

# STATEMENT OF COMPLIANCE

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

**NAME OF THE COMPANY:** THE THAL INDUSTRIES CORPORATION LIMITED  
**YEAR ENDED:** SEPTEMBER 30, 2020

The Thal Industries Corporation Limited ("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 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. Abdul Wahid Khan
Non-Executive Directors	Mrs. Qaiser Shamim Khan (Chairperson) Mr. Adnan Ahmed Khan Mr. Muhammad Khan
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Female Directors	Mrs. Qaiser Shamim Khan

- There are two Independent directors, however, required fraction is not rounded up as one because the new regulations were issued on September 25, 2019, and the Board was constituted before that date and the Regulation has provided relaxation that for the purpose of electing independent director, the Board shall be reconstituted not later than expiry of its current term;
3. The directors have confirmed that none of them is serving as a director on more than seven 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 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 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 Board has arranged Directors' Training program in previous years of the following:  
  
Mr. Muhammad Ashraf Khan Durani  
Mr. Abdul Wahid Khan

Remaining five directors are exempted 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 appointment was 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:

#### A. AUDIT COMMITTEE

Names	Designation held
Mr. Muhammad Ashraf Khan Durani	Chairman
Mrs. Qaiser Shamim Khan	Member
Mr. Adnan Ahmed Khan	Member

#### B. HR AND REMUNERATION COMMITTEE

Names	Designation held
Mr. Abdul Wahid Khan	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Muhammad Khan	Member

#### C. RISK MANAGEMENT COMMITTEE

Names	Designation held
Mr. Abdul Wahid Khan	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

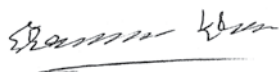
#### D. NOMINATION COMMITTEE

Names	Designation held
Mr. Abdul Wahid Khan	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

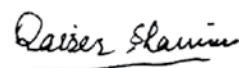
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
14. The frequency of meetings (quarterly/ half yearly/ yearly) of the committees were as per following:
  - a) **Audit Committee**  
Six meetings of Audit Committee were held during the financial year ended 30th September 2020.
  - b) **HR and Remuneration Committee**  
One meeting of HR and Remuneration Committee was held during the financial year ended 30th September 2020.

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 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 accountant (IFAC) guidelines on code of ethics as adopted by Institute of chartered accountants of Pakistan and that they and 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 the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 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: 24, December 2020