

Statement of Compliance

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

Name of company: **ZIL LIMITED**

Year ending: **DECEMBER 31, 2023**

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

1. The total number of directors are seven as per the following:
 - a. Male 6
 - b. Female 1
2. The composition of the Board is as follows:

 - i. **Independent directors**
Mr. Ahsan Rashid
Mr. Muhammad Salman Husain Chawala

 - ii. **Non-executive directors**
Dr. Salomon Jacobus Van Rooijen
Mr. Saad Amanullah Khan
Mr. Irfan-UI-Haq

 - iii. **Executive director**
Mr. Mubashir Hasan Ansari

 - iv. **Female director (non-executive)**
Mrs. Ferial Ali-Mehdi

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 the significant policies along with their date of approval or updation 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 Act and these Regulations;
7. The meetings of the Board were presided over by the Chairman. The Board has complied with the requirements of Act and the Regulations with respect to frequency, recording and circulating minutes of 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. All directors, except those who are exempted or newly appointed have already completed directors training program;
10. There was no new appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year. The changes in remuneration including terms and conditions of employment of Chief Financial Officer, Company Secretary and Head of Internal Audit were approved by the Board;
11. Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
12. The Board has formed committees comprising of members given below:
 - a) **Audit Committee**
(Name of members and Chairman)

Mr. Muhammad Salman Husain Chawala
Chairman
Mrs. Ferial Ali Mehdi
Member
Mr. Ahsan Rashid
Member

b) HR and Remuneration Committee (Name of members and Chairman)

Mr. Ahsan Rashid	Chairman
Mrs. Feriel Ali Mehdi	Member
Mr. Saad Amanullah Khan	Member
Mr. Mubashir Hasan Ansari	Member

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 (quarterly/half yearly/ yearly) of the committee were as per following:

- a) Audit Committee: Quarterly;
- b) HR and Remuneration Committee: On required basis;


15. The board has outsourced the internal audit function to M/s. Yousuf Adil & Co., Chartered Accountants who are considered suitably qualified and experienced for the purpose and are conversant with the policies and procedures of the company;

16. The BDO, Chartered Accountants 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 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, 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. Please refer paragraph 2 above of the Statement. However, fraction (0.33) contained in one-third number for Independent directors has not been rounded up as one, as the existing independent directors have the requisite skills, knowledge and diversified work experience to take independent decision in the interest of the Company.



Mr. Mubashir Hasan Ansari
Chief Executive Officer



Dr. Salomon Jacobus Van Rooijen
Chairman

Karachi: February 27, 2024



Independent Auditor's Review Report

Report To The Members Of Zil Limited

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 **ZIL Limited** (the Company) 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.

KARACHI

DATED: March 21, 2024

UDIN: CR202310166eL6G1K1qm

CHARTERED ACCOUNTANTS

Engagement Partner: Tariq Feroz Khan