



INDEPENDENT AUDITOR'S REVIEW REPORT

To the members of International Industries 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 International Industries Limited ("the Company") for the year ended 30 June 2020 in accordance with the requirement 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 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 and also ensure compliance with the requirements of Section 208 of the Companies Act, 2017. We are only required and have ensured compliance of this requirement to the extent of the approval of the related part transactions by the Board of Directors upon recommendation of the Audit Committee. We have not carried out procedures to assess and determine the Company's process for identification of related parties and that whether the related party transactions were undertaken at arm's length price or not.

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 2020.

Date: September 6th, 2020

Karachi

KPMG Taseer Hadi & Co.

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Chartered Accountants

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

International Industries Limited For the year ending June 30th, 2020

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

- The total number of Directors is 9 as shown in the following table:

	Category	Number of Directors
a.	Male Director*	8
b.	Female Director	1

* including the Chief Executive Officer, who is an Executive Director.

- The composition of the Board of Directors is as follows:

Categories	Names of Directors
Independent Directors	1- Mr. Adnan Afridi 2- Mr. Mansur Khan 3- Mr. Ehsan A. Malik 4- Mr. Jehangir Shah
Non-Executive Directors	1- Mr. Kamal A. Chinoy 2- Mr. Mustapha A. Chinoy 3- Mr. Azam Faruque
Non-Executive Female Director	1- Mrs. Saadia S. Rashid
Executive Director	1- Mr. Riyaz T. Chinoy

- The Independent Directors meet the criteria of independence as defined under the Companies Act, 2017.
- The Directors have confirmed that none of them is serving as a Director of more than seven (7) 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 approved 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 Companies Act, 2017 and the Regulations.

8. The meetings of the Board were presided over by the Chairman of the Board and, in his absence, by a Director elected by the Board for this purpose. The Board has complied with the requirements of Companies Act, 2017 and the Regulations with respect to frequency, recording and circulating minutes of meetings of the Board.
9. The Board of Directors have a formal policy and transparent procedures for remuneration of Directors in accordance with the Companies Act, 2017 and the Regulations.
10. All Directors have either attended the Directors Training Program or have minimum of 14 years of education and 15 years of experience on the Board of listed companies and therefore are exempt from the Directors Training Program.
11. The Board has approved appointment of the Chief Executive Officer, the Chief Financial Officer, the Company Secretary and the Head of Internal Audit, including their remuneration and terms and conditions of employment and complied with the relevant requirements of the Regulations.
12. The Chief Financial Officer and the Chief Executive Officer have duly endorsed the financial statements before the approval of the Board.
13. The Board has formulated the following committees comprising of the members listed against each committee as of June 30th, 2020:

Name of Committee	Composition
a) Board Audit Committee (BAC)	1. Mr. Ehsan Malik, Chairman – Independent Director 2. Mr. Kamal A. Chinoy, Member – Non-Executive Director 3. Mr. Jehangir Shah, Member – Independent Director
b) Board Human Resource & Remuneration Committee (BHR&RC)	1. Mr. Mansur Khan, Chairman – Independent Director 2. Mr. Kamal A. Chinoy, Member – Non-Executive Director 3. Mr. Mustapha A. Chinoy, Member – Non-Executive Director 4. Mr. Azam Faruque, Member – Non-Executive Director 5. Mr. Riyaz T. Chinoy, Member – Chief Executive Officer

14. The Terms of Reference of the aforesaid committees have been formed, documented and advised to the committee for compliance.
15. The number of meetings of the committees held during the year were as per the following table:

Name of Committee	Number of Meetings
a) Board Audit Committee (BAC)	Five (05)
b) Board Human Resource and Remuneration Committee (BHR&RC)	Two (02)

16. The Board has set up an effective Internal Audit function supervised by a qualified Chartered Accountant, who is being assisted by M/s EY Ford Rhodes and in house executives to carry out the Internal Control functions. The Internal Auditors are conversant with the policies and procedures of the Company and are considered suitably qualified and experienced for the purpose.
17. 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 are registered with the 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, Chief Internal Auditor, Company Secretary or Director of the Company.

18. The Statutory Auditors or the persons associated with them have not been appointed to provide other services except in accordance with the Companies Act, 2017, the regulations or any other regulatory requirement and the auditors have confirmed that they have observed IFAC guidelines in this regard.
19. We confirm that all requirements of regulations 3, 8, 27, 32, 33 and 36 of the Regulations have been complied with.



Mr. Ehsan A. Malik
Chairman - BAC



Mr. Riyaz T. Chinoy
Chief Executive Officer

Dated: August 27th, 2020

