

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

(Code of Corporate Governance) Regulations, 2019 for the year ended June 30, 2022

Wah Nobel Chemicals Limited ('the company') has complied with the requirements of Listed Companies de of Corporate Governance) Regulations, 2019 ('the Regulations') in the following manner:

1. The total number of directors (including Chief Executive) are eight (8) as per the following:
 - a. Male : Seven (07)
 - b. Female : One (01)

The composition of Board is as follows:

Category	Names
Independent Director*	1. Mr. Tariq M. Rangoonwala 2. Mr. Manzoor Ali Shaikh
Non-executive Directors	1. Lt. Gen Ali Amir Awan, HI(M) 2. Mr. Mats-Olof Rydberg 3. Maj Gen Rashid Mahmood 4. Mr. Usman Ali Bhatti
Executive Director	1. Brig Shiraz Ullah Choudhry® SI(M)
Female Non-Executive Director	1. Mrs. Kishwar Ahsan

*In respect of regulation 6(1), Company has not rounded up the fraction as the Board has determined the current composition is adequate and existing independent directors have requisite skills and knowledge to take independent decisions in the interest of the Company.

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 the Board/ shareholders as empowered by the relevant provisions of the Companies Act, 2017 (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. All the directors on the Board are fully conversant with their duties and responsibilities as directors. Four (04) directors on the Board have already acquired the certification under directors' training program (DTP) from the institutions duly approved by the Securities and Exchange Commission of Pakistan, and the remaining directors, will undertake DTP in due course.
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.
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.

Audit Committee	HR and Remuneration Committee
Mr. Tariq M. Rangoonwala (Chairman)	Mr. Tariq M. Rangoonwala (Chairman)
Mrs Kishwar Ahsan (Member)	Mrs Kishwar Ahsan (Member)
Mr. Usman Ali Bhatti (Member)	Brig Shiraz Ullah Choudhry®,SI(M) (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 committees convened during the year were as per following:
 - a) Audit Committee : Four meetings.
 - b) HR and Remuneration Committee : One meeting;
15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is 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 (ICAP) 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 ICAP 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 Regulations have been complied with.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No	Non-Mandatory Requirements	Reg. No	Possible Explanations
01	<p>Evaluation of the Board and its members:</p> <p>The Board of the Company shall ensure that, a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees.</p>	10(3)(v)	The Board is in process of formation and implementation of effective mechanism for evaluation of Board and of its committees.
02	<p>Directors' Training:</p> <p>The Company is encouraged that all directors of the Board have acquired the prescribed certification under any director training program by June 30, 2022 from the institutions duly approved by the Securities and Exchange Commission of Pakistan.</p>	19(1)	4 out of 8 directors have obtained DTP certification. The Company will arrange training for the remaining directors to comply with the requirement..
03	<p>Qualification of company secretary:</p> <p>The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.</p>	24	The management is of the view, that the current CFO and Company Secretary who is performing both these positions since long is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the Company.

S. No	Non-Mandatory Requirements	Reg. No	Possible Explanations
04	<p>Appraisal of head of internal Audit:</p> <p>The performance appraisal of head of internal audit shall be done jointly by the Chairman of the audit committee and the chief executive officer.</p>	31(2)	<p>Appraisal of Head of Internal Audit was done jointly by the Chairman of the Audit Committee and the Chief Executive Officer through verbal consultation. However, going forward the Company will formalize the process.</p>

USMAN ALI BHATTI
DIRECTOR

BRIG SHIRAZ ULLAH CHOUDHRY,® SI(M)
CHIEF EXECUTIVE OFFICER

Wah Cantt :
October 04, 2022

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Wah Nobel Chemicals 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 Board of Directors of Wah Nobel Chemicals Limited (the Company) for the year ended 30 June 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 provision 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 controls, the Company's corporate governance procedures and risks.

The Regulation 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 the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the requirement contained in the Regulations as applicable to the company for the year ended 30 June 2022.

Further, we highlight below instances of non - compliance with the requirements of the Regulations as reflected in the paragraph 19(1), 19(2), 19(3) and 19(4) where these are stated in the Statement of Compliance:

Reference	Description
i- Paragraph 19(1)	As disclosed in para 19(1) of the Statement of Compliance, the Board is in process of formation and implementation of effective mechanism for evaluation of Board and of its committees.
ii- Paragraph 19(2)	As disclosed in para 19(2) of the Statement of Compliance, the Company will arrange training for remaining directors in due course of time.
iii- Paragraph 19(3)	As disclosed in para 19(3) of the Statement of Compliance, the position of company secretary and chief financial officer has been held by the same person; however, duties of both positions are distinct and clearly spelled out. The management is of the view, that the current CFO and Company Secretary who is performing both these positions since long is suitably qualified and professionally capable to act and fulfil the duties and responsibilities of both the roles. In addition, it is also a cost-effective measure that is in the better interest of the shareholders of the Company.
iv- Paragraph 19(4)	As disclosed in para 19(4) of the statement of Compliance, appraisal of Head of Internal Audit was done jointly by the Chairman of the Audit Committee and the Chief Executive Officer through verbal consultation. However, going forward company will formalize the process.

Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad

October 4, 2022
UDIN: CR202210209tOM3V4RzX