

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: Thal Limited (The Company)
Year ended: June 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 7 as per the following:

a. Male	6
b. Female	1

2. The composition of board is as follows:

a. Independent Directors	Ms. Aliya Saeeda Khan Mr. Khayam Husain
b. Other Non-Executive Director	Mr. Rafiq M. Habib Mr. Mohamedali R. Habib Mr. Imran Ali Habib Mr. Salman Burney
c. Executive Director	Mr. Muhammad Tayyab Ahmad Tareen

- 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 Companies Act, 2017 (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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of Board.
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
- Mr. Rafiq M. Habib and Mr. Salman Burney are exempted by SECP from the Directors Training Program as each of them has requisite qualification and experience of serving on the Boards. Mr. Mohamedali R. Habib, Mr. Imran Ali Habib, Ms. Aliya Saeeda Khan and Mr. Muhammad Tayyab Ahmad Tareen are certified by Pakistan Institute of Corporate Governance. Mr. Khayam Husain, who was appointed on the Board in June 2022, has completed his training with PICG subsequent to year-end.
- The Board has approved the change in remuneration of Chief Financial Officer and Company Secretary. However, there was no new appointment of Chief Financial Officer and Company Secretary during the year. The Board has approved the appointment of Head of Internal Audit and her 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:
 - Audit Committee**

Ms. Aliya Saeeda Khan	Chairperson
Mr. Mohamedali R. Habib	Member
Mr. Imran Ali Habib	Member
Mr. Salman Burney	Member

- Human Resource and Remuneration Committee**

Ms. Aliya Saeeda Khan	Chairperson
Mr. Mohamedali R. Habib	Member
Mr. Salman Burney	Member
Mr. Muhammad Tayyab Ahmad Tareen	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:
 - Audit Committee Four quarterly meetings
 - HR and Remuneration Committee Two meetings
- The Board has outsourced the internal audit function to Noble Computer Services (Private) Limited (associated company) who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the Company.
- 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.
- 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.

- We confirm that all requirements of regulations 3, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.
- Explanations for not rounding up the fractional number under Regulation 6(1) is as follows:
 - In a Board comprising 7 members, one-third works out to 2.33. Since the fraction is below half (i.e. 0.5), the fraction contained in such one-third is not rounded up to one. Further, the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.



RAFIQ M HABIB
CHAIRMAN



MUHAMMAD TAYYAB
AHMAD TAREEN
CHIEF EXECUTIVE OFFICER
AND DIRECTOR

Karachi
September 9, 2022



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Independent Auditors' Review Report

To the members of Thal 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 **Thal Limited** (the Company) for the year ended 30 June 2022 in accordance with the requirements of the 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 with the requirements to the extent of the approval of 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 2022.

EY Ford Rhodes

Chartered Accountants

Place: Karachi

UDIN Number: CR202210099SG1YPxA20

Date: 21 September 2022

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