

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019

The Nazir Cotton Mills 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 is Seven as per the following. (as per director Election held on July 27, 2024)
 - a. Male: Seven
 - b. Female: None
2. The composition of the Board of Directors (the Board) is as follows:
 - a. Category Independent
Mr. Muhammad Irfan
Mr. Asim Mehmood Bhatti
 - b. Director Executive Directors
Mr. Muhammad Tayyab
Mian Farrukh Naseem
 - c. Non-Executive Directors
Mian Aamir Naseem
Mr. Maqbool Hussain Bhutta
Mr. Muhammad Abbas
3. Directors have confirmed that none of them is serving as a director on more than seven 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 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board of directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. The Board remained fully compliant with the provision with regard to their training program. The majority of the Board members have the prescribed qualifications and experience required for exemption from training program of directors pursuant to regulation 20 of the Regulations.
10. The Board has approved appointment of CFO and Company Secretary, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a. Audit Committee

Mr. Muhammad Irfan (Chairman)
 Mr. Muhammad Abbas (Member)
 Mr. Asim Mahmood Bhatti (Member)

We have appoint independent director as Chairman of the Audit Committee in due course.

b. HR and Remuneration Committee

Mr. Asim Mahmood Bhatti (Chairman)
 Mr. Muhammad Abbas (Member)
 Mr. Muhammad Irfan (Member)

We have appointed independent director as member of HR and Remuneration Committee in due course.

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: Four meetings during the financial year ended 30 June 2024
- b. HR and Remuneration Committee: one meeting during the financial year ended 30 June 2024.
15. The board has not set up an internal audit function because the operation of the company has been suspended since last many years.
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 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 regard.
18. We confirm that all other requirements of the Regulations have been complied with.
19. Explanation for Non-Compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below;

20.

S No.	Reg	Requirements	Future course of Action
1	19 20	By June 30, 2022, all directors shall acquire certification under Directors' Training Program.	Board shall take steps to arrange Directors' Training Certification for the remaining four directors by end of 2024.

Lahore

Dated: October 04, 2024


 (Muhammad Tayyab)

Chief Executive