

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

Name of Company: Pioneer Cement Limited
Year ended : June 30, 2023

Pioneer Cement Limited ("the Company") has complied with the requirements of Listed Companies Code of Corporate Governance Regulations, 2019 (the Regulations) in the following manner: ·

1 The total number of directors as at June 30, 2023 is eight (8), as per the following:

- a. Male: Seven
b. Female: One

2. The composition of board is as follows:

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|----------------------------|---|
| a) Independent directors | Mr. Shafiuddin Ghani Khan Mr. Jamal Nasim |
| b) Non-executive directors | Mr. Aly Khan Mr. Mohammed Aftab Alam Mirza Ali Hasan Askari Doraib A Kijat |
| c) Executive directors | Syed Mazher Iqbal (CEO) (Term ended on 30 June 2023) |
| d) Female director | Ms. Aleeya Khan |

The current Board of Directors of the Company was elected on October 27, 2020 and 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 of two independent directors and hence, the fractional number of independent directors has not been rounded up.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including Pioneer Cement Limited;
- 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 Act and these Regulations;
- The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act (The Companies Act 2017) 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;
- All directors have completed their Director's Training Certification.

Elected directors who have completed their DTC

- Mr. Aly Khan
- Ms. Aleeya Khan
- Mirza Ali Hassan Askari
- Mr. Mohammed Aftab Alam
- Mr. Shafiuddin Ghani Khan
- Mr. Jamal Nasim
- Mr. Doraib A Kijat

- 10 The Board approves 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 Executive Officer and Chief Financial 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 | Mr. Jamal Nasim (Chairman) Mr. Aly Khan Ms. Aleeya Khan Mr. Shafiuddin Ghani Khan Mr. Mohammed Aftab Alam |
| b) HR and Remuneration Committee | Mr. Shafiuddin Ghani Khan (Chairman) Mr. Aly Khan Ms. Aleeya Khan Mr. Mohammed Aftab Alam Syed Mazher Iqbal (CEO) (Term ended on 30 June 2023) |

c) Nomination Committee

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

- 13 The TOR of the aforesaid committees have been formed, documented and advised to the committees for compliance;
- 14 The frequency of meetings of the committee were as per following;
 - a) Audit Committee (quarterly)
 - b) HR & Remuneration Committee (yearly)
- 15 The Board has set up an effective internal audit function 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 (i) they have been given a satisfactory rating under the Quality Control Review program of the Institute of Chartered Accountants of Pakistan (ii) registered with Audit Oversight Board of Pakistan, (iii) 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 (iv) that they and the partners of the firm involved in the audit are not close relatives (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any 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, the 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.



ALY KHAN
Chairman

September 28, 2023

TO THE MEMBERS OF PIONEER 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 Pioneer Cement Limited (“the Company”) for the year ended 30 June 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. 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 2023.

KPMG Taseer Hadi & Co.

KPMG Taseer Hadi & Co.

Chartered Accountants

Place: Lahore

Date: 2 October 2023

UDIN: CR202310114qdT87jyeh