

HI-TECH LUBRICANTS LIMITED
Disclosure Statement
DIRECTORS REMUNERATION POLICY

Human Resources and Remuneration Committee of the Board (HRRC) has been authorized by the Board to design and oversee the implementation of the Company's Directors' Remuneration Policy. A formal Directors Remuneration Policy was approved by the Board on April 21, 2018. Its salient features are enumerated below:

The objectives of the policy are two-fold:

- to attract, motivate and retain directors of the highest caliber with broad commercial experience, and
- to comply with all the provisions of all relevant laws, rules and regulations applicable to directors' remunerations.

The Policy has been drawn considering the following:

- Company's strategic aims and goals.
- Company's corporate social responsibility.
- Company's core principle of business integrity.
- The market conditions for desired talent;
- A need for maintaining a work atmosphere that is conducive to efficiency, maturity of thought, motivation to progress and attainment of corporate goals; and
- Remuneration structure for directors in similar businesses in Pakistan as well as other companies of comparable size.

The upper limit of base pay and benefits to be allowed to directors is approved by shareholders.

However, while setting the remuneration package of any individual director, the following factors are considered:

- The particular qualifications, relevant experience and stature of the director.
- The prevailing market value of his/her particular talent.
- The nature of association of the director with the company, i.e. type of directorship held.
- Remuneration of Independent Directors is restricted to Directors / Meetings Fees only.

Summary of Remuneration for Different Classes of Directors

	Executive Directors	Non-Executive Directors	Independent Directors
<i>Upper Limit of Base Pay*</i>	Rs 36 million p.a.	Rs 18 million p.a.	None
<i>Benefits*</i>	Company maintained car, reimbursement of medical, telecommunication, travelling, and leave travel expenses.		None
<i>Performance Bonus*</i>	Proposed by Chairman and approved by HRRC/ Board for each director individually, not exceeding 25% of net base pay.	None	None
<i>Upper Limit of Meeting / Directors Fees</i>	None	None	Rs 400,000 per completed meeting of the Board or any of its Committees
<i>Re-imbursment of expenses</i>	Actual expenses incurred on company business, or a flat allowance set for the particular expense, e.g. board and accommodation when travelling on company business.		
<i>Professional Indemnity Insurance</i>	Yes	Yes	Yes
<i>Terminal Benefits</i>	None	None	None
<i>Entitlement to Share Options</i>	None	None	None

*Base pay, benefits and performance bonus are set by HRRC/ Board of Directors for each individual director within the parameters approved by shareholders.