

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

For the year ended December 31, 2023

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:

a. Male 6 (six)

b. Female 1 (one)

2. At the year ended December 31, 2023, the composition of the Board of Directors (the Board) is as follows:

a) Independent Director*

1. Mr. Moin M. Fudda

b) Independent Female Director*

2. Ms. Rukhsana Shah

Non-Executive Directors

3. Mr. Kinji Saito (Chairman)

4. Mr. Masafumi Harano

5. Mr. Motohiro Atsum

d) Executive Directors

6. Mr. Hiroshi Kawamura (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;

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 and recording minutes of the 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 December 31, 2023, out of seven (7) directors on the Board, two (2) directors have acquired the Directors Training Program (DTP) certification and one director has the exemption from the requirement of DTP.

10. There has been no change in the position of chief financial officer, 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. Hiroshi Kawamura 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, 2023.
Board HR& Remuneration Committee: No meeting during the financial year ended December 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 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; and
19. Explanation for non-compliance with the requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:
- a. The minutes of meeting of the Board were circulated to the Board after lapse of fourteen days of respective Board meetings but before the ensuing Board meeting following the minutes preparation.
- b. Although four of the directors of the Company have not obtained DTP certificate, the Company believes that all its directors are highly qualified and experienced.
- c. Directors' orientation program was not carried out as all the directors are long associated with the Company or its related parties and are well versed with the recent corporate / industry developments.
- d. The HR & Remuneration Committee meeting was not convened during the year because there were no agenda items deemed relevant for discussion.
- e. The Board has not constituted a separate nomination committee and the functions are being performed by the Board Human Resource and Remuneration Committee.
- f. The risk management committee has not been constituted and the risk management areas are discussed and deliberated upon in the Board Audit Committee and subsequent findings are presented to the Board.

The Board has been guided by the fact that the above requirements are not mandatory and the necessary explanation under the Regulations have been included above.



Kinji Saito

Chairman

April 05, 2024



A.F.FERGUSON & Co.

**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 for the year ended December 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 December 31, 2023.

**A. F. Ferguson & Co.,
Chartered Accountants
Karachi,**

April 8, 2024

UDIN: CR202310056y2xe7obta

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