FIRST IMROOZ MODARABA

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

First Imrooz Modaraba (the Modaraba) managed by A R Management Services (Private) Limited (the Management Company)

For the Year ended June 30, 2025

The Management Company has complied with the requirements of Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) in the following manner:

1. The total number of directors are 5* as per the following:
   a. Male: 4 (Four)
   b. Female**: 1 (One)

   * The requirement of minimum 7 directors and 1/3 or 2 whichever is higher independent director, does not apply to Modaraba Management Company being Private Limited Company.

   ** As at the reporting date, the position of female director on the Board stands vacant due to the sad demise of Mrs. Saadat Ikram on April 15, 2025. The process of filling this casual vacancy is in progress as it is subject to approval by the Securities and Exchange Commission of Pakistan (SECP).

2. The composition of board is as follows:

Category	Names
A) Executive Directors*	Mr. Naveed Riaz Mr. Ameed Riaz
B) Non-Executive Directors	Mr. Omar Mohammad Khan Mrs. Saadat Ikram (Late)
C) Independent Director	Mr. Aliuddin Ahmed
D) Female Director	Mrs. Saadat Ikram (Late)

   * In accordance with the requirement of maintaining one-third executive representation on the Board, the calculated fraction of 1.66 has been rounded up to 2. This adjustment is necessary to fulfill the governance requirement for operating the business.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Management Company.

4. The Management Company has prepared a Code of Conduct and has ensured that appropriate steps have been taken to disseminate it throughout the Management 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 Management Company. The Board has ensured that complete record of particulars of the 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 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of 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. All the directors of the Management Company have minimum of 14 years of education and over 15 years of experience on the board of a listed Management Company and therefore are exempted from director's training program.

10. The Board has approved the appointment of the Chief Financial Officer, Company Secretary, and Head of Internal Audit, along with their remuneration and terms of employment, in compliance with the applicable regulatory requirements. At the year-end, the Chief Financial Officer retired, and the Board appointed a new CFO on July 1, 2025.

11. The Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the board.

12. The board has formed following committees comprising of members given below:

Committee	Name of members and Chairman
a) Audit Committee	Chairman : Mr. Aliuddin Ahmed Member : Mrs. Saadat Ikram (Late) Member : Mr. Omar Mohammad Khan
b) HR and Remuneration Committee	Chairman : Mr. Aliuddin Ahmed Member : Mr. Omar Mohammad Khan Member : Mrs. Saadat Ikram (Late) Member : Mr. Ameed Riaz

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 of the committee were as per following:

Committee	Frequency of meetings
a) Audit Committee	Four quarterly meetings during the financial year ended June 30, 2025
b) HR and Remuneration Committee	One meeting held during the year

15. The board has set up an effective internal audit function and its members are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Management 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 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, 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.

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36:

S. No.	Paragraph reference	Description	Explanation
1	10 A (1) - 10 A (6)	The board is tasked with overseeing sustainability risks and opportunities, incorporating environmental, social, and governance (ESG) factors into the Modaraba's long-term strategies to enhance corporate value. They are encouraged to adopt SECP's ESG Disclosure Guidelines and ensure the implementation of diversity, equity, and inclusion (DE&I) policies to promote gender equality and representation at all levels. The board must actively identify and address both current and emerging sustainability risks, including climate-related ones, evaluating their potential impacts and developing management strategies. Additionally, they are responsible for regularly reviewing and monitoring the company's sustainability and DE&I goals and performance. To fulfill these duties effectively, the board may establish a dedicated sustainability committee, which must include at least one female director, or expand the role of an existing committee to oversee	Although the Modaraba is mainly engaged in trading business and has little or no environmental impact, However, the Modaraba will ensure relevant compliances for specific regulations in ensuing years.

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S. No.	Paragraph reference	Description	Explanation
		sustainability-related risks, ensure compliance with relevant laws, and report annually on how sustainability principles are integrated into the organization. Lastly, the directors' report should detail the assessment of sustainability risks, management strategies, and DE&I initiatives within the company.	

Mr. Omar Mohammad Khan
Chairman
Karachi: September 29, 2025

REANDA

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE CERTIFICATE HOLDERS OF FIRST IMROOZ MODARABA ON THE STATEMENT OF COMPLIANCE CONTAINED IN THE 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 AR Management Services (Private) Limited (the Modaraba Management Company) for and on behalf of **First Imrooz Modaraba** (the Modaraba) for the year ended June 30, 2025 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 Modaraba Management Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Modaraba 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 Modaraba's personnel and review of various documents prepared by the Modaraba Management 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 Modaraba's corporate governance procedures and risks.

The Regulations require the Modaraba Management 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 Modaraba Management Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the Modaraba for the year ended June 30, 2025.

RHZASRCo Reanda Haroon Zakaria Aamir Salman Rizwan &co

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants

Place: Karachi
Dated: 30 SEP 2025
UDIN: CR202510086ZMEWw6oG2

Engagement Partner
Muhammad Iqbal

Reanda Haroon Zakaria Aamir Salman Rizwan & Company
Chartered Accountants
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