

NADEEM TEXTILE MILLS LIMITED

STATEMENT OF COMPLIANCE WITH THE LISTED COMPANIES

(Code of Corporate Governance) Regulation, 2019 For the year ended June 30, 2023

The Company has complied with the requirements of the Listed Companies (code of Corporate Governance) Regulations, 2019 (“the CCG Regulations”) in the following manner:

1. The total numbers of directors are 9 (including the Chief Executive Officer) as per the following:
 - a. Male 6
 - b. Female 3
2. The composition of the Board is as follows:

| Category | Name |
|-------------------------|--|
| Independent Directors | Mr. Noor Muhammad Mr. Waqar Hassan Siddiqui Mr. Nadeem Ahmed |
| Executive Directors | Mr. Zahid Mazhar (CEO) Mr. Omer Bin Zahid Mr. Hassan Bin Zahid |
| Non-Executive Directors | Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan |
| Female Directors | Mrs. Naila Zahid (Chairperson) Mrs. Anam Omer Mrs. Shafia Hassan |

The independent directors meet the criteria of independence under the Companies Act, 2017 (“the Act”).

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 the 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 Chairperson and, in her absence, by a director elected by the Board for this purpose. The Board has complied with requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of the Meetings of the Board.
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with Act and the Regulations.
9. Out of nine directors, six directors have either obtained certificate of Director's training program or are exempt from the requirement of Director's Training program as per the Listed Companies (Code of Corporate Governance) regulations 2019. However, during the year, no Director's training program was arranged.
10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board 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:

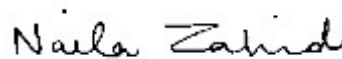
| Committee | Name of members and Chairman |
|----------------------|--|
| (a) Audit Committee | Mr. Waqar Hassan Siddiqui (Chairman) Mrs. Anam Omer Mrs. Shafia Hassan |
| (b) HR & R Committee | Mr. Nadeem Ahmed (Chairman) Mrs. Anam Omer Mrs. Shafia Hassan |

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees were as per following:

| Committee | Frequency of meetings |
|----------------------|------------------------------|
| (a) Audit Committee | Quarterly |
| (b) HR & R Committee | Annually |

15. The Board has setup an effective internal audit function manned by competent personnel 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 CCG Regulations have been complied.

for and on Behalf of the Board of Directors



NAILA ZAHID
Chairperson



ZAHID MAZHAR
Chief Executive

Karachi.
Date: October 30, 2023

INDEPENDENT AUDITOR'S REVIEW REPORT
To the members of M/s. Nadeem 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 **M/s. Nadeem Textile Mills Limited** ('the Company') for the year ended **June 30, 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 June 30, 2023.

Karachi.
Date: October 30, 2023
UDIN: CR202310213qui6eNd92


Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants