

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

Name of the company: MACPAC FILMS LIMITED
Year ended: Year ended June 30, 2023

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

1. The total number of Directors are 7 as per the following:

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

2. The composition of Board is as follows:

<u>Category</u>	<u>Name</u>
a) Independent Director	1. Mr. Shabbir Hamza Khandwala 2. Ms. Hafsa Abbasy
b) Non-Executive Director	1. Mr. Naeem Ali Muhammad Munshi 2. Mr. Shariq Maqbool Elahi 3. Mr. Fahad Munshi
c) Executive Director	1. Mr. Najmul Hassan 2. Mr. Ehtesham Maqbool Elahi

Note: For the purposes of the rounding up of fraction, the Company has not rounded up the fraction as one since as it currently stands, The Board has adequate Independent directors. If we compare the number of Non-Executive and Independent directors i.e., 5 directors as compared to Executive directors i.e., 2 directors, the Company is of the view that the Board under the current composition is adequately independent.

3. The directors have confirmed that none of them is serving as 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 dates on which they were approved or amended has been maintained by the Company.

6. All the powers of the Board have been duly exercised and decision on relevant matters have been taken by Board / shareholders as empowered by the relevant provisions of the Companies Act, 2017 ("the Act") and the 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and the Regulations.

9. The Board has arranged Directors' Training program for the following:

- Ehtesham Maqbool Elahi** – Executive Director
- Najmul Hassan** – Executive Director
- Shariq Maqbool Elahi** – Non-Executive Director

10. The Board has approved appointment of Head of Internal Audit, including its 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:

a) Audit Committee of the Board

S. No	Name	Title
1	Mr. Shabbir Hamza Khandwala	Chairman
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Naeem Ali Muhammad Munshi	Member

b) HR & Remuneration Committee

S. No	Name	Title
1	Ms. Hafsa Abbasy	Chairperson
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Ehtesham Maqbool Elahi	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:

S. No	Name	Title
1	Ms. Hafsa Abbasy	Chairperson
2	Mr. Shariq Maqbool Elahi	Member
3	Mr. Ehtesham Maqbool Elahi	Member

15. The Board has set up an effective internal audit function which is considered suitably qualified and experienced for the purpose and is 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 all of their partners are in compliance with International Federation of Accountants (IFAC) guidelines on the code of ethics as adopted by Institute of Chartered Accountants of Pakistan and that they and the partners involved in the audit are not a 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. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 is below:

Regulation 29

Regulation 29 states that the Board may constitute a separate committee responsible for recommending to the Board the composition and chairmanship of the Board and the Board committees. As the constitution of nomination committee is not mandatory, the Board has opted to have these matters considered by the full Board.

Regulation 30

Regulation 30 states that the Board may constitute a risk management committee. As the constitution of risk management committee is not mandatory, the Board has opted to have the matters relating risk and risk management to be considered by the Board Audit Committee and full Board.

For and behalf of the Board



NAEEM ALI MUHAMMAD MUNSHI

Chairman of the Board



KPMG Taseer Hadi & Co.
Chartered Accountants
Sheikh Sultan Trust Building No. 2, Beaumont Road
Karachi 75530 Pakistan
+92 (21) 37131900, Fax +92 (21) 35685095

INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of MACPAC Films 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 **MACPAC Films 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. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that 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 30 June 2023.

Date: 14 September 2023

Karachi

UDIN: CR202310106pkdo5cnJ7


KPMG Taseer Hadi & Co.
Chartered Accountants