

Composition of Human Resource Committee

Chairman

Mr. Abdulaziz A. Al Sawaleh

Members

Mr. Abdulrahim A. Al Nooryani

Mr. Noor-ud-Din Baqai

Mr. Fadhil Al Ansari

Mr. Abdulaziz H. Taryam

Mr. Walid Irshaid

(President & CEO)

Mr. Ismail Salih Taha

(SEVP HR&A)

Secretary Human Resource Committee

Mr. Ismail Salih Taha

Function of the HR Committee

Review and recommend development and maintenance of long term HR policies, an effective employee development program, appropriate compensation and benefit plan and good governance model in line with statutory requirements and best practices. It ensures the Governance and HR policies and procedures are aligned with the strategic vision and core objectives of the Company. It provides Leadership and guidance for the organizational transformation needed in achieving its corporate objectives.

Attendance of PTCL Board Members

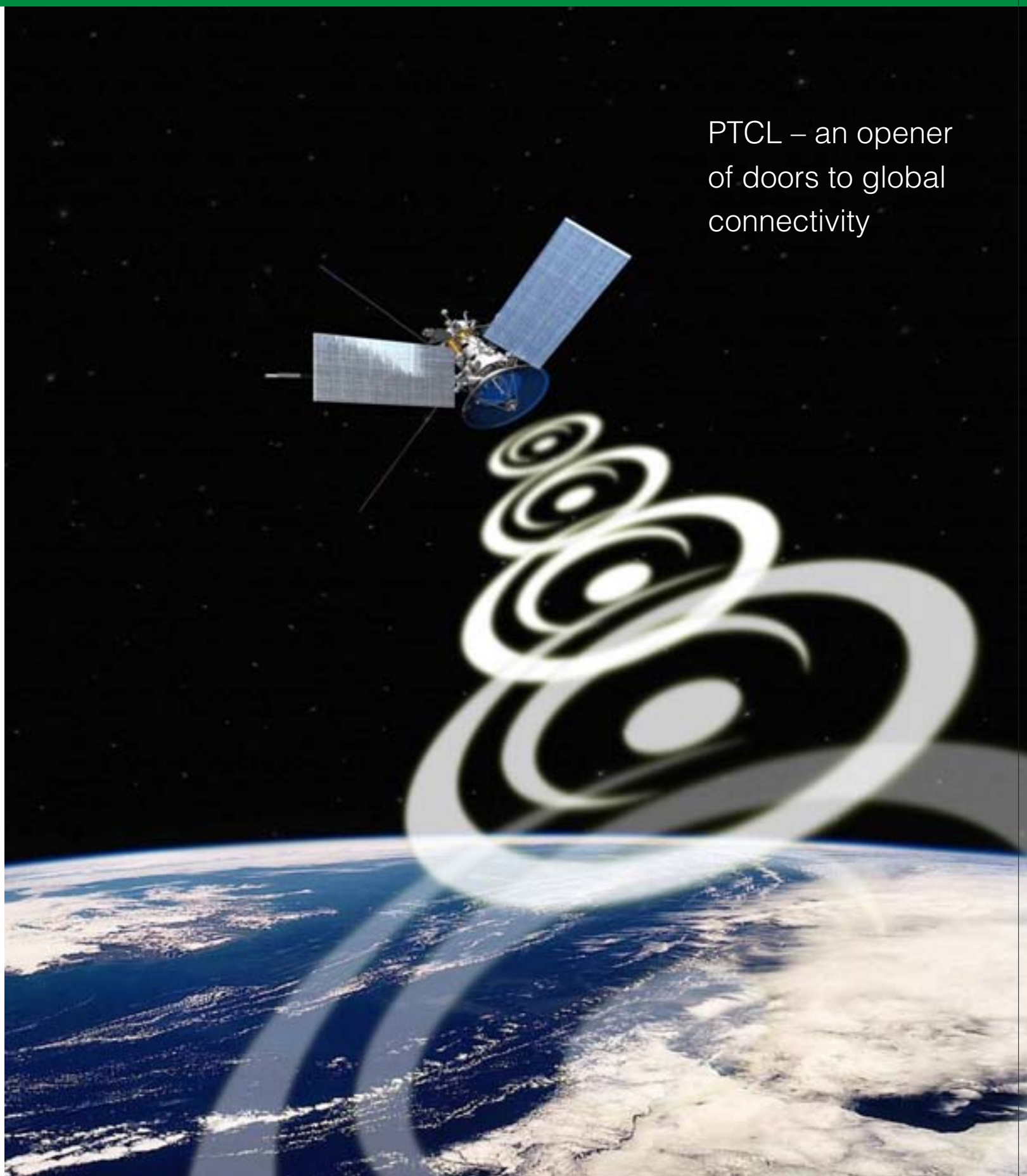
Total 06 Board meetings were held during the financial year 2006-07.

S#	Name of Board Member	Meetings Attended
1	Mr. Farrakh Qayyum Chairman PTCL Board	6
2	Mr. Abdulrahim A. Al Nooryani	6
3	Mr. Abdulaziz A. Al Sawaleh	6
4	Mr. Tanwir Ali Agha	3
5	Mr. Noor-ud-Din Baqai	6
6	Mr. Fadhil Al Ansari	6
7	Mr. Abdulaziz H. Taryam	4
8*	Mr. Ahmad Essa Hareb Al Falahi	1
9**	Mr. Saood Al Junaibi	2
10	Mr. Ahsanullah Khan	1

* Mr. Ahmad Essa Hareb Al Falahi had resigned from the office of the Board w.e.f November 30, 2006.

** Mr. Saood Al Junaibi was appointed on the Board w.e.f April 30, 2007.

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Statement of Compliance

with the Code of Corporate Governance

This statement is being presented to comply with the Code of Corporate Governance ("The Code") as contained in the listing regulations of Karachi, Lahore and Islamabad Stock Exchanges for the purpose of establishing a framework of good governance, whereby a listed company is managed in compliance with the best practices of corporate governance.

The Company has applied the principles contained in the Code in the following manner:

1. The Board of Directors comprises of nine Directors. The Government of Pakistan nominates four Directors on the Board of Directors of the Company while Etisalat International Pakistan (EIP) nominates five Directors. All Directors are non-executive Directors.
2. The Directors of the Company have confirmed that none of them is serving as a Director in more than ten listed companies, including this Company.
3. All the resident Directors of the Company are registered as taxpayers and none of them has defaulted in payment of any loan to a banking company, a DFI or an NBFIs or, being a member of a stock exchange, has been declared as a defaulter by that stock exchange.
4. All casual vacancies occurring on the Board were filled up by the Directors within 30 days thereof, except for the appointment of Mr. Saood Hammad Al Junaibi who was appointed as Director on April 30, 2007 in place of Mr. Ahmed Essa Hareb Al Falahi who resigned on November 30, 2006.
5. The Company has prepared a 'Statement of Ethics and Business Practices', which has been approved by the Directors of the Company and is in the process of being signed by the designated employees.
6. The Board has developed a Vision / Mission Statement, overall corporate strategy of the Company and also most of its significant policies. 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 material transactions, including appointment of the CEO have been taken by the Board.
8. The meetings of the Board were presided over by the Chairman and held at least once in every quarter. Written notices of the Board Meetings, along with agenda and working papers were circulated at least seven days before the Meetings. The minutes of the Meetings were appropriately recorded and circulated.
9. An orientation course was carried out on the "Code of Corporate Governance" for Directors in order to acquaint them with their duties and responsibilities and enable them to manage the affairs of the listed companies on behalf of shareholders.
10. The Board has approved the appointment of CFO including his remuneration and terms & conditions of employment, as recommended by the CEO.
11. The Directors' report for this year has been prepared in compliance with the requirements of the Code and fully describes the salient matters required to be disclosed.
12. The financial statements of the Company were duly endorsed by CEO and CFO before approval of the Board.



13. The Directors, CEO and executives do not hold any interest in the shares of the Company other than that disclosed in the pattern of shareholding.
14. The Company has complied with all the corporate and financial reporting requirements of the Code and is in the process of defining the level of materiality with respect to the transactions.
15. The Board has formed an audit committee. It comprises of four members, out of which three members are non-executive Directors including the Chairman of the committee and remaining one member of the committee is a member of the EIP Advisory Team.
16. The meetings of the audit committee were held at least once in every quarter prior to approval of the interim and final results of the Company and as required by the Code. The terms of reference of the committee have been formed and advised to the committee for compliance.
17. The Board had earlier set up an internal audit function, which is being further strengthened to enhance its effectiveness.
18. 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, 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 the code of ethics as adopted by the Institute of Chartered Accountants of Pakistan.
19. The statutory auditors or the persons associated with them have not been appointed to provide other services except with the approval of SECP and in accordance with the Listing Regulations. The auditors have confirmed that they have observed IFAC guidelines in this regard.
20. We confirm that all other material principles contained in the Code have been complied with.

Islamabad:
September 14, 2007

President & Chief Executive Officer

Review Report to the Members

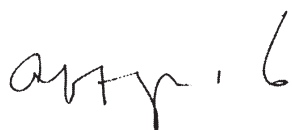
on Statement of Compliance with Best Practices of Code of Corporate Governance

We have reviewed the Statement of Compliance with the best practices contained in the Code of Corporate Governance prepared by the Board of Directors of Pakistan Telecommunication Company Limited ("the Company") to comply with the Listing Regulation No. 37 of the Karachi Stock Exchange, Chapter XIII of Listing Regulations of the Lahore Stock Exchange and Chapter XI of Listing Regulations of the Islamabad Stock Exchange where the Company is listed.

The responsibility for compliance with the Code of Corporate Governance is that of the Board of Directors of the Company. Our responsibility is to review, to the extent where such compliance can be objectively verified, whether the Statement of Compliance reflects the status of the Company's compliance with the provisions of the Code of Corporate Governance and report if it does not. A review is limited primarily to inquiries of the Company personnel and review of various documents prepared by the Company to comply with the Code.

As part of our audit of 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 have not carried out any special review of the internal control system to enable us to express an opinion as to whether the Board's statement on internal control covers all controls and the effectiveness of such internal controls.

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 best practices contained in the Code of Corporate Governance.



A.F. Ferguson & Co.
Chartered Accountants

Lahore:
September 15, 2007



KPMG Taseer Hadi & Co.
Chartered Accountants



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