

STATEMENT OF COMPLIANCE

with listed Companies (Code of Corporate Governance) Regulations, 2019 For the year ended June 30, 2022

Kohat Cement Company Limited (“the Company”) has complied with the requirements of the Regulations in the following manner:

1. The total number of directors as at June 30, 2022 is eight (8), as per the following:

a) Male	6
b) Female	2

2. The composition of the Board is as follows:

Category	Names
Independent Directors	Mr. Ahmad Sajjad Khan Mr. Talha Saeed Ahmed
Non-Executive Directors	Mr. Aizaz Mansoor Sheikh Mrs. Hafsa Nadeem Mrs. Hijab Tariq Mr. Muhammad Rehman Sheikh Mr. Muhammad Atta Tanseer Sheikh
Executive Director	Mr. Nadeem Atta Sheikh

The current Board of Directors of the Company was elected on June 29, 2022 whereas, composition of Board prior to Elections of Directors held on June 29, 2022 was also same. The Board has appropriate skills, experience, independence and knowledge of the Company to discharge its duties and responsibilities effectively. Therefore, the Board considers that it is adequately composed with two independent directors and hence, the fractional number of independent directors 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 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 these Regulations.

7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the regulations with respect to frequency, recording and circulating minutes of meeting of Board.
8. The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. Detailed as below; six directors have completed their Directors' Training Certification (DTC) and two directors are exempt from this due to 14 years of education and 15 years of experience on the Board.

Directors exempt from DTC

- Mr. Aizaz Mansoor Sheikh
- Mr. Nadeem Atta Sheikh

Directors who have completed their DTC

- Mr. Ahmed Sajjad Khan
- Mr. Talha Saeed Ahmed
- Mrs. Hafsa Nadeem
- Mrs. Hijab Tariq
- Mr. Muhammad Rehman Sheikh
- Mr. Muhammad Atta Tanseer Sheikh

10. The Board has approved appointment of Chief Financial Officer (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.
11. CFO and CEO duly endorsed the financial statements before approval of the Board.
12. The Board has formed committees comprising of members given below:

a) Audit Committee as at June 30, 2022

Category	Names	
Chairman	Mr. Talha Saeed Ahmed	Independent Director
Member	Mr. Aizaz Mansoor Sheikh	Non-Executive Director
Member	Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director

b) Human Resource and Remuneration (HR&R) Committee as at June 30, 2022

Category	Names	
Chairman	Mr. Ahmad Sajjad Khan	Independent Director
Member	Mr. Nadeem Atta Sheikh	Chief Executive
Member	Mr. Muhammad Atta Tanseer Sheikh	Non-Executive Director

c) Nomination Committee

Considering the magnitude and similarity of the nature of terms of reference of this Committee with that of HR&R Committee, the Board of Directors has decided to include the TOR of this committee in the TOR of the HR&R Committee.

d) Risk Management Committee

Considering the magnitude and similarity of the nature of terms of reference of this Committee with that of Audit Committee, the Board of Directors, has decided to include the TOR of this committee in the TOR of the Audit Committee.

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 were as per following:

Committee	Frequency
Audit Committee	Four meetings were held during the year
HR&R Committee	Two meetings were held during the year

15. The Board has set-up an effective internal audit function and personnel involved are suitably qualified and experienced for the purpose and are 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 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 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 other requirements of the regulations have been complied with.



Nadeem Atta Sheikh
Chief Executive



Talha Saeed Ahmed
Director

Lahore: September 24, 2022

INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Kohat Cement Company 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 Kohat Cement Company Limited ("the Company") for the year ended 30 June 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 30 June 2022.

Lahore

Date: 26 September 2022

UDIN: CR202210114mYfgIB90q

KPMG Taseer Hadi & Co.

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Chartered Accountants

(Bilal Ali)