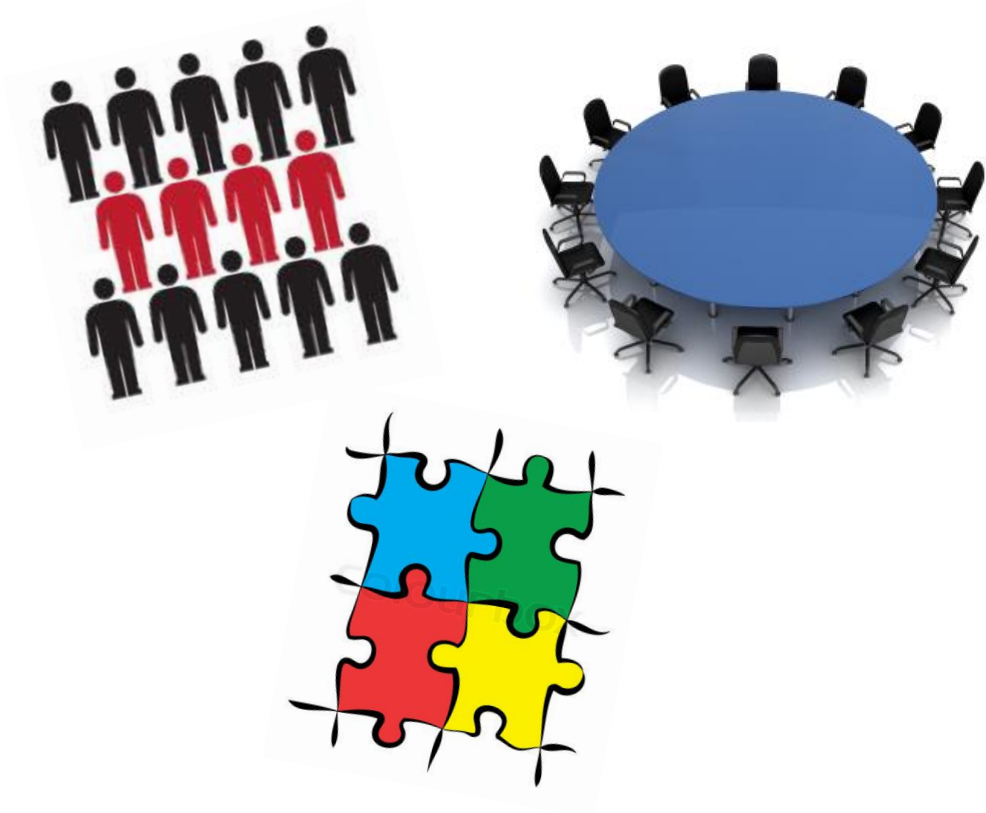




**PAKISTAN STOCK EXCHANGE LIMITED**

**TERMS  
OF  
REFERENCE**



**NOMINATION COMMITTEE**



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## 1. General

- 1.1 These Terms of Reference [**TOR**] of Nomination Committee have been approved by the Board of Directors Pakistan Stock Exchange Limited [**PSX or the Exchange**] in its meeting held on December 12, 2018.
- 1.2 The Nomination Committee [**the Committee**] shall review and re-assess these TOR as and when deemed necessary and recommend any changes or modifications to the Board for its consideration and approval.
- 1.3 The primary purpose of the Committee is to formulate Nomination, Selection and Succession Policies for the Board's consideration and implement the said policies as approved by the Board.

## 2. Composition

- 2.1 The Committee shall be comprised of at least 2 independent directors and one shareholder director. The members of the Committee shall be appointed by the Board. The Committee shall be composed with the aim of achieving an appropriate mix of skills and experience.

## 3. Responsibilities

- 3.1 The Committee shall report to the Board on a regular basis. At the next Board meeting following a Committee's meeting, the Committee's Chairman shall report the Committee's findings and recommendations to the Board.
- 3.2 In this respect, the Committee is mandated to perform following key tasks:
  - ▣ To consider and make recommendations to the Board in respect of the Board committees and the chairmanship of the Board committees;
  - ▣ To review the structure, size and composition (including the skills, knowledge, experience and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Exchange's corporate strategy;
  - ▣ To develop a Panel of Experts (PoE) and to identify individuals, based on minimum eligibility criteria and qualification, to become independent members of the Board, Regulatory Affairs Committee (RAC) and/or Listing & Voluntary De-Listing Committee and to make recommendations to the Board in this regard;
  - ▣ To assess the independence of independent non-executive Directors;
  - ▣ To make recommendations to the Board on succession planning for members of the Board and its Committees;
  - ▣ To describe roles and responsibilities for each of the above appointments;



- ▣ To review and make recommendations to the Board on appointment of members of any other Board Committee, including appointment of market experts/professionals, as mandated by the Board;
- ▣ To make recommendations to the Board on appointments to fill casual vacancies on the Board or Committees;
- ▣ To arrange orientation and training programs for members of the Board; and
- ▣ To carry out any other function that may be mutually agreed upon by the Committee and the Board.

3.3 The Committee is also authorized as under:

- ▣ To have an unrestricted access to all relevant records and staff of PSX;
- ▣ To investigate any activity within its mandate or any matter specifically requested by the Board;
- ▣ To obtain outside legal or other independent professional advice as necessary to assist the Committee;
- ▣ To ask any Director, Executive or other person within PSX to attend any meeting(s) of the Committee as it may, from time to time, consider desirable to assist the Committee in the attainment of its objectives;
- ▣ To seek any information it requires from any employee of the Exchange in order to perform its duties;
- ▣ To do all such things enabling the Committee to perform its responsibilities and functions conferred on it by the Board; and
- ▣ To conform to any requirement, direction, and regulation that may from time to time be prescribed by the Board or contained in the Exchange's Articles of Association or imposed by legislation.

3.4 The Committee shall, at least once a year, review its own performance, constitution and ToR to ensure that it is functioning at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.

#### 4. Chair

4.1 The Chairman of the Committee shall appointed by the Board or the Committee.

4.2 The Chairman shall preside over meetings of the Committee and will maintain liaison with the Managing Director, wherever necessary.

4.3 In the absence of the Committee Chairman, the remaining members present shall elect one of themselves to chair the meeting.



## 5. Meetings

- 5.1 The Committee shall meet as and when required or as directed by the Chairman of the Committee or by the Board.
- 5.2 The Committee's Chairman, on his own motion or if so requested by any member of the Committee or by the Board, shall direct the Secretary to call a meeting of the Committee.
- 5.3 As necessary or desirable, in addition to the members of management, the Chair may also invite external advisors to be present at meetings of the Committee.

## 6. Quorum

- 6.1 The Quorum for Committee meeting shall be the presence of simple majority of the members of the Committee.

## 7. Removal and Vacancy

- 7.1 A member may resign from the Committee, and may also be removed and replaced at any time by the Board, and will automatically cease to be a member as soon as the member ceases to be a director.
- 7.2 The Board will fill vacancies in the Committee by appointment from among the directors of the Board in accordance with clause 2 of these ToR. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

## 8. Experts and Advisors

- 8.1 The Committee may engage or retain, at the Exchange's expense, such experts and advisors as it deems necessary to carry out its duties.

## 9. Secretary and Minutes

- 9.1 The Secretary of the Committee shall be appointed by the Board or the Committee. The Secretary shall assist the Committee to efficiently and effectively discharge its responsibilities under these TOR.
- 9.2 The role of Committee's Secretary shall include, but is not limited to:
- ▣ scheduling meetings, preparing agenda and circulating notices and minutes of meetings of the Committee to all members;
  - ▣ maintaining record of attendance, minutes and other record of meetings and activities of the Committee; and



- ▣ ensuring that recommendations of the Committee to the Board are included in agenda of the Board meetings and are transacted thereat.

## **10. Executive Management**

- 10.1 The Managing Director, senior management and all other employees of the Exchange shall extend their full support and provide sufficient resources, including the resources for seeking independent professional advice at the expense of the Exchange, in order to assist the Committee in the discharge of its responsibilities under these TOR.

## **11. Communication**

- 11.1 These TOR shall be communicated to all concerned personnel of the Exchange.