

Statement of Compliance of Listed Companies (Code of Corporate Governance) Regulations, 2019

Name of Company: Noon Sugar Mills Limited (the Company)
Year Ended: September 30, 2022

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

1. The total number of directors are seven as per the following;

- | | | |
|----|---------|----|
| a) | Male: | 06 |
| b) | Female: | 01 |

2. The composition of the Board of Directors (the Board) is as follows:

<u>Names</u>	<u>Category</u>
Mr. K. Iqbal Talib	(Non-Executive Director / Chairman)
Mr. Salman Hayat Noon	(Non-Executive Director)
Irfan Ahmed	(Non-Executive Director)
Lt Col Abdul Khaliq Khan (Retd)	(Executive Director / CEO)
Mr. Saif Ullah Khan Noon	(Executive Director)
Mr. Atta Ali Malik	(Non-Executive / Independent Director)
Ms. Maryam Mamdot	(Non-Executive / Independent 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. A casual vacancy occurring on the Board was filled up by the directors on July 18, 2022 when Mr. Atta Ali Malik was appointed as Director of the Company in place of Syed Ali Raza.
5. 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;
6. 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;
7. 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 Companies Act, 2017 (the Act) and the Regulations;
8. The meetings of the Board are 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 the frequency, recording and circulating minutes of meetings of the Board;

9. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
10. Total seven (07) directors of the Company were elected on March 31, 2020. Among all the directors, four directors have acquired Director Training Certification while two directors meet the requirements of the exemption under the Regulations. One director appointed on a casual vacancy on July 18, 2022 may acquire the directors training program certification within a period of one year from the date of his appointment as a director on the Board. The independent directors have affirmed their eligibility as laid down under Section 166(2) of the Companies Act, 2017 to act as an independent director of the Company;
11. During the year there is no change in the CFO, Company Secretary and Head of Internal Audit;
12. CFO and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
13. The Board has formed committees comprising of members given below:
- a) Audit Committee**
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|---------------------------|-------------|
| i) Ms. Maryam Mamdot | Chairperson |
| ii) Mr. Salman Hayat Noon | Member |
| iii) Mr. Irfan Ahmed | Member |
- b) Human Resource and Remuneration Committee**
- | | |
|---------------------------|-------------|
| i) Ms. Maryam Mamdot | Chairperson |
| ii) Mr. Salman Hayat Noon | Member |
| iii) Mr. Saif Ullah Noon | Member |
- c) Technical Committee**
- | | |
|-------------------------------------|----------|
| i) Mr. Irfan Ahmed | Chairman |
| ii) Mr. Salman Hayat Noon | Member |
| iii) Mr. Saif Ullah Khan Noon | Member |
| iv) Lt Col Abdul Khaliq Khan (Retd) | Member |
14. The Terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
15. The frequency of meetings of the committees were as per following:
- | | |
|--|----|
| 1. Audit Committee | 04 |
| 2. Human Resource & Remuneration Committee | 02 |
| 3. Technical Committee | 04 |
16. The Board has setup an effective internal audit function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and the procedures of the Company;
17. 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 Accountant 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 Institute of Chartered Accountants of Pakistan and that they and the partner of the firm involved in the Audit are not a close relative

(spouse, parents, dependent and non–dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or Director of the Company;

18. The statutory auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, the Regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard;
19. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
20. Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 requires that “each listed company shall have at least two or one third members of Board, whichever is higher, as independent directors”. At the time of election of Directors, the Company assessed its compliance with this Regulation. One third of the Company's total number of Directors results in a fractional number, i.e. 2.33. The fraction has not been rounded up to one and therefore, the Board of Directors currently has 2 independent directors.



K. IQBAL TALIB

Chairman

Lahore : December 30, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF NOON SUGAR MILLS 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 **NOON SUGAR MILLS LIMITED** (the Company) for the year ended September 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 September 30, 2022.

Shinewing Hameed Chaudhri & Co.

SHINEWING HAMEED CHAUDHRI & CO.,
CHARTERED ACCOUNTANTS

Audit Engagement Partner: Osman Hameed Chaudhri

Lahore : December 30, 2022

UDIN Number: CR202210104r7u610FAk