

Statement of Compliance with Listed Companies (Code of Corporate Governance) Regulations, 2017

Name of company **D.M. Textile Mills Limited**
Year ended **30 June 2019**

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

1. The total number of Directors is Seven as per the following:
 - a. Male: 7
 - b. Female: 0

2. The composition of board is as follows:

Category	Names
Independent Director	Mr. Shahid Hussain (Chairman) Mr. Hussain Ahmad Ozgen Mr. Amer Zeb
Other Non-Executive Directors	Mr. Sami Ullah Mr. Shahid Aziz
Executive Directors	Mr. Mian Habib Ullah Mr. Rao Khalid Pervaiz

3. The Directors have confirmed that none of them is serving as a Director on more than five listed companies, including this Company (excluding the listed subsidiaries of listed holding companies where applicable).
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. 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 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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of 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 arranged no orientation courses for its directors during the year. As per new Listed Companies (Code of Corporate Governance) Regulations 2019, the Board intends to follow the Directors' Training Programme in due course of time.

10. The Board has approved appointment of acting Company Secretary, CFO and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee

NAME	DESIGNATION
Mr. Hussain Ahmed Ozgen	Chairman (Independent Director)
Mr. Shahid Aziz	Member (Non-Executive Director)
Mr. Sami Ullah	Member (Non-Executive Director)

b) Human Resource and Remuneration Committee

NAME	DESIGNATION
Mr. Amer Zeb	Chairman (Independent Director)
Mr. Sami Ullah	Member (Non-Executive Director)
Rao Khalid Pervaiz	Member (Executive Director)

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
14. The frequency of meetings (quarterly/half yearly/ yearly) of the committees were as per following:

Meetings	Frequency
Audit Committee	Five meetings were held during the financial year.
Human Resource and Remuneration Committee	One meeting was held during the financial year.

15. The Board has set up an effective internal audit function.
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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 the Regulations have been complied with.

Rawalpindi
October 05, 2019



Chairman

