



## STATEMENT OF COMPLIANCE WITH THE (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

FOR THE YEAR ENDED JUNE 30, 2022

The company has applied the principles contained in the CCG in the following manner:

1. The total number of directors are seven as per the following:
  - a. Male Directors: Six
  - b. Female Directors: One
2. The Composition of board as at June 30, 2022 is as follow:

Category	Names
Independent Director	Syed Jawaid Iqbal Mr. Sheikh Adil Hussain*
Non-Executive Director	Mr. Muhammad Khurram Kidwai (Chairman)** Mr. Zeeshan Aamir Mr. Muhammad Usman
Executive Director	Mr. Khalid Farid***
Female Executive Director	Ms. Anam Parekh ****

\* Mr. Sheikh Adil Hussain has resigned from the board on Aug 15, 2022.

\*\* M Khurram Kidwai has resigned. Mr. Muhammad Fahad Saleem has joined w.e.f. Aug 15, 2022

\*\*\* Mr. Khalid Ahmed Farid has resigned. Mr. Ovais Athar Yousuf has been appointed as CEO w.e.f. Sep 19, 2022

\*\*\*\* Ms. Anam Parekh has also resigned. Ms. Zara Nadeem Ali has joined the board w.e.f. Aug 15, 2022

The independent directors on the Board have met the criteria of independence mentioned under section 166(2) of Companies Act 2017.

3. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company (excluding the listed subsidiaries of listed holding companies, where applicable).
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 significant policies along with the dates on which they were approved or amended has been maintained.
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 board.



8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
9. No Directors' Training program was held during the year however an Orientation programme was conducted for all Directors to equipped them about updated Laws and Regulations.
10. The board has approved appointment of CFO, 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 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:

<b>Category</b>	<b>Names</b>
Audit Committee	Syed Jawaid Iqbal (Chairman) Mr. Khurram Kidwai* Mr. Zeeshan Aamir
HR and Remuneration Committee	Mr. Sheikh Adil Hussain** (Chairman) Mr. Khalid Ahmed Farid*** Mr. Khurram Kidwai*
Nomination Committee	-
Risk Management Committee	-

\* Mr. Muhammad Fahad Saleem was appointed in place of Mr. Khurram Kidwai in Audit and HR&R Committees  
 \*\* Syed Jawaid Iqbal was appointed as Chairman of HR&R Committee after resignation of Mr. Sheikh Adil Hussain  
 \*\*\* Mr. Ovais Athar Yousuf was appointed in HR&R Committee in place of Mr. Khalid Ahmed Farid

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 are as per following:

<b>Committee</b>	<b>Frequency of meetings</b>
a) Audit Committee	Quarterly
b) HR and Remuneration Committee	As on need basis (atleast annually)



15. The board has outsourced the internal audit function to M/s EY Ford Rhodes, Chartered Accountants, 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 ICAP and registered with Audit Oversight Board of Pakistan, that they or any of the partners of the firm, their spouses and minor children do not hold shares of the Company and that the firm and all its partners are in compliance with International Federation of Accountants (IFAC) guidelines on code of ethics as adopted by the ICAP.
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 have been complied with except as mentioned in para 18.1 below:
- 18.1. As per regulation 6, 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 and currently, there are two independent directors in a board of seven directors. With regard to compliance with Regulation 6 pertaining to fraction contained in one-third number and not rounded up as one, Management believes that two Independent Directors are sufficient to represent minority shareholders which are only 8.3% of total shareholders. As per Regulation 6 rounding up was not mandatory and the Regulators had placed Regulation 6 rounding up under the 'comply or explain' approach which enabled the Board to explain its reasoning.
19. Explanation for non-compliance with requirement, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- 19.1 As per regulation 12(1) of the Regulations together read with section 178(4) of Companies Act, 2017, minutes of meeting shall be furnished within fourteen days of the date of meeting. However, the minutes of BOD meeting held on 28 September 2021 were circulated 16 days after the date of the meeting instead of 14 days as required by the Act because the responsible person was on sick leave.
- 19.2 As per regulation 29, 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. However, the responsibilities as prescribed for the nomination committee are being taken care of by HR&R Committee so a separate committee is not considered to be necessary.
- 19.3 As per regulation 30, the Board may constitute the risk management committee to carry out a review of effectiveness of risk management procedures and present a report to the Board. However, the company has a formal risk governance board operating with associate company where all risk mitigations are handled therefore Risk Committee is not considered to be necessary.

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Signature  
Mr. Muhammad Fahad Saleem  
CHAIRMAN

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

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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 Gillette Pakistan 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.

Further, we highlight below instances of non-compliance with the requirements of the Regulations as reflected in paragraph to the Statement of Compliance:

Paragraph

Reference	Description
i. Paragraph 18.1	Management believes that two Independent Directors are sufficient to represent minority shareholders which are only 8.3% of total shareholders
ii. Paragraph 19.1	Minutes of Board Meeting held on September 28, 2021 were not circulated within 14 days due to sick leave of responsible person.

*Yousuf Adil*

Chartered Accountants

Place: Karachi  
Date: October 04, 2022  
UDIN: CR202210091zucn0x1os

Independent Correspondent Firm to  
**Deloitte Touche Tohmatsu Limited**