

**Statement of Compliance with Listed Companies
(Code of Corporate Governance) Regulations, 2019
For the year ended June 30, 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 number of directors are eight (8) as per the following:

Gender	Number
Male	7
Female	1

2. The composition of the Board as at June 30, 2023 is as follows:

Category	Names
Independent Directors	Syed Ahmad Iqbal Ashraf Mrs. Nazia Qureshi
Non-Executive Directors	Lt Gen (R) Ali Kuli Khan Khattak Mr. Manzoor Ahmed Mr. Adnan Ahmed Mr. Ahmad Kuli Khan Khattak Mr. Umair Aijaz
Executive Director	Mr. Hussain Kuli Khan - (CEO)

Regulation 6 requires the Company to have at least one-third members of the Board as independent directors. As at June 30, 2023, the Board has two independent directors and the fraction one-third number was not rounded up to one as the two independent directors have requisite competencies, skills, knowledge and experience to fulfill their obligations as per the requirements of the applicable laws and regulations.

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 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 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 of the Board Meetings. 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. At present, out of eight (8) directors on the Board, six (6) directors have acquired the Directors' Training Program ("DTP") Certifications from SECP recognized institutes. Whereas, two (2) directors are exempted from DTP Certifications due to fulfilling the requirement of having a minimum of 14 years of education and 15 years of experience on the Board of a listed company.
10. There was no fresh appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year ended June 30, 2023. The Board has approved the remuneration of Chief Financial Officer, Company Secretary and Head of Internal Audit and complied with relevant requirements of the Regulations.
11. Chief Financial Officer and Chief Executive Officer have duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a. Board Audit Committee (**BAC**):

Name of the Member	Category
Syed Ahmad Iqbal Ashraf	Chairman
Lt Gen (R) Ali Kuli Khan Khattak	Member
Mr. Ahmad Kuli Khan Khattak	Member
Mr. Manzoor Ahmed	Member
Mr. Umair Aijaz	Member

b. Board Human Resource and Remuneration Committee (**BHR&RC**):

Name of the Member	Category
Syed Ahmad Iqbal Ashraf	Chairman
Lt Gen (R) Ali Kuli Khan Khattak	Member
Mr. Ahmad Kuli Khan Khattak	Member
Mr. Manzoor Ahmed	Member
Mr. Adnan Ahmed	Member
Ms. Nazia Qureshi	Member
Mr. Hussain Kuli Khan	Member

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 sub committees (quarterly/half yearly/yearly) were as following:
 - a. Board Audit Committee: Six (6) meetings were held during the year ended June 30, 2023.
 - b. Board Human Resource and Remuneration Committee: Six (6) meetings were held during the year ended June 30, 2023.
15. The Board has set up an effective internal audit function 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 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



LT GEN (R) ALI KULI KHAN KHATTAK
Chairman

Karachi
24 August 2023

**INDEPENDENT AUDITORS' REVIEW REPORT TO THE MEMBERS OF
GHANDHARA TYRE AND RUBBER COMPANY 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 Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of **Ghandhara Tyre and Rubber Company 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 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, 2023.

Shinewing Hameed Chaudhri & Co.
SHINEWING HAMEED CHAUDHRI & CO.
CHARTERED ACCOUNTANTS
KARACHI; 28 AUG 2023

UDIN: CR202310105i2xwgaHVV