

## Statement of compliance with listed companies (code of corporate governance) regulations, 2019

Ingro Fertilizers Limited  
(For The Year Ended December 31, 2023)

Ingro Fertilizers Limited (hereinafter referred to as (the "Company") has complied with the requirements of the Listed Companies (Code of Corporate Governance) Regulations, 2019, ("Regulations") in the following manner:

- i. The total number of Directors are Seven\* (7) in the following manner:
  - a. Male: 6
  - b. Female: 1

\*Including the CEO, who is a Deemed Director.

The composition of the Board is as follows:

Category	Name
Independent Director	Mr. Aam Murtaza Khan Mr. Asad Sadiq Jafar
Independent Director - Woman	Ms. Danish Zuber
Non-Executive Directors	Mr. Ghias Khan Mr. Javed Akbar Mr. Irfan Mahmud
Executive Director / CEO	Mr. Ansen Zafar Syed

Ms. Danish Zuber was appointed on November 1, 2023 in place of Dr. Shamsah Wajid who resigned as a Director on August 22, 2023.



3. The directors have confirmed that none of them are serving as a director of any more than seven (7) listed companies, including the 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 formulated a vision / mission statement, overall corporate strategy, and significant policies of the Company. Additionally, the Board has ensured that the Company maintains a comprehensive record of significant policies including the date of their approval or updating.
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 (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 the 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 the Regulations.
9. All directors are duly certified or exempted from the Directors' Training Program. Furthermore, the company had arranged a Directors' Training Program for Mr. Syed Shazad Nabi, SVP Manufacturing and Ms. Mehreen Khalid, Chief Internal Auditor.
10. The Board approved the appointment of the Chief Financial Officer and Head of Internal Audit including with their remuneration, terms, and conditions of employment, and complied with the Regulations. The Board has also reviewed the remuneration of the existing Chief Executive Officer and Company Secretary and terms and conditions of employment.
11. The Chief Executive Officer and Chief Financial Officer duly endorsed the Company's standalone and consolidated financial statements, which were subsequently presented to the Board Audit Committee and the Board for approval.

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

a) Board Audit Committee	Mr. Asad Sardulataf = Chairman Mr. Asim Murtaza Khan Mr. Jayed Akbar
b) Board People Committee, a, HR and Remuneration Committee	Mr. Asim Murtaza Khan = Chairman Mr. Jayed Akbar Ms. Ghias Khan

13. The terms of reference of the aforementioned committees have been formally documented and advised to the committees for compliance.

14. The frequency of meetings of the committees were as follows:

- a) Board Audit Committee – 5 meetings held during the year;
- b) Board People Committee – 4 meetings held during the year.

15. The Board has established a system of sound internal audit controls, which is effectively implemented at all levels within the Company comprising individuals who are 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. They are also 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 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 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, the Regulations, or any other regulatory requirement. The auditors have also confirmed that they have observed IFAC guidelines in this regard.

18. We confirm that all requirements of Regulation 3, 4, 7, 8, 27, 32, 33 and 36 of the Regulations have been complied with.

19. Explanation for non-compliance with requirements, other than Regulations 3, 6, 7, 8, 27, 32, and 36 are below:

**i. Nomination Committee and Risk Management Committee (Regulation 29 and 30)**

The responsibilities of the Risk Management Committee and the Nomination Committee are currently fulfilled by Board Audit Committee and the Board respectively. Therefore, establishing of separate committees for Risk Management and Nomination is not required.



Mr. Ghias Khan  
Chairman



Asim Murtaza Khan  
CEO



# INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of Engro Fertilizers Limited

## Review Report on the Statement of Compliance contained in Listed Companies (Code of Corporate Governance) Regulations, 2018

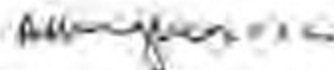
We have reviewed the enclosed Statement of Compliance with the Listed Companies (Code of Corporate Governance) Regulations, 2018 (the Regulations) prepared by the Board of Directors of Engro Fertilizers Limited for the year ended December 31, 2023 in accordance with the requirements of regulation 36 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.

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 December 31, 2023.



Chartered Accountants  
Karachi

Date: March 5, 2024

UDIN: CP-202316113r1H1KRD5W