



## Statement of Compliance with the Code of Corporate Governance. For the Year Ended September 30, 2006

This statement is being presented to comply with the best practices of the Code of Corporate Governance (the Code) contained in Regulation No. 37 of Listing Regulation of Karachi and Chapter XIII of the Listing Regulation of Lahore Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Company encourages representation of independent non-executive directors and directors representing minority interests on its Board of Directors. At present the Board includes five independent non-executive directors.
2. The directors have confirmed that none of them is serving as a director in more than ten listed companies, including this Company.
3. All the resident directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange and has been declared as a defaulter by that stock exchange.
4. Since the last report, no change in the directorship has taken place.
5. The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the directors of the Company. The statement has been circulated to all employees of the Company for their awareness and all of them have signed it as acknowledgement of their understanding.
6. The Board has developed a Vision/Mission Statement, Core Values, Strategies & Business Plan, Overall Corporate Strategy and Significant Policies of the Company. A complete record of particulars of Significant Policies and board decision along with the dates on which they were approved or amended has been maintained.
7. All the powers of the Board have been duly exercised and decisions on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO, CFO, Company Secretary, Head of Internal Audit and other executive directors, have been taken by the Board.
8. 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 and the Board met at least once in every quarter. Written notices of the Board meetings, along with agenda and working papers, were circulated at least seven days before the meetings. Where the period was short for emergent meetings it was agreed by the members of the Board. The minutes of meetings were appropriately recorded and circulated.
9. Almost all the directors have adequate exposure of corporate matters and well aware of their duties and responsibilities. The Board arranged an orientation course for its Directors during the year to apprise them of their duties and responsibilities.
10. No new appointment of CFO, Company Secretary and Head of Internal Audit were made during the year. However any changes to the remuneration, terms and conditions of employment of CFO, Company Secretary and Head of Internal Audit have been determined by the CEO with the approval of the Board.
11. The Directors' Report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.