

STATEMENT OF COMPLIANCE WITH CODE OF CORPORATE GOVERNANCE

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2019

Treet Corporation 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 eight (07) as per the following ,

- a. Male 06
- b. Female 01

2. The composition of the Board is as follows:

Category	Name
i. Independent Director	Dr. Salman Faridi
ii. Non – Executive Directors	Mr. Imran Azim Mr. Munir Karim Bana
iii. Executive Directors	Mr. Syed Shahid Ali Mr. Muhammad Shafique Anjum Mr. Syed Sheharyar Ali
iv. Female / Independent Director	Ms. Sidra Fatima Sheikh

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.

The Board has a total number of seven (7) directors with three (3) executive directors. For a Board comprising of seven directors, one-third equates to 2.33. Three executive directors have been appointed - the fraction has been rounded up as the Board believes that the present composition of the board has the right balance, and a mix of knowledge,

expertise and skills to maximize performance”.

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 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 Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings 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. One of our Director named as Syed Sheharyar Ali's Training was undertaken during the year. Majority of the Directors of the Company are exempted from the requirement of Directors' Training program. The below mentioned Director's have procured the relevant exemption certificate(s) from the Securities and Exchange Commission of Pakistan (SECP):

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- (i) Syed Shahid Ali Shah
- (ii) Muhammad Shafique Anjum
- (iii) Munir Karim Bana

Furthermore, Mr. Imran Azim and Dr. Salman Faridi are also exempted on the basis of their qualification and experience. The Company is in the process of procuring their respective exemption certificate(s) from SECP.

- 10. No new appointments have been made during the year for the Chief Financial Officer (CFO), the Company Secretary and the Head of Internal Audit. However, all such appointments including their remuneration and terms and conditions of employment were duly approved by the Board 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:

a. Audit Committee

Dr. Salman Faridi	(Chairman)
Mr. Imran Azim	(Member)
Mr. Munir Karim Bana	(Member)

b. Human Resource & Remuneration Committee

Ms. Sidra Fatima Sheikh	(Chairman)
Mr. Imran Azim	(Member)
Mr. Syed Shahid Ali	(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 were as per following:
 - a) Audit Committee (4 Quarterly)
 - b) Human Resource & Remuneration Committee (3 Annual Meeting)
- 15. The Board has outsourced the internal audit function to M/s Ernst & Young Ford Rhodes, Chartered Accountants, 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 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 other 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 if applicable:

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Sr. No.	Requirement	Explanation	Regulation Number
1	Nomination Committee	Currently the Board has not constituted a separate nomination Committee and the functions are being performed by the Human Resource and Remuneration Committee.	29
2	Risk Management Committee	Similarly the Functions of Risk Management Committee are being performed by the Senior Management of the Company and apprise the Board accordingly.	30



Mr. Imran Azim
Chairman