



INDEPENDENT AUDITOR'S REVIEW REPORT TO THE MEMBERS OF PAKISTAN ALUMINIUM BEVERAGE CANS 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 Pakistan Aluminium Beverage Cans Limited ("the Company") for the year ended December 31, 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 December 31, 2022.

Kreston Hyder Bhimji & CO.
Chartered Accountants

Karachi
Date: April 06, 2023
UDIN: CR202210221ZU4M1xQX8



STATEMENT OF COMPLIANCE

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

Pakistan Aluminium Beverage Cans Limited

For the period from January 1, 2022 to December 31, 2022

Pakistan Aluminium Beverage Cans Limited ("the Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("the Regulations") in the following manner;

1 The total number of directors are 7 as per the following;

a.	Male:	6
b.	Female:	1

2 The composition of the Board is as follows:

Category	Name
i. Independent directors*	Mr. Salim Parekh Mr. Muhammad Jawaid Iqbal
ii. Non-executive directors	Mr. Simon Michael Gwyn Jennings Mr. Asad Shahid Soorty Mr. Zain Ashraf Mukaty
iii. Executive directors	Mr. Azam Sakrani
iv. Female directors (Non-Executive)	Ms. Hamida Salim Mukaty

* Regulation 6(1) of the Companies (Code of Corporate Governance) Regulations, 2019 stipulates that it is mandatory for each listed company to have at least two or one third members of the Board, whichever is higher, as independent directors. In a Board comprising 7 Directors, one third would equate to 2.33 persons. The fraction contained in such one-third is not rounded up to three in observance of general mathematic principle and also the Company has enough experienced and well reputed independent directors on the Board who perform and carry out their responsibilities diligently.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company;
- 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;
- 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;
- 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 Companies Act, 2017 (the Act) and these Regulations;
- 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 the Board;
- The Board has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
- Three Directors of the Company are certified under the Directors Training Program, namely:
 - Mr. Zain Ashraf Mukaty
 - Mr. Muhammad Jawaid Iqbal
 - Mr. Azam Sakrani
- 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;
- Chief financial officer and chief executive officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below;

Audit Committee	Mr. Muhammad Jawaid Iqbal Ahmad (Chairman) (Independent) Mr. Asad Shahid Soorty Member Mr. Zain Ashraf Mukaty Member
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HR and Remuneration (HR&R) Committee	Mr. Saleem Parekh (Chairman) (Independent) Mr. Simon Michael Gwyn Jennings Member Mr. Zain Ashraf Mukaty Member
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- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;



14. The frequency of meetings of the committee and number of meetings held during the year were as per following;

Committee	Frequency	Number of Meetings
Audit Committee	Quarterly	4
HR&R Committee	Annually	1

15. The Board has set up an effective internal audit function managed by the personnel who are considered 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 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; and
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

S. No.	Reg. No.	Non-Mandatory Requirement	Explanation
1	5	Representation of Minority Shareholders - The minority members as a class shall be facilitated by the Board to contest election of directors.	None of the person representing minority shareholders, filed Consent to act as director with the Company during the timeline as specified in the Election of Directors held on May 23, 2022.
2	10(1)	Responsibilities of the Board of Directors - Adoption of Corporate governance practices by the Company.	Certain non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of Regulations.
3	18	All companies shall make appropriate arrangements to carry out orientation for their directors to acquaint them with these Regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the listed company for and on behalf of shareholders.	The Directors of the Company are adequately experienced to perform their duties and are aware of their powers and responsibilities under the relevant laws. Furthermore, though attending directors training program under regulations 19 is optional, however, remaining directors shall endeavour to complete the training at the earliest.
4	29	Nomination Committee - The Board may constitute a separate committee, designated as the nomination committee, of such number and class of Directors, as it may deem appropriate in its circumstances.	The requirement of Nomination Committee is optional and the board itself takes care of the functions of nomination committee, however, the Board may consider to constitute nomination committee in future if necessary.
5	30	Risk Management Committee- The Board may constitute the risk management committee, of such number and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.	The requirement of Risk Management Committee is optional and the Risk management carried is out at the overall Company's level by the executive management of the Company. The Company's management monitors potential risks and risk management procedures are carried out to identify, assess and mitigate any identified or potential risks. The Board and audit committee are also briefed about the findings and consulted for recommendations and approvals as and when needed. Therefore, currently it not considered necessary to have a separate committee in this respect.
6	35	Disclosure of Significant Policies on website - The Company may post key elements of its significant policies, brief synopsis of terms of reference of the Board's Committees on its website and key elements of the Directors' remuneration policy.	All the policies are well circulated among the relevant employees and Directors. Though the requirement with respect to disclosure of significant policies on the website is optional, however, the Company shall place key elements of significant policies and synopsis of terms of reference of Board's Committees on its website in near future, if considered necessary.

(SIMON MICHAEL GWYN JENNINGS)

Chairman

Date: March 29, 2023