



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

### FOR THE YEAR ENDED MARCH 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	06
b) Female	01

2. The composition of the Board is as follows:

Composition	Numbers	Names
a) Independent Directors *		
- Male	01	Mr. Mushtaq Malik
- Female	01	Ms. Nargis Ali Akbar Ghaloo
b) Non-Executive Directors	03	Mr. Muhammad Aslam Sanjrani Mr. Masato Uchida Mr. Takuji Umemura
c) Executive Directors	02	Mr. Takayuki Kizawa Mr. Akira Uchida

\*For the purpose of rounding up of fraction, the Company has not rounded up the fraction as the Board has determined the current composition adequate.

- 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;
- 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 has a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations;
9. Three out of seven directors have complied with the requirements of Directors' Training program;
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**
    - Nargis Ali Akbar Ghaloo - Chairperson
    - Mushtaq Malik
    - Masato Uchida
    - Takuji Umemura
  - b) **HR and Remuneration Committee**
    - Mushtaq Malik - Chairman
    - Nargis Ali Akbar Ghaloo
    - Takayuki Kizawa
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 of the committees were as per following:
 

Audit Committee	Four quarterly meetings during the financial year ended March 31, 2023
HR and Remuneration Committee	Two meetings during the financial year ended March 31, 2023
15. The Board has set up an effective internal audit function who is considered suitably qualified and experienced for the purpose and is 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 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.
19. Explanation for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below (if applicable):

S. No.	Non-Mandatory Requirement	Explanation	Reg. No.
1	<b>Requirement to attain certification:</b> All directors have obtained DTP certification by June 30, 2022.	Currently, 3 out of 7 directors have obtained DTP certification. The Company will arrange training for the remaining directors to comply with the requirement.	19
2	<b>Nomination Committee:</b> 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.	The responsibilities as prescribed for the nomination committee are being performed by the HR and Remuneration Committee.	29(1)
3	<b>Risk Management Committee:</b> The Board may constitute the risk management committee, of such number 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.	The Board has not constituted a separate risk management committee however the risk is managed at respective department level which is also supervised by the departmental head.	30(1)

**Muhammad Aslam Sanjrani**  
Chairman

**Takayuki Kizawa**  
Chief Executive Officer

Date: June 21, 2023



**INDEPENDENT AUDITOR'S REVIEW REPORT  
TO THE MEMBERS OF  
HINOPAK MOTORS 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 Hinopak Motors Limited (the Company) for the year ended March 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 March 31, 2023.

**Chartered Accountants  
Karachi**

**Date: July 03, 2023**

**UDIN: CR202310059qJ3LVKwWA**

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*A. F. FERGUSON & CO., Chartered Accountants, a member firm of the PwC network  
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