

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

For the Year Ended June 30, 2025

This statement is being presented to comply with the Listed Companies (Code of Corporate Governance) Regulations, 2019. The Company has applied the principles contained in the Listed Companies (Code of Corporate Governance) Regulations, 2019 in the following manner:

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

Male: 8	Female: 1
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2. The composition of Board is as follows:

Independent Directors	Mr. Khalid Zareef Khan Mr. Sohail Hameed Khan Mr. Taimur Asfandiyar Minwalla
Non-executive Director	Mr. Ali Kuli Khan Khattak Maj. (R) Muhammad Zia Mr. Shahid Kamal Khan
Executive Director	Mr. Ahmad Kuli Khan Khattak Mr. Muhammad Kuli Khan Khattak
Female Directors	Ms. Shahnaz Sajjad 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. 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 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 have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. The Board of Directors have either obtained certificate of Directors' Training Program or are exempted from the requirements of Directors' Training Program as per Listed Companies Code of Corporate Governance Regulations 2019.
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:

Audit Committee	Mr. Sohail Hameed – Chairman Maj. (R) Muhammad Zia - Member Mr. Shahid Kamal Khan – Member Mr. Taimur Asfandiyar Minwalla – Member Mr. Shahnawaz Damji - Secretary
HR and Remuneration Committee	Mr. Khalid Zareef Khan – Chairman Mr. Muhammad Kuli Khan Khattak - Member Maj (R) Muhammad Zia - Member Mr. Shahid Kamal Khan - Member Mr. Shahrukh Asghar - Secretary

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 committee were as per following:

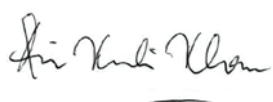
Audit Committee	Four quarterly meetings during FY ended 2025
HR and Remuneration Committee	One meeting during FY ended 2025

15. The Board has set up an effective internal audit function which comprises of professionals who are considered suitably qualified and experienced for the purpose and are conversant with the 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 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, 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 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:

Matter	Regulation	Explanation
<b>Nomination Committee</b> 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.	29(1)	The Board efficiently fulfills all the responsibilities of the Nomination Committee as outlined in the Code. It consistently reviews and evaluates the needs related to any changes required for the Board's committees, including the appointment of committee chairs. Additionally, the Board closely monitors its structure, size, and composition, ensuring that necessary adjustments are made promptly when needed.
<b>Risk Management Committee</b> 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.	30(1)	The Board through its Audit Committee, conducts an annual review of the business risks facing the Company to ensure the maintenance of a robust system for risk identification, management, and internal controls to protect its assets. All significant controls, including financial, operational, and compliance-related, are regularly monitored and assessed. The Board ensures that risk mitigation strategies are strong and effective.

Disclosure of significant policies on website	35	The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1), and thus the Company has uploaded limited information in this respect on its website.
Directors Training Program for female executive and head of departments	19	The Company will take adequate measures in due course for the



**Ali Kuli Khan Khattak**  
Chairman

September 29, 2025

# 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 Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Ghandhara Industries Limited (the Company) 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 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 requires 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, 2025.



**SHINEWING HAMEED CHAUDHRI & CO.**  
**CHARTERED ACCOUNTANTS**  
**KARACHI.**

Dated: 30<sup>th</sup> September 2025  
UDIN: CR202510105YLkQdcezF