



**Statement of Compliance with  
Listed Companies (Code of Corporate Governance) Regulations, 2019**

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. Male: 6
  - b. Female: 1

2. The composition of board of directors is as follows:

Category	Names
Independent Directors	Mr. Mohabat Khan Ms. Saba Azam
Chief Executive Officer	Mr. Naim Anwar
Non – Executive Directors	Mr. Mohabat Khan Mr. Zahir Khan Mr. Muhammad Ali Mr. M. Afzal Shehzad Mr. Suhail Elahi Ms. Saba Azam
Female Director	Ms. Saba Azam

The independent director meets the criteria of independence as laid down under the Code, Regulations and Companies Act, 2017.

It is mandatory for every listed company to have at least two or one-third of the Board members as independent directors. Since the Company has only two independent directors on the approved list, therefore the company has opted to have only two directors which is in compliance with the CCG requirements.

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. A complete record of particulars of significant policies along-with the dates on which they were approved or amended has not been maintained, however, the Board is in the process of developing the said policies
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



8. 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 board.
9. The boards of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.
9. All the directors are professionals and senior executives who possess wide experience of duties of directors, the Company apprises its directors of new laws and regulations and amendments in the existing ones. The Board plans to arrange directors' training program.
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.
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

Ms. Saba Azam	Chairperson
Mr. Mohabat Khan	Member
Mr. Muhammad Ali	Member
  - b) HR Remuneration & Nomination Committee

Mr. Naim Anwar	Chairman
Mr. Muhammad Ali	Member
Ms. Saba Azam	Member
13. 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 were as per following:
  - a) Audit Committee - Quarterly basis
  - b) HR Remuneration & Nomination Committee – Annual basis
15. The board has set up an effective internal audit function and its members 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 ICAP and registered with Audit Oversight Board of Pakistan, that they and their partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP and that they and the partners of the firm involved in the audit are not close related (spouses, parent dependent and non-dependent children) of the Chief Executive Officer, Head of Internal Audit, Company Secretary, CFO and 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. The Board is aware of both current and emerging sustainability /ESG-related risk and opportunities, and it consistently monitors and oversees the organization's progress in achieving its set goals in these areas.
19. We confirm that all other requirements of the Regulations 3, 6, 7, 8, 27, 32, 33 & 36 of Regulations have been complied with.
20. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 & 36 (non-mandatory requirements) are below:

S. No.	Requirement	Explanation	Reg. No.
1	It is mandatory that each listed company shall have at least two or one third members of the Board, whichever is higher, as independent directors. For the purposes of this sub-regulation, a listed company shall explain the reasons, in the compliance report, if any fraction contained in such one-third number which is not rounded up as one.	Since the Company has only two independent directors on the approved list, therefore the company has opted to have only two directors which is in compliance with the CCG requirements.	6(1)
2	Role of the Board and its members to address sustainability risk and opportunities:  The Board is responsible for setting the Company's sustainability strategies, priorities, and targets to create long term corporate value. The Board may establish a dedicated sustainability committee	At present, the Board provides governance & oversight in relation to Company's initiatives on environmental, social and governance (ESG) matters and prefers to continue the same practice.	10(1)



# BAWANYAIR PRODUCTS LIMITED

3	The Company may post on its website key elements of its significant policies including DE&I and protection against harassment at workplace as advised by SECP vide its SRO 920 (11/2024 dated 12th June, 2024.	As per the regulations, the company has disclosed key elements of its significant policies and intends to add the gist of its policy on DE&I & protection against harassment at the workplace.	35 (1)
4	There shall be an internal audit function in every company.	The Company is in the restructuring phase as such the internal audit function is carried out by CFO.	31(1)
5	The same person shall not simultaneously hold office of chief financial officer and the company secretary of a listed company.	The Company is in the restructuring phase and in order to cut cost in all related departments functions of the CFO and Company Secretary are being performed by the same person.	24
6	No person shall be appointed as CFO unless he/she holds qualification as per regulation 22.	The Company is in the restructuring phase as such the existing senior accounts person is carrying out the functions of CFO.	22
7	No person shall appointed as Company Secretary unless he/she holds a qualification as per regulation 52 of S.R.O 201(I)/2024 issued by SECP.	The Company is in the restructuring phase as such the CFO is carrying out the functions of Company Secretary.	24

**MUHAMMAD ALI**

Director

Dated: November 05, 2025

**NAIM ANWAR**

Chief Executive Officer