

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2021



M/s. Baba Farid Sugar Mills Limited ("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 seven as per the following:
 - a. Male: 05
 - b. Female: 02
2. The composition of the Board of Directors (the Board") is as follows:

Category	Names
Independent Directors	Mr. Farid-ud-Din Ahmad Mr. Malik Manzoor Hussain Humayoon
Non-Executive Director	Mrs. Qaiser Shamim Khan Mr. Nauman Ahmed Khan Mrs. Sarah Hajra Khan
Executive Directors	Mr. Adnan Ahmed Khan (CEO) Mr. Muhammad Shamim Khan
Female Directors	Mrs. Qaiser Shamim Khan Mrs. Sarah Hajra Khan

Determination of number of Independent Directors comes to 2.33 (rounded to 2) which is based on seven elected Directors. The fraction of one-third number is not rounded up, as the Two elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a third Independent Director is not warranted.

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 of Directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. The Board has arranged Directors' Training program of the following:

Mrs. Sarah Hajra Khan
Mr. Farid-ud-Din Ahmad
Mr. Malik Manzoor Hussain Humayoon

Remaining four directors are exempted from such training as they have fourteen years of education and fifteen years of experience on the board of the listed company
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

Names	Designation held
Mr. Farid ud Din Ahmad	Chairman/ Independent
Mrs. Sarah Hajra Khan	Member / Non-Executive
Mr. Malik Manzoor Hussain Humayoon	Member / Independent

HR AND REMUNERATION COMMITTEE

Names	Designation held
Mr. Farid ud Din Ahmad	Chairman/ Independent
Mr. Adnan Ahmed Khan	Member / Executive (CEO)
Mr. Malik Manzoor Hussain Humayoon	Member / Independent

RISK MANAGEMENT COMMITTEE

Names	Designation held
Mr. Malik Manzoor Hussain Humayoon	Chairman / Independent
Mr. Farid ud Din Ahmad	Member / Independent

NOMINATION COMMITTEE

Names	Designation held
Mr. Malik Manzoor Hussain Humayoon	Chairman/ Independent
Mr. Farid ud Din Ahmad	Member/ Independent

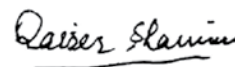
1. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
2. The frequency of meetings (quarterly/ half yearly/ yearly) of the committees held during the financial year ended 30th September 2021 were as per following:

Names	Number of Meetings Held
Audit Committee	6
HR and Remuneration Committee	1
Risk Management Committee	1
Nomination Committee	1

3. The Board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are conversant with policies and procedures of the Company;
4. 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;
5. 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.
6. We confirm that all requirements of the Regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with.
7. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33, and 36 are below:
 - As per regulation 35, "Disclosure of significant policies on website" the Company may post the following on its website:

Key element of its significant policies
Brief synopsis of terms of reference of the Board Committees
Key element of the directors' remuneration policy

However, these have not been posted on the website as, the updating of website customization is still in progress and will soon be complied with.



Mrs. Qaiser Shamim Khan
Chairperson

27th December 2021