



# Ideal Spinning Mills Ltd.



## TERMS OF REFERENCE HR & REMUNERATION COMMITTEE

### PURPOSE

The Human Resource (HR) Committee shall be responsible for assisting the Board in discharging its responsibilities for HR management and to ensure formulation, effective management, monitoring and implementation of Human Resource policies and plans.

### MEMBERSHIP AND QUORUM

The committee shall comprise of a minimum of three members comprising a majority of non-executive directors including preferably an independent director. The BOD shall appoint the committee members and the Chairman of the committee. CEO can be a member of the committee but not the Chairman.

The committee shall appoint a secretary who shall be responsible to assist the Committee in discharging its responsibilities.

The committee may also require the attendance of any member of the management, if it deems necessary to provide any information required to carry out its duties.

The names of the members of the Human Resource committee shall be disclosed in each Annual Report.

### FREQUENCY OF THE MEETING

The meeting will be held at least once in a year. However, the Chairman may call a meeting as and when required and on the request of any member of the Committee.

### OBJECTIVES

To assist BOD and guide the management in the formulation of the market driven HR policies regarding performance management, HR staffing, compensation and benefits, that are compliant with the laws and regulations. HR committee shall be responsible for:

- recommending human resource management policies to the board;
- recommending to the board the selection, evaluation, compensation (including retirement benefits) and succession planning of the CEO;
- recommending to the board the selection, evaluation, compensation (including retirement benefits) of CFO, Company Secretary and Head of Internal Audit; and
- consideration and approval on recommendations of CEO on such matters for key management positions who report directly to CEO such as executive director and executives.

### SECRETARY

The Company Secretary, or his or her nominee, shall act as the Secretary of the Committee and shall ensure that the Committee receives information and papers in a timely manner to enable full and proper consideration to be given to the issues.

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**Head Office:**  
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## ROLES AND RESPONSIBILITIES

HR Committee will be responsible for guiding, determining or recommending corporate view on HR policies and ensure their timely formulation.

Emphasis will be on, but not limited to the following areas:

- HR management
- Recruitment
- Compensation and benefits
- Human Resource development
- Performance management and promotions

### HR Management

- ❖ Ensure a proper system of succession planning for top management is in place and the adequacy of the same in the rest of the organization.
- ❖ Ensure that an HR strategic plan is annually reviewed and remains in line with corporate strategy.
- ❖ Review the organizational structure and recommend changes, if any, to increase the effectiveness and efficiency of reporting lines and the division of authority and responsibility.
- ❖ Identify key components of, and improvement to HR management information system.
- ❖ Deal with any other HR matters formally delegated by the board to the committee from time to time.
- ❖ Annually apprise the board of the decisions taken by the Committee. To recommend to the board all such policies which require board approval.
- ❖ To continuously monitor the effectiveness of the policies relating to employment benefits and employee development.

### Recruitment

Review the effectiveness of the recruitment and recommend changes if any.

### Compensation and Benefits Management

- ❖ Provide oversight and guidance in the development of transparent compensation linked with performance to ensure that it is market oriented, fair, equitable which serves as a motivational tool for the employees.
- ❖ Guide management in development/revision of all employees benefits, policies and rewards.

### Human Resource Development

Oversee employees' development by monitoring HR aspects of organizational learning and development.

### Performance Management and Promotions

Ensure that the performance management system is achieving its objectives of fairly rewarding employees' performance and is in line with Company objectives.

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For Ideal Spinning Mills Ltd.  
Director