Annexure A

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

The statement is being presented to comply with the requirement of regulation 36(1) contained in Code of Corporate Governance Regulations, 2019 for the purpose of establishing a framework of good corporate governance, whereby a company quoted at Pakistan Stock Exchange Limited is managed in compliance with best practices of corporate governance.

Faisal Spinning Mills Limited
Year Ending June 30, 2026

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

1. The total number of directors are ten (10) as per the following,-

a. Male : Nine (9)
b. Female : One(1)

2. The composition of the Board is as follows:

Sr	Category	Name
i)	Independent Directors (*)	Mr. Tauqeer Ahmed Sheikh Mr. Asif Elahi Mr. Mustafa Tanvir
ii)	Non-Executive Directors - Male	Mr. Muhammad Salim Mr. Muhammad Shaheen Mr. Khurrum Salim Mr. Muhammad Amin Mr. Hamza Shakeel
iii)	Non-Executive Directors - Female	Mrs. Fatima Amin
iv)	Executive Director	Mr. Bilal Sharif

(*) Explanation required under Regulation 6(1) of Code*:*
While calculating the minimum number of ID directors the fraction was not rounded upwards to 1. The reason being that as per general rule only number exceeding 0.5 shall be rounded to next number.

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 Act and the Regulations with respect to frequency, recording and circulating minutes of meeting 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. The Board has arranged Directors' Training program for the following:
The entire board is accredited under directors training program.
(Name of Executive & Designation - (N/A);

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.-

(a) Audit Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Khurrum Salim	Member - Non- Executive Director
Mr. Muhammad Amin	Member - Non- Executive Director

(b) Human Resource & Remuneration Committee

Name	Designation
Mr. Tauqeer Ahmed Sheikh	Chairman - Independent Director
Mr. Muhammad Shaheen	Member - Non- Executive Director
Mr. Hamza Shakeel	Member - Non- Executive Director

c) Nomination Committee (N/A)
The explanation stated below for not forming the nomination committee.

d) Risk Management Committee (N/A)
The explanation stated below for not forming the nomination committee.

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 committee were as per following,-

Name of Committee	Frequency of Meeting
Audit Committee	Quarterly
HR and Remuneration Committee	Yearly
Nomination Committee	Not applicable
Risk Management Committee	Not applicable

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 regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with; and

19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr	Requirement	Explanation for Non-Compliance	Reg No
1	Disclosure of Significant Policies on Website	*The requirement to disclose significant policies on the website is non-mandatory in regulation No. 35(1) however, company posts all such information adequately that promotes transparency and serves the interests of all the stakeholders. The company may consider the uploading of key elements on its website if approved by the board.*	35
2	Significant Policies	*The aspects of workplace harassment for the employees are covered under the company's code of conduct. Nevertheless, the requirements introduced recently by SECP through its notification dated June 12, 2024 are being incorporated in an independent anti-harassment policy as prescribe under Protection against Harassment of Women at the Workplace Act 2010.*	10(4)(xvi)
3	Role of board and its members to address Sustainability Risks and Opportunities	*Through its notification dated June 12, 2024, the Securities and Exchange Commission of Pakistan announced several amendments to Regulation 10 in Chapter III of the Listed Companies (Code of Corporate Governance) Regulations, 2019.* *The amendments encourage boards to adopt Environmental, Social and Governance (ESG) practices. Accordingly, the Company has issued its first Sustainability Report, outlining its ESG performance and commitment to sustainable business practices.*	10(A)
4	Formation of the Nomination Committee	*As the formation of Nomination Committee (NC) is not mandatory under regulation 29 of the Code, the functions and responsibilities of NC are performed by the Human Resources & Remuneration Committee. The board may consider the formation of NC at the reconstitution of the board.*	29(1)
5	Formation of the Risk Management Committee	*As the formation of Risk Management Committee (RMC) is not mandatory under regulation 30 of the Code, the functions and responsibilities of RMC are performed by the Audit Committee. The board may consider the formation of RMC at the reconstitution of the board.*	30(1)
6	Annual Evaluation of the Board	*The company conducts formal and comprehensive boards and committees evaluation internally under the provision of Code of Corporate Governance Regulations, 2019 (CCG 2019). The independent evaluation may be considered by the board before expiry of three years as required under amendment made to CCG vide SRO 454(1)/2025.*	10(3)(5)

For and on behalf of the Board



MOHAMMAD SALIM
(Chairman)
September 29, 2026, Karachi