

# Statement of Compliance

With the code of Corporate Governance

Byco Petroleum Pakistan Limited

Year ended 30<sup>th</sup> June 2017

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 2017, the Board consisted of:

Category	Names
Independent Director	Muhammad Mahmood Hussain
Executive Director	Amir Abbassciy
Non-Executive Directors	Akhtar Hussain Malik Syed Arshad Raza Nayyer Hussain Omar Khan Lodhi Chaudhary Khaqan Saadullah Khan

2. The independent director meets the criteria of independence under clause 5.19.1(b) of the Code.
3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
4. 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 Development Financial Institution or a Non-Banking Financial Institution or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.
5. During the year, two casual vacancies occurred on the Board, which were created by the resignations of Mr. Muhammad Raza Hasnani on 21<sup>st</sup> November 2016 and Mr. Muhammad Wasi Khan on 22<sup>nd</sup> December 2016. Mr. Nayyer Hussain was appointed as a director to fill the casual vacancy on 22<sup>nd</sup> December 2016 and Mr. Amir Abbassciy was appointed as the Chief Executive Officer to fill the casual vacancy on 1<sup>st</sup> January 2017.
6. 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.
7. The Board has developed a vision / mission statement and overall corporate strategy. The Board approved significant policies as required by the Code. A complete record of particulars of significant policies along with the dates on which they were approved or amended has been maintained.
8. 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.
9. During the year the Board met seven times. 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, 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.
10. The training of the directors is an ongoing process and the directors, on a regular basis, are provided with and updated on relevant laws, codes, and guidelines on best practices of good corporate governance. Most of the directors are professionals and senior executives having wide experience and awareness of the duties and responsibilities of the directors. Two directors have acquired certification under Directors Training Program (DTP), while one director possesses the requisite criteria of education and experience as laid down in the Code for an exemption from certification under any directors’ training program. Registration of other directors is under way and DTP certification will be completed according to the requirement specified under the Code.

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10. During the year, the Board has approved the appointment of Mr. Naeem Asghar Malik, as the Chief Financial Officer of the Company as of 1<sup>st</sup> January 2017 in place of Mr. Asad Azhar Siddiqui, on the existing terms and conditions of his employment with the Company. There were no change in the positions of Company Secretary and Head of Internal Audit.
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.
12. The financial statements of the Company were duly endorsed by Chief Executive Officer and Chief Financial Officer 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 that 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 three members, of whom two 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, comprising three members, all of whom are non-executive directors, including the chairman of the Committee.
18. The Board has set up an effective internal audit function and that is involved in the Internal Audit on full time basis relating to business and other affairs of the Company.
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 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.
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. The Company has complied with the requirements relating to maintenance of register of persons having access to inside information by designated senior management officer in a timely manner and maintained proper record including basis for inclusion or exclusion of names of persons from the said list.
24. We confirm that all other material principles enshrined in the Code have been complied with.

**Amir Abbassy**

Chief Executive Officer

December 20<sup>th</sup> 2017