

# STATEMENT OF COMPLIANCE WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

**Name of company:** Bestway Cement Limited

**Year ended:** June 30, 2022

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

1. The total number of directors are eight (8) as per the following:
  - a) Male: Six (6)
  - b) Female: Two (2)
2. The composition of the Board is as follows:
  - i) Independent directors\*
    1. Ms. Najma Naheed Pirzada
    2. Ms. Nazia Nazir
  - ii) Non-executive directors
    1. Sir Mohammed Anwar Pervez (Chairman)
    2. Mr. Mohammed Younus Sheikh
    3. Mr. Dawood Pervez
    4. Mr. Haider Zameer Choudrey
  - iii) Executive directors
    1. Lord Zameer Choudrey
    2. Mr. Muhammad Irfan Anwar Sheikh
  - iv) Female directors
    1. Ms. Najma Naheed Pirzada
    2. Ms. Nazia Nazir

\*Best practices of corporate governance entail having an optimal number and mix of board members with adequate skills and experience. The current Board of Directors of the Company adequately meets this requirement. Further, existing two independent directors play an effective part within the Board and make valuable contributions. Therefore, the fraction (2.67) has not been rounded up.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
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 the Board/ shareholders as empowered by the relevant provisions of the Act and these 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 the Act and the Regulations with respect to frequency, recording and circulating minutes of meeting of the Board;
8. The Board have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Out of eight directors, two directors meet the exemption requirement of the Directors' Training Program and six directors have obtained the Directors' Training Program certification in prior years;
10. The Board has approved appointment of chief financial officer, company secretary and head of internal audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations;
11. Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;

12. The Board has formed committees comprising of members given below.-

- a) Audit Committee
  - i) Ms. Najma Naheed Pirzada (Chairperson)
  - ii) Mr. Dawood Pervez
  - iii) Mr. Haider Zameer Choudrey
- b) HR and Remuneration Committee
  - i) Ms. Nazia Nazir (Chairperson)
  - ii) Mr. Muhammad Irfan Anwar Sheikh
  - iii) Mr. Mohammed Younus Sheikh

Subsequent to the year end, the following committees have also been constituted comprising of members as follows:

- c) Nomination Committee
  - i) Lord Zameer Choudrey (Chairperson)
  - ii) Mr. Muhammad Irfan Anwar Sheikh
  - iii) Mr. Haider Zameer Choudrey
- d) Risk Management Committee
  - i) Lord Zameer Choudrey (Chairperson)
  - ii) Mr. Muhammad Irfan Anwar Sheikh
  - iii) Mr. Haider Zameer Choudrey

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following,-

- a) Audit Committee – quarterly;
- b) HR and Remuneration Committee – on required basis;

15. The Board has set up an effective internal audit function;


16. 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;

17. 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;

18. We confirm that all requirements of regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation
1	Constitution of Nomination Committee	The Human Resources and Remuneration Committee performed the function of Nomination Committee during recent election of directors. The Board has constituted the Committee in its meeting held on September 06, 2022, as mentioned in paragraph 12 above.
2	Constitution of Risk Management Committee	The function of Risk Management Committee is currently performed by Chief Internal Auditor, who apprise the Board accordingly. The Board has constituted the Committee in its meeting held on September 06, 2022, as mentioned in paragraph 12 above.
3	Disclosure of significant policies on website	The requirement to disclose significant policies on the website is non-mandatory in regulation no. 35 (1), and thus the Company has uploaded limited information in this respect on its website. The Company is however, considering placing key elements of other policies on its website.

  
Sir Mohammed Anwar Pervez, OBE H Pk  
Chairman



# INDEPENDENT AUDITOR'S REVIEW REPORT

**To the members of Bestway Cement Limited**

**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 Bestway Cement Limited (the Company) for the year ended June 30, 2022 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. 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.

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, 2022.

Chartered Accountants  
Islamabad  
Date: 16 September 2022

UDIN: CR202210053UPp3Nni0R