

# STATEMENT OF COMPLIANCE

WITH THE LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Name of Company: **Pakistan Tobacco Company Limited**  
Year ended: **December 31, 2023**

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

1. Total number of Directors are twelve as per the following:

**Male:11**  
**Female:1**

2. The Board's composition is as follows:

## INDEPENDENT DIRECTORS

**Zafar Mahmood**  
(Chairman)

**Mohammad Riaz**

**Asif Jooma**

**Lt. Gen. Najib Ullah Khan (R)**

## NON- EXECUTIVE DIRECTORS

**Belinda Joy Ross**

**Gary Tarrant**

**Usman Zahur**

**Wael Sabra**

**Faisal Saif**

## EXECUTIVE DIRECTORS

**Syed Ali Akbar**  
(Managing Director and CEO)

**Syed Asad Ali Shah**

**Syed Muhammad Ali Abrar**

## FEMALE DIRECTOR

**Belinda Joy Ross**

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. The Board has ensured that complete record of particulars of significant policies along with the dates 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 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 the meeting of the Board.

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

9. Seven out of twelve have already attended the Directors' Training Program.

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. 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) THE AUDIT COMMITTEE

**Mohammad Riaz**

Member & Chairman

**Asif Jooma**

Member

**Lt. Gen. Najib Ullah Khan (R)**

Member

**Belinda Joy Ross**

Member

**Wael Sabra**

Member

### B) HR AND REMUNERATION COMMITTEE

**Lt. Gen. Najib Ullah Khan (R)**

Member

**Mohammad Riaz**

Member & Chairman

**Asif Jooma**

Member

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

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

a) The Audit Committee: Four (4) quarterly meetings were held during the year ended 31 December 2023.

b) HR and Remuneration Committee: One (1) meeting was held during the year ended 31 December 2023.

15. The Board has set up an effective internal audit function that is suitably staffed with qualified and experienced personnel, who 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 (ICAP) 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 ICAP 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 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 requirements of Regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the regulations have been complied with.

**ZAFAR MAHMOOD**  
CHAIRMAN

**SYED ALI AKBAR**  
MD&CEO

# INDEPENDENT AUDITORS' REVIEW REPORT

TO THE MEMBERS OF PAKISTAN TOBACCO COMPANY 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 Pakistan Tobacco Company 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 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 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 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 31 December 2023.



**KPMG Taseer Hadi & Co.**  
*Chartered Accountants*

Islamabad  
Date: 02 April 2023  
UDIN: CR202310240KDIHhW3AJ