

# Allied Bank Limited

## Board Remuneration Policy Summary/ Key Highlights

**Formulated by:**

Human Resource & Remuneration Committee

**Approved by:**

Board of Directors in its 243<sup>rd</sup> meeting held on December 16, 2019.

Post-Facto approval by Shareholders in Annual General Meeting dated March 25, 2020.

## Summary/ Key Highlights of the Board Remuneration Policy

- Board Remuneration Policy has been formulated by HR&RC in compliance with SBP BPRD Circular No. 3 dated August 17, 2019
- This Policy shall be applicable to all Non-Executive Directors (NEDs) including Chairman and Independent Directors
- Subsequent to the Board approval, this policy shall be approved by the Shareholders on post-facto basis in the Annual General Meeting (AGM)
- It is responsibility of the Board to ensure that the NEDs are only compensated in accordance with the instructions contained in Prudential Regulations issued by SBP from time to time.
- NEDs including Chairman and independent directors shall be paid a reasonable and appropriate remuneration for attending the Board and/or its committee meetings
- Such remuneration shall not be at a level that could be perceived to compromise their independence.

## Summary/ Key Highlights of the Board Remuneration Policy

- Board shall approve scale of remuneration to be paid to its members to attend meetings of Board and/ or its committees as per following parameters:
  - ❖ Meeting fee shall be determined on the basis of fees paid to non-executive directors by peer Banks, monthly remuneration of the CEO / Executive Directors of the Bank, time spent by the directors on attending the meetings and time involved in review of agenda items
  - ❖ No director shall be involved in deciding his own individual remuneration (if any)
  - ❖ Remuneration shall always be fixed in Pakistani Rupees
  - ❖ Remuneration to foreign Directors (if any) could be made in equivalent foreign currency
  - ❖ Maximum limits of remuneration of an NED for attending a Board and/or its committee meeting(s), would be Rs. 800,000/- per meeting
  - ❖ Board may approve additional fee up to 20% of remuneration set for a director, for performing extra services for holding the office of Chairman Board

## Summary/ Key Highlights of the Board Remuneration Policy

- NEDs would be entitled for following facilities as well:
  - ❖ Offices for Chairman at Lahore, Karachi and Islamabad with necessary secretarial support and facilities.
  - ❖ Five cars at Lahore, Karachi and Islamabad fully maintained by the Bank for Chairman & Non-Executive directors.
  - ❖ Board may approve provision of Laptops, iPads and smart phones to all or any of the Non-Executive Directors of the Bank.
- To ensure accountability of Chairman and Non-Executive Directors for their conduct and effective contribution in the Board/ Committees' meetings, their performance shall be evaluated on annual basis (Rating Scale 1 to 5; 5 being the best)
- If performance of any director or Chairman falls below level 4, the Board may deliberate upon such evaluations to adjust his remuneration till next evaluation.
- No additional payments or perquisites shall be paid to the Non-Executive Directors and Chairman except defined in Board Remuneration Policy.