

STATEMENT OF COMPLIANCE

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

Name of Company: Fauji Foods Limited

Year ended: December 31, 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are 09 as per the following:

a. Male: 08

b. Female: Nil (refer to Note 7)

2. The composition of Board is as follows:

Category	Names
Independent Directors	Mr. Javed Kureishi Mr. Basharat Ahmad Bhatti Mr. Ali Asrar Hossain Aga
Female Director	Casual vacancy occurred on 23 Oct 2023
Non-Executive Directors	Mr. Waqar Ahmed Malik (Chairman) Mr. Sarfaraz Ahmed Rehman Mr. Arif ur Rehman Dr. Nadeem Inayat Syed Bakhtiyar Kazmi
Chief Executive Officer	Mr. Usman Zaheer Ahmad

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. A casual vacancy occurring on 25 January 2023 was filled by the Directors on 26 January, 2023 when Mr. Waqar Ahmed Malik was appointed as Director in place of Mr. Imran Husain.

6. Board of Directors elected Mr. Waqar Ahmed Malik as Chairman of the Board in place of Mr. Sarfaraz Ahmed Rehman on 26 January 2023.

7. A casual vacancy occurred on 23 October, 2023 when Ms. Tania Shahid Aidrus resigned from the Board of Directors w.e.f. 23 October, 2023. Subsequent to reporting date on January 18, 2024, the Company has appointed Ms. Nosheen Akhtar as female director within the time limit as prescribed by Section 155 of the Companies Act, 2017.

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

9. 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.

10. 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.

11. The Board of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations which has been approved by BOD.

12. The following Directors have completed their Director's Training Program:

Mr. Waqar Ahmed Malik (Director)

Mr. Sarfaraz Ahmed Rehman (Director)

Mr. Arif ur Rehman (Director)

Dr. Nadeem Inayat (Director)

Mr. Basharat Ahmad Bhatti (Director)

Mr. Ali Asrar Hossain Aga (Director)

Syed Bakhtiyar Kazmi (Director)

Mr. Javed Kureishi (Director)

13. CEO and CFO duly endorsed the financial statements before approval of the Board.

14. The Board has formed committees comprising of members given below:

AUDIT COMMITTEE

Mr. Javed Kureishi (Chairman)

Dr. Nadeem Inayat (Member)

Syed Bakhtiyar Kazmi (Member)

Mr. Basharat Ahmad Bhatti (Member)

HR & REMUNERATION COMMITTEE

Mr. Ali Asrar Hossain Aga (Chairman)

Dr. Nadeem Inayat (Member)

Mr. Arif ur Rehman (Member)

OPERATION AND BUSINESS COMMITTEE

Mr. Sarfaraz Ahmed Rehman (Chairman)

Mr. Ali Asrar Hossain Aga (Member)

Mr. Basharat Ahmad Bhatti (Member)

15. The Terms of Reference of the Audit Committee, Human Resource Committee and Operation and Business Committee have been formed, documented and advised to the Committees for Compliance.

16. The frequency of meetings of the committee were as per following:

Name	No.	Frequency
a) Audit Committee:	5	Quarterly
b) HR and Remuneration Committee:	4	Quarterly
c) Operation and Business Committee:	3	Quarterly

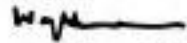
17. The Board has set up an effective internal audit function staffed with persons who are suitably qualified and experienced for the purpose and are well conversant with the policies and procedures of the Company.

18. 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 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, parents, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.

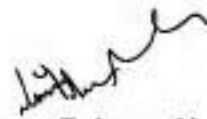
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

20. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 have been complied with except for:

- The Company has not formed Risk Management Committee. However, the Audit Committee is performing this role.
- The Company has not formed Nomination Committee. However, the Board is performing this role by itself.



Waqar Ahmed Malik
Chairman



Usman Zaheer Ahmad
Chief Executive Officer

Dated: January 23, 2024

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

TO THE MEMBERS OF FAUJI FOODS LIMITED

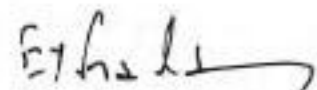
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Fauji Foods Limited (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 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 31 December 2023.



Chartered Accountants

Engagement Partner: Omar Chughtai

Place: Lahore

Date: 20 February 2024

UDIN: CR202310120iu8QdMgT9