

**8. INDEPENDENT AUDITOR REVIEW REPORT**

**To the members of Waves Home Appliances 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 Waves Home Appliances Limited (“the Company”) for the year ended 31 December 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 part of our audit of 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, of its related party transactions and also ensure compliance with the requirements of section 208 of the Companies Act, 2017. 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. We have not carried out procedures to determine whether the related party transactions were undertaken at arm’s length price or not.

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 31 December 2022.

Further, we highlight below instances of non-compliances with the requirements of the Regulations as reflected in the paragraphs where these are stated in the Statement of Compliance:

## Waves Home Appliances Limited (WHALE)

Reference	Description
i. Paragraph 9	As required under clause 19 (1)(i) of the regulations, it is encouraged that by 30 June 2021 at least 5 directors (75%) of the directors on their boards have acquired the prescribed certification under any Director Training Program (DTP) offered by institutions, local or foreign, that meet the criteria specified by the commission and approved by it. Total 6 out of 7 directors had completed their DTP. The Company is in the process of completing formalities for to complete DTP training for the remaining director.
ii. Paragraph 19	As required under clause 10 (3)(v) of the Regulations, the Board shall ensure that a formal and effective mechanism is put in place for an annual evaluation of the Board's own performance, members of the Board and of its committees. The Board has devised the mechanism however annual evaluation has not been carried out during the year

-Sd-

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RSM Avais Hyder Liaqat Nauman  
Chartered Accountants

## Waves Home Appliances Limited (WHALE)

### 9. STATEMENT OF COMPLIANCE

Name of the Company: Waves Home Appliances Limited  
Year ended: 31 December 2022

The Company has complied with the requirements of the Regulations in the following manner:

1. The total number of directors are Seven (7) as per the following:
  - a. a. Male: Seven (6)
  - b. b. Female: One (1)

2. The composition of the Board is as follows:

Category	Composition
Independent Directors	2
Executive Director	2
Non-Executive Directors	2
Female director (non-Executive)	1

3. The directors have confirmed that none of them is serving as a director on 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 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 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, 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 approved.
9. The Company had 6 directors out of 7 directors who completed their Directors' Training Program (DTP). The Company is in the process of arranging formal DTP training for remaining director. However, the directors are provided with periodic in-house training to apprise them with the changes in laws, rules & regulations along with their duties and responsibilities etc., to keep them updated.

## Waves Home Appliances Limited (WHALE)

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 are complied with relevant requirements of the Regulations.
11. 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

No.	Name of the Director
1	Mr. Tajammal Hussain Bukhari (Chairman)*
2	Mr. Hamza Ahmad Khan
3	Mr. Moazzam Ahmad Khan

\* Mr. Shoaib Dastgir resigned during the year and subsequently Mr. Tajammal Hussain Bukhari was appointed as Chairman in his place

### HR and Remuneration Committee

No.	Name of the Director
1	Mr. Muhammad Zafar Hussain (Chairman)*
2	Mr. Moazzam Ahmad Khan
3	Mr. Hamza Ahmad Khan
4	Mr. Haroon Ahmad Khan

\* Mr. Shoaib Dastgir resigned during the year and subsequently Mr. Muhammad Zafar Hussain was appointed as Chairman in his place. Subsequently also Mr. Khalid Azeem was inducted as member of the HR Committee.

13. The updated terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

The Board has not formed the 'Nomination Committee' and 'Risk Management Committee' as responsibilities of these committees are being taken care of at the Board level as and when required. Therefore, a need for the separate formation of these committees is not required at current stage.

14. The frequency of meetings (quarterly/half yearly/ yearly) of the committee were as per following:

Meetings	Frequency
Audit Committee	6
HR & Remuneration Committee	1

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.

## **Waves Home Appliances Limited (WHALE)**

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 (spouses, 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 3, 6, 7, 8, 27, 32, 33, and 36 of the regulations have been complied with.
19. As required under clause 10 (3)(v) of the Regulations, the Board has devised the mechanism however annual evaluation has not been carried out as the Company was in the process of completing post-demerger formalities.

**On behalf of the Board**

**-Sd-  
Chairman**