

**STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES  
(CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2017  
Year Ended June 30, 2022**

This statement is being presented to comply with the Code of Corporate Governance (CCG) contained in the listing regulations of Pakistan Stock Exchange for the purpose of establishing a framework of good governance, whereby a listed Company is managed in compliance with the best practices of corporate governance.

Maqbool Textile Mills Limited (the company) has applied the principles contained in the Code of Corporate Governance in the following manner:

1. The total number of Directors are 10 as per the following:
  - i. Mian Tanvir Ahmad Sheikh
  - ii. Ms. Romana Tanvir Sheikh
  - iii. Mian Anis Ahmad Sheikh
  - iv. Mian Idrees Ahmad Sheikh
  - v. Mian Aziz Ahmad Sheikh
  - vi. Mian Atta Shafi Tanvir Sheikh
  - vii. Mian Shafi Anis Sheikh
  - viii. Mr. Syed Raza Abbas Jaffery (Rep. NIT)
  - ix. Mr. Maj. Retd. Javed Mussarat
  - X. Mr. Tariq Rahim Anwar
  
2. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

S. No	<u>Category</u>	Name Of Directors
1	<u>Independent Director*</u>	1. Mr. Maj ( R ) Javed Mussarat 2. Mr. Syed Raza Abbas Jaffery 3. Mr. Tariq Rahim Anwar
2	<u>Executive Director</u>	1. Mr. Anis Ahmad Sheikh 2. Mr. Atta Shafi Tanvir Sheikh 3. Mr. Shafi Anis Sheikh
3	<u>Non-Executive Director</u>	1. Mr. Tanvir Ahmad Sheikh 2. Ms. Romana Tanvir Sheikh 3. Mr. Idrees Ahmad Sheikh 4. Mr. Aziz Ahmad Sheikh

\*The Independent Director meets the requirements as prescribed in PSX Rules Book.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies where applicable).
  
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. 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 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 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 of Directors has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
  - i. The Board has arranged Director's Training Program for the following:  
Not applicable
9. The Board has approved appointment of Company Secretary and Head of Internal Audit, Including their remuneration and terms of employment and complied relevant requirements of the Regulations.
10. A. CFO and CEO duly endorsed the financial statement before approval of the board.
11. The board has formed committees comprising of members given below:
  - i. The board has constituted an Audit Committee. It comprises of three members, of whom two are non-executive directors and one independent director. The Chairman of the Committee is also a Independent Director.

<b>Name of Member of Committee</b>	<b>Designation</b>
i. Maj ( R ) Javed Mussarat	Chairman
ii. Mian Idrees Ahmad Sheikh	Member
iii. Mian Aziz Ahmad Sheikh	Member

- ii. The board has constituted a Human Resource (HR) & Remuneration Committee comprises of three members, of whom majority are non-executive directors including the Chairman of the committee.

<b>Name of Member of Committee</b>	<b>Designation</b>
i. Mian Aziz Ahmad Sheikh	Chairman
ii. Mian Idrees Ahmad Sheikh	Member
iii. Mian Atta Shafi Tanvir Sheikh	Member

12. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
13. The frequency of meetings (quarterly/half yearly/yearly) of the committee were as per following:
  - i. Audit Committee 4 Meetings
  - ii. H.R. Committee 1 Meeting

14. The board has setup an effective internal audit function.
15. 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, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
16. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
17. We confirm that all other requirements of the Regulations have been complied with.
18. The Company is in process of appointment of Chief Financial Officer which will be completed soon.

Muhammad Irfan Siddique  
Company Secretary

Dated: 04.10.2022

**INDEPENDENT AUDITOR'S REVIEW REPORT****To the members of Maqbool Textile Mills 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 **Maqbool Textile Mills Limited** (the Company) for the year ended June 30, 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 June 30, 2022.

Further, we have highlighted below instance of non-compliance with the requirements of the regulations as reflected in the note reference where these are stated in the Statement of Compliance:

<b>Sr.</b>	<b>Reference</b>	<b>Description</b>
<b>1</b>	<b>Note 19</b>	The office of Company Chief Financial Officer is vacant which is contrary to regulation of the Listed Companies (Code of Corporate Governance) Regulations, 2019.

**Chartered Accountants****Place:** Multan**Date:** October 7, 2022