

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

For the year ended December 31, 2022

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

1. The total number of directors are 7 (seven) as per the following:

b. Male 6 (six)

c. Female 1 (one)

2. At the year ended December 31, 2022, the composition of the Board of Directors (the Board) is as follows:

a) Independent Director*

1. Mr. Moin M. Fudda Director

b) Independent Female Director*

2. Ms. Rukhsana Shah Director

c) Non-Executive Directors

3. Mr. Kinji Saito (Chairman)

4. Mr. Kensaku Imaizumi Director

5. Mr. Motohiro Atsumi Director

d) Executive Directors

6. Mr. Masafumi Harano (Chief Executive Officer)

7. Mr. Tadashi Homma Director

***Fractional requirement for independent directors has not been round up to one as the virtue of fraction below 0.5 has been considered as zero.**

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. On 31st October 2022, Mr. Toshiyuki Ikyuma was appointed as CFO. The new CFO holds a Bachelors degree and is in the process of getting the degree recognized from HEC to comply with the requirements of Chapter VII Clause 22 (iii) of the Code;

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 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 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 the Act and these Regulations with respect to frequency, recording and circulating minutes of the meeting of the Board;

8. The board of directors have a formal policy and transparent procedures for remuneration of directors in accordance with the Act and these Regulations. in compliance with Chapter III Clause 10 (5) of the Code;

9. During the year, board has not arranged any director training program, as three out of seven directors are compliant with training requirement;

10. There has been no change in the position of Company Secretary and Head of Internal Audit during the year;

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

Mr. Moin M Fudda	Chairman
Mr. Kinji Saito	Member
Mr. Motohiro Atsumi	Member

b) HR & Remuneration Committee

Ms. Rukhsana Shah	Chairman
Mr. Kinji Saito	Member
Mr. Masafumi Harano	Member

13. The terms of reference of the aforesaid committees have been formed, documented and advised to the committees for compliance;
14. The frequency of meetings of the committees during the year was as per the following:
 - Board Audit Committee: Four quarterly meetings during the financial year ended December 31, 2022.
 - Board HR& Remuneration Committee: Two meeting during the financial year ended December 31, 2022.
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 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, 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.



MASAFUMI HARANO
Chief Executive Officer



KINJI SAITO
Chairman

March 20, 2023



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS PAK SUZUKI MOTOR COMPANY 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 Pak Suzuki Motor Company Limited ("the Company") for the year ended 31 December 2022 in accordance with the requirements of Regulation No. 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 31 December 2022.

Date: 27 March 2023

Karachi

UDIN: CR202210096db8FyJKx1

KPMG Taseer Hadi & Co.

Chartered Accountant