



# Towellers Limited



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## STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED JUNE 30<sup>th</sup> 2022

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

1. The total number of directors are eight as per the following:

Male	4
Female	4

2. The composition of the Board is as follows:

CATEGORY	NAMES
Independent Director	Muhammad Sarfraz Niaz Muhammad
Non-Executive Directors	Mahjabeen Obaid Zeeshan K. Sattar Valy Tariq Rangoonwala Hadeel Obaid Sana Bilal
Executive Directors	Mehreen Obaid Agha

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 alongwith 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 the Board/shareholders as empowered by the relevant provisions of the Companies Act 2017 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.

8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Six out of Eight directors complied with the requirements of Directors Training Program. The remaining Director are expected to get training in future.
10. The Board has approved appointment of the 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 the 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**

- Muhammad Sarfraz Chairman
- Hadeel Obaid Member
- Sana Bilal Member

#### **HR and Remuneration Committee**

- Niaz Muhammad Chairman
- Zeeshan K. Sattar Member
- Vally Tariq Rangoonwala 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 (Quarterly/half yearly/yearly) of the committees were as per following:

Audit Committee	Four quarterly meetings were held during the financial year ended June 30, 2022
HR and Remuneration Committee	One meeting was held during the financial year ended June 30, 2022

- 15 The Board has set up an effective internal audit function, who are considered suitably qualified and experienced for the purpose and are 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 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.
- 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 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 (if applicable).

S.No	Non-Mandatory Requirement	Explanation	Reg.No.
1.	<b>Requirement to attain certification:</b> Six Directors are meeting the requirement of DTP .	Currently, 6 out of 8 directors have meet the requirement of DTP. The remaining directors training is In process.	(19)
2.	<b>Responsibilities of the Board and its Members:</b> The Board is responsible for adoption of Corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full Compliance with all the provisions of the Regulations.	10(1)

Independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. They fulfill the necessary requirements as per applicable laws and regulations.