

# STATEMENT OF COMPLIANCE

## With the Listed Companies (Code of Corporate Governance) Regulations, 2019 ("Regulations" or "CCoG") for the Year Ended December 31, 2023

### Nestlé Pakistan Limited ("Company") has complied with the requirements of the Regulations in the following manner:

1. The total number of Directors is 10 as per the following:

i. Male:	08
ii. Female:	02

2. The composition of the Board is as follows:

#### Independent Directors:

- Mr. David A. Carpenter
- Mr. Omar Saeed
- Ms. Romana Abdullah

#### Executive Directors:

- Mr. Joselito Jr Avanceña
- Ms. Komal Altaf
- Mr. Faisal Nadeem

#### Non-Executive Directors:

- Mr. Syed Yawar Ali
- Mr. Syed Babar Ali
- Mr. Syed Hyder Ali
- Mr. Angelo Giardini

#### Female Directors:

- Ms. Komal Altaf
- Ms. Romana Abdullah

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 for the Company. The Board has ensured that a 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 the 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 Act and the Regulations with respect to frequency, recording, and circulating minutes of meetings of the Board;

8. The Board has a formal policy and transparent procedures for the remuneration of Directors in accordance with the Act and these Regulations;

9. The Directors of the Company have attended the Directors' Training program who were required as per the applicable CCoG prescribed timelines. Further, the Company had also arranged Directors' Training for two (02) Female Executives during the year.

10. The Board has approved the appointment of the 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. Chief Financial Officer and Chief Executive Officer duly endorsed the Financial Statements before approval of the Board;

12. The Board has formed the following committees comprising of members given below:

#### Board Audit Committee

Name of the Committee Member	Designation
Mr. Omar Saeed	Chairman / Independent Director
Mr. Syed Babar Ali	Member / Non-Executive Director
Mr. Syed Hyder Ali	Member / Non-Executive Director
Mr. Mudassar Ashraf	Secretary / Head of Internal Audit

## Human Resources and Remuneration Committee

Name of the Committee Member	Designation
Ms. Romana Abdullah	Chairperson / Independent Director
Mr. Joselito Jr Avanceña	Member / Executive Director
Mr. Syed Hyder Ali	Member / Non-Executive Director
Ms. Hajra Omer	Secretary / Head of Human Resources

- 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 follows:
- i. Audit Committee: **04**
  - ii. Human Resources and Remuneration Committee: **01**
- 15.** The Board has set up an effective Internal Audit Function 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 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



**Joselito Jr Avanceña**  
Chief Executive Officer

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 (spouse, parent, dependent and non-dependent children) of the Chief Executive Officer, Chief Financial Officer, Head of Internal Audit, Company Secretary or any of the Directors 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 regulations 3, 6, 7, 8, 27,32, 33 and 36 of the Regulations have been complied with.
- 19.** Regulation 6(1) of the Listed Companies (Code of Corporate Governance) Regulations, 2019 (CoCG-2019), requires that "each listed company shall have at least two or one-third members of the Board, whichever is higher, as independent directors"; further the CoCG-2019 Regulations' apply to the listed companies based on "comply or explain approach". The Company's total number of directors results in a fractional number (3.33) and the fraction had not been rounded up to one therefore, the Board currently has 3 Independent Directors. The Company considers that the existing composition of the Board of Directors is in compliance with CoCG regulations, and the existing composition of the Board of Directors brings in the relevant experience and valuable contributions to the Board.



**Syed Yawar Ali**  
Chairman

# INDEPENDENT AUDITOR'S REVIEW REPORT

To the Members of Nestlé Pakistan Limited

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

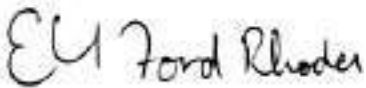
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2019 (the Regulations), prepared by the Board of Directors of Nestlé Pakistan Limited (the Company) for the year ended 31 December 2023 in accordance with the requirements of regulation 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 requires 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 31 December 2023.



### **EY Ford Rhodes**

Chartered Accountants  
Engagement Partner: Arslan Khalid  
Lahore: 21<sup>st</sup> March 2024

UDIN: CR2023101919w8tBpib3