

Statement of Compliance

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

National Foods Limited Year ended June 30, 2023

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

- The total number of directors are seven (07) as per the following:
 - Male: Five (05)
 - Female: Two (02)
- The composition of Board is as follows:
 - a) Independent Directors ***
Mr. Ehsan A. Malik
Mr. Ali H. Shirazi
 - b) Non-Executive Directors**
Mr. Zahid Majeed
Mrs. Noreen Hasan
Mrs. Saadia Naveed
 - c) Executive Directors**
Mr. Abrar Hasan
Mr. Adam Fahy Majeed
 - d) Female Directors**
Mrs. Noreen Hasan
Mrs. Saadia Naveed

*For the purpose of Clause 6 (1), the Company has not rounded up the fraction as one since the Board has adequate Independent Directors i.e. 02 Independent Directors out of the Board of 07 Directors. We have duly complied with the minimum requirement of Executive and Independent Director. The additional number out of 07 is assigned to Non-Executive Director.
- 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 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 Companies Act, 2017 ('Act') and the Regulations with respect to frequency, recording and circulating minutes of the meetings of the Board.
- The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Following directors have attended Directors' Training:
Mr. Abrar Hasan
Mr. Ali H. Shirazi
Mr. Ehsan A. Malik
Mrs. Noreen Hasan
Mrs. Saadia Naveed
Mr. Zahid Majeed
- 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:
 - a) Audit Committee**

Mr. Ehsan A. Malik	Chairman
Mrs. Noreen Hasan	Member
Mrs. Saadia Naveed	Member
 - b) HR and Remuneration Committee**

Mr. Ali H. Shirazi	Chairman
Mr. Ehsan A Malik	Member
Mrs. Noreen Hasan	Member
- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
- The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

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National Foods Limited Year ended June 30, 2023

- a) Audit Committee – **Four (04)**
b) HR and Remuneration Committee – **Two (02)**
15. The Board has outsourced the internal audit function to EY Ford Rhodes Chartered Accountants, who are 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 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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Chief Executive Officer



Director

Independent Auditor's Review Report

To The Members of National Foods Limited

Report on the Audit of the Unconsolidated Financial Statements

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 **National Foods 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.

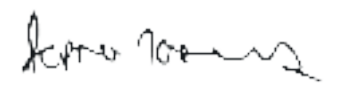
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent 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.

Date: 22 September 2023

Karachi

UDIN: CR2023102012apUcQJvg



KPMG Taseer Hadi & Co.

Chartered Accountants