

NATIONAL INVESTMENT TRUST LTD

CSR DOCUMENT

<p>Introduction</p>
<p>National Investment Trust Ltd (NITL) was founded in 1962, as the first Asset Management Company of Pakistan. It has been managing the oldest and largest open ended mutual Fund i.e. National Investment (Unit) Trust, since its inception. Recently two Equity Funds (NIT-SEF & NIT-EMOF) and two Income Funds (NIT-GBF & NIT-IF), have also been added to its portfolio, diversifying and expanding scope to cater to the varying needs of individuals as well as Institutions.. The Board of Directors comprises eminent industrialists and representatives of major financial institutions.</p>
<p>Business Case and Objectives</p>
<p>NITL seeks to be a Good Corporate Citizen in all aspects of Fund/ Asset Management by incorporating and integrating transparency, stakeholders' expectations, accountability and trust in our business operations. Our Organizational structure ensures a successful combination of the long term vision of Leadership and operational know how at different management layers of the organization, aligned with our Vision and Mission statement. However, being cognizant of its responsibility as a Corporate Citizen, NITL incorporates CSR into its core operational activities. For the company the broad guidelines in context to CSR are :</p> <ul style="list-style-type: none"> • To enhance value for all our stakeholders including customers, employees and the capital markets by following best practices in Corporate Governance, including transparency, disclosure, protecting shareholders' rights etc. • To serve our investors effectively and efficiently, with utmost professionalism and by following the highest ethical standards.
<p>Organizational Governance</p>
<p>NITL believes in propagating the cause of Corporate Governance and to act in the best interest of all the stakeholders, including the economy, equity markets, unit-holders and its shareholders etc. The Core Values of the company truly depict the Organizational Governance which are as follows:</p>

- **Best Practices:** We being the pioneers and leaders of the mutual fund industry in Pakistan firmly believe in following best practices in all aspects of Corporate Governance within our organization, as well as in our investee companies with a view to safeguard the interests of all stake holders.
- **Ethics:** We pride ourselves in serving our Investors effectively and efficiently, with utmost professionalism and by following the highest ethical standards.
- **Stature:** We operate with unimpeachable integrity and unwavering commitment while creating new opportunities for our Investors.
- **Trust:** We believe in the highest standards of transparency and disclosure, working towards getting better value for our Investors which over the years has enhanced the Trust of our stakeholders in the Management Company

Good practice currently at NITL:

NITL believes in best practices of Corporate Governance including protection of shareholders' rights, transparency and disclosure, accountability, honesty and integrity in every aspect of business operations, which over the years has enhanced the trust of our stakeholders in the Management Company. We are not only compliant with the regulatory requirements of Companies Ordinance-1984, NBFC & NE Regulations-2008 and Code of Corporate Governance-2002, but taking a leap forward as the Company plays a major role in promoting best practices of Corporate Governance in more than 400 of its Investee companies. Presently NITL has its nominee directors in 138 companies, in all major sectors of the economy. We believe in :

- Transparency of our business policies and practices with internal control policies and suitable checks and balances in place to ensure smooth and transparent operations.
- High standards in all matters pertaining to Investments, taking into consideration the investment horizon security ratings, health, safety & environment of the company and any other operational matters. The Investment Policy ensures that all decisions are duly recorded with rationale and objectives, implemented with due care, diligence and in ethical manner.
- Fair dealing with employees i.e. taking into account merit, equal employment opportunity and their training and development ensuring compliance with the succession planning.
- Fair dealings with its stakeholders i.e. Unit Holders, Brokers, Clearing Company, Regulatory Authorities, Banks etc. is of foremost importance.

- We are committed to be a good corporate citizen by being a responsible investor and protecting minority shareholders rights and in return providing stable returns to our investors.

Labour Practices

NITL is committed to providing a working environment in compliance with the principles of United Nation Global Compact (UNGC) which includes a safe and healthy workplace, with no discrimination on the basis of age, gender, religion or race, and its employment policies are based on specific job requirements, within the regulatory framework.

The employees are required to take all actions and decisions based on their fiduciary duty towards the company, within the legal and policy framework, with highest ethical and moral standards. They should avoid situations where personal interests could conflict, or appear to conflict, with the interests of the Company.

Good practice currently at NITL:

- All employees are provided a healthy and safe working environment, equal employment opportunities, including access to training, development and career building path, based upon the job requirement and each employee's abilities, performance and commitment to these standards.
- Apart from growth opportunities, Healthcare benefits including unlimited hospitalization expenses are extended to all employees and their families, including their parents.
- The company has recently approved the scheme for stock options to its employees under a Government scheme.
- NITL encourages the employment of marginalized and disabled individuals.

The Environment

The Company is committed to continuous improvement in environmental performance, prevention of pollution and improving efficiency in the use of resources including energy, water, packaging and other raw materials.

Good Practices currently at NITL:

- NIT shall continue to improve the quality of its investment decisions by investing in business which support good practices of corporate governance, environmental friendly manufacturing and distribution processes and carry out their responsibility as a good corporate citizen.

Fair Operating Practices

NIT shall actively work against money laundering and illegal financing activities adhering to strict compliance in this context and will work actively towards elimination of bribery and extortion of money.

Good practice currently at the NITL:

- The Company denounces unethical practices like corruption and money laundering not only in its operations but shall also refrain from investing in such businesses found responsible in such unethical activities.
- NIT nominees Directors play pivotal role in disseminating guidance for establishing guidelines in the investee companies regarding ethical values and good governance.
- The company has an independent Internal Audit Department, which reports to Audit committee of the Board of Directors, which assures quarterly review of processes, internal controls, flow of information and efficiency of the systems.
- The management ensures compliance of the issues raised by the Internal Audit Department, and to review /improve the processes accordingly.

Customer Issues

NIT shall conduct its business with a commitment to excellence within the parameters of prevailing laws, rules and regulations, sustainability of business and enhancing value for investors. The operational policies are reviewed periodically to be aligned to promote fair and ethical dealings with customers and competitors.

Good practice currently at NITL:

- The Company has recently launched an interactive website providing complete disclosures and relevant information to its customers, which includes daily updated unit price, Financial Statements, Constitutive Documents etc.
- The Company has also revamped its IT systems aimed at enabling its customers to interact, purchase and redeem the Units on-line, without physically having to visit the Branches leading to paperless records and energy use reduction.

Community Involvement and Development

Being a pioneer in the Mutual Fund Industry, NIT recognizes that its actions have an impact on all its stakeholders – customers, employees, partners, non-governmental organizations, society, government and regulator, investors and others. With its history in the Mutual Fund Industry, NITL has always participated in efforts to develop communities for the benefit of the Industry. This can be best described as actively promoting the financial infrastructure necessary for growth.

The Company is committed to assisting the social support programs in the education and health sectors, subject to policies approved by its Board of Directors.

Good Practices at NITL:

- The Company supports the community by granting donations, up to 0.5% of its profits, to various welfare organizations in the field of healthcare such as cancer, aids, cardiac, hepatitis and urology related ailments or any other terminal ailments. .
- The companies are provided with donations after carrying out assessments based on their established reputation, track record, registration with authorities (specially with Tax authorities) etc.
- The Board of Directors determines the broad outline of corporate governance and on an annual basis shall review the performance against the same.