

INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF UNITY FOODS 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 Unity Foods Limited for the year ended June 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 June 30, 2022.

Further, we highlighted below instances of non-compliance with the requirements of the regulations referred below in each paragraph:

Regulation Reference	Description
19(1)(ii)	One director namely Miss Lie Hong Hwa has not yet completed directors' training program.
30	The remuneration and terms and conditions of employment of Head of Internal audit has not approved by the Board of Directors.
27(1)(c)	An Executive Director is the part of audit committee constituted by the Board, which is not in line with the Regulations. However, he did not attend any meeting and subsequently, withdrew from the Audit Committee.


Chartered Accountants
Place: Islamabad
Date: January 20, 2023
UDIN: CR2022105966364fWg1w



UNITY FOODS LIMITED

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STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2015

Name of Company: **UNITY FOODS LIMITED**

Year ended : **JUNE 30, 2022**

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

1. The total number of directors are Seven as per the following:
 - a. Male : Five
 - b. Female: Two

2. The Composition of the Board is as follows:

CATEGORY	NAMES
a) Independent Directors	Mr. Sulaiman Sadruddin Mehdi Mr. Muneer S. Godil
b) Non-Executive Directors	Mr. Abdul Majeed Ghasiani
c) Executive Directors	Mr. Muhammad Farrukh Mr. Amir Shehzad
d) Female Directors	Ms. Uo Hong Hwa (Non-Executive) Ms. Taryaba Rasheed (Independent)

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. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.



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 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 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. The Directors of the Company have completed Directors' Training program except one Director namely Ms. Lie Hong Hwa.
10. The Board has approved appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment 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.

Name of Committee	Name of Members and Chairperson
Audit Committee	a) Ms. Tayyaba Rasheed (Independent Director) – Chairperson b) Mr. Abdul Majeed Ghaziani – Member c) Mr. Muneer S. Godil -Member d) Mr. Amir Shehzad- Member
Human Resources and Remuneration Committee	a) Ms. Tayyaba Rasheed (Independent Director) – Chairperson b) Mr. Amir Shehzad – Member c) Mr. Abdul Majeed Ghaziani- Member c) Mr. Muneer S. Godil -Member



UNITY FOODS LIMITED
Aim for the Best

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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 (quarterly/ half yearly/ yearly) of the committee were as following:
 - a. Audit committee Four Meetings during the year
 - b. HR and Remuneration Committee One Meeting during the year
15. The Board has set up an effective internal audit function.
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 (ICAP) and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by Institute of Chartered Accountants of Pakistan (ICAP).
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 3,5,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation of non-compliance with requirements of following regulations are below:



Regulation	Compliance Requirement	Explanation
19(1)(ii)	It is encouraged that by June 30, 2022 all the directors on their Boards have acquired the prescribed certification under any director training program offered by institutions, local or foreign, that meet the criteria specified by the Commission and approved by it.	Due to busy schedule of the Director (Ms. Lie Hong Hwa) based in Singapore, a training could be not arranged for her during the year.
20	The Board shall appoint, determine remuneration, renew contracts and terms and conditions of employment of chief financial officer, company secretary and head of internal audit of the company.	Ch. Waqas Shoukat (Head of Internal Audit) was already working with Unity Foods Limited in the same department and was redesignated by the Board as Head of Internal Audit. There was no change in his remuneration due to his redesignation as Head of Internal Audit, however, the same terms and conditions of his employment at the time of his redesignation were not mentioned in the minutes.
27(1)(i)	The Board shall establish an audit committee of at least three members comprising of non-executive directors and at least one independent director	The Board appointed an executive director based upon the understanding that fourth member of audit committee may be an executive director, in addition to the requirement of three non-executive and independent directors. However, during his tenure he did not participate in any audit committee meeting and subsequently, withdrew from audit committee.



UNITY FOODS LIMITED
Incorporated in Pakistan

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Abdul Majid Ghaziani
Director

Muhammad Farrukh
Chief Executive

Karachi.

Dated: January 30, 2023