

STATEMENT OF COMPLIANCE

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

NAME OF THE COMPANY: THE THAL INDUSTRIES CORPORATION LIMITED
YEAR ENDED: SEPTEMBER 30, 2023

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

1. The total number of directors are seven (07) as per the following:
 - a. Male: 06
 - b. Female: 01

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

Category	Names
Independent Directors*	Mr. Muhammad Ashraf Khan Durani Mr. Farid ud Din Ahmed
Non-Executive Directors	Mrs. Qaiser Shamim Khan Mr. Adnan Ahmed Khan Mr. Muhammad Khan
Executive Directors	Mr. Muhammad Shamim Khan (CEO) Mr. Nauman Ahmed Khan
Female Directors	Mrs. Qaiser Shamim Khan

*The number of independent directors has not been rounded upto three since the two independent directors elected have the required competencies, knowledge and experience to support the smooth functioning of the board

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 the 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 the Act and the Regulations with respect to frequency, recordings and circulating minutes of meeting of the board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Two directors have acquired prescribed certification under Directors' Training Program while five directors are exempt based on exemption criteria;

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. No new appointments were made during the year;
11. The 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

Names	Designation held
Mr. Muhammad Ashraf Khan Durani	Chairman
Mrs. Qaiser Shamim Khan	Member
Mr. Adnan Ahmed Khan	Member

B) HR AND REMUNERATION COMMITTEE

Names	Designation held
Mr. Farid ud Din Ahmed	Chairman
Mr. Adnan Ahmed Khan	Member
Mr. Muhammad Khan	Member

C) NOMINATION COMMITTEE

Names	Designation held
Mr. Farid ud Din Ahmed	Chairman
Mr. Muhammad Ashraf Khan Durani	Member

D) RISK MANAGEMENT COMMITTEE

Names	Designation held
Mr. Farid ud Din Ahmed	Chairman
Mr. Muhammad Ashraf Khan Durani	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 aforesaid committees were as per following:
 - a) **Audit Committee**
Six meetings of Audit Committee were held during the financial year ended 30th September 2023.
 - b) **HR and Remuneration Committee**
One meeting of HR and Remuneration Committee was held during the financial year ended 30th September 2023.

c) Nomination Committee

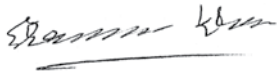
One meeting of Nomination Committee was held during the financial year ended 30th September 2023.

d) Risk Management Committee

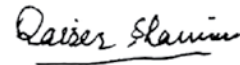
One meeting of Risk Management Committee was held during the financial year ended 30th September 2023.

15. The Board has set up an effective internal audit function and the person in-charge is suitably qualified and experienced for the purpose and is conversant with 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 accountant (IFAC) guidelines on code of ethics as adopted by Institute of chartered accountants of Pakistan and that they and 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 the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 have been complied with.
19. We confirm that all requirements of the Regulations have been complied with.

For and on behalf of Board of Directors,
The Thal Industries Corporation Ltd.



Muhammad Shamim Khan
Chief Executive



Mrs. Qaiser Shamim Khan
Chairperson

Lahore: 26 December 2023

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of The Thal Industries Corporation 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 The Thal Industries Corporation Limited for the year ended 30 September 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 September 2023.



Rahman Sarfaraz Rahim Iqbal Rafiq
CHARTERED ACCOUNTANTS
Engagement Partner: Adnan Rasheed

Lahore: 26 December 2023
UDIN: CR2023107010fYA7m5CX