

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019

Year Ended June 30, 2022

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

1. The total number of directors are Ten (10) as per the following:

a. Male: Nine (09)

b. Female: One (01)

2. The composition of the Board is as follows:

Category	Names
Independent Directors*	Syed Ilyas Ahmed Dr. Mohammad Naseem Ansari Mr. Javed K. Siddiqui
Non-Executive Directors	Dr. Habib Ur Rahman Mr. Shafquat Ali Chaudhary Mr. Qasim Farooq Ahmad Dr. Samea Kauser Ahmad (Female Director) Prof. Dr. Shoab Ahmed Khan
Executive Directors	Dr. Manzoor H. Qazi Mr. Muhammad Zahid

*The Code requires that independent directors of a listed company shall not be less one third of total number of directors. The total number of directors of the Company are ten and one third of the same is equal to 3.33. As decimal digit is less than 0.5, therefore, the figure 3.33 has been rounded off to 3.

- The directors have confirmed that none of them is serving as a director on more than seven listed companies, including this Company.
- 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.
- 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 updating is maintained by the Company.
- 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 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 the Board.

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

9. As at June 30, 2022 eight members (80%) of the existing Board have completed the Director's Training Program (DTP). The two Directors could not take-up the DTP, during the year under review, as they reside in U.S.A. The Company also arranged DTP for one female executive during the year under review as required under the Regulations.

10. The Board has approved appointment of Chief Financial Officer, Company Secretary and Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with relevant requirements of the Regulations.

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

- i. Syed Ilyas Ahmed (Chairman)
- ii. Dr. Habib Ur Rahman
- iii. Dr. Samea Kauser Ahmad
- iv. Mr. Javed K. Siddiqui

b) HR & Remuneration Committee

- i. Syed Ilyas Ahmed (Chairman)
- ii. Dr. Habib Ur Rahman
- iii. Dr. Manzoor H. Qazi
- iv. Dr. Mohammad Naseem Ansari
- v. Mr. Qasim Farooq Ahmad*

* Mr. Qasim Farooq Ahmad was inducted in the HR & R Committee on September 28, 2022

c) Corporate Governance & Nominations Committee

- i. Mr. Muhammad Zahid (Chairman)
- ii. Dr. Habib Ur Rahman
- iii. Dr. Manzoor H. Qazi
- iv. Dr. Samea Kauser Ahmad
- v. Mr. Javed K. Siddiqui

d) Risk Management Committee

- i. Mr. Qasim Farooq Ahmad (Chairman)
- ii. Prof. Dr. Shoab A. Khan
- iii. Dr. Mohammad Naseem Ansari

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: Yearly
- c) Corporate Governance & Nominations Committee: Yearly
- d) Risk Management Committee: Yearly

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REGULATIONS, 2019

Year Ended June 30, 2022

15. The Board has set up an effective internal audit function.
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 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.



DR. MANZOOR H. QAZI

Chief Executive Officer



MUHAMMAD ZAHID

Director

ISLAMABAD

September 28, 2022

INDEPENDENT AUDITORS' REVIEW REPORT

To the members of Shifa International Hospitals 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 Board of Directors of Shifa International Hospitals 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 provision 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 controls, the Company's corporate governance procedures and risks.

The Regulation 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 the Statement of Compliance does not appropriately reflect the Company's compliance, in all material respect, with the requirement contained in the Regulations as applicable to the company for the year ended 30 June 2022.



Grant Thornton Anjum Rahman
Chartered Accountants
Islamabad
September 30, 2022

UDIN: CR20221016424eHuEkKg