahore: 26 December 2018