## STATEMENT OF MATERIAL FACTS UNDER SECTION 134(3) OF THE COMPANIES ACT, 2017

**Agenda Item No. 02: approval of 'Remuneration of Directors' for attending the Meeting(s)**

The remuneration package for the Directors of PIA Holding Company Limited (PIAHCL) is being proposed under the Articles of Association of PIAHCL which stipulates that the remuneration of Directors shall be determined by the company in a general meeting, subject to the provisions of the Companies Act, 2017. In accordance with Section 170 of the Companies Act, 2017, the remuneration of Directors for performing extra services, including holding the office of chairman, must be determined by the Board or the company in a general meeting, as specified in the company's articles. Additionally, any remuneration for attending meetings of the Board or its committees shall not exceed the scale approved by the company or the Board, as the case may be, in accordance with provisions of the articles. This remuneration is structured to appropriately compensate Directors for their valuable time, expertise, and contributions to the Company's governance, oversight and strategic decision-making processes. Each Director is entitled to a fixed honorarium for attending meetings of the Board and its Committees, which may include the Audit Committee, HR and Legal Committee or any other Committee established by the Board from time to time. The honorarium has been proposed in consultation with the Board of Directors, taking into account industry benchmarks, the Company's financial position and prevailing corporate governance practices. In addition to the honorarium, Directors are proposed to be reimbursed for expenses incurred while performing their duties, including travel and accommodation costs for attending meetings. The remuneration is not linked to the Company's performance to ensure that decisions made by the Board are objective and in the best interest of the stakeholders. The proposed remuneration framework ensures transparency and fairness and reflects the Company's commitment to attracting and retaining high-caliber professionals on its Board.

Accordingly, following Remuneration Policy is being proposed to be adopted by the Company for Directors on PIAHCL Board, to be made effective from the date of incorporation of the Company:

**Remuneration Policy for Directors**

a. A Director shall be paid fee of Rs. 50,000/- (Rupees Fifty Thousand only) for attending each meeting of the Board or the Board's Committee.

b. A Director shall also be entitled to executive economy class return air passage with all applicable taxes to be borne by company from his usual place of residence or the place of other official business in a city other than his place of residence to the place of meeting which may involve domestic, foreign and / or combination of both stations and multi-sectors.

c. A Director shall also be entitled to charges for hotel accommodation at actual inclusive of meals, local telephone calls and surface transport facility.

d. A Director who makes his own arrangement for accommodation shall be paid a consolidated amount of Rs.20,000/- (Rupees Twenty Thousand only) per Meeting as incidental charges in lieu of charges for hotel accommodation inclusive of meals, local telephone calls and surface transport facility.

e. A Director making his own arrangement for accommodation for more than a day due to unavailability of flight connection shall be paid a consolidated amount of Rs. 20,000/- (Rupees Twenty Thousand only) for each Meeting as incidental charges in lieu of charges for hotel accommodation inclusive of meals, local telephone calls and surface transport facility subject to the condition that such overstay shall be rare.

f. A Director, in addition to the actual hotel accommodation and surface transport facility, shall be paid Daily Allowance at a foreign station at such rate as admissible to a 'C-Level' Executive of the Company.