

# Engro Corporation Limited

## Policy on Delegation of Financial Powers

### Purpose

The purpose of this policy is to identify and differentiate those financial powers which would be specifically exercised by the Board and those that will be delegated to the management.

### Policy Statement

The Board is committed to ensuring effective delegation of financial powers as is permissible according to the legal framework.

This policy establishes:

- Matters specifically reserved for determination by the Board of Directors; and
- Matters delegated to the Management to empower it to act effectively and make key decisions

### Matters Reserved for Determination by the Board

Matters specifically reserved for the Board in relation to delegation of financial powers, primarily disseminate from requirements of the Code of Corporate Governance & the Companies Act, as listed below:

- a) Investment and disinvestment of funds where the maturity period of such investments is six months or more
- b) Determination of the nature of loans and advances made by the company and fixing a monetary limit thereof
- c) Defining the level of materiality, keeping in view the specific circumstances of the company and the recommendations of any technical or executive sub-committee of the Board that may be set up for the purpose
- d) Review and approval of related party transactions
- e) Appointment, removal, remuneration, terms and conditions of employment of Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit
- f) Constitution of committees and appointment of Committee Chairs and approving their terms of reference;
- g) Governance of risk and determining Company's level of risk tolerance including annual review
- h) Powers vested with the Board as per Section 183 of the Companies Act (Annexure A)
- i) Significant issues to be placed for decision of the Board of Directors as per Clause 14 of the Code of Corporate Governance, as and when applicable (Annexure A)

### Matters Delegated to the Management

All matters not specifically reserved for the Board and necessary for the day-to-day management of the organization and the implementation of corporate objectives are delegated to management and documented in form of a Limits of Authority Manual (LOAM).