

# Statement of Compliance

## with the Code of Corporate Governance

Byco Petroleum Pakistan Limited  
Year ended 30<sup>th</sup> June 2016

The Company has applied the principles contained in the Code of Corporate Governance (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. As at 30<sup>th</sup> June 2016, the board consisted of:

| Category                | Names   |
|-------------------------|---|
| Independent Director    | Muhammad Mahmood Hussain  |
| Executive Director      | Mohammad Wasi Khan  |
| Non-Executive Directors | Amir Abbassciy<br>Akhtar Hussain Malik<br>Syed Arshad Raza<br>Muhammad Raza Hasnani<br>Omar Khan Lodhi<br>Chaudhary Khaqan Saadullah Khan |

The independent director meets the criteria of independence under clause 5.19.1. (b) of the CCG.

2. The directors have confirmed that they are not directors on the boards of more than seven listed companies, including this Company.
3. All the resident directors of the Company are registered taxpayers and none of them has defaulted in the payment of any loan to a banking company, a DFI or NBF1, or being a member of a stock exchange, has been declared a defaulter.
4. During the year seven casual vacancies occurred on the board, which were created by the resignations of Mr. Javed Akbar on 1<sup>st</sup> February 2016, Syed Muhammad Mujtaba Jafarey on 31<sup>st</sup> March 2016, Mr. Hamid Imtiaz Hanfi on 30<sup>th</sup> April 2016, Ms. Diana Brush, Mr. Ovais Mansoor Naqvi, Mr. Phillip Harris and Mr. Richard Legrand on 26<sup>th</sup> May 2016. Mr. Mohammad Wasi Khan was appointed a chief executive officer to fill the casual vacancy on 1<sup>st</sup> April 2016. Mr. Amir Abbassciy, Mr. Muhammad Mahmood Hussain, Mr. Akhtar Hussain Malik, Syed Arshad Raza, Mr. Omar Khan Lodhi and Mr. Chaudhary Khaqan Saadullah Khan were appointed directors to fill the casual vacancies on 26<sup>th</sup> May 2016.
5. The Company has prepared a ‘Code of Conduct’ and has ensured that appropriate step have been taken to disseminate it throughout the company along with the supporting policies and procedures.
6. The board has developed vision and mission statements, overall corporate strategy and significant policies. A complete record of particular policies 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 the appointment and determination of remuneration and the terms and conditions of employment of the Chief Executive Officer, other executive and non-executive directors, have been taken by the Board / shareholders.
8. During the year the Board met twelve times. 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. Written notices of the Board meetings, except urgent meetings, along with the agendas and working papers were circulated at least seven days before the meetings and the minutes of the meetings were appropriately recorded and circulated.
9. While almost all the directors are professionals and senior executives who possess wide experience and awareness of the duties of directors, the Company intends to comply with the directors’ training programs for its recently elected directors, as required by the Code.
10. During the year, the Board has approved the appointment of Mr. Asad Azhar Siddiqui, as the Chief Financial Officer of the Company on 26<sup>th</sup> May 2016, which was created by the resignation of Mr. Imran Shaikh, and the appointment of Mr. Majid Muqtadir, as the Company Secretary of the Company on 1<sup>st</sup> May 2016, which was created by the resignation of Ms. Shahana Ahmed Ali, including remuneration and terms and conditions of employment. There was no change in the position of the Head of Internal Audit.
11. The director’s 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.

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12. The financial statements of the Company were duly endorsed by the CEO and CFO before approval of the board.
13. The directors, chief executive officer and other executives do not hold any interest in the shares of the Company other than what has been disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code.
15. The Board has formed an Audit Committee, comprising of three members, all of whom are non-executive directors and the Chairman of the Committee is an independent director.
16. The meetings of the Audit Committee were held at least once every quarter prior to approval of interim and final 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.
17. The Board has formed a Human Resource and Remuneration Committee by the name of Strategy & Risk Management Committee, comprising of three members, all of whom are non-executive directors, including the Chairman of the Committee.
18. The Board has setup an effective internal audit function for the Company, which is considered suitably qualified and experienced for the purpose.
19. 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 (ICAP), that they or any 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 the International Federation of Accountants (IFAC) guidelines on the Code of Ethics as adopted by the ICAP.
20. 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.
21. The 'closed period' prior to the announcement of interim and final results, and business decisions that may materially affect the market price of the Company's shares, was determined and intimated to the directors, employees and the Pakistan Stock Exchange.
22. Material / price sensitive information was disseminated among all market participants at once through the Pakistan Stock Exchange.
23. We confirm that all other material principles enshrined in the Code have been fully complied with except for the mechanism for the annual evaluation of the board's own performance which is not yet established, toward which reasonable progress is being made by the company to seek compliance by the end of next accounting year.

**Mohammad Wasi Khan**  
Chief Executive Officer

September 06<sup>th</sup>, 2016