

STATEMENT OF COMPLIANCE

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

Name of Company: HIGHNOON LABORATORIES LIMITED
 Year ended: December 31, 2022

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

1. The total number of directors are 7 as per the following:

a. Male	5
b. Female	2

2. The composition of the Board is as follows:

a) Independent Directors*	2
b) Non-Executive Director	4
c) Executive Directors	1

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 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. A complete record of particulars of significant policies along with their dates of approval or amendment has been maintained.

- *Two independent Directors were appointed and fraction of 0.33 was not rounded up since the fraction is below half (0.5)

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 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 the Act and the Regulations 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 Act and these Regulations.

9. All Seven Directors are duly certified or exempted from the directors' Training Program.

10. The Board has approved the appointment of Company Secretary, including the 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:

a) Audit Committee

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|----------------------------|---------------------------------|
| 1. Mrs. Nael Najam | Chairman /Independent Director |
| 2. Mrs. Zainub Abbas | Member/ Non -Executive Director |
| 3. Mr. Ghulam Hussain Khan | Member/ Non -Executive Director |

b) HR and Remuneration Committee

- | | |
|----------------------------|---------------------------------|
| 1. Mrs. Nael Najam | Chairman /Independent Director |
| 2. Mrs. Zainub Abbas | Member/ Non -Executive Director |
| 3. Dr. Adeel Abbas Haideri | Member /CEO/ Executive Director |

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 committees were as per following:

- | | |
|----------------------------------|---|
| a) Audit Committee | 4 |
| b) HR and Remuneration Committee | 1 |

15. The Board has set up an effective internal audit function and the internal auditors of the Company are suitably qualified and experienced for the purpose and fully conversant with the policies and procedures of the Company.

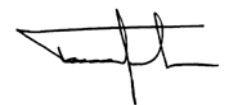
16. The statutory auditors of the Company have confirmed that they have been given a satisfactory rating under the quality control review program of the ICAP and registered with the Audit Oversight Board of Pakistan, That They and all their partners are in compliance with International Federation of 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 close relative (Spouses, Parent, dependent and non-dependent children) of the Chief Executive officer, Chief Financial Officer, Head of Internal Audit , Company Secretary or Directors 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 other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with.



Dr. Adeel Abbas Haideri
Chief Executive Officer



Mr. Taufiq Ahmed Khan
Director

INDEPENDENT AUDITOR'S REVIEW REPORT to the members of Highnoon Laboratories 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 the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Highnoon Laboratories Limited (the Company) for the year ended 31 December 2022 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 2022.



Chartered Accountants
Engagement Partner: Abdullah Fahad Masood
Lahore: 22 March 2023
UDIN: CR202210177Yjik6SU3D