

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

Year ended 30, June 2022

The Company has complied with the requirements of the Listed Companies (Code of Corporate Governance Regulations, 2019 (the Regulation) in the following manner:

1. The total number of directors are 07 (seven) as per the following:

- a. Male: 6 members
- b. Female: 1 member

2. The composition of the Board is as follows:

| Category | Names |
|--------------------------------|--|
| Independent Director | Mr. Ahsan Anis Mr. Khalil Ahmed |
| Executive Director | Mr. Samad A. Habib Mr. Muneer Gader |
| Non-Executive Directors | Mr. Kashif Habib Syed Najmudduja Jaffri |
| Female Director | Ms. Anna Samad (Non-Executive Director) |

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 the date of approval or updating has been 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 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 the Companies Act, 2017 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. 3 out of 7 directors have attended directors training program and the remaining directors shall acquire the required training within ongoing financial year.
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. No new appointments were made during the year.
11. The 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:

| | |
|-------------------------------|---|
| Audit Committee | Mr. Ahsan Anis - Chairman Mr. Kashif Habib – Member Mr. Syed Najmudduja Jaffri – Member |
| HR and Remuneration Committee | Mr. Khalil Ahmed - Chairman Mr. Abdus Samad Habib - Member Mr. Syed Najmudduja Jaffri- 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 were as per following:

| Name of Committee | Frequency of Meeting |
|--------------------------------------|--|
| Audit Committee | 4 meetings were held during the year. The meetings of the Audit Committee are held on a quarterly basis. |
| HR and Remuneration Committee | 1 meeting was held during the year. |

15. The Board has set up an effective internal audit function which is 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 (ICAP) 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 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 the Regulations 3,6,7,8,27,32,33 and 36 of the Regulations have been complied with.
19. Explanation of non-compliance with requirements, other than regulation 3,6,7,8,27,32,33 and 36 is below:

| Regulation | Compliance Requirement | Explanation |
|------------|--|---|
| 06 | A company shall have at least two or one third members of the board, whichever is higher, as independent director. Further, it requires a listed company to explain the reasons, in its statement of compliance, if any fraction contained in such one third numbers is not rounded up as one. | During the year ended 30 June 2022 the two independent directors on the board had requisite competencies skills knowledge and experience to discharge and execute their duties competently as per laws and regulations therefore the appointment of a third independent director is not considered. |
| 24 | An individual shall not simultaneously hold the position of Company secretary and Chief Financial Officer. | The Board is of the opinion the person is suitably qualified and professionally capable to act and fulfill the duties and responsibilities of both the roles simultaneously. In addition, it is a cost effective measure and it is in the best interest of Company & the shareholders. |


Chairman
Syed Najmudduja Jaffri

Karachi
Dated: October 06, 2022

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of M/s. Safe Mix Concrete Limited

REVIEW REPORT ON THE STATEMENT OF COMPLIANCE CONTAINED IN LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

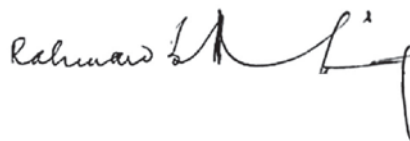
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations) prepared by the Board of Directors of Safe Mix Concrete Limited (the Company) for the year ended June 30, 2022 in accordance with the requirements of regulation 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.



Rahman Sarfaraz Rahim Iqbal Rafiq
Chartered Accountants

Karachi.
Dated : October 06, 2022
UDIN: CR202210213UOLSeT2px