



MULTAN ELECTRIC POWER COMPANY

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No. 15406-25/Company Secy

Office of
The Company Secretary

Dated: 27-10-2022

1. Sardar Muhammad Jamal Khan Leghari,
Ex President House Choti Zerin,
District D.G Khan.
2. Mr. Allahyar Khan,
Chief Executive Officer,
MEPCO Multan.
3. Mr. Zafar Abbas,
Joint Secretary (Transmission),
Power Division, Block-A,
Pak Secretariat, Islamabad.
4. Mr. Javed Iqbal Khan,
Joint Secretary (Budget), Govt of Pakistan
Finance Division Islamabad.
5. Muhammad Ajmal Bhatti,
Secretary, Energy Department,
8th Floor, EFU House,
Jail Road, Lahore.
6. Mr. Fazalullah Durrani,
House No. 16, Faisal Bagh,
Stadium Road, Bahawalpur.
7. Mr. Khurram Mushtaq,
House No. 373, overseas B extension,
Bahria Town, Lahore.
8. Muhammad Nawazish Ali Pirzada,
Pirzada House, Airport Road, Bahawalpur.
9. Mian Shahid Iqbal,
Rehman Villas, Bohar Gate Model Town B,
Multan Road, Camp Office, Governor Hosue, Bahawalpur.
10. Mr. Asghar Leghari
12-B-2, Off Zafar Ali Road, Gulberg V, Lahore.
11. Mr. Amad ud Din,
129 Model Town A, Khanpur, District Rahimyar Khan.
12. Rana Yasir Rauf,
House No. 315, F1 Block, Johar Town, Lahore.
13. Muhammad Jabir,
House No. 2, Street No. 2, Eden Palace Villas,
Raiwand Road, Opposite Etehad Town, Lahore.

Sub:- MINUTES OF 192ND BOARD MEETING HELD ON 14-10-2022.

Enclosed please find herewith Minutes of 192nd BOD Meeting held on **14-10-2022 (Friday) at 10:00 AM in Board's Meeting Room MEPCO H/Qs Khanewal Road Multan**, for information and necessary action please.

DA/as above


COMPANY SECRETARY MEPCO

CC:-

1. Finance Director, MEPCO Ltd Multan.
2. All D.Gs under MEPCO Ltd Multan.
3. All G.Ms under MEPCO Ltd Multan.
4. All Chief Engineers under MEPCO Ltd Multan.
5. The Manager (MM) & Procurement (Distn) MEPCO Multan.
6. The Director (S&V) MEPCO Ltd Multan.
7. The Staff Officer to CEO MEPCO H/Q Multan.

} For kind information and
further necessary action
please.

Meeting Date: 14-10-2022 (Friday)

Meeting Time: 10:00 AM

Location: Board's Room MEPCO H/Q Khanewal Road Multan

In attendance:

- | | | |
|-----|------------------------------------|-------------------------------|
| 1. | Sardar Muhammad Jamal Khan Leghari | Chairman |
| 2. | Mr. Allahyar Khan | CEO/Director |
| 3. | Mr. Zafar Abbas | Director (Through Video Link) |
| 4. | Mr. Javed Iqbal Khan | Director (Through Video Link) |
| 5. | Muhammad Ajmal Bhatti | Director (Through Video Link) |
| 6. | Mr. Fazalullah Durrani | Director |
| 7. | Mr. Khurram Mushtaq | Director |
| 8. | Muhammad Nawazish Ali Pirzada | Director (Through Video Link) |
| 9. | Mian Shahid Iqbal | Director |
| 10. | Mr. Asghar Leghari | Director (Through Video Link) |
| 11. | Mr. Amad ud Din | Director |
| 12. | Rana Yasir Rauf | Director |
| 13. | Muhammad Jabir | Director |
| 14. | Mr. Sajid Yaqoob | Company Secretary |

Following MEPCO officers attended the Meeting on call.


- | | | |
|----|------------------------------|----------------------|
| 1. | Engr. Jam Gul Muhammad Zahid | General Manager (CS) |
| 2. | Engr. Noor-ul-Hassan | Chief Engineer (P&E) |
| 3. | Mian Ansar Mahmood | Finance Director |
| 4. | Mr. Liaqat Ali Memon | D.G (HR & Admin) |

Meeting started under the Chairmanship of Sardar Muhammad Jamal Khan Leghari. The Chair noted the quorum to be in order. Proceedings commenced with recitation of Verses from the **Holy Quran** by Mr. Sajid Yaqoob. The Members and key management personnel declared that they are not directly or indirectly, concerned / interested in any contract or arrangement being considered in this Board meeting.

At the outset, Company Secretary informed the members that today's meeting marks the 100th BOD meeting for him in the capacity of Company Secretary. He thanked the Almighty Allah followed by his parents, staff & his predecessor and mentor Mr. Shahbaz Ahmad Khan for his uniform guidance & support. The Chair congratulated Company Secretary for the milestone he achieved. All other members admired the assiduous approach he follows for conducting Board & Committee meetings frequently. The Board also commended the leadership role he performed as Company Secretary in bringing tasks to completion and wished him good luck with the pray and hope that he will continue working with the same spirit.

Following agenda items were presented to the Board, the resultant discussions and decisions of the BOD are narrated as under:-

Agenda item-1 Leave of absence of Honorable Members.

The Chairman of Board of Directors noted that all the members are available. 

Agenda item-2 To consider and confirm the minutes of the 191st BOD Meeting held on 06.10.2022.

Company Secretary apprised that the minutes of 191st BOD meeting held on 06-10-2022 duly endorsed by Chairman BOD were circulated among all Board Members. The Chairman BOD invited the attention of all Members for offering any reservation(s)/comment(s) regarding the approval of the minutes.

While going through the contents of Agenda Item No. 5, one of Board members recalled that the management was directed to explore possibilities for placement of funds in the banks for the longer term i.e. more than 3 months to avail better markup and desired that the same should be duly recorded in the minutes. Regarding Agenda Item No. 9-a, the member observed that the Board had endorsed the recommendations of Audit & Finance Committee regarding non-capitalization of work in progress but the same has not been explicitly recorded in the minutes. Company secretary noted the observation for compliance.

Regarding Agenda Item No. 14, Company Secretary informed that two members have been appointed recently namely Mr. Zafar Abbas in place of Mr. Ahmed Taimoor Nasir as a representative of Ministry of Energy, Power Division and Muhammad Ajmal Bhatti as a representative of Energy Department, Govt. of Punjab. He requested the Board to accord its approval for replacement of the names mentioned in Board Resolution No. 191-BOD-R20. The Board unanimously agreed to include the new members in the approved schedule of Directors' Training Program after obtaining their consent with respect to their availability.

The Board resolved as follows.

Resolution

192-BOD-R1 With incorporation of above-mentioned amendments, **RESOVLED** that the minutes of 191st BOD meeting held on 06-10-2022 be and is hereby confirmed as true record of the proceedings of the meetings.

Agenda item-3 To review the compliance status on the directions issued by new BOD during its 188th, 189th, 190th & 191st Meeting held on 05-08-2022, 17-08-2022, 14-09-2022 & 06-10-2022 respectively.

Resolution

192-BOD-R2 **RESOVLED** that the subjected agenda is hereby deferred to next meeting.

Agenda item-4 To consider and confirm Circular Resolution No. 09/2022 dated 08-10-2022 regarding nomination of Mr. Zafar Abbas, Joint Secretary (Transmission) Power Division as Board Director and further nomination in Board Committees.

Proceedings:

With permission of the Chair, Company Secretary apprised the members that matter regarding representative of Power Division on Board of Directors (BODs) of Multan Electric Power Company (MEPCO) was circulated amongst the Members of the Board through Circular Resolution No. 09/2022 dated 08.10.2022 for approval on urgent basis. After considering the matter, the Board passed the below detailed Circular Resolution.

“Consequent upon Ministry of Energy (Power Division) Letter No. 01(01)/2018-DISCOs-II Dated 07-10-2022, **RESOLVED THAT** approval for nomination of Mr. Zafar Abbas, Joint Secretary (Transmission) Power Division for remainder of term under Section 167 (1) of Company’s Act-2017 be and is hereby accorded.

FURTHER RESOLVED THAT Mr. Zafar Abbas, Joint Secretary (Transmission) is nominated as member of HR & Nomination, Audit & Finance, Procurement & Disposal, Policy, Strategy, Market Reforms (PSM) & Risk Management and Customer Services, Health, Safety, Environment (HSE) & Quality Assurance Committees.”

The members were requested to consider the matter and resolve accordingly. After due consideration, the Board resolved as follows.

Resolution

192-BOD-R3 **RESOLVED that** the Circular Resolution No. 09/2022 be and is hereby approved and confirmed.

Agenda item-5 **Ratification of nomination of Muhammad Ajmal Bhatti, Secretary Energy Department, Govt. of Punjab as Non Executive Director on MEPCO BOD.**

Proceedings:

With permission of the Chair, Company Secretary apprised the members that Govt of Pakistan, Ministry of Energy (Power Division), vide Notification dated 29th July, 2022 has reconstituted the Board of Directors of Multan Electric Power Company (MEPCO) vide which a representative of the Energy Department, Govt. of Punjab (not below BS-19) was required to be nominated as Member of MEPCO BoD. Now, Dy Secretary (DISCOs), Ministry of Energy (Power Division), vide letter dated 06th October, 2022 has communicated the nomination of Muhammad Ajmal Bhatti, Secretary, Energy Department, Govt. of Punjab as Non Executive Director of MEPCO BOD.

The Board was requested to accord ratification of nomination of Muhammad Ajmal Bhatti, Secretary Energy Department, Govt. of Punjab for the remainder of the term. Further, he was requested to intimate his area of expertise for further nomination in the Board Committees. He committed to communicate the same within due course of time.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R4 **RESOLVED that** approval for nomination of Muhammad Ajmal Bhatti, Secretary Energy Department, Govt. of Punjab as Non Executive Director on BOD of MEPCO be and is hereby accorded for the remainder of the term under section 167 and regulation 4 of Companies Act 2017.

FURTHER RESOLVED that Muhammad Ajmal Bhatti, Secretary Energy Department, Govt. of Punjab will be nominated as member of Committees of Board, as per consent of honorable member.

Agenda item-6 **To consider the proposed TORs of Board Committees.**

Proceedings:

With permission of the Chair, Company Secretary apprised the members that TORs of newly constituted Committees were presented in 189th Board meeting, wherein, the Board resolved that

Mr. Asghar Leghari will review the proposed TORs of all Board Committees and will submit his recommendations in next meeting.

The Honorable Board Member, Mr. Asghar Leghari has thoroughly reviewed the TORs of each Committee and provided his recommendations for Board's consideration. The members deliberated upon the reviewed TORs of each Committee at length and proposed certain amendments. All suggested amendments were desired to be incorporated in TORs of each Committee.

After due discussion, the Board resolved as follows.

Resolution

192-BOD-R5 RESOLVED that the approval for the TORs of Board Committees as recommended above be and is hereby accorded as attached at Annexure-A.

Agenda item-7 Matters relating to HR & Nomination Committee

a Approval for payment of Ex-Gratia Grant to MEPCO Employees.

Proceedings:


With permission of the Chair, agenda was presented by D.G (HR & Admin). He informed the Board that matter regarding payment of Ex-Gratia Grant to MEPCO Employees was presented in 2nd HR & Nomination Committee meeting held on 08-10-2022 wherein, the Committee has recommended the case to Board for its approval.

Upon query of the Chair, CEO emphasized that employees of the Company deserve Ex-Gratia / Hardship Allowance considering the fact that MEPCO employees have strived hard to maintain continuity of electricity supply under the jurisdiction of MEPCO during recent heavy monsoon rainfall season especially in areas affected by floods. The services of operation staff of other operation Circles have been utilized for restoration of supply in flood affected areas. Due to these efforts, MEPCO was the first Company who managed to restore the supply of all of its affected areas.

Keeping in view MEPCO's performance and for recognition of services rendered by its employees for continuity of power supply under the jurisdiction of MEPCO during heavy rainfall especially in flooded areas, the Board resolved as follows.

Resolution

192-BOD-R6 RESOLVED that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee, approval is hereby accorded for payment of Ex-Gratia grant equal to one month running basic pay to all employees subject to fulfillment of following criteria:-

- i. It will be admissible to all employees (Regular / Contract / Deputation / Daily Wages) working on the payroll of MEPCO for six months or more on the date of issue of notification.
- ii. Daily Wages employees must have originally been appointed atleast one year back from issuance of order. They would be allowed Ex-Gratia Grant equivalent to minimum of pay scale of their posts.
- iii. The employees involved in acts of misconduct viz corruption, theft of electricity, embezzlement, fraud and unethical acts / gross misconduct etc. will not be entitled. 

- iv. The employees who are under any enquiry / investigation in the department as well as in NAB / FIA etc. will not be eligible. In case of exoneration from the charge, the employee will be entitled for Ex-Gratia Grant.
- v. The employees on extra ordinary leave or on deputation abroad will not be entitled.
- vi. An employee penalized (major penalty) under E&D rules during last one year will not be entitled.
- vii. Ex-Gratia Grant be allowed to employees transferred to MEPCO and having less than six month stay subject to provision of certificate of previous company from where these employees have been transferred to the affect that these employees have not taken Ex-Gratia Grant from their previous company.
- viii. Ex-Gratia Grant equal to 40% of the lump sum package be allowed to employees engaged on lump sum package.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

b Approval for recruitment of Junior Engineers / SDO's in MEPCO.

Proceedings:

With permission of the Chair, agenda was presented by D.G (HR & Admin). He informed the Board that matter regarding recruitment of Junior Engineers / SDO's in MEPCO was presented in 2nd HR & Nomination Committee meeting held on 08-10-2022 wherein, the Committee has recommended the case to Board for approval with the remarks that in order to ensure transparency in the whole recruitment process, two members from BOD namely Mr. Fazalullah Durrani and M Jabir shall act as monitoring committee.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R7 RESOLVED that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee, approval for the followings is hereby accorded: -

- i. 02 candidates against 01 post will be called for interview / checking of original documents as per quota wise merit list provided by IUB.
- ii. Monitoring Committee comprising upon Mr. Fazalullah Durrani & Muhammad Jabir, Members of MEPCO BOD is hereby constituted. The monitoring committee will be the part of the interview process. The interviewing committee

and monitoring committee will record their proceedings separately and submit its report to BOD.

iii. The interview committee comprising upon the followings Officers is hereby constituted:-

General Manager (Tech.)	(Convener)
Chief Engineer (O&M) Dist.	(Member)
Chief Engineer (P&E)	(Member)
Finance Director	(Member)
Director General (HR & Admn)	(Member / Secretary)

iv. Date for calling the eligible candidates for interview will be fixed by the convener of the Committee.

The resolution is based on the following confirmations by the management of MEPCO.

- No material information has been withheld and the working papers represent all facts of the case.
- All legal and codal formalities have been complied with.
- There is no conflict of interest of any officer of the MEPCO.
- Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

c-i **Approval for relaxation / exemption of mandatory trainings of officers from BPS-17 & above for the purpose of Time Scale Up-Gradation only.**

c-ii **Approval for relaxation / exemption of mandatory trainings of officials (BPS-15 & BPS-16) for the purpose of Time Scale Up-Gradation only.**

Proceedings:

With permission of the Chair, agenda was presented by D.G (HR & Admin). He informed the Board that matter regarding relaxation / exemption of mandatory trainings of officers / officials for the purpose of Time Scale Up-Gradation only was presented in 2nd HR & Nomination Committee meeting held on 08-10-2022 wherein, the Committee had referred the matter to Board for collective deliberation. It was further directed that management will provide the cadre wise list of officers / officials who have not been upgraded due to non obtaining of mandatory training along with financial implications.

While submitting the compliance of the directions of HR & Nomination Committee, DG (HR & Admin) provided the list of 84 officers and 117 officials who fulfill all other pre-requisites of the up gradation except the requirement of mandatory promotion training. While discussing financial implication involved in the subjected exemption, Finance Director informed the Board that approximately Rs. 58 Million will have to be paid to the upgraded employees as part of their financial benefits including officers & officials.

The Board discussed the issue at length and after detailed deliberation, the members were of the view that it is prime responsibility of management to provide required training to its employees in time. Such state of affairs is badly hampering the morale of the employees. On the other hand, training is

mandatory requirement for up-gradation and the Board should not set any example for such waivers. The management should explore alternative means to conduct trainings in batches in least possible time so that employees are not deprived off their rights due to slackness on the part of management.

The Board resolved / directed as follows.

Resolution

192-BOD-R8 **RESOLVED** that the matter regarding exemption of mandatory training is regretted.

Direction

192-BOD-D1 **DIRECTED** to devise and present a comprehensive plan to conduct promotion training through alternate means to HR & Nomination Committee.

(Responsibility: DG (HR & Admin) | Timeline: Next HR & Nomination Committee)

d

Approval for ratification of Promotion Board of AM (Corporate Accounts) to DM (Corporate Accounts) from BPS-17 to BPS-18.

Proceedings:

With permission of the Chair, agenda was presented by D.G (HR & Admin). He informed the Board that matter regarding ratification of Promotion Board of AM (Corporate Accounts) to DM (Corporate Accounts) from BPS-17 to BPS-18 was presented in 2nd HR & Nomination Committee meeting held on 08-10-2022 wherein, the Committee has recommended the case to Board for approval.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R9 **RESOLVED** that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee, ratification of the proceedings / recommendations of Promotion Board of AM (Corporate Accounts) to DM (Corporate Accounts) from BPS-17 to BPS-18 held on 08.04.2022 is hereby accorded.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

e **Approval for sparing of Basketball team**

Proceedings:

With permission of the Chair, agenda was presented by D.G (HR & Admin). He informed the Board that matter regarding sparing of Basketball team was presented in 2nd HR & Nomination Committee

meeting held on 08-10-2022 wherein, the Committee has recommended the case to Board for approval.

During the course of discussion, one of Board members recalled that the Basketball team had not been previously spared at the time of restructuring of MEPCO Sports and the players returned to their original place of posting to perform official designated duties. He proposed that sparing of Basketball team may be considered only for once to participate in the upcoming event only and will resume their duties immediately after attending the event. All other members agreed with the proposal.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R10 RESOLVED that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee, approval to spare the MEPCO Basketball Team consisting of 11 Nos. Players / coach is hereby accorded with immediate effect to attend WAPDA Annual Inter Unit Basket Ball Competition being held from 17 to 21 November, 2022 only with the condition that these players will rejoin their duties soon after the event.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

f

Approval for hiring of 11 No. posts of various categories through external hiring under MIRAD.

Proceedings:

With permission of the Chair, agenda was presented by D.G (HR & Admin). He informed the Board that matter regarding hiring of 11 no. posts of various categories through external hiring under MIRAD was presented in 2nd HR & Nomination Committee meeting held on 08-10-2022 wherein, the Committee has recommended the case to Board for approval.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R11 RESOLVED that considering the request of D.G (HR & Admin) and recommendations of HR & Nomination Committee, approval for the followings is hereby accorded: -

- i. The recruitment process for the posts of Manager (Planning & Forecasting), Manager (Contract Management & Regulatory Affairs), Deputy Manager (Legal / Contracts), Deputy Manager (Regulatory Affairs), Deputy Manager (Finance) for which interview has already been conducted be kept pending till

- lifting of ban / permission by Ministry of Energy (Power Division) Islamabad. After lifting of ban / permission from Ministry of Energy (Power Division) Islamabad, selection of candidates who were awarded highest marks in the interview will be presented to the Committee.
- ii. Recruitment process for the post of Dy. Manager (Demand Forecasting) for which the interview has not been conducted be kept pending till lifting of ban / permission by Ministry of Energy (Power Division) Islamabad.
 - iii. Allow for re-advertisement / publishing the post of Assistant Manager (Demand Forecasting) in the daily newspapers for hiring from open market.
 - iv. A Selection Committee comprising upon the followings is hereby constituted to conduct the fresh interview for the posts of 02 Assistant Manager (Finance), 01 Assistant Manager (Transmission Planning) & 01 Assistant Manager (Admin) in the light of Ministry of Energy (Power Division) Islamabad letter dated 23.09.2022.

Chief Executive Officer	(Convener)
General Manager (Tech.)	(Member)
Finance Director	(Member)
Director General (MIRAD)	(Member)
Director General (HR & Admn)	(Member / Secretary)
Mr. Omer Haroon Malik	(Member)
Dy. GM (SMD) CPPA-G.	
Mr. Touseef-ur-Rehman	(Member)
Dy. Manager Load Forecast & Generation Power System Planning (NTDC), Lahore.	
 - v. Date for calling the eligible candidates for interview for the above posts shall be fixed by the convener of the Committee.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

Agenda item-8

Matters relating to Policy, Strategy, Market Reforms & Risk Management Committee

a

Decision for approval of External Electrification of Etihad Garden Housing Society (Block A,B&C) Rahim Yar Khan in the light of direction by NEPRA.

Proceedings:

With permission of the Chair, agenda was presented by Chief Engineer (P&E). He informed the Board that matter regarding external Electrification of Etihad Garden Housing Society (Block

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A,B&C) Rahim Yar Khan in the light of direction by NEPRA was presented in 2nd Policy, Strategy, Market Reform & Risk Management Committee meeting held on 08-10-2022 wherein, the Committee has recommended the case to Board for approval.

One of Board members pointed out that it was decided in PSM & Risk Management Committee that feeders' cost will be borne by the sponsor but the same has not been mentioned in the presented working paper. He proposed to make the said clause part & parcel of the terms & conditions. All other members agreed with the proposal.

Chief Engineer (P&E) further requested that as per the directions of the Honorable High Court and in the light of clarification given by NEPRA, external electrification of Etihad Garden be approved on the following terms and conditions:

- i) MEPCO as per the application of the sponsor of the society Etihad Garden HS shall provide 19.2MW load to the housing society.
- ii) Since the Etihad Garden HS is expanding and once the load exceeds 20MW then the sponsor shall construct his own independent Grid Station at his own cost as per the policy in vogue.
- iii) DN as per latest store rates shall be paid by the Etihad Housing Scheme.
- iv) 04 Acre land shall be transferred in the name of MEPCO free of cost plus Etihad Garden housing society shall deposit grid sharing cost @ (Rs. 5344/kW - Rs. 2672/KW from Sponsor and Rs. 2672/KW by residents at the time of connection) and 50% @ Rs. 5344/Kw by MEPCO, for the load 19.2 MW being approved as per policy in vogue at that time.
- v) If sponsor requests for electrification of additional area, he will construct his own dedicated Grid Station as defined in NEPRA CSM-2021 and will not claim refund of his already paid Grid Sharing Cost and land. The sponsor has submitted an undertaking in this regard


While concluding, the Board agreed to endorse the recommendations of PSM & Risk Management Committee with further direction to the management that all of the above provisions should explicitly be made part of the undertaking from the sponsor. Furthermore, the decision of electrification will only be effective once all the terms & conditions are duly fulfilled by the sponsor.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R12 RESOLVED that considering the request of General Manager (Tech) and recommendations of Policy, Strategy, Market Reforms & Risk Management Committee, approval is hereby accorded for external electrification of Etihad Garden Housing Scheme, Rahim Yar Khan in accordance with the policy in vogue at the time of registration of application of the society with latest store rates as per NEPRA Clarification TCD06/3866-2022 dated July 6, 2022 on above terms & conditions.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO. 

- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

b

To consider the letter received from Ministry of Energy (Power Division) dated 09-09-2022 regarding Performance Agreement / Contract for FY 2022-23.

Proceedings:

With permission of the Chair, agenda was presented by General Manager (CS). He informed the Board that matter regarding Performance Agreement / Contract for FY 2022-23 received from Ministry of Energy (Power Division) was presented in 2nd Policy, Strategy, Market Reform & Risk Management Committee meeting held on 08-10-2022 wherein, the Committee has forwarded the case to the Board for signing the Performance Agreement/ Contract by Chairman BoD on behalf of Board.

After due consideration, the Board resolved as follows.

Resolution

192-BOD-R13 RESOLVED that considering the request of General Manager (CS) and recommendations of PSM & Risk Management Committee, approval for Performance Agreement / Contract for FY 2022-23 received from Ministry of Energy (Power Division) is hereby accorded.

FURTHER RESOLVED that the Chairman BoD will sign the Performance Agreement/ Contract on behalf of Board.

The resolution is based on the following confirmations by the management of MEPCO.

- a) No material information has been withheld and the working papers represent all facts of the case.
- b) All legal and codal formalities have been complied with.
- c) There is no conflict of interest of any officer of the MEPCO.
- d) Certified that the case has been checked by the sponsoring officer and is complete in all respects for consideration of Board of Directors, MEPCO.
- e) Concerned official/officer of MEPCO's management would be liable for any omission/misstatement of the facts and figures in the working papers.

The meeting ended with thanks to and from the chair.

(Engr. Sajid Yaqoob)
Company Secretary MEPCO

Terms of Reference of HR & Nomination Committee

1. Objectives

The Committee is constituted in accordance with the Public Sector Companies (Corporate Governance) Rules 2013 as amended from time to time and other applicable laws in order to assist and support the Board in strategic decision making.

2. Term of Office

The HR & Nomination Committee Members shall be appointed for a term expiring at the earlier i) of three years; or ii) the expiry of the current term of the Board, and is to be nominated by the Board of Directors (BOD).

The BOD shall review the terms of office and performance of the HR & Nomination Committee and each of its members at least once in every three years to determine whether the HR & Nomination Committee and its Members have carried out their duties in accordance with their Terms of Reference (TOR).

3. Composition of Members

The BOD shall appoint the HR & Nomination Committee members.

4. Chairperson of Committee

The HR & Nomination Committee shall be headed by the Chairperson who will be amongst the Members and shall be selected by the BOD or by the members of Committee themselves.

5. Secretary

- a) The Company Secretary will act as the Secretary of the HR & Nomination Committee.
- b) The Secretary of the HR & Nomination Committee shall be responsible for drawing up the Agenda with the concurrence of the Chairperson of the Committee.
- c) The Secretary will also be responsible for preparation and keeping the minutes of the meeting of the HR & Nomination Committee for circulation amongst the Members and to follow up outstanding matters.

6. Agenda of the Meeting

- i. The Management shall forward the working papers to the Secretary. Agenda items shall be set out by the Secretary in consultation with the Chairperson.
- ii. The Secretary, with support as necessary or appropriate from the management, shall ensure that agenda for each upcoming meeting of the Committee be circulated to each member of the Committee as per rules. Although in case of urgency this condition may be relaxed with the permission of Chairperson. Any member of the Committee may suggest the inclusion of items on such agenda with the permission of the Chairperson which is not on the agenda for that meeting.

7. Terms of Reference

The HR & Nomination Committee will send its recommendations to the Board for its consideration for following matters:-

As HR Committee:

- i. Consider and assist the Board with all employee-related matters including recruitment, training, remuneration, performance evaluation, succession planning, and measures for effective utilization of the employees of the Company.
- ii. To review, monitor and make recommendations to the Board of Directors on Company's human resource management strategy and policies that pertain to staffing, compensation, benefits, and related issues of strategic importance that directly affect company's ability to recruit, develop and retain the highly qualified staff needed to achieve its targets.
- iii. To review, formulate / recommend policies related to local & foreign trainings of the employees / officers, selection, promotion, transfer & posting, job description & specification, leave, pay scales, TA/DA, overtime, disciplinary & conduct rules, service rules, creation & abolition of a post / department, appeal hearings / recommendations falling under BOD's jurisdiction.
- iv. To review any external evaluations of Company's human resource strategy & policies and report to the Board its findings and recommendations on such issues.
- v. To undertake 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.
- vi. To formulate recommendations to the Board regarding selection, evaluation, development, compensation (including retirement benefits) of Chief Financial Officer, Company Secretary and Head of Internal Audit;
- vii. To consider and formulate recommendations on proposals by the Chief Executive Officer on such matters for key management positions who report directly to the Chief Executive Officer.

As Administration Committee:

- i. Formulation, review / recommendations of policies / procedure related to the transport, logistics, general services, allotment of accommodations & office location / space, maintenance of buildings (offices & residential), construction of offices & residential colonies and overall security.
- ii. Review and recommendations related to creation of Circle, Division, Sub Division & other offices.
- iii. Review and recommendations related to any other issues related to administration.

As Nomination Committee:

- i. To identify, evaluate and recommend candidates after examining their skills and characteristics that are needed in such candidates for vacant positions, including

casual vacancies, on the Board, for the consideration of the shareholders or the Board, as the case may be.

- ii. To regularly review the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Board and make recommendations to the Board with regard to any changes.
- iii. To ensure plans are in place for orderly succession to Board and Senior Management positions and oversee the development of a diverse pipeline for succession, taking into account the challenges and opportunities facing the Company, and the skills and expertise needed on the Board in the future.
- iv. To keep under review the leadership needs of the Company, both executive and non-executive, with a view to ensuring the continued ability of the Company to achieve its targets.
- v. Be responsible for identifying and nominating for the approval of the Board, suitable candidates to fill Board vacancies as and when they arise.

Note:

- a) Any other assignment given by the Board of Directors.
- b) The Committee shall consider any matter which it thinks appropriate for redressal.

8. Meetings

- a. The HR & Nomination Committee meeting shall be conducted at least four (4) times during one fiscal year. Meetings may be more frequently as circumstances dictate.
- b. The Chairperson of the HR & Nomination Committee may call meeting at any time at their discretion.
- c. Meeting shall be presided by the Chairperson.
- d. In the absence of the Chairperson, the meeting may be presided by any other member of the HR & Nomination Committee.
- e. The quorum of the meeting shall be 2/3rd of the members of the Committee.
- f. All decisions of the Committee shall be by way of simple majority of the members in attendance. In the event of a deadlock the Chairperson of the Committee shall exercise a casting vote.

9. Participation of the HR & Nomination Committee

In addition to the HR & Nomination Committee Members, the Chairperson can opt any other members of Board (for special reasons) and can call any Concerned Manager or responsible person from any Department as and when required by the HR & Nomination Committee for explanation or clarification.

10. Retirement and Resignation

If any member of the HR & Nomination Committee resigns or vacates their office or ceases to be a member with the result that the number of the HR & Nomination Committee Members are reduced below three (3) then the BOD shall appoint the replacement within three (3) months after the vacancy.

11. Amendments

The TORs of the HR & Nomination Committee can be amended with the approval of BOD on the recommendations of the HR & Nomination Committee.


Company Secretary

Terms of Reference of Procurement & Disposal Committee

1. Objectives

The Committee is constituted in accordance with the Public Sector Companies (Corporate Governance) Rules 2013 as amended from time to time and other applicable laws in order to assist and support the Board in strategic decision making.

2. Term of Office

The Procurement & Disposal Committee Members shall be appointed for a term expiring at the earlier of i) three years; or ii) the expiry of the current term of the Board and is to be nominated by the Board of Directors (BOD).

The BOD shall review the terms of office and performance of the Procurement & Disposal Committee and each of its members at least once in every three years to determine whether the Procurement & Disposal Committee and its Members have carried out their duties in accordance with their Terms of Reference (TOR).

3. Composition of Members

The BOD shall appoint the Procurement & Disposal Committee members.

4. Chairperson of Committee

The Procurement & Disposal Committee shall be headed by the Chairperson who will be from amongst the Members and shall be selected by the BOD.

5. Secretary

- a) The Company Secretary will act as the Secretary of the Procurement & Disposal Committee.
- b) The Secretary of the Procurement & Disposal Committee shall be responsible for drawing up the Agenda with the concurrence of the Chairperson of the Committee.
- c) The Secretary will also be responsible for preparation and keeping the minutes of the meeting of the Procurement & Disposal Committee for circulation amongst the Members and to follow up outstanding matters.

6. Agenda of the Meeting

- i. The Management shall forward the working papers to the Secretary. Agenda items shall be set out by the Secretary in consultation with the Chairperson.
- ii. The Secretary, with support as necessary or appropriate from the management, shall ensure that agenda for each upcoming meeting of the Committee be circulated to each member of the Committee as per rules. Although in case of urgency this condition may be relaxed with the permission of Chairperson. Any member of the Committee may suggest the inclusion of items on such agenda with the permission of the Chairperson which is not on the agenda for that meeting.

7. Terms of Reference

The Procurement & Disposal Committee will send its recommendations to the Board for its consideration for the following matters:-

- a. To review and recommend to BOD for approval:-
 - i. Procurement Policies;
 - ii. Annual Procurement plan for store items;
 - iii. Annual procurement plan for project construction;
 - iv. Changes in material specification or design;
 - v. Material inspection policies
 - vi. Disposal of scrap material.
- b. To review and recommend:-
 - i. Policies for stock levels, recorder level and consumption of the material.
 - ii. Appointment of third-party inspection services.
 - iii. In house or third-party services for specification/design improvement of the material for energy conservation.
- c. To receive the complaints of the suppliers and decide the matter for better transparency.
- d. To review the existing policies and recommend the steps to BOD for improving transparency.
- e. To supervise and oversee the pre-qualification/registration process of new firms in MEPCO.
- f. To ensure that proper system is in place to evaluate the performance of key suppliers against the performance indicators e.g., product quality, mean time between failure, percentage of incoming rejects (delivery accuracy), number of defects during the warranty period, number of defects beyond warranty period, product/service quality (against agreed specifications), call-out time, after sales service response time, relationship/account management and costs etc.
- g. To ensure that appropriate systems/internal controls are in place for the procurement of goods, services, and civil works so as to enhance transparency and to manage the stocks/spares/ material and civil works projects, in an efficient and effective manner.
- h. To identify, review and recommend innovative procurement practices/strategies and stock management policies to strengthen, streamline and speed up the procurement process and to ensure that procurement process achieves value for money in delivering the corporate strategy and strategic priorities.
- i. To consider and review the reports of Grievances and Redressal Committee constituted in pursuance of the provisions of Public Procurement Rules under PPRA reports in a prescribed format.
- j. To consider the impact of promulgation or amendment of law, rule or regulation pertaining to the procurement/award of contract.

8. Meetings

- a. The Procurement & Disposal Committee meeting shall be conducted at least four (4) times during one fiscal year. Meetings may be more frequently as circumstances dictate.
- b. The Chairperson of the Procurement & Disposal Committee may call meeting at any time at their discretion.
- c. Meeting shall be presided by the Chairperson.

- d. In the absence of the Chairperson, the meeting may be presided by the any other member of the Procurement & Disposal Committee.
 - e. The quorum of the meeting shall be two third of the members.
- All decisions of the Committee shall be by way of simple majority of the members in attendance. In the event of a deadlock the Chairperson of the Committee shall exercise a casting vote.

9. Participation of the Procurement & Disposal Committee

In addition to the Procurement & Disposal Committee Members, the Chairperson can call any Concerned Manager or responsible person from any Department as and when required by the Procurement & Disposal Committee for explanation or clarification.

10. Retirement and Resignation

If any member of the Procurement & Disposal Committee resigns or vacates their office or ceases to be a member with the result that the number of the Procurement & Disposal Committee Members are reduced below three (3) then the BOD shall appoint the replacement within three (3) months after the vacancy.

11. Authority

The Procurement & Disposal Committee shall be empowered by the BOD in accordance with procedure to be determined by the BOD and the Procurement & Disposal Committee.

- a. Be authorized to investigate any activity within its terms of reference. Employees shall be directed to extend full co-operation and facilitate the Procurement & Disposal Committee in accomplishing its tasks.
- b. Have unrestricted access to all procurement related information, documents and resources required to fulfill the duties and responsibilities.
- c. May obtain, at the expense of Company, any independent professional or operational advice from outsiders to seek the experience and expertise, if it considers necessary.

12. Amendments

The TOR of the Procurement & Disposal Committee can be amended with the approval of BOD on the recommendations of the Procurement & Disposal Committee.


Company Secretary



Terms of Reference of Audit & Finance Committee

1. Objectives

The Committee is constituted in accordance with the Public Sector Companies (Corporate Governance) Rules 2013 as amended from time to time and other applicable laws in order to assist and support the Board in strategic decision making.

2. Term of Office

The Audit and Finance Committee Members shall be appointed for a term expiring at the earlier of i) three years; or ii) the expiry of the current term of the Board, and is to be nominated by the Board of Directors (BOD).

The BOD shall review the terms of office and performance of the Audit and Finance Committee and each of its members at least once in every three years to determine whether the Audit and Finance Committee and its Members have carried out their duties in accordance with their Terms of Reference (TOR).

3. Composition of Members

The Board shall appoint the Committee comprising not less than three members including the Chairperson majority of whom shall be independent directors of the company. The Board shall appoint a Chairperson of the Committee preferably from independent directors. The Chairperson of the BOD & Chief Executive Officer will not be the members of the Audit & Finance Committee. A quorum shall be 2/3rd of the members of the Committee.

4. Chairperson of Committee

The Audit and Finance Committee shall be headed by the Chairperson who will be from amongst the members, but the Chairperson cannot be the Chairman of the Board or the Chief Executive Officer.

5. Secretary

- a) The Company Secretary will act as the Secretary of the Audit and Finance Committee.
- b) The Secretary of the Audit and Finance Committee shall be responsible for drawing up the Agenda with the concurrence of the Chairperson of the Committee.
- c) The Secretary will also be responsible for preparation and keeping the minutes of the meeting of the Audit and Finance Committee for circulation amongst the Members and to follow up outstanding matters.

6. Agenda of the Meeting

- i. The Management shall forward the working papers to the Secretary. Agenda items shall be set out by the Secretary in consultation with the Chairperson.
- ii. The Secretary, with support as necessary or appropriate from the management, shall ensure that agenda for each upcoming meeting of the Committee be circulated to each member of the Committee as per rules. Although in case of urgency this condition may be relaxed with the permission of the Chairperson. Any member of the Committee may suggest the inclusion of items on such agenda with the permission of the Chairperson which is not on the agenda for that meeting.

7. Purpose

The Audit & Finance Committee (hereinafter referred as Committee) is established as a Committee of the Board. The purpose of the Committee is to assist the Board of Directors of Multan Electric Power Company Limited (MEPCO) in fulfilling its overall corporate responsibilities more specifically with respect to:

- a. Overseeing the whole process of financial accounting and reporting;
- b. Examine the internal control structure and procedures;
- c. Monitoring the reliability, adequacy and appropriateness of financial statements;
- d. Consider effectiveness of risk management processes and mitigating measures; and
- e. Review the process of selection and compensation of external auditor to ensure their independence and evaluate their performance.

8. Meetings

- a. The Audit and Finance Committee meeting shall be conducted at least four (4) times during one fiscal year. Meetings may be more frequently as circumstances dictate.
- b. The Chairperson of the Audit and Finance Committee may call meeting at any time at his discretion.
- c. In the absence of the Chairperson, the meeting may be presided by any other member of the Audit and Finance Committee.
- d. The quorum of the meeting shall be $2/3^{\text{rd}}$ of the members of the Committee.
- e. The CFO/FD, head of internal audit and representative of external audit shall attend the meetings of the Committee at which issues relating to audit are discussed or on the invitation of the Committee;
- f. The Committee will meet at least once a year with CFO/Finance Director;
- g. Provided that at least once a year, the Committee shall meet the external auditors without FD/CFO and the head of internal audit being present.
- h. Provided further that at least once a year, the Committee shall meet the head of internal audit and other members of the internal audit function without the FD/CFO and the external auditors being present.

- i. The FD/CFO, the external auditor or the head of internal audit function may request a meeting if they consider that a meeting is necessary.
- j. All decisions of the Committee shall be by way of simple majority of the members in attendance. In the event of a deadlock, the Chairperson of the Committee shall exercise a casting vote.

9. Authority

The Committee has the authority from the Board to:

- a. investigate any matter within its terms of reference;
- b. seek any information from any employee of the company. All employees are directed to co-operate with the Committee and its members.
- c. obtain outside independent legal or other professional advice at the Company's expense and can also secure the attendance of outsiders with relevant experience/expertise if it considers this necessary.

10. Terms of Reference

The Audit & Finance Committee will send its recommendations to the Board for its consideration for following matters:-

As Audit Committee:

- A. The Committee shall be responsible for managing and reporting to the Board including:
 - i. determination of appropriate measures to safeguard the Company's assets;
 - ii. review and approval of financial results/statements;
 - iii. review of quarterly, semi-annual and annual financial statements of the Company, prior to their approval by the Board, focusing on:
 - a. major judgment areas;
 - b. significant adjustments resulting from the audit;
 - c. the going-concern assumption;
 - d. any changes in accounting policies and practices; and
 - e. compliance with applicable accounting standards.
 - iv. facilitating the external audit and discussion with external auditors on 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);
 - v. review of management letter issued by external auditors and management's response thereto;
 - vi. ensuring coordination between the internal and external auditors of the Company;
 - vii. review of the scope and extent of internal audit and ensuring that the internal audit function has adequate resources and is appropriately placed within the Company;
 - viii. consideration of major findings of internal investigations and management's response thereto;

- ix. ascertaining that the internal control system including financial & operational controls, accounting system and reporting structure are adequate & effective;
- x. to review the Company's internal control systems prior to endorsement by the Board;
- xi. to recommend Corporate Social Responsibility (CSR) initiatives to be undertaken by the Company and ensure the Company's adherence to its Corporate Social Responsibility (CSR) goals. In this regard, the Committee may engage any other committee or member of any other committee having expertise & relevant experience for a particular initiative;
- xii. assisting the Board in preparing the Directors' Report and collecting key performance indicators from the relevant committees for such purpose;
- xiii. recommending the hiring or removal of the chief internal auditor;
- xiv. instituting special projects, value for money studies or other investigations on any matter specified by the Board, in consultation with the Chief Executive and to consider remittance of any matter to the external auditors or to any other external body
- xv. determination of compliance with relevant statutory requirements;
- xvi. monitoring compliance with the best practices of corporate governance and identification of significant violations thereof;
- xvii. overseeing whistle-blowing policy and protection mechanism;
- xviii. to ensure that the external auditors do not perform management functions or make management decisions;
- xix. to review and approve the audit charter necessary for the internal audit function;
- xx. to review and evaluate details of all related party transactions pertaining to the Company and make necessary recommendations to the Board for its review and approval;
- xxi. To provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk.
- xxii. Consideration of any other issue or matter as may be assigned by the Board

B. The Committee shall be responsible for managing the relationship of the Company with the external auditors on behalf of the Board including:

- i. suggesting the appointment of the external auditor and to consider any question related to the audit fee;
- ii. to consider any questions of resignation or dismissal of external auditors and the provision of services by such auditors;
- iii. considering the objectives and scope of any non-financial audit or consultancy work proposed to be undertaken by the external auditors; and reviewing the remuneration for this work;
- iv. discussing with the external auditors before the audit commences regarding the scope of the audit and the extent of reliance on internal audit and other review agencies;

- v. discussing with the external auditors any significant issues from the review of the financial statements by the management, and any other work undertaken or overseen by the audit Committee
 - vi. to review and consider the external auditors' communication with management and management's response thereto;
 - vii. review progress on accepted recommendations from the external auditors.
- C. The Committee shall make recommendations to the Board, on the matters related to the following:-
- a. Acquisition/disposal of fixed assets and investments; borrowing of moneys, placement of surplus funds, mortgage of Company's assets exceeding the financial power of the CEO.
 - b. The write-off of cases with reference to Audit Paras,
 - c. Write-off the bad or doubtful debts, advances, and receivables;
- D. Consider any other issue or matter assigned by the Board of Directors.

As Finance Committee:

- a) To review the tariff petitions to be filed with regulator.
- b) To exercise general financial oversight of the Company in budgeting and fiscal planning;
- c) Developing annual budget and multi-year budget of the Company in consultation with the relevant personnel for Board approval;
- d) Periodically monitor adherence to budgetary targets;
- e) Ensure maintenance of appropriate capital structure;
- f) To develop long term financial goals of the Company in consultation with the relevant personnel for Board approval;
- g) To formulate recommendations on all the matters related to accounts/ investment in Banks and fixed assets.
- h) forming opinions on and assisting the Board on decision of financial importance requiring a significant element of judgment;
- i) to consider and formulate recommendations for the Board on all the effect of unusual transactions on the financial statement and its disclosure;
- j) considering and forming recommendations for the Board in respect of material payments of Government Dues, including income tax, excise and custom duties, and other statutory dues;
- k) To review all matters related to borrowing of money;
- l) To review annual Corporate Budget, financial forecasts, and monitor operational financial performance against business plans;
- m) Revision in Book of Financial Powers.
- n) To recommend changes to financial policies & control;
- o) To ensure that appropriate arrangements exist to identify significant financial risks.
- p) Scrutinize/evaluate matters relating to treasury function of the Company;

q) Consider any other issue or matter assigned by the Board of Directors.

11. Participation of Audit & Finance Committee

In addition to the Audit Committee members, the Chairperson can opt any other members of the Board (for special reasons) and can call any concerned manager or responsible person from or related to any department (including the chief financial officer, chief internal auditor, representative of the external auditors) as and when required for explanation or clarification.

12. Retirement and Resignation

If any member of the Audit and Finance Committee resigns or vacates their office ceases to be a member with the result that the number of the Audit and Finance Committee Members are reduced below three (3) then the BOD shall appoint the replacement within three (3) months after the vacancy.

13. Reporting

- a. The secretary shall coordinate the meetings and circulate the minutes of the meetings to all members of the Committee and the Chairperson of the Board; and other Board members and persons including CFO/Finance Director, head of internal audit and external auditors.
- b. The Committee shall annually review the terms of reference and its own effectiveness and recommend to the Board necessary changes.
- c. The Committee will prepare an annual report on its role and responsibilities and the actions it has taken to discharge its responsibilities for inclusion in the annual report which report will specifically include:
 - i) summary of the role of the Committee;
 - ii) the names and qualifications of the members of the Committee during the year;
 - iii) The number of the Committee meetings and attendance by each member; and
 - iv) the way the Committee has discharged its responsibilities.
- d. In case of disagreement between the Committee and the Board, the Committee will report to the shareholders as part of the report on its activities to be included in annual report.
- e. In case the Board does not accept the Committee's recommendations on the appointment, reappointment and removal of the external auditors, the Committee shall include a statement explaining the recommendations and the reasons why the Board has taken a different stance.
- f. The Committee and/ or its Chairperson will attend the AGM and other Board meetings where matters relating to audit are discussed.

14. Amendments

The TOR of the Audit and Finance Committee can be amended with the approval of BOD on the recommendations of the Audit and Finance Committee.


Company Secretary



Terms of Reference of Customer Services, HSE & Quality Assurance Committee

1. Objectives

The Committee is constituted in accordance with the Public Sector Companies (Corporate Governance) Rules 2013 as amended from time to time and other applicable laws in order to assist and support the Board in strategic decision making.

2. Term of Office

The Customer Services, HSE & Quality Assurance Committee Members shall be appointed for a term expiring at the earlier of i) three years; or ii) the expiry of the current term of the Board, and is to be nominated by the Board of Directors (BOD).

The BOD shall review the terms of office and performance of the Customer Services, HSE & Quality Assurance Committee and each of its members at least once in every three years to determine whether the Customer Services, HSE & Quality Assurance Committee and its Members have carried out their duties in accordance with their Terms of Reference (TOR).

3. Composition of Members

The BOD shall appoint the Customer Services, HSE & Quality Assurance Committee members.

4. Chairperson of Committee

The Customer Services, HSE & Quality Assurance Committee shall be headed by the Chairperson who will be amongst the Members and shall be selected by the BOD or by the members of Committee themselves.

5. Secretary

- a) The Company Secretary will act as the Secretary of the Customer Services, HSE & Quality Assurance Committee.
- b) The Secretary of the Customer Services, HSE & Quality Assurance Committee shall be responsible for drawing up the Agenda with the concurrence of the Chairperson of the Committee.
- c) The Secretary will also be responsible for preparation and keeping the minutes of the meeting of the Customer Services, HSE & Quality Assurance Committee for circulation amongst the Members and to follow up outstanding matters.

6. Agenda of the Meeting

- i. The Management shall forward the working papers to the Secretary. Agenda items shall be set out by the Secretary in consultation with the Chairperson.

- ii. The Secretary, with support as necessary or appropriate from the management, shall ensure that agenda for each upcoming meeting of the Committee be circulated to each member of the Committee under the rules. Although in case of urgency this condition may be relaxed with the permission of Chairperson. Any member of the Committee may suggest the inclusion of items on such agenda with the permission of the Chairperson which is not on the agenda for that meeting.

7. Terms of Reference

The Customer Services, HSE & Quality Assurance Committee will send its recommendations to the Board for its consideration for following matters:-

As Customer Services Committee:

- i. To review and recommend the policies related to customer services emanating from the provisions of NEPRA Consumer Service Manual or as referred to it by the organization heads.
- ii. To discuss and recommend the resolutions of the customer complaints referred by the BOD, NEPRA, Ministry of Energy (Power Division) and other vital forums
- iii. To review monthly, quarterly and annual progress of the organizational performance in respect of service delivery before presenting its report to the BOD
- iv. To organize an annual customer satisfaction survey for which the Committee may cause to devise necessary tools to manage it.
- v. To create proposals for modernization of complaint management and customer feedback systems and periodically review existing policies and mechanisms in place for recommendation to the Board.
- vi. To review quarterly progress of the organization related to customer satisfaction before presenting its report to the BOD.
- vii. To recommend the Board to execute the powers of BOD as entrusted in Book of Financial Powers to the BOD related to the customers' payments and billing matters.
- viii. To recommend the Board for determination of terms of credit and discount to customers.
- ix. To review and introduce public awareness & public relation policies.
- x. To review Business Policies for specialized categories of consumers.
- xi. To provide guidance in improving the level of customer service.

As Health, Safety, Environment Committee:

- i. Periodically review and recommend to update the MEPCO Safety Manual as required by the NEPRA Power Safety Code 2014, and seek input from Legal Committee as and when required.
- ii. To oversee and ensure that MEPCO Engineers in consultation with line staff ensure availability and continued use of adequate PPE and apparel of international standards.
- iii. To ensure continuous and up to date 'in-house training' of all field engineering staff with all necessary third-party assistance. This training must cover Safety Audits, Instrumentation & Calibration. The international standards of inspection must be understood for Transformers, Switchgear and Cable {High Voltage (HV)&Medium

Voltage (MV)}.

- iv. To ensure conducting of regular training programs for all technicians on the subject of 'safe electrical working practices' with a view to understand hazards during installation and LV, MV & HV operations.
- v. To consider that all field staff understands and appreciates that working at heights is a major cause of fatality and injuries and receives appropriate training in SOPs in relation thereto.
- vi. To check that the Fire Safety Regulations, Fire Detection and Fire Suppression standards are understood by the staff, and all such standards are complied with.
- vii. To make periodic review of the non-technical staff in relation to good HSE practices.
- viii. To review and monitor the safety, health and environment related policies and activities of the Company on behalf of the Board to ensure that the Company is in compliance with appropriate laws and legislation and report to the Board, as and when necessary. Wherever feasible, seek specialist help from market sources and especially from the consultants providing HSE training workshops.
- ix. Periodically seeking, compiling and reviewing reports on accidents, dangerous occurrences (including issues of field staff security), safety, health and environmental pollution & other matters and present to the Board. It include the following:
 - Receive regular updates from management with respect to HSE related compliance issues and incidents to determine, on behalf of the Board. That the Company is taking all necessary actions and has been duly diligent in carrying out its responsibilities and activities in this regard.
 - Ensure that principal areas of HSE risks and impacts are identified and sufficient resources are allocated to address them.
 - Review and inquire as to the extent internal controls can be relied upon to detect weaknesses in the Company's policies and practices relating to HSE risks or actions.
 - Investigate, or cause to be investigated, any extraordinary negative safety, health and environmental related performance issues where appropriate.
 - Ensure that the organization's core operating values, policies & procedures are HSE compliant.
- x. Compilation of relevant HSE Key Performance Indicators (KPIs) for referral to Board for inclusion in Directors' Report.
- xi. Consider any other issue or matter assigned by the Board of Directors.

8. Members

- a. The Customer Services, HSE & Quality Assurance Committee meeting shall be conducted at least four (4) times during one fiscal year. Meetings may be more frequently as circumstances dictate.
- b. The Chairperson of the Customer Services, HSE & Quality Assurance Committee may call a meeting at any time at their discretion.
- c. Meeting shall be presided by the Chairperson.
- d. In the absence of the Chairperson, the meeting may be presided by any other member of the Customer Services, HSE & Quality Assurance Committee.

- e. The quorum of the meeting shall be 2/3rd of the members of the Committee.
- f. All decisions of the Committee shall be by way of simple majority of the members in attendance. In the event of a deadlock the Chairperson of the Committee shall exercise a casting vote.

9. Participation of the Health, Safety, Environment & Customer Services Committee

In addition to the Customer Services, HSE & Quality Assurance Committee Members, the Chairperson can opt any other members of Board (for special reasons) and can call any Concerned Manager or responsible person from any Department as and when required by the Customer Services, HSE & Quality Assurance Committee for explanation or clarification.

10. Retirement and Resignation

If any member of the Customer Services, HSE & Quality Assurance Committee resigns or vacates their office or ceases to be a member with the result that the number of the Customer Services, HSE & Quality Assurance Committee Members are reduced below three (3) then the BOD shall appoint the replacement within three (3) months after the vacancy.

11. Amendments

The TOR of the Customer Services, HSE & Quality Assurance Committee can be amended with the approval of BOD on the recommendations of the Customer Services, HSE & Quality Assurance Committee.


Company Secretary



Terms of Reference for Policy, Strategy, Market Reforms & Risk Management Committee

1. Objectives

The Committee is constituted in accordance with the Public Sector Companies (Corporate Governance) Rules 2013 as amended from time to time and other applicable laws in order to assist and support the Board in strategic decision making.

2. Term of Office

The Policy, Strategy, Market Reforms & Risk Management Committee members shall be appointed for a term expiring at the earlier of i) three years; or ii) the expiry of the current term of the Board, and is to be nominated by the Board of Directors (BOD).

The BOD shall review the terms of office and performance of the Policy, Strategy, Market Reforms & Risk Management Committee and each of its members at least once in every three years to determine whether the Policy, Strategy, Market Reforms & Risk Management Committee and its members have carried out their duties in accordance with their Terms of Reference (TOR).

3. Composition of Members

- a) The BOD shall appoint the Policy, Strategy, Market Reforms & Risk Management Committee members. MEPCO CEO, CFO, General Manager Technical and DG MIRAD will be the members of the Committee from the management side.
- b) The quorum of the meeting shall be 2/3rd of the members of the Committee

4. Chairperson of Committee

- a) The Chairperson Policy, Strategy, Market Reforms & Risk Management Committee shall preside as Chair at each Committee meeting, lead the Committee discussion on meeting agenda items and present the recommendations of the Policy, Strategy, Market Reforms & Risk Management Committee before the Board, on behalf of the Committee.

5. Secretary

- a) The Company Secretary will act as the Secretary of the Policy, Strategy, Market Reforms & Risk Management Committee.
- b) The Secretary of the Policy, Strategy, Market Reforms & Risk Management Committee shall be responsible for drawing up the Agenda with the concurrence of the Chairperson of the Committee.
- c) The Secretary will also be responsible for preparation and keeping the minutes of the meeting of the Policy, Strategy, Market Reforms & Risk Management

Committee for circulation amongst the Members and to follow up outstanding matters.

6. Agenda of the Meeting

- a) The Management shall forward the working papers to the Secretary. Agenda items shall be set out by the Secretary in consultation with the Chairperson.
- b) The Secretary, with support as necessary or appropriate from the management, shall ensure that agenda for each upcoming meeting of the Committee be circulated to each member of the Committee as per rules. Although in case of urgency this condition may be relaxed with the permission of the Chairperson. Any member of the Committee may suggest the inclusion of items on such agenda with the permission of the Chairperson which is not on the agenda for that meeting.

7. Terms of Reference

The Policy, Strategy, Market Reforms & Risk Management Committee will send its recommendations to the Board for its consideration for following matters:-

a) Business Planning

- i. To keep the Board up-to-date and fully informed about strategic issues and commercial changes affecting the Company.
- ii. Provide guidance to the management on the strategic objectives, specific strategic priorities, targets and goals and related initiatives to prepare the organization for achieving its core purpose and vision.
- iii. Recommending overall strategic and operational goals to ensure the long-term financial sustainability of the organization while ensuring that the interest of all the stakeholders are addressed.
- iv. Providing recommendation of the strategic planning process within the Company and delegate responsibilities to CEO and the functional heads of the concerned formations. The business planning process will include the life cycle of the plan from its formation, approval, changes, resources provision, monitoring and control to closure.
- v. Analyze year-wise goals and objectives (part of the business plan) proposed by the management of the Company for the next five years before they are tabled before the Board for approval.
- vi. Scrutinize the strategic business plan prepared by the management to meet the approved goals and objectives before the plan is tabled before the Board for approval. The Committee will assist the Board in approving the plan.
- vii. Provide guidance and assistance in the execution of the plans and hold management responsible in relation thereto. The Committee will receive monthly and quarterly progress reports from the management informing the Committee on the status of the projects approved.
- viii. Scrutinize material changes in the business plan, if needed, before it is presented to full Board.

b) Market Reforms

- i. Oversee and assist the management for meeting the requirements within the regulatory framework, especially the conditions of license and the NEPRA Act to the extent of CTBCM and reporting to the Board wherever necessary.
- ii. Before operationalisation of Competitive Trading Bilateral Contract Market (“CTBCM”), the Committee shall periodically review MEPCO related actions in CTBCM Implementation Roadmap as approved by NEPRA to ensure that the timelines are met.
- iii. Provide guidance and strategy after the operationalisation of wholesale electricity market in matters related to market operations and further transition to retail market.
- iv. Provide directions to the management to remove the functional barriers in the implementation & operationalisation of competitive market.
- v. Facilitate the capacity building of MEPCO key staff.

c) Business Performance Review

- i. The Committee will be assisted by and work closely with the strategic planning wing of the organization and assign the related executive to undertake needed reviews and analysis.
- ii. Setting up mechanisms for review of various risks including those associated with overall economic conditions, emergence of new & alternate technologies, changes in regulation & government policies, shifts in customer requirements and preferences.
- iii. To consider the progressive monthly performance review of MEPCO including monitoring of AT&C losses.
- iv. To review and recommend the policies related to PSM & Market Reforms emanating from the provisions of Consumer Services Manual of NEPRA or as referred to it by the organizational heads.
- v. To review and recommend all matters related to MEPCO Tariff and Market Operation.
- vi. To review and recommend technologies required for efficient CTBCM Market Operation.
- vii. To review internal relocation / transfer of officer in newly established Market Implementation and Regulatory Affairs Department (MIRAD).
- viii. To review and recommend the external hiring of MIRAD position from the open market.

d) Policy Framework

- i. Review technology choices to achieve the organizational goals and related mechanisms to develop the capability within the organization to effectively utilize these technologies.
- ii. Scrutinize the related policies, especially the National Electricity Policy and Alternate & Renewable Energy Policy, National Electricity Plan and other important policy instruments and ensure that the targets / requirements are captured in Business Plan.

- iii. Oversee the performance contracts assigned by Ministry of Energy to the Board of Directors to meet with the targets set by National Electricity Plan.
- iv. Oversee policy changes and ensure that requirements are reflected in the business plan.

e) Capital Expenditure

Consider the business case for admin approvals for STG projects, bifurcation of feeders, area planning, system augmentation and reconductoring that fall within the ambit of the Board and accord its recommendations to the Board with reference to the business case.

f) Risk Management Function

- i. Identify risks & bottlenecks based on consultations with management and propose strategies / measures to Board to mitigate such risks.
- ii. To review/recommend the framework policies and adequacy of resources, to identify, measure, manage and report different types of risks;
- iii. To ensure that the Company has developed and implemented an effective process to identify risk.
- iv. To regularly review key risk areas, assess the quality, integrity and effectiveness of the risk management plan & internal control systems, key performance indicators of the Company and ensure that the risk policies and strategies are effectively managed by the management.
- v. To consider and advise on risk matters referred to it by management or the Board.
- vi. To consider specific recommendations from other Committees while formulating its own priorities and specific initiatives.
- vii. Any other assignment given by the Board of Directors.

8. Members

- a. The Policy, Strategy, Market Reforms & Risk Management Committee meeting shall be conducted at least four (4) times during one fiscal year. Meetings may be held more frequently as circumstances dictate.
 - b. The Chairperson of the Policy, Strategy, Market Reforms & Risk Management Committee may call meeting at any time at their discretion.
 - c. Meeting shall be presided by the Chairperson.
 - d. In the absence of the Chairperson, the meeting may be presided by any other member of the Policy, Strategy, Market Reforms & Risk Management Committee.
 - e. The quorum of the meeting shall be $2/3^{\text{rd}}$ of the members of the Committee
- All decisions of the Committee shall be by way of simple majority of the members in attendance. In the event of a deadlock the Chairperson of the Committee shall exercise a casting vote.

9. Participation of the Policy, Strategy, Market Reforms & Risk Management Committee

In addition to the Policy, Strategy, Market Reforms & Risk Management Committee Members, the Chairperson can opt any other members of Board (for special reasons) and can call any Concerned Manager or responsible person from any Department as and when required by the Policy, Strategy, Market Reforms & Risk Management Committee for explanation or clarification.

10. Retirement and Resignation

If any member of the Policy, Strategy, Market Reforms & Risk Management Committee resigns or vacates their office or ceases to be a member with the result that the number of the Policy, Strategy, Market Reforms & Risk Management Committee Members are reduced below three (3) then the BOD shall appoint the replacement within three (3) months after the vacancy.

11. Amendments.

The TOR of the Policy, Strategy, Market Reforms & Risk Management Committee can be amended with the approval of BOD on the recommendations of the Policy, Strategy, Market Reforms & Risk Management Committee.


Company Secretary



Terms of Reference of Legal Committee

1. Objectives

The Committee is constituted in accordance with the Public Sector Companies (Corporate Governance) Rules 2013 as amended from time to time and other applicable laws in order to assist and support the Board in strategic decision making.

2. Term of Office

The Legal Committee Members shall be appointed for a term expiring at the earlier of i) three years; or ii) the expiry of the current term of the Board, and is to be nominated by the Board of Directors (BOD).

The BOD shall review the terms of office and performance of the Legal Committee and each of its members at least once in every three years to determine whether the Legal Committee and its Members have carried out their duties in accordance with their Terms of Reference (TOR).

3. Composition of Members

The BOD shall appoint the Legal Committee members.

4. Chairperson of Committee

The Legal Committee shall be headed by the Chairperson who will be from amongst the Members and shall be selected by the BOD or by the members of Committee themselves.

5. Secretary

- a) The Company Secretary will act as the Secretary of the Legal Committee.
- b) The Secretary of the Legal Committee shall be responsible for drawing up the Agenda with the concurrence of the Chairperson of the Committee.
- c) The Secretary will also be responsible for preparation and keeping the minutes of the meeting of the Legal Committee for circulation amongst the Members and to follow up outstanding matters.

6. Agenda of the Meeting

- i. The Management shall forward the working papers to the Secretary. Agenda items shall be set out by the Secretary in consultation with the Chairperson.
- ii. The Secretary, with support as necessary or appropriate from the management, shall ensure that agenda for each upcoming meeting of the Committee be circulated to each member of

the Committee as per rules. Although, in case of urgency this condition may be relaxed with the permission of Chairperson. Any member of the Committee may suggest the inclusion of items on such agenda with the permission of the Chairperson which is not on the agenda for that meeting.

7. Terms of Reference

The Legal Committee will send its recommendations to the Board for its consideration for following matters:-

- i. To propose necessary measures for establishment of independent professional legal department, to be headed by a qualified and sufficiently experienced person.
- ii. To recommend the hiring / engagement of consultants/legal advisors to the Board where CEO is not competent by delegated powers, and in this regard, be responsible for framing the policy & recommendations for awarding of court cases to lawyers/counsels based on their expertise, performance (qualitative and quantitative) and cases won in favour of the Company. The Committee, in this regard, shall be responsible for:
 - a. Ensuring policies and parameters related to payment of professional legal fee & miscellaneous charges to the lawyers / panel advocates. Recommendation of hiring the services of the counsels / advocates on special fee basis;
 - b. Establishing of central mechanism / database of lawyers, their performance, allocation of cases, payment of fees and recommendations for enhancement of professional fees;
 - c. Supervising and advising the management with regards to the prompt compliance of court orders within specified time by the Honourable Courts.
- iii. To formulate and review policy for engagement of consultants/legal advisors by the CEO and make recommendations to the Board.
- iv. To recommend the Board for initiating, instituting, defending of all proceedings, legal or otherwise including suits, writ petitions, arbitrations, appeals before a court of law, tribunal, High Courts, arbitrators, mediators, inquiries, commissions, umpires, fora, or authorities (including without limitation) whether original, appellate, revisional or constitutional fora in matters where CEO is not competent by delegated powers of the Board.
- v. To periodically review and update the Board on the complete status and implications of all the Company's litigation (whether filed by or against) or other contentious matters/cases, whether financial or otherwise.
- vi. Ensuring compliance of Corporate Governance Rules, and the issuance of statements and reports to that effect, as required by law.
- vii. Review of new enactments or amendment of a law, rule, or regulation, or such other matter as may affect the Company, and making appropriate recommendations to the Board in relation thereto;
- viii. On its own accord, or when called upon to do so by the Board or a committee, as the case may be, review any changes in the relevant legal or regulatory framework and

- assist/update relevant committees in order to ensure compliance with the latest statutory and regulatory requirements. Such assistance includes but is not limited to assisting the:
- a. Procurement and Disposal Committee in compliance with any changes in public procurement laws, updates on any procurement related disputes and lawsuits;
 - b. Human Resource Committee in any changes to the labour law, ongoing or potential labour disputes/lawsuits, employment contracts etc.;
 - c. Audit and Finance Committee with related party transactions, legal taxation regime, disclosure requirements, filings;
 - d. Policy, Strategy, Market Reform, and Risk Management Committee with compliance with legal and regulatory compliances; and
 - e. Health, Safety, Environment and Customer Services Committee with compliance of, *inter alia*, applicable environmental laws, consumer protection laws.
- ix. Review, assist, and advise the Board on any issues of law that are raised by it.
 - x. Framing & review of internal and external legal policies for appropriate recommendations to the Board.
 - xi. To oversee all regulatory affairs and respond, direct, and comply with all regulatory notices, compliances, disclosures etc, in consultation with all other Committees.
 - xii. To maintain record of all existing and future licensing requirements, and to inform the Board of any lapses or requirements in relation to licensing and approvals.
 - xiii. As and when required, assist other committees of the Board on the legal implications of matters covered under their respective TORs.
 - xiv. Undertake and ensure capacity building of the Board and key MEPCO personnel to pro-actively identify and manage legal risks and to articulate appropriate responses thereto.
 - xv. Promote information sharing, coordination and consultation between Committees and departments of the Company to minimize legal risks.
 - xvi. To consider the status of lawsuits or judicial proceedings of material nature, pertaining to the procurement, filed by or against MEPCO.
 - xvii. Compliance with other statutory and legal requirements;
 - xviii. Regulatory / Statutory compliance including Tariff Petitions.
 - xix. Any other policy, recommendation, and review of issues related to legal functions.

8. Members

- a. The Legal Committee meeting shall be conducted at least four (4) times during one fiscal year. Meetings may be more frequently as circumstances dictate.
- b. The Chairperson of the Legal Committee may call meeting at any time at their discretion.
- c. Meeting shall be presided by the Chairperson.
- d. In the absence of the Chairperson, the meeting may be presided by any other member of the Legal Committee.
- e. The quorum of the meeting shall be 2/3rd of the members of the Committee.

All decisions of the Committee shall be by way of simple majority of the members in attendance. In the event of a deadlock, the Chairperson of the Committee shall exercise a casting vote.

9. Participation of the Legal Committee

In addition to the Legal Committee Members, the Chairperson can opt any other members of Board (for special reasons) and can call any Concerned Manager or responsible person from any Department as and when required by the Legal Committee for explanation or clarification.

10. Retirement and Resignation

If any member of the Legal Committee resigns or vacates their office ceases to be a member with the result that the number of the Legal Committee Members are reduced below three (3) then the BOD shall appoint the replacement within three (3) months after the vacancy.

11. Amendments

The TOR of the Legal Committee can be amended with the approval of BOD on the recommendations of the Legal Committee.


Company Secretary