

statement of compliance with listed companies

(code of corporate governance) regulations 2019

Name of Company	Masood Textile Mills Limited
Year Ending	30 th June, 2023

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

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

- a. Six (6) Male
- b. One (1) Female

2. The composition of board is as follows:

- | | |
|---------------------------|------------------------|
| 1) Mr. Shabir Ahmad Abid | Independent Director |
| 2) Mr. Shahid Iqbal | Independent Director |
| 3) Mr. Naseer Ahmad Shah | Non-executive Director |
| 4) Mr. Shabin Yang | Non-executive Director |
| 5) Mr. Shoaib Ahmad Khan | Non-executive Director |
| 6) Mr. Shahid Nazir Ahmad | Executive Director |
| 7) Ms. Chen Yan | Female Director |

- 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 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 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of board.
- 8. The board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.

9. Following six Board members have already completed Directors' Training Program:

- Mr. Shabir Ahmad Abid
- Mr. Shahid Iqbal
- Mr. Naseer Ahmad Shah
- Mr. Shubin Yang
- Ms. Chen Yan
- Mr. Shoaib Ahmad Khan

Moreover one Board member, Mr. Shahid Nazir Ahmad is exempted from Directors' Training Program complying with the criteria of minimum of 14 years of education and 15 years of experience on the Boards of listed companies.

The Board has arranged Directors' Training Program for one Female Executive and one Head of Department during the year named as

- Mr. Qasim Mehmood (Deputy General Manager Finance)
- Ms. Sidra tul Muntaha (Female Executive)

10. 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.

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 | |
| i) Mr. Shabir Ahmad Abid | (Chairman) |
| ii) Mr. Naseer Ahmad Shah | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| b) HR and Remuneration Committee | |
| i) Mr. Shahid Iqbal | (Chairman) |
| ii) Mr. Shahid Nazir Ahmad | (Member) |
| iii) Mr. Shabir Ahmad Abid | (Member) |
| c) Nomination Committee | |
| i) Mr. Naseer Ahmad Shah | (Chairman) |
| ii) Mr. Shabir Ahmad Abid | (Member) |
| iii) Mr. Shahid Iqbal | (Member) |
| d) Risk Management Committee | |
| i) Mr. Shahid Nazir Ahmad | (Chairman) |
| ii) Mr. Naseer Ahmad Shah | (Member) |
| iii) Mr. Shahid Iqbal | (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 committee were as per following:

a) Audit Committee:

Five meetings of Audit Committee were held during the financial year ended June 30, 2023.

b) HR and Remuneration Committee:

One meeting of HR and Remuneration Committee was held during the financial year ended June 30, 2023.

c) Nomination Committee:

One meeting of Nomination Committee was held during the financial year ended June 30, 2023.

d) Risk Management Committee

One meeting of Risk Management Committee was held during the financial year ended June 30, 2023.

15. The board has set up an effective internal audit function which is 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 finance 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 other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with, except for the Independent directors in which fraction is not rounded up as one because the fraction (0.33) was less than 0.5.

Faisalabad

04th October, 2023



Chief Executive Officer



Chairman

independent auditors review report on **statement of compliance with listed companies**

(code of corporate governance) regulations 2019

To the members of Masood 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 Masood Textile Mills Limited (the Company) for the year ended 30 June 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 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 30 June 2023.



RIAZ AHMAD & COMPANY
Chartered Accountants

Faisalabad

Date: 04 OCTOBER, 2023

UDIN: CR2023101587EdUZRT5v