

INDEPENDENT AUDITOR'S REVIEW REPORT

TO THE MEMBERS OF SHEZAN INTERNATIONAL 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 Shezan International 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.

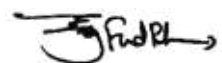
The Regulations require the Company to place before the Audit Committee, and upon recommendation of the Audit Committee, place before the Board of Directors for their review and approval, its related party transactions. We are only required and have ensured compliance of this requirement to the extent 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.

Lahore:

01 October 2022.

UDIN: CR202210079ZPfXhgbam



Chartered Accountants

Engagement Partner

Ahsan Shahzad

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019 FOR THE YEAR ENDED 30 JUNE 2022

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

1. The total number of Directors are as follows:

- a. Male: Eight (08)
- b. Female: One (01)

2. The composition of Board is as follows:

Independent Directors	Mr. Shahid Hussain Jatoi Mr. Nauman Khalid Mr. Abdul Hamid Ahmed Dagia
Other Non-executive Directors	Mr. Muneer Nawaz (Chairman) Mr. M. Naeem Mr. Rashed Amjad Khalid Mr. Abid Nawaz
Executive Directors	Mr. Humayun A. Shahnawaz Ms. Manahil Shahnawaz
Female Director	Ms. Manahil Shahnawaz

3. The Directors have confirmed that none of them is serving as a Director on more than seven (07) 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 their date 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 these 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 meeting of Board;

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

9. Four (04) Directors of the Company have minimum fifteen (15) years of education and sixteen (16) years of experience on the Board of a listed Company and they are exempt from Directors' Training Program. Three (03) Directors have acquired certification under the Directors' Training Program. The Company, however, intends to facilitate further training for the remaining Directors in near future as defined in these Regulations;

10. There were no new appointments of Chief Financial Officer, Company Secretary and Head of Internal Audit during the year, however, all such appointments including their remuneration and terms and conditions of employment are duly approved by the Board;

11. Chief Financial Officer and Chief Executive duly endorsed the financial statements before approval of the Board;

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

Audit Committee

Mr. Shahid Hussain Jatoi	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Rashed Amjad Khalid	Member

Human Resource and Remuneration Committee

Mr. Nauman Khalid	Chairman
Mr. Muneer Nawaz	Member
Mr. M. Naeem	Member
Mr. Humayun A. Shahnawaz	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	Four (04)
b) Human Resource and Remuneration Committee	One (01)

15. The Board has set up an effective internal audit function with suitably qualified and experienced staff 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 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, Chief Financial Officer, Head of Internal Audit, Company Secretary or Directors 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 other requirements of the regulations 3, 6, 7, 8, 27, 32, 33, and 36 of the Regulations have been complied with;

19. Explanation for non-compliance with requirements, other than 3, 6, 7, 8, 27, 32, 33, and 36 are below:

Non-Mandatory Requirement	Regulation. No.	Explanation
<p>Nomination Committee:</p> <p>The Board may constitute a separate committee, designated as the Nomination Committee, of such number and class of directors, as it may deem appropriate in its circumstances.</p>	29(1)	Currently, the Board has not constituted a separate Nomination Committee and the functions are being performed by the Human Resource and Remuneration Committee.
<p>Risk Management Committee:</p> <p>The Board may constitute the risk management committee, of such numbers and class of directors, as it may deem appropriate in its circumstances, to carry out a review of effectiveness of risk management procedures and present a report to the Board.</p>	30(1)	Currently, the Board has not constituted a Risk Management Committee and the Company's Risk Manager performs the requisite functions and apprise the Board accordingly.

Muneer Nawaz

Muneer Nawaz
Chairman

Lahore:
26 September 2022.

Humayun A. Shahnawaz

Humayun A. Shahnawaz
Chief Executive