STATEMENT OF COMPLIANCE WITH THE CODE OF CORPORATE GOVERNANCE

Name of Company:ADAM SUGAR MILLS LIMITED

Year Ended:SEPTEMBER 30,2017

This statement is being presented to comply with the Code of Corporate Governance contained in Regulation No. 5.19 of the Rule Book of Pakistan Stock ExchangeLimited 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 has applied the principles contained in the CCG in the following manner:

1. The company encourages representation of independent non-executive directors and directors representing minority interests on its board of directors. At present the board includes:

Category	Names
Independent Directors	1:Syed NazarMahmood Shah:
Executive Directors	1:Ghulam Ahmed Adam:
	2:Omar G.Adam
Non-Executive Directors	1:Junaid G.Adam:
	2:Mustafa G.Adam
	2:Jawaid Ahmed:
	3:Lt.Col.(R) Muhammad Mujtaba

The independent directors meets the criteria of independence under clause5.19 (b)of the CCG.

2. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.

3. 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 Development Financial Institution (DFI) or a Non-Banking Financial Institution (NBFI) or, being a Broker of a stock exchange, has been declared as a defaulter by that stock exchange.

4. No Casual Vacancy has occurred during the period ended September 30,2017.

5. 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.