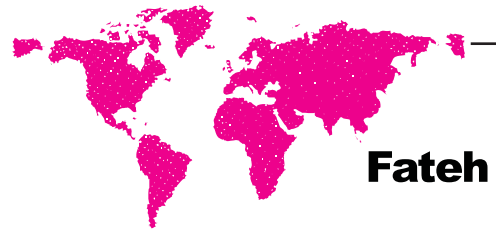


Statement of Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance contained in Listing Regulations of Karachi Stock Exchange (G) Limited 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 encourages effective representation of independent non-executive Directors on its board. At present the Board includes non-executive directors.
- The Audit Committee was established to assist the Board in discharging its duties and responsibilities ensuring good Corporate Governance including review of reports of Company's financial results and internal control procedures for management decisions and evolving strategy for safeguarding Company's assets and its business potentials.
- The Board has formed an audit committee. It comprises of three members, of whom two are non-executive directors.
- The meetings of the audit committee were held atleast once in every quarter prior to approval of interim and financial results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
- 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 and they are involved in the internal audit function on a full time basis.
- The Directors have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
- The Directors are fully aware of their duties and responsibilities under Companies Ordinance, 1984.
- 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 NBFBI or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
- No casual vacancy occurred in the board during the year.
- The Company has prepared a 'Statement of Ethics and Business Practices' which has been signed by all the Directors and employees of the Company.
- 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 alongwith the dates on which they were approved or amended has been maintained.
- All the powers of the Board have been duly exercised and decision on material transactions, including appointment and determination of remuneration and terms and conditions of employment of the CEO and other executive directors, have been taken by the Board,
- 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 alongwith agenda and working papers, were circulated atleast seven days before the meetings. The minutes of the meetings were appropriately recorded and circulated.

- The Board has approved appointment of CFO, Company Secretary and Internal Audit function, including their remuneration and terms and conditions of employment, as determined by the CEO.
- 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.
- The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.
- The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
- The Company has complied with all the corporate and financial reporting requirements of the Code.
- The Statutory Auditors of the Company have confirmed that they have been given satisfactory rating under the quality control review program of the Institute of Chartered Accountants 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 Institute of Chartered Accountants of Pakistan.
- The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the listing regulations and the auditors have confirmed that they have observed IFAC guidelines in this regard.
- We confirm that all other material principles contained in the Code have been substantially complied with.

Hyderabad: 28th September, 2008

HUMAYUN BARKAT
Chief Executive