

## BOARD COMMITTEES

The Board is assisted by two Committees, namely the Board Audit Committee and the Human Resource & Remuneration Committee to support its decision making in their respective domains:

### A. Board Audit Committee

**Mr. Jehangir Shah** Chairman  
Independent Director

**Mr. Adnan Afridi** Member  
Independent Director

**Mr. Kamal A. Chinoy**

**Ms. Asema Tapal** Secretary  
Group Chief Internal Auditor

The Board Audit Committee comprises of three (03) Non-executive Directors, out of which two (02) are independent. The Chairman of the Committee is a Fellow of the Institute of Chartered Accountants of England and Wales and alumni of the Wharton and Harvard Business Schools. The Chief Financial Officer and the Chief Internal Auditor attend the BAC meetings, while the Chief Executive Officer is invited to attend the meetings. The Board Audit Committee also separately meets the internal and external auditors at least once in a year without the presence of the Management.

Meetings of the Board Audit Committee are held at least once every quarter; the recommendations of the Board Audit Committee are then submitted for approval of financial results of the Company by the Board. During the year 2019-20, the Board Audit Committee held five (05) meetings. The Chief Internal Auditor is the Secretary of the Board Audit Committee. The minutes of the meetings of the Board Audit Committee are provided to all members, Directors and the Chief Financial Officer. The Chief Internal Auditor meets the Board Audit Committee, without the presence of the Management, at least once a year, to point out various risks, their intensity and suggestions for mitigating risks and improvement areas. The business risks identified are then referred to the respective departments and corrective actions are then implemented. The Board Audit Committee has completed its independent evaluation.

#### **Terms of Reference of the Board Audit Committee**

The Board Audit Committee is mainly responsible for reviewing the financial statements, ensuring

proper internal controls to align operations in accordance with the mission, vision and business plans and monitoring compliance with all applicable laws and regulations and accounting and financial reporting standards.

#### **The salient features of terms of reference of the Board Audit Committee are as follows:**

1. Recommending the appointment of internal and external auditors to the Board.
2. Consideration of questions regarding resignation or removal of external auditors, audit fees and provision by the external auditors of any services to the Company in addition to the audit of financial statements.
3. Determination of appropriate measures to safeguard the Company's assets.
4. Review of preliminary announcements of results prior to publication.
5. Review of quarterly, half-yearly and annual financial statements of the Company, prior to their approval by the Board, focusing on major judgmental areas, significant adjustments resulting from the audit, any changes in accounting policies and practices, compliance with applicable accounting standards and compliance with listing regulations and other statutory and regulatory requirements.
6. Facilitating the external audit and discussion with external auditors on major observations arising from audit and any matter that the auditors may wish to highlight (without the presence of the Management, where necessary).
7. Review of the Management Letter issued by external auditors and the Management's response thereto.
8. Ensuring coordination between the internal and external auditors of the Company.
9. Review of the scope and extent of internal audit and ensuring that the internal audit function is adequately resourced and placed within the organization.
10. Consideration of major findings of internal investigations and the Management's response thereto.

11. Ascertaining that the internal control system including financial and operational controls, accounting system and reporting structure are adequate and effective.
12. Review of Company's statement on internal control systems prior to endorsement by the Board.
13. Instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body.
14. Determination of compliance with relevant statutory requirements review of periodic financial statements and preliminary announcements of results prior to the external communication and publication with a view to highlight.
15. Monitoring compliance together with the external auditors and internal audit with the best practices of corporate governance and identification of significant violations such as fraud, corruption, and abuse of power thereof.
16. Consideration of any other issue or matter as may be assigned by the Board.

#### **B. Board Human Resources & Remuneration Committee**

<b>Mr. Mansur Khan</b> Independent Director	Chairman
<b>Mr. Kamal A. Chinoy</b> Chief Executive Officer	Member
<b>Mr. Mustapha A. Chinoy</b> Non- Executive Director	Member
<b>Mr. Azam Faruque</b> Non- Executive Director	Member
<b>Mr. Riyaz T. Chinoy</b> Non- Executive Director	Member
<b>Mr. Khalid Junejo</b>	Secretary

BHR&RC comprises of five (05) members and the Chairman is an Independent Director whereas the other four members are the Chief Executive Officer and three non-executive Directors. Meetings

are conducted at least quarterly or at such other frequency as the Chairman may determine. Director Human Resources is the Secretary of the BHR&RC. The minutes of the meetings of the BHR&RC meetings are provided to all members and Directors. The Committee held two (02) meetings during the year.

#### **Terms of Reference of Board Human Resource & Remuneration Committee**

The Committee defines the HR policy framework and makes recommendations to the Board in the evaluation and approval of employee benefit plans and succession planning.

#### **The salient features of the Terms of Reference of BHR&RC are as follows:**

1. Major HR Policy / frameworks including compensation.
2. Overall organizational structure.
3. Organization model and periodically seek assessment of the same.
4. Succession planning for key executives, including the CEO.
5. Recruitment, remuneration and evaluation of the CEO and his direct reports, including CFO, Chief Internal Auditor and the Company Secretary.
6. The CEO, being a member of the BHR&RC shall not be a part of Committee meetings, if his/her compensation/performance is being discussed/evaluated.
7. Charter of demands and negotiated settlements with CBA.
8. Compensation of the Non-Executive Directors.
9. Board Remuneration Policy & Procedure.
10. Board Evaluation Policy and Procedure for the Board as a Whole and for the Individual Directors.

