



PAKISTAN PAPER PRODUCTS LIMITED

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

For the year ended June 30, 2022.

Pakistan Paper Products Limited ("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 seven as per following:

- a) Male: Five
- b) Female: Two

2. The composition of the Board of Directors ("the Board") is as follows:

| Category | Names |
|-------------------------|---|
| Independent Directors | Mr. Shoaib Ahmad Khan (N.I.T Nominee) Ms. Aisha Fariel Salahuddin |
| Non-Executive Directors | Mrs. Muleika Sayeed Mr. Abbas Sayeed Dr. Asadullah Sayeed Mr. Sayeed Imran |
| Executive Director | Mr. Abid Sayeed |
| Female Directors | Mrs. Muleika Sayeed Ms. Aisha Fariel Salahuddin |

3. Two independent directors were appointed and fraction of .33 was not rounded up as the appointment of female directors is fulfilled and restriction with reference to executive director is of no breach. Since the directors are seven and non-executive directors are rounded up therefore independent directors are rounded down to restrict total no. of directors to seven.
4. The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this company.
5. 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.



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6. 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 been maintained.
7. 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.
8. 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.
9. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations.
10. Out of seven, three Directors have obtained certification under Directors' Training Program in 2015 & 2018 respectively and three Directors are exempt from such certification as they duly meet the exemption criteria given in the Code. Therefore, over half of the Board is qualified under the criteria of DTP and exemption criteria as per Code.
11. 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.
12. CFO and CEO duly endorsed the financial statements before approval of the board.
13. The board has reconstituted the following committees after the Election of Directors held on 11-05-2020:
 - a) **Audit Committee**
Ms. Aisha Fariel Salahuddin – Chairperson
Mr. Abbas Sayeed
Dr. Asadullah Saeed
Mr. Shoaib Ahmed Khan
 - b) **Human Resource & Remuneration Committee**
Mr. Shoaib Ahmed Khan - Chairman
Mr. Abbas Sayeed
Mr. Sayeed Imran
Mrs. Muleika Sayeed



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14. The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.

15. The frequency of meetings of the committees were as per following:

| | |
|---|---|
| Audit Committee | Four quarterly meetings held during the financial year ended June 30, 2022. |
| Human Resource & Remuneration Committee | One meeting held during the financial year ended June 30, 2022. |

16. 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.

17. 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 of 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 director of the company;

18. 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.

19. We confirm that all other requirements of the regulations 3, 6, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

ABBAS SAYEED
Chairman

ABID SAYEED
Chief Executive

Karachi: September 21, 2022



PAKISTAN PAPER PRODUCTS LIMITED



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Independent Auditor's Review Report to the Members of Pakistan Paper Products 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 Paper Products Limited** ('the Company') for the year ended 30 June 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 30 June 2022.

Chartered Accountants

Place: Karachi

Dated:

UDIN: CR202210178YnzdJuS3

Engagement partner: Muhammad Faisal Nini.