

STATEMENT OF COMPLIANCE

WITH LISTED COMPANIES (CODE OF CORPORATE GOVERNANCE) REGULATIONS, 2019
("THE REGULATIONS")

NAME OF COMPANY: **HI-TECH LUBRICANTS LIMITED**

YEAR ENDED: **JUNE 30, 2023**

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

- The total number of Directors are ten (10) as per the following:
 - Male: 09
 - Female: 01
- The composition of the Board is as follows:
 - Independent Director's:
 - Dr. Safdar Ali Butt
 - Syed Asad Abbas Hussain
 - Mr. Shafiq-ur-Rehman
 - Non-executive Directors:
 - Mr. Shaukat Hassan
 - Mr. Tahir Azam
 - Mr. Faraz Akhtar Zaidi
 - Ms. Mavira Tahir (Female Director)
 - Mr. Sanghyuk Seo (Nominee SK Enmove Co., Ltd. formerly SK Lubricants Co., Ltd.)
 - Executive Directors:
 - Mr. Hassan Tahir (Chief Executive Officer)
 - Mr. Muhammad Ali Hassan
- 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 Companies Act, 2017 (the Act) and the 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;
- The Board has a formal policy and transparent procedures for remuneration of Directors in accordance with the Act and the Regulations;
- Following Directors have attained the directors training program certification:

Names of Directors

Dr. Safdar Ali Butt
Syed Asad Abbas Hussain
Mr. Shaukat Hassan
Mr. Tahir Azam
Mr. Faraz Akhtar Zaidi
Ms. Mavira Tahir
Mr. Hassan Tahir (Chief Executive Officer)
Mr. Muhammad Ali Hassan
Mr. Shafiq-ur-Rehman
Mr. Sanghyuk Seo (Nominee SK Enmove Co., Ltd. formerly SK Lubricants Co., Ltd.)

- 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;
- Chief Financial Officer and Chief Executive Officer duly endorsed the financial statements before approval of the Board;
- The Board has formed committees comprising of members given below:

a) Audit Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shafiq-ur-Rehman	Member
Mr. Shaukat Hassan	Member
Mr. Tahir Azam	Member
Mr. Faraz Akhtar Zaidi	Member

b) HR and Remuneration Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shaukat Hassan	Member
Mr. Tahir Azam	Member
Ms. Mavira Tahir	Member

c) Nomination Committee

Names	Designation held
Dr. Safdar Ali Butt	Chairman
Mr. Shaukat Hassan	Member
Mr. Tahir Azam	Member
Ms. Mavira Tahir	Member

d) Risk Management Committee

Names	Designation held
Mr. Faraz Akhtar Zaidi	Chairman
Ms. Mavira Tahir	Member
Mr. Shafiq-ur-Rehman	Member

- The terms of reference of the aforesaid committees have been formed, documented and advised to the committee for compliance;
- The frequency of meetings (quarterly / half yearly / yearly) of the committee were as per following:

a) Audit Committee

Five meetings were held during the financial year ended 30 June 2023.

b) HR and Remuneration Committee

Three meetings of HR and Remuneration Committee were held during the financial year ended 30 June 2023.

c) Nomination Committee

No meeting of Nomination Committee was held during the financial year ended 30 June 2023.

d) Risk Management Committee

No meeting of Risk Management Committee was held during the financial year ended 30 June 2023.

15. The board has set up an effective internal audit function who are considered suitably qualified and experienced for the purpose and are 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. Explanations for non-compliance with requirements, other than regulations 3, 6, 7, 8, 27, 32, 33 and 36 are below:

Sr. No.	Requirement	Explanation of Non-Compliance	Regulation Number
1	Directors' Training Companies are encouraged to arrange training for at least one female executive every year under Directors' Training Program from year July 2020..	The Company is in the process of complying with this non-mandatory provision of the Regulations for arranging Directors' Training Program for its female staff during the year ending on 30 June 2024.	19(3)
2	Directors' Training Companies are encouraged to arrange training for at least one head of department every year under the Directors' Training Program from July 2022.	The Company has planned to arrange Directors' Training Program certification for head of department in next few years.	19(3)
3	Responsibilities of the Board and its members The Board is responsible for adoption of corporate governance practices by the Company.	Non-mandatory provisions of the Regulations are partially complied. The Company is deliberating on full compliance with all the provisions of the Regulations.	10(1)

20. The three elected independent directors have requisite competencies, skills, knowledge and experience to discharge and execute their duties competently, as per applicable laws and regulations. As they fulfill the necessary requirements as per applicable laws and regulations, hence, appointment of a fourth independent director is not warranted.



SHAUKAT HASSAN
Chairman

September 22, 2023
Lahore



HASSAN TAHIR
Chief Executive Officer

INDEPENDENT AUDITOR'S **REVIEW REPORT** TO THE MEMBERS OF HI-TECH LUBRICANTS 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 Hi-Tech Lubricants Limited (the Company) for the year ended 30 June 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 30 June 2023.



Riaz Ahmad

RIAZ AHMAD & COMPANY
Chartered Accountants

Lahore
Date: 25 September 2023
UDIN: CR202310132W57MH0Lmd