

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

HALLMARK COMPANY LIMITED FOR THE YEAR ENDED JUNE 30, 2023

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

1. The total numbers of directors are Seven (7) as per the following combination:

- a) Male: 05
- b) Female: 02

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Jawad Rauf
	Mr. Muhammad Ashfaq
Non – Executive Directors	Ms. Wanda Dolores Fajardo
	Ms. Medina Zafar Sheikh
	Mr. Kamran Ahmed
	Mr. Owais Ali Khan
Executive Director	Mr. Irtaza Zafar Sheikh
Female Directors	Ms. Wanda Dolores Fajardo
	Ms. Medina Zafar Sheikh

Note: The Company has undergone through change of management wherein, all the Directors and Chief Executive Officer resigned and new Chief Executive and Board of Directors were appointed w.e.f **15 August 2023**.

- 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 vision and mission statements, overall corporate strategy, and significant policies of the Company. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.

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 and the Listed Companies (Code of Corporate Governance) Regulations, 2019.
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 Companies Act, 2017, and Listed Companies (Code of Corporate Governance) Regulations, 2019 with respect to frequency, recording, and circulating minutes of the meeting of the Board.
8. The Board of Directors has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.
9. During the period under review the Company was facing severe financial challenges and was not able to arrange Director's Training Program for any of its Directors. However, the Company has undergone through change of management and the new management will ensure compliance of the same.
10. The board has approved the appointment of the Company Secretary including their remuneration and terms and conditions of employment and complied with relevant requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 wherein Mr. Muhammad Farhan Saeed was appointed against the vacancy.
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:

Board Audit Committee		
Name of Members	Category	Designation
Mr. Muhammad Ashfaq, FCA	Independent Director	Chairman / Member
Ms Wanda Dolores Fajardo	Non-Executive Director	Member

Human Resource & Remuneration Committee		
Name of Members	Category	Designation
Ms. Wanda Dolores Fajardo	Non-Executive Director	Chairman / Member
Ms. Medina Zafar Sheikh	Non-Executive Director	Member

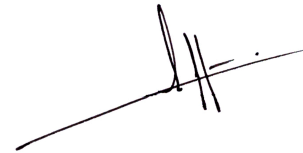
13. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
14. The frequency of quarterly meetings of the committee was as per following:

Audit Committee	Quarterly
Human Resource & Remuneration Committee	Annually

15. The board has set up an effective internal audit function, which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
16. During the year, no casual vacancy occurred on the Board;
17. 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 the Audit Oversight Board of Pakistan, that they and their partners are in compliance with the 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 (spouses, parent dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary and Director of the Company.
18. 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.
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.



Waseem Ahmad
Chief Executive Officer / Director



Syed Aamir Hussain
Chairman / Director

Karachi

Date: October 5, 2023.



**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF *HALLMARK COMPANY LIMITED*
FOR THE YEAR ENDED JUNE 30, 2023**

**REVIEW REPORT 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 **Hallmark 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 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 with 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 that 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.

Further, we highlight below instances of non-compliance with the requirement of the Regulations as reflected in the note reference, where it is stated in the Statement of Compliance:

Note Reference

Description:

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There was no appointment of the head of Internal Audit during the year.

S.M. Suhail & Co.

S.M. Suhail & Co.
Chartered Accountants
Karachi

Engagement Partner: Syed Imran Haider, FCA.

Ref: SMS-A-01812024

Date: October 5, 2023

UDIN: CR202310109IxSOvAGCU