



PAKISTAN
STOCK EXCHANGE
LIMITED

HUMAN RESOURCES
&
REMUNERATION
COMMITTEE



TERMS
OF
REFERENCE





1. Introduction

- 1.1 Human Resources & Remuneration Committee [HRRC] was formed by the Board of Directors of Pakistan Stock Exchange Limited (Formerly: Karachi Stock Exchange Limited) [“the Exchange”] to assist the Board in the effective discharge of its responsibilities to oversee the Human Resource policy matters of the Exchange.

2. Purpose

- 2.1 HRRC is constituted to make recommendations to the Board on the matters pertaining to its scope.

3. Role, authorities, duties and responsibilities

- 3.1 The Committee is mandated to perform following key tasks and make relevant recommendations to the Board:
- ▣ To review human resource management policies of the Exchange or revision(s) thereof
 - ▣ To review the organizational structure of the Exchange or revision(s) thereof.
 - ▣ To review the overall compensation policies, including of those related with annual / interim increments / promotions and salary revision(s), market comparisons / salary surveys.
 - ▣ To recommend to the Board, the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO (Managing Director)
 - ▣ To recommend to the Board, the selection, evaluation, compensation (including retirement benefits) of Chief Operating Officer (Deputy Managing Director), Chief Financial Officer, Company Secretary and Head of Internal Audit
 - ▣ To receive the Charter of Demand as received from CBA and forwarded by the management; to advise the management to negotiate its terms with CBA; and to review the agreed terms of Charter of Demand re-submitted to the Committee.
 - ▣ To review performance appraisals, promotions and compensation of key management positions reporting to the Managing Director and / or Deputy Managing Director(s). Further, to oversee the process of hiring/de-hiring of the positions reporting to the Managing Director and Deputy Managing Director(s).
 - ▣ To recommend the mechanism of remuneration of the consultants



4. Composition

- 4.1 HRRC shall consist of at least four Directors which may include the Managing Director.
- 4.2 The Committee shall elect its Chairman out of its members.

5. Secretary of the Committee

- 5.1 The Head of Human Resource Department or any other senior management personnel shall act as Secretary of the Committee.
- 5.2 Secretary shall prepare the agenda and relevant supporting material, minimum of one week in advance of the meeting and shall furnish the same to members of the Committee.
- 5.3 The Secretary shall circulate the draft minutes of the meetings to the members of the Committee.

6. Meetings of Committee

- 6.1 HRRC will meet at least once every quarter or as and when requisition is raised by the Chairman and/or Managing Director.
- 6.2 Any member of the Committee can also request the Chairman for requisitioning a meeting.
- 6.3 The quorum for meetings of the Committee shall be three.
- 6.4 In the absence of the Chairman of the Committee, the members of the Committee shall elect one of themselves, as Acting Chairman of the Committee.

7. Functions of Human Resources Department

- 7.1 Human Resources Department of the Exchange shall be responsible for the following functions:
 - ▣ Recruitment and Selection
 - ▣ Compensation and Benefits
 - Staff Payroll
 - Medical & Life Insurance
 - Staff Loan Policies & their administration
 - Other entitlements in cash and/or kind
 - Staff Relations including Collective Bargaining



- ▣ Performance Evaluation
- ▣ Training & Development
 - Succession Planning
 - Human Resource Planning
 - Maintaining up-to-date departmental functions and job descriptions
 - Human Resource Manual
- ▣ Compliance of Code of Conduct by the employees