

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Gharibwal 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 Gharibwal Cement Limited 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.



KRESTON HYDER BHIMJI & CO.
CHARTERED ACCOUNTANTS

Lahore: September 29, 2022
UDIN # CR2022104750WsOiUVIR

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

GHARIBWAL CEMENT LIMITED ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) regulations, 2019 ("the Regulations") during the financial year ended June 30, 2022 in the following manner:-

- 1) The total number of Directors are nine (9) comprising: -
 - i) Male : Seven (7)
 - ii) Female : Two (2)
- 2) The composition of the Board is as follow:
 - i) Independent Directors : Three (3)
 - ii) Non-Executive Directors (male) : One (1)
 - iii) Non-Executive Directors (female) : Two (2)
 - iv) Executive Directors : Three (3)
- 3) The Directors have confirmed that none of them is serving as a Director of more than seven Listed Companies, including the 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 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 Companies Act, 2017 ("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 Act and the Regulations with respect to frequency and recording of minutes of meeting of Board. However, draft minutes of board meetings conducted during the year were circulated to board members after 14 days of the meeting.
- 8) The Board has developed a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and these Regulations.
- 9) The Company is largely compliant with the requirement of directors' training under Rule 20 of the Code of Corporate Governance, 2017. Two (2) directors have obtained the Directors' Training Program Certification in prior years. Three (3) directors meet the exemption criteria of the Directors' Training Program.
- 10) The Board has approved the appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
- 11) Chief Financial Officer and Chief Executive Officer have 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) Faisal Aftab Ahmad (Chairman)
 - ii) Khalid Siddiq Tirmizey (Member)
 - iii) Mian Nazir Ahmad Peracha (Member)
 - b) **Human Resource & Remuneration Committee**
 - i) Khalid Siddiq Tirmizey (Chairman)
 - ii) Muhammad Tousif Peracha (Member)
 - iii) Mian Nazir Ahmad Peracha (Member)

- 13) The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance.
- 14) The frequency of meetings of the Committees are set, at minimal, as:-
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| a) | Audit Committee | Quarterly |
| b) | HR and Remuneration Committee | Yearly |
- 15) The Board has set up effective internal audit functions that is suitably qualified and experienced for the purpose and is conversant with the policies and procedures of the Company.
- 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 they are 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 Directors 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 the Regulations have been complied with.



Chief Executive Officer



Director

Dated: September 29, 2022
Place: Lahore