

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

Name of Company: Azgard Nine Limited (the Company)
Year ended: 30-06-2023

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 numbers of Directors are eight (including Chief Executive Officer) as per the following:

a) Male 7 b) Female 1

2. The composition of Board is as follows:

i.	Independent Directors	Mr. Zahid Mahmood
		Ms. Maliha Sarda Azam
		Mr. Nasir Ali Khan Bhatti
		Mr. Muhammad Wasim Butt
		Mr. Abid Hussain
ii.	Non-executive Directors	Mr. Usman Rasheed
		Mr. Abdul Hamid Ahmed Dagia
iii.	Executive Directors	Mr. Ahmed H. Shaikh
iv.	Female Directors	Ms. Maliha Sarda Azam

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 Companies Act, 2017 (the Act) and the 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 Board.
8. The Board have a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations.
9. All Directors have acquired certification under a Directors' Training Program or have obtained exemption from the Securities and Exchange Commission of Pakistan.
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) **Audit Committee**
- | | |
|---------------------------|------------|
| Mr. Nasir Ali Khan Bhatti | - Chairman |
| Ms. Maliha Sarda Azam | - Member |
| Mr. Usman Rasheed | - Member |
- b) **HR and Remuneration Committee**
- | | |
|-----------------------|---------------|
| Ms. Maliha Sarda Azam | - Chairperson |
| Mr. Ahmed H. Shaikh | - Member |
| Mr. Usman Rasheed | - Member |
13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:
- a) **Audit Committee** Quarterly - Four meetings were held during the financial year with at least one meeting in each quarter
- b) **HR and Remuneration Committee** Yearly–One meeting was held during the financial year
15. The Board has outsourced the internal audit function to M/s. PKF F.R.A.N.T.S, Chartered Accountants (a member firm of PKF International Limited) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company. Further, a fulltime employee of the Company has been designated as Head of Internal Audit as required under the Regulations.
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 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 and that they and the partners of the firm involved in 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, the 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, 6, 7, 8, 27, 32, 33 and 36 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:

Regulation No.	Non-Mandatory / Optional Requirements	Explanation
19	<p>Directors' Training:</p> <p>(3) Companies are also encouraged to arrange training for:</p> <p>(i) at least one female executive every year under the Directors' Training program from year July 2020; and</p> <p>(ii) at least one head of department every year under the Directors' Training program from July 2022.</p>	<p>The Company is committed to arrange such trainings/courses for its officers that are more relevant to their job descriptions and beneficial for the Company. However, the Company may/will consider required training, if and when necessary, on case-to-case basis.</p>

Regulation No.	Non-Mandatory / Optional Requirements	Explanation
29	<p>Nomination Committee:</p> <p>(1) The Board may constitute a separate committee, designated as the nomination committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	<p>The Board takes care of the responsibilities prescribed for Nomination Committee, therefore, separate Nomination Committee is not considered necessary.</p>
30	<p>Risk Management Committee:</p> <p>(1) The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	<p>The Board has devised Risk and Internal Controls Governance Framework and responsibilities have been assigned to Audit Committee through relevant Policy. Therefore, separate Risk management Committee is not considered necessary.</p>



AHMED H. SHAIKH
Chief Executive Officer



ZAHID MAHMOOD
Chairman

Dated: October 02, 2023

**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF AZGARD NINE LIMITED****REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED
IN LISTED COMPANIES
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019**

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **AZGARD NINE LIMITED** (the Company) for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors' statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Company for the year ended June 30, 2023.

**Grant Thornton Anjum Rahman**
Chartered Accountants**Engagement Partner:**

Imran Afzal

Lahore**UDIN:** CR202310212L8aCGNVoz**Date:** October 02, 2023