



## **Punjab Skills Development Fund**

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### **Nomination Committee Charter**

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## 1. Purpose

The Nomination Committee (the “Committee”) is a Committee of the Fund established to support the Fund’s Board of Directors (the “Board”) in fulfilling its responsibility to identify candidates to serve as directors of the Fund. It leads the process for Board appointments and making recommendations to the Board. The charter is subject to the Public Sector Companies (Corporate Governance) Rules 2013.

## 2. Size and Composition of the Committee

- The Committee shall comprise at least three (3) directors. A majority of the members of the Committee shall be independent directors.
- 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
- Only members of the Committee have the right to attend committee meetings. However, other individuals such as the Chief Executive Officer, the Head of Human Resource Department and external advisors may be invited to attend for all or part of any meeting, as and when appropriate and necessary.
- Chairman of the Committee shall be a non-executive independent director selected by the Board. In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify under these terms of reference to be appointed to that position by the Board.
- Appointments to the Committee are made by the Board and shall be for a period of up to three (3) years.
- 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.

## 3. Removal and Vacancy

- 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.
- The Board will fill vacancies in the Committee by appointment from among the directors of the Board. Subject to quorum requirements, if a vacancy exists on the Committee, the remaining members will exercise all its powers.

## 4. Meetings

- The meeting of the Committee shall be held as often as its Chairman or a majority of its members deem necessary or appropriate, either in person, telephonically or electronically, and at such times, places and manner as its chairman may determine.
- The quorum for the Committee meeting shall be the presence of simple majority of the members of the Committee.
- In the absence of the Committee Chairman and/or an appointed deputy, the remaining members present shall elect one of themselves to chair the meeting from those who would qualify to be appointed to that position by the Board.

## 5. Committee Authority and Responsibilities

The Nomination Committee shall:

- select candidates for the post of Directors and forward it to the Board for approval. Profiles of three (3) candidates shall be recommended for each vacancy including vacancy arising due to resignation or removal;
- vet all candidates to ensure they possess the competencies, experience, and willingness to serve effectively;
- identify suitable candidates after considering candidates on merit against following criteria;
  - a. Business knowledge
  - b. Specific areas of expertise
  - c. Qualification and Industry experience
  - d. Interpersonal skills
  - e. Entrepreneurial skills
  - f. Objectivity and independence
  - g. Dedication and willingness to devote time
- consider candidates with due regard for the benefits of diversity on the Board, including gender, taking care that appointees have enough time available to devote to the position;
- in the case of an independent director, ensure that the nominated individual is appearing in the approved list of directors maintained by the Pakistan Institute of Corporate Governance (PICG). In case an individual's name is not appearing on the approved list, the Committee shall make appropriate arrangements to have the selected individual registered with PICG;
- while nominating the Civil Society members, ensure that Board has at least one member from following sector:
  - a. Auditing, Accounting and Finance
  - b. Economist/ Commerce and Industry
  - c. Human Resource and Marketing Specialist
  - d. Vocational training and education
  - e. Public Sector Company experience.
- ensure that the process as documented below for the appointment of a Director on the Board is followed:
  - a. Board members or sponsor/donors may suggest the suitable candidates to Nomination Committee after discussion
  - b. Nomination Committee shall assess and evaluate the candidates on merit keeping in view the skills and criteria as mentioned above and objectives of the Fund.
  - c. Nomination Committee shall send the list of shortlisted candidates to donors/sponsors and Board for review.
  - d. Board members and Donor/Sponsors may communicate their objections on any of the shortlisted candidates in writing with reasons which the Nomination Committee shall take in to account before finalizing the list of candidates

- e. The final list of candidates shall be sent to the Planning and Development Department for approval
- f. Once the identified candidate is approved, the Board shall adopt the selected candidate/s in the Board meeting.
  - ensure the gender balance in the Board and its committees by keeping the female members ratio to at least one third of the whole Board/committee;
  - consider and make recommendations to the Board in respect of the Board committees and their chairmanship;
  - keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace;
  - review and make recommendation to the Board. It shall have no executive power or management function;
  - be responsible for keeping structure, size and composition of the Board under regular review and for making recommendations to the Board regarding any changes necessary;
  - ensure that prior to the appointment of a director, the proposed appointee discloses any other business interests that may result in a conflict of interest reports any future business interests that could result in a conflict of interest;
  - ensure that on appointment to the Board, non-executive directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside board meetings;
  - review the results of the Board performance evaluation process that relate to the composition of the Board;
  - ensure compliance with regulatory independence requirements in relation to composition of the Board;
  - work and liaise as necessary with all other Board Committees;
  - operate under this Charter and review it annually for adequacy and recommend any necessary changes for approval to the Board;
  - arrange orientation and training programs for members of the Board;
  - ensuring that the proposal for filling a vacant position is submitted within 30 days of a vacancy;
  - perform additional tasks as charged by the Chairman of the Board.

## **6. Responsibilities of the Secretary of the Committee**

- The secretary of the Committee and shall be responsible, in conjunction with the Chairman, for drawing up the agenda and circulating it prior to each meeting.
- The secretary or his/her nominee shall attend each Committee meeting and record the proceedings of the meeting and minute the resolutions.
- The Secretary shall also be responsible for keeping the minutes of meetings of the Committee and circulating them to the Committee Members and subsequently to the Board.

## **7. Reporting Responsibilities**

- The Committee Chairman shall report to the board on its proceedings after each meeting on all matters within its duties and responsibilities; and
- The Committee shall make whatever recommendations to the Board it deems appropriate on any area within its remit where action or improvement is needed.