

STATEMENT OF COMPLIANCE

with Listed Companies (Code of Corporate Governance) Regulations, 2019
Ibrahim Fibres Limited

Year ended December 31, 2022

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

- The total number of directors is seven as per the following:
 - Male 5
 - Female 2
- The composition of the board is as follows:

Independent Directors

Ikram ul Haq Mian

Saba Muhammd (The Company could not round up independent director's fraction as one because 0.33 is not equal to 1)

Non-executive Directors

Sheikh Mukhtar Ahmad

Abdul Hameed Bhutta

Sarah Naeem

Executive Directors

Mohammad Naeem Mukhtar

Muhammad Waseem Mukhtar

Female Directors

Saba Muhammd

Sarah Naeem
- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 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;
- 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;
- 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;
- 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 meeting of the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- The Board has arranged Directors' Training Program for the following:

Sheikh Mukhtar Ahmad

Muhammad Waseem Mukhtar

Abdul Hameed Bhutta

Ikram ul Haq Mian

Saba Muhammd

Mohammad Naeem Mukhtar is exempted from the requirement of Directors' Training Program.
- 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;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below:

Audit Committee

Ikram ul Haq Mian	<i>Chairman</i>
Abdul Hameed Bhutta	<i>Member</i>
Saba Muhammd	<i>Member</i>

HR and Remuneration Committee

Saba Muhammd *Chairperson*

Abdul Hameed Bhutta *Member*

Ikram ul Haq Mian *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 committees were as per following:
- a) Audit Committee 4 Quarterly
2 Others in last quarter
- b) HR and Remuneration Committee 1 Yearly
15. The Board has set up an effective internal audit function;
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 of the Regulations have been complied with; and

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

Sr. No.	Non-Mandatory Requirements	Regulation No.	Explanation
1	Directors' training	19	6 out of 7 directors of the Company have either acquired Directors' Training Program certification or are exempt from Director's Training Program. Directors' Training Program certification for remaining one director is in progress and will be completed in next year.
2	Nomination Committee	29	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by Human Resource & Remuneration Committee.
3	Risk Management Committee	30	Currently, the Board has not constituted a risk management committee and a senior management of the company performs the requisite functions and apprise the Board accordingly.
4	Disclosure of synopsis of terms of reference of Directors Committees on the Company's website	35	Although these are well circulated among the relevant stakeholders, the Board shall consider posting such synopsis on its website in near future.

Sheikh Mukhtar Ahmad

Chairman

Lahore

March 17, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Ibrahim Fibres Limited

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 **Ibrahim Fibres Limited** (the Company) for the year ended December 31, 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 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 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 December 31, 2022.



Yousuf Adil

Chartered Accountants

Engagement Partner:

Rana M. Usman Khan

Lahore

Date: March 17, 2023

UDIN: CR2022100883imsGTB0q