



## DYNEA PAKISTAN LIMITED

Office No. 406, Parsa Tower, Plot No. 31/1/A, Block-6,  
P.E.C.H.S., Sharah-e-Faisal, Karachi - 75400., PAKISTAN.  
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E-mail : info@dynea.com.pk, Web: www.dynea.com.pk



### DYNEA PAKISTAN LIMITED

#### TERMS OF REFERENCE OF AUDIT COMMITTEE

APPROVED IN BOARD MEETING DATED JUNE 25, 2018.

The board of directors of the company shall determine the terms of reference of the audit committee. The board of directors shall provide adequate resources and authority to enable the audit committee to carry out its responsibilities effectively. The terms of reference of the audit committee shall be explicitly documented and shall also include the following:

- a) determination of appropriate measures to safeguard the company's assets
- b) review of annual and interim financial statements of the company, prior to their approval by the Board of Directors, focusing on
  - (i) major judgmental areas;
  - (ii) significant adjustments resulting from the audit
  - (iii) going concern assumption
  - (iv) any changes in accounting policies and practices
  - (v) compliance with applicable accounting standards;
  - (vi) compliance with these regulations and other statutory and regulatory requirements; and
  - (vii) all related party transactions
- c) review of preliminary announcements of results prior to external communication and publication
- d) facilitating the external audit and discussion with external auditors of major observations arising from interim and final audits and any matter that the auditors may wish to highlight {in the absence of management, where necessary}
- e) review of management letter issued by external auditors and management's response thereto
- f) ensuring coordination between the internal and external auditors of the company
- g) review of the scope and extent of internal audit, audit plan, reporting framework and procedures and ensuring that the internal audit function has adequate resources and is appropriately placed within the company
- h) consideration of major findings of internal investigations of activities characterized by fraud, corruption and abuse of power and management's response thereto;
- i) ascertaining that the internal control systems including financial and operational controls, accounting systems for timely and appropriate recording of purchases

  
**SHABBIR ABBAS**  
Chief Executive Officer  
Dynea Pakistan Limited



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and sales, receipts and payments, assets and liabilities and the reporting structure are adequate and effective;

- j) review of the company's statement on internal control systems prior to endorsement by the board of directors and internal audit reports
- k) instituting special projects value for money studies or other investigations on any matter specified by the board of directors in consultation with the chief executive officer and to consider remittance of any matter to the external auditors or to any other external body
- l) determination of compliance with relevant statutory requirements
- m) monitoring compliance with these regulations and identification of Significant violations thereof
- n) review of arrangement for staff and management to report to audit committee in confidence concerns if any about actual or potential improprieties in financial and other matters and recommend instituting remedial and mitigating measures;
- o) recommend to the board of directors the appointment of external auditors their removal audit feels the provision of any service permissible to be rendered to the company by the external auditors in addition to audit of its financial statements. The board of directors shall give due consideration to the recommendations of the audit committee and where it acts otherwise it shall record the reasons thereof.
- p) consideration of any other issue or matter as may be assigned by the board of directors

### Procedures

The audit committee of company shall meet at least once every quarter of the financial year. These meetings shall be held prior to the approval of interim results of the company by its board of directors and after completion of external audit.

### Quorum

The quorum for the committee shall be two third of its members.

**SHABBIR ABBAS**  
Chief Executive Officer  
Dynea Pakistan Limited



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### DYNEA PAKISTAN LIMITED

#### TERMS OF REFERENCE OF HUMAN RESOURCE & REMUNERATION COMMITTEE

APPROVED IN BOARD MEETING DATED JUNE 25, 2018.

The terms of reference of the Human Resource and Remuneration Committee includes the following:

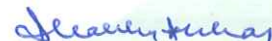
- i. recommend to the board for consideration and approval a policy framework for determining remuneration of directors (both executive and non-executive directors and members of senior management). The definition of senior management will be determined by the board which shall normally include the first layer of management below the chief executive officer level;
- ii. undertaking annually a formal process of evaluation of performance of the board as a whole and its committees either directly or by engaging external independent consultant and if so appointed, a statement to that effect shall be made in the directors' report disclosing name, qualifications and major terms of appointment;
- iii. recommending human resource management policies to the board;
- iv. recommending to the board the selection, evaluation, development, compensation (including retirement benefits) of chief operating officer, chief financial officer, company secretary and head of internal audit;
- v. consideration and approval on recommendations of chief executive officer on such matters for key management positions who report directly to chief executive officer or chief operating officer; and
- vi. where human resource and remuneration consultants are appointed, their credentials shall be known by the committee and a statement shall be made by them as to whether they have any other connection with the company.

#### Procedures

The committee shall meet at least once in a financial year.

#### Quorum

The quorum for the committee shall be two third of its members.

  
**SHABBIR ABBAS**  
Chief Executive Officer  
Dynea Pakistan Limited