

STATEMENT OF COMPLIANCE WITH LISTED COMPANIES

Code of Corporate Governance Regulations, 2019 as on, 30 June 2023

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors are Seven (7) as per the following:

a.	Male	Four
b.	Female	Three

2. The composition of Board of Directors is as follows:

Category	Numbers	Names
Independent Directors	2	Mr. Muhammad Hashim Tareen Mr. Mahmood Aslam
Non-Executive Directors	3	Mr. Muhammad Zain-ul-Afaq Miss Shabana Shafique Miss Eman Shafique
Executive Directors	2	Mr. Muhammad Ali Shafique Ch Miss Afifa Shafique
Female Directors	3	Miss Shabana Shafique Miss Eman Shafique Miss Afifa Shafique

3. The directors have confirmed that none of them is serving as a director of more than seven listed companies, including Beco Steel Limited.
4. 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.
5. The Board has developed a vision/mission statement, overall Corporate Strategy and significant policies of the Company. The Board has ensured that complete record of particulars of the significant policies along with their date of approval or updating is maintained by the Company.

6. All the powers of the Board have been duly exercised and decisions on relevant matters have been taken by Board/shareholders as empowered by the relevant provisions of the Act and the regulations.
7. 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. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. The following Directors were certified under the SECP approved Directors' Training Program as of June 30, 2023.
 - o Mr. Muhammad Ali Shafique Ch
 - o Miss Afifa Shafique
 - o Miss Eman Shafique
10. The Director's Training Program for the remaining appointed directors will be arranged in due course.
11. The board has approved the appointment of CFO, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment, and complied with relevant requirements of the Regulations.
12. Chief Executive Officer and Chief Financial Officer duly endorsed the Financial Statements before approval of the Board.
13. The Board has formed committees comprising of members given below:

a) Audit Committee:

Name	Designation
Mr. Muhammad Hashim Tareen	Chairman
Miss Shabana Shafique	Member
Miss Eman Shafique	Member
Mr. Abdul Shakoor	Secretary

b) HR and Remuneration Committee:

Name	Designation
Mr. Muhammad Hashim Tareen	Chairman
Miss Shabana Shafique	Member
Miss Eman Shafique	Member
Mr. Muhammad Ali Shafique Ch	Member
Mr. Abdul Shakoor	Secretary

14. The terms of reference of the aforesaid committees have been formed, documented, and advised to the committee for compliance.
15. The frequency of meetings (quarterly/half yearly/yearly) of the committees were as per following:

Committees	Frequency of Meeting
Audit Committee	At least quarterly/required basis.
HR and Remuneration Committee	At least once a year/ required basis

16. The Board has set up an effective Internal Audit Function which is considered suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the company.
17. 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 and registered with Audit Oversight Board of Pakistan, that they and all their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the Institute of Chartered Accountants of Pakistan and that they and the partners of the firm involved in the audit are not a close relative (spouse, parent, dependent and non-dependent children) of the chief executive officer, chief financial officer, head of internal audit, company secretary or director of the company.
18. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Act, these regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.

19. We confirm that all other requirements of the Regulations have been complied with; and
20. Explanations pertaining to Regulations other than 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr #	Requirements	Numbers	Regulation No.
1	Constitution of Nomination Committee	The responsibilities as prescribed for the Nomination Committee are being taken care of at the Board level as and when needed. Therefore, a separate committee is not currently considered to be necessary	29
2	Constitution of Risk Management Committee	The functions of the Risk Management Committee are currently performed by the Audit Committee and are included in its TORs. Hence a separate Risk Management Committee is currently not needed	30



Mr. Muhammad Zain ul Afaq
Chairman



Mr. Muhammad Ali Shafique Ch
Chief Executive Officer

Lahore: 08 December 2023

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS

Review Report on the Statement of Compliance Contained in Listed Companies (Code of Corporate Governance) Regulations, 2019

We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Beco Steel Limited for the year ended June 30, 2023 in accordance with the requirements of regulation 36 of the Regulations.

The responsibility for compliance with the Regulations is that of the Board of Directors of the Company. Our responsibility is to review whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Regulations and report if it does not and to highlight any non-compliance with the requirements of the Regulations. A review is limited primarily to inquiries of the Company's personnel and review of various documents prepared by the Company to comply with the Regulations.

As a part of our audit of the financial statements we are required to obtain an understanding of the accounting and internal control systems sufficient to plan the audit and develop an effective audit approach. We are not required to consider whether the Board of Directors statement on internal control covers all risks and controls or to form an opinion on the effectiveness of such internal controls, the Company's corporate governance procedures and risks.

The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related party transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

Based on our review, nothing has come to our attention which causes us to believe that the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respects, with the requirements contained in the Regulations as applicable to the company for the year ended June 30, 2023.



SHEIKH & CHAUDHRI
Chartered Accountants

Lahore, Pakistan

Date: December 12, 2023

UDIN: CR202310306fQRLSOzEc