

National ICT R&D Fund

Legal, Administrative & Financial Structure

Ministry of Information Technology

IT & Telecom Division

Government of Pakistan

June 10, 2006

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PREAMBLE

R&D Fund is established with the notion to promote the indigenous research, studies, development and progress in the realm of ICT technologies and knowledge base with the ultimate objective of creating knowledge based economy and society by virtue of true application of R&D Fund vision.

The policy document sets out the vision of the fund, broad and specific objectives, policy thrust, strategic focus and generic processes. The implementation of these strategic issues is based heavily on a systematic design and structure of the organization with clear definition of actors, stakeholders and participators alongside their respective roles and responsibilities.

In particular the structure is designed to effectively achieve the policy vision stated as *"To transform Pakistan's economy into a knowledge based economy by promoting efficient, sustainable and effective ICT initiatives through synergic development of industrial and academic resources."*

This document would address the key issue of forming a basic skeleton to achieve the strategic vision of the fund in the most optimal manner. The structure would follow a comprehensive analysis of international best practices in this regard and a relative comparison with domestic initiatives taken. The comparison has enabled the formulation of an organization that is tailor-made to the needs of an enabling R&D policy in true Pakistani perspective and still remain in line with the most productive and effective frameworks that exist on a global scale. The content of the following chapters originates from the R&D fund Policy and the analytical study of international best practices.

CHAPTER ONE

STRUCTURE PARADIGMS

The composite structure of the R&D Fund would be based upon the paradigms derived from study of global and domestic practices in the realm of science and technology. There are a number of factors that are considered and explored to find the best mix of legal, administrative and financial building blocks. This section would thoroughly investigate these factors:

1.1 GOOD GOVERNANCE

1.1.1 Rationale

Good governance can be defined in a number of ways, though it generally involves the mechanisms by which an administrative entity is directed, controlled and made responsive to its stakeholders.¹ This definition is of a broad application and can apply to both corporate and non-corporate entities. However, as the Consultants propose a corporate organization for the management of the R&D Fund, the ensuing discussion will focus on governance of companies, or corporate governance. The proposed company to manage the R&D Fund projects is hereinafter referred to as the "R&D Fund Co".

¹See *Corporate Governance – A Practical Guide* RSM Robson Rhodes and LSE 2004.

1.1.2 Corporate Governance

The R&D Fund is prescribed under the law to be 'controlled' and 'administered' by the Federal Government. In this context, the relevant definition of corporate governance is:

‘The system by which the owners of the corporation ensure that it pursues, does not deviate from, and only allocates resources to, its defined purpose’.

1.1.2.1 Roles and Norms

Roles and norms of governance are important elements in the framework of developing market-led economies. Translated into practical terms, the Board should deal with setting strategic direction, monitoring key indicators, ensuring the attainment of key financial and other objectives, delegating authorities to executive management for the day to day management and operation of the company. Achieving this for the R&D Fund will mean an effective and efficient management structure of the R&D Fund Co.

1.1.2.2 Transparency

Good governance will ensure the legitimate representation of those with interests in the new company. Having a clear allocation of responsibilities and transparent decision-making has the potential to improve the quality of decisions - and by clear reporting, reveal the outcomes of those decisions. This will reduce the risk of individuals exercising undue influence and, as a consequence, play a key part in eliminating corruption.

1.1.2.3 Relevance

The potential R&D collaborators (industry, international R&D organizations, and investors in successful R&D projects) will seek to ensure that the R&D Co works to high standards of corporate governance. This has particular relevance to commercial exploitation of successful R&D projects.

1.2 Strategic Direction

Like all corporate entities, the first step is to identify, establish and promote a strategic direction in line with the broad vision statement.

1.2.1 The Vision

As R&D Fund Co is established, so it needs a clear vision of the future. This vision, which will capture the unchanging purpose of the organization, must be shared by those responsible for leading the new corporation. Received wisdom is that it should therefore be developed by them and the key stakeholders. As the leadership of the new company develops the vision, so they will 'own' and be committed to what is agreed. With this caveat, we refer to the vision developed in the *Policy document*:

“To transform Pakistan’s economy into knowledge based economy by promoting efficient, sustainable and effective ICT initiatives through synergic development of industrial and academic resources”

In order to achieve that the R&D Fund Co. must strive to be a world-class applied research and development (R&D) organization in Information and Communication Technology (ICT). The following chapters would address the key components of the structure that would ensure a strategic direction towards this vision.

CHAPTER TWO

THE LEGAL STRUCTURE

2.1 Reference to Telecom Act

The Telecom Act postulates control of the R&D Fund by the Federal Government. The key powers and responsibilities of the Federal Government in relation to the R&D Fund consist of the following:

2.1.1 control of the Fund and

2.1.2 power to administer the Fund

The Telecom Act does not limit the manner in which the Federal Government may control the Fund and exercise its power to administer the Fund. Where the aims and objectives of efficient utilization of the Fund so dictate, there is nothing in the law prohibiting the realization of the statutory objectives through the 'instrumentality' of a company, as long as the ultimate control of the Fund remains vested with the Federal Government. It may be mentioned in this context that 'control' has several degrees; it does not necessarily mean micromanagement of the dimes and cents, but can legitimately be interpreted to mean that a higher level of control enabling ring-fencing of the manner, mode and purposes of application of the Fund.

2.2 Guarantee Limited Company

The R&D Fund would, therefore be managed by a 'company limited by guarantee and not having a share capital under the Companies Ordinance, 1984'. This company is referred to as

R&D Fund Co. The corporate form of organization is now well developed in Pakistan and has an extensive and well developed framework for the corporate organization; the wheel need not be reinvented by making extensive rules for the organization, management, audit and functioning of an organization as the application of an extensive rules-based framework will itself call for extensive legal expertise as well as spawning of unforeseen issues of legal interpretation of these rules. The R&D Fund Co., therefore will be governed under the Companies Ordinance, 1984.

2.3 R&D Fund Board

The R&D Fund Co will have a Board as recommended in the Section on Corporate Governance. A broad outlines of its functions is as follows:

- 2.3.1 Define the R&D Thematic Areas
- 2.3.2 Define and Approve yearly Budgets
- 2.3.3 Evaluate R&D Project Proposals
- 2.3.4 Approve Proposals
- 2.3.5 Delegate any or all of the above functions to the management of the company

2.3.1 *In the rest of this document the term "Member" and "Director" will be used interchangeably and will imply the same meanings.*

2.4 Establishment Phase

As the R&D Fund Co. stabilizes itself, it is proposed that its membership be extended by the Federal Government to include other stake holders for election of Independent Directors. The evolutionary stage may be summarized as follows:

- 2.4.1 The company's Memorandum and Articles of Association (M&AoA) are prepared
- 2.4.2 Two persons from the MoIT subscribe to the M&AoA to form the company - initially it is a 2 member company
- 2.4.3 The Articles provide for the constitution of the Board with the composition described in the Section on Corporate Governance
- 2.4.4 The Federal Government announces membership opening to other stake holders including ICT operators, vendors, developers, academia and others. In order to meet the statutory requirements of 'control' of the Fund remaining with the Federal Government, the Federal Government retains the right to appoint directors.
- 2.4.5 The annual operating budget, business plan and the Fund management manuals are implemented

2.5 Board size and composition

As mentioned in section 2.3 and 2.4, the first and foremost importance would go towards forming the R&D Fund Board to oversee the operations of the company by establishing corporate governance mechanisms. The Key questions in this regard relate to the size and the composition of the board. The following sections would address both these issues.

2.5.1 Size

The Board of R&D Fund Co should be of sufficient size such that first, its members have the skills and breadth of experience needed to manage and run an R&D Fund organisation of international standards, and second, that it can change its composition (as members transfer, leave or retire) without creating problems of discontinuity. On the other hand, it should not be so large that decision making is unwieldy.

Considering all such factors in mind, the Board should comprise of thirteen (13) members.

2.5.2 Key Questions

A number of factors need to be considered to ensure that a balanced and effective Board is put in place. Framed as questions and answers, these will include:

2.5.2.1 Is the Board reasonably diverse or does it run the risk of thinking in too uniform a fashion?

The balance between Federal Government directors and non-executive/independent directors is considered below. As the Federal Government (acting through MoIT) will be the owner of the Fund, it will be natural for a number of high ranking officials to be appointed as Directors. However, given that the bulk of the R&D Fund will comprise of contributions by the telecom operators, and given that specialist business, scientific and technological expertise will be required to formulate strategy and implementation thereof, it is recommended that a number of appointments should also come from outside this circle.

2.5.2.2 Does the Board possess the in-depth experience necessary for its work in guiding the development of R&D in ICT?

R&D Co will be the custodian of the R&D Fund and it will therefore need to ensure that a sufficient number of directors have in depth knowledge of the ICT industry and its R&D imperatives. These roles extend to financial management, risk management and reporting expertise.

2.5.2.3 Is there a particular type of expertise that the Board will find helpful in the future?

There are two areas where experience will be valuable in the future. First, senior experience of the private sector to ensure that the Board's work has a commercial orientation and second, experience of working in an R&D environment. Examples cited from countries with successful track record in R&D demonstrate that the Board includes members from multinational corporations with high profile business and R&D experience (Hungary and Finland).

2.5.3 Membership Segments

The Board of R&D Fund Co. will comprise of Federal Government representatives, Executive and Independent Directors. It is in line with the international best practices and corporate governance models where such a mix is considered most optimal and effective.

2.5.3.1 Federal Government Directors

The Federal Government Directors must include those who have the direct responsibility of managing the R&D Fund. Bulk of these directors should, thus come from the Ministry of Information Technology. A member from regulatory body and a member from finance division may also be appointed as directors. As the R&D Fund Co. grows, membership may be offered to officials from coordinating ministries and strategic partners from within the Government.

2.5.3.2 Executive Directors

The Executive Directors will manage the development and operations of the R&D Fund Co. They will be employees of R&D Fund Co, and would be committed whole time to the business of the company, as well as being directors.

2.5.3.3 Independent Directors

Independent Directors can contribute significantly to decision making by bringing an objective evaluation of the performance of the Board and management of the company. In particular, they have a critical role to play in areas where the interest of management, Government appointed directors and other stakeholders might diverge. They have much to offer in the following areas of decision making: succession planning, senior level remuneration, strategic management, conduct of the audit function and relations with Government and the regulator.

Independent directors are just that - not involved in the day to day running of the business. International guidance advises that *'effective independent directors are diligent monitors but not managers of business operations.'* They should have a *'substantial degree of independence'* from management, to ensure that they can be effective, sensitive to conflicts of interest, and independent in their judgement on the conduct and efficiency of the business.² They will devote less time to R&D Fund Co, typically between one and five days each month and will be paid a fee for their services.

2.5.4 Composition of the Board

In line with guiding principles set in section 2.5.3, we therefore propose that R&D Fund Co. should have the following composition of the board:

13 Member Board

06 Members representing Federal Government

01 Member from the Executive Body of R&D Fund

03 Members of Contributing Industry

02 Members of Academic & Scientific Community

01 Member representing corporate sector other than the contributing industry segments

Such a Board should be able to meet the OECD criteria of *'assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest. Examples of such key responsibilities are ensuring the integrity of financial and non-financial reporting, the review of related party transactions, nomination of board members and key executives...'*

² See *Principles of Corporate Governance* The Business Round Table USA 2002 available at www.brtable.org/pdf/704.pdf

2.5.5 Selection Criteria

It is important to define guiding principles for nomination and selection of the R&D Fund Board members. Following sections would cover the criteria for selection of directors from various segments.

2.5.5.1 Federal Government Directors

Federal Government position must be filled for tenure of three years after which they will retire and reappointed if required or if they leave their Government position earlier, then they will resign their position from the Board and the Federal Government will appoint their successors for the balance term of the resigning director. Federal Government through MoIT may appoint directors from time to time that are considered part of the federal government. At the initial stage, it is recommended that the following members serve as the Directors from the Federal Government:

- | | |
|--------------------------------------|---------------|
| 1. Minister of IT | Chairman |
| 2. Minister of State for IT | Vice Chairman |
| 3. Chairman PTA | Director |
| 4. Secretary IT | Director |
| 5. Member from IT & Telecom Division | Director |
| 6. Member from Finance Division | Director |

2.5.5.2 Nomination Committee

The Chairman will nominate a temporary committee from amongst the Federal Government members. The maximum number of members on the committee will be 03. This temporary committee will be replaced by the official board committee once all the board members will be selected. At that stage this committee will be permanently dissolved. The role of this committee is to recommend its nomination based on a defined criterion to the members of Federal Government as mentioned in the section 2.5.5.1. for the final selection. The criteria for nomination and selection of all other members are discussed in the following sections.

2.5.5.3 Executive Director

The temporary nomination committee will nominate the name of the executive member for final selection. At the initial stage only one (01) executive director is proposed to be part of the board. It is recommended that the position should be filled by the CEO, R&D Fund.

2.5.5.4 Independent Directors (from contributing industry)

For the purpose of selection the industry is divided in the following three segments. One member from each segment would serve on the board:

2.5.5.4.1 Fixed Line

2.5.5.4.2 Cellular

2.5.5.4.3 Data Service Providers

2.5.5.4.4 *Selection Procedure*

Each industry segment will have one representative on the board. The selection procedure would be for the Nomination Committee to announce a time frame during which a forum comprising members from the respective segment can submit one person as nominee. In case, no joint forum exists for a given segment, each company will individually nominate their member. Then the nomination committee would select one person each from all the nominations filed from an industry segment. In case of a joint forum, the nomination received would be taken as the final nomination. Nomination committee then forward the name to the Members from federal Government for final selection. Federal Government Members reserve the right to appoint a director for a given industry segment even if he/she is not nominated given that they believe that the particular person can add more value to the board compare to the nominated candidates. In case no nomination is received from the joint forum by the deadline set by the committee, the committee reserves the right to nominate a

member at its own discretion (in case of a forum). In case of individual nominations (when no joint forum exists), no nominations received after the deadline would be entertained.

2.5.5.5 Independent Directors (from Academic and Scientific Community)

For the purpose of selection, the academia is divided in the following three disciplines. (Two Directors will be appointed from any two of these three disciplines but not both should be from the same discipline):

2.5.5.5.1 Telecom

2.5.5.5.2 Information Technology

2.5.5.5.3 Business Management

2.5.5.5.4 Selection Procedure

The population from which the directors are selected must comprise of only HEC recognized Universities and institutions with an established reputation for having a credible program in the field of IT / Telecom / Business Administration. The minimum qualification for a member should be 16 years of education.

Federal Government will select the members. Federal Government may, at its sole discretion can form a nominating committee to nominate a pool of potential candidates from which to select the members.. Federal Government Members reserve the right to appoint a director for a given discipline even if he/she is not nominated given that they believe that the particular person can add more value to the board compare to the nominated candidates.

2.5.5.6 Independent Directors (from Corporate Sector other than Contributing Industry)

One Director from the corporate world outside the contributing population will sit on the board. The purpose is to bring desired level of diversity to the board.

2.5.5.6.1 *Selection Procedure*

The population from which to choose the director must be outside the contributing industry segments and should ideally comprise large scale multinational or international organizations. The nomination committee will nominate three candidates for this particular slot based on consideration given to exposure, experience, international profile and contributions made to the development of corporate governance practices. The Federal Government Directors would then appoint one out of the three nominated candidates.

2.5.5.7 Selection Criteria after the formation of the first Board

No change in selection criteria would take place for future appointments except for the fact that the comprehensive selection procedures would involve the whole board. Nomination committee for the selection of board members will always have majority of Federal Government Members and the process would be initiated at least three months before the end of the tenure of the independent directors.

2.6 Disclosure of Directors' Interest

Full disclosure of Directors' interests should be included in the rules governing the meetings of the Board, and audited as appropriate. Interests in this context should, as a minimum, include: fees (past year and future method of determination); whether a former employee, adviser or consultant to the company or its predecessor organisation; any family or financial relationships with employees of R&D Fund Co., its suppliers, consultants or advisers. There should also be an important general obligation to disclose any matter which might lead to a conflict of interest in decisions taken by the Board in which the concerned director is directly or indirectly involved.

2.7 Separation of the Chairman and CEO roles

R&D Fund Co. should follow good practice and separate the roles of Chairman from that of Chief Executive Officer (CEO) who leads the management of the company.³ The rationale is to ensure the separation of powers (avoiding both executive and non-executive authority residing in one post) and that the Chairman is able to focus on chairing the Board; setting the strategic direction; and monitoring and control, rather than engaging in the day to day management of the company.

³ Managing Director (MD) is the most commonly used terms for the senior director who leads the management of the corporation. Chief Executive Officer (CEO) is an alternative job title for what is essentially the same role.

2.8 Tenure

The tenure of all directors will be three years however in case of voluntary or involuntary resignation of a board member his place could be filled with a another person. Independent members must always be replaced by another independent member. The new member in such a case will serve for the remainder of the original tenure after which he could reappointed for the next term of three years.

2.9 Presiding Director

Chairman will preside all board meetings. Board in its first meeting will also choose a Vice Chairman. In case of the absence of the chairman, the vice chairman will preside the proceedings. In case where both chairman and vice chairman cannot attend the meeting, chairman will nominate a presiding director for all such meetings. Board can appoint any member as presiding director for that particular meeting, if all the aforementioned possibilities are exhausted

In the same context, it will be appropriate for the Chairman to be drawn from the Government appointed directors. The Chairman for the R&D Fund Co. at this stage will thus be the Minster for Information Technology. As R&D Fund Co matures, the aim should be to appoint the Chairman from among the independent directors, thereby moving to what is accepted good international practice.

2.10 Frequency of the Meetings

The Board will meet at least twice every quarter whereas the committees of the board will meet once a month, for the first two years. After that period board may revise the frequency of the meetings but under no circumstances it must fall below once a quarter.

2.11 Equal Opportunity

The principle of Equal Opportunity Employment will apply to all board selections in order to avoid all kinds of discrimination.

2.12 Company Secretary

For the Board Secretariat the Board will appoint a company secretary. Further support staff may be engaged to assist the Company Secretary in case work load justifies that.

2.13 Self Appraisal

The Directors of the Board would submit a yearly self appraisal report to the Board on yearly basis. That self appraisal must cover their role in guiding the R&D Fund towards its strategic vision. **Each member's self appraisal will be discussed openly in the Board meeting.** A session must be reserved to appraise the performance of all members in the board meetings on yearly basis.

2.14 Role of the Board

R&D Fund Co. must be lead by an effective Board. The Board will be collectively responsible for the success of the company. Its role is to provide entrepreneurial leadership but this must be exercised within a framework of prudent and effective financial and technical controls.

The Board will set the company's vision, define its strategic aims and ensure that the key financial and human resources are available. It should set objectives and monitor performance but not become involved in the day to day management of the company- this is the business of R&D Fund Co.'s executive management team. It will, for example, set targets and review progress, but not prescribe in detail how they should be achieved.

2.14.1 Roles and Responsibilities

The Board should fulfil certain key roles and responsibilities and in particular:

- 2.14.1.2 Review and guide corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting high level business objectives and monitoring performance against objectives; overseeing major capital expenditures, acquisitions and divestitures.
- 2.14.1.3 Monitoring the effectiveness of the company's governance practices and making changes as needed.
- 2.14.1.4 Ensuring key executive and Board level remuneration is aligned to company objectives and reflects the objectives of stakeholders.
- 2.14.1.5 Ensuring that the appointment of Board members is carried out in a fair, open and transparent way. Selecting, compensating monitoring and, where necessary, replacing key executives (senior managers and above).

- 2.14.1.6 Monitoring – and where necessary actively managing – potential conflicts of interests affecting Board members, managers and other stakeholders (including misuse of corporate assets and potential abuse in third party transactions).
- 2.14.1.7 Ensuring the integrity of the company’s accounting and financial reporting systems, including the independent audit and ensuring that systems of control are in place (for risk management, financial and operational control); and compliance with relevant law and accounting standards.
- 2.14.1.8 Shall approve and maintain a succession plan for the CEO and senior executives
- 2.14.1.9 Design and implement programs for the orientation of the new directors and continuing education for existing directors on subjects that would assist them in discharging their duties
- 2.14.1.10 Overseeing the process of disclosure and the communication of information to stakeholders.⁴

It is essential that the Board is equipped to exercise objective and independent judgement on the affairs of R&D Fund Co. and in particular the Board should ensure that independent Board members are assigned to tasks where there is a potential for conflict of interest. Thus, they have important roles in areas such as compensation, key appointments (to senior positions, of auditors and advisers to the Board), relations with Government and decisions on major contracts/capital expenditure projects. Obtaining clear and transparent decisions in these areas will minimise the risk of corruption and/or abuse of authority.

⁴ This list is adapted from *OECD Principles of Corporate Governance* OECD 2004 p58 to 66.

2.14.2 Board Committees

A committee structure allows the Board to consider areas in more detail than would be possible in a full Board meeting. It allows directors to focus, obtain specialist knowledge and develop expertise, while at the same time ensuring collective responsibility is retained by the full Board. The Board should, from the outset, adopt this form of working.

In establishing committees, it will be essential for the full Board to:

- 2.14.2.1 Delegate authorities to the sub committee and specify reporting requirements.
- 2.14.2.2 Set the number of members, composition and procedures (who is to appoint the Chairman, what constitutes a quorum, minimum number of meetings)
- 2.14.2.3 Approve these details in a resolution (or set them out in a charter or terms of reference).

The following minimum number of committees is proposed from the outset. Board may, however has the discretion of increasing or decreasing the number of committees:

- 2.14.2.4 Finance & Audit Committee
- 2.14.2.5 HR Governance Committee
- 2.14.2.6 Project Appraisal Committee
- 2.14.2.7 Projects Management Committee

Board may, from time to time has the discretion to form more committees to look after certain functions and responsibilities. Under the corporate governance model, the committees must be headed by an independent director of the board.

2.14.3 Terms of Reference for the Committees

The exact scope and role of the committees will be defined by the Board with the following Terms of reference serving as guidelines:

2.14.3.1 Finance & Audit committee

2.14.3.1.1 Membership

The Committee shall be appointed by the Board and will comprise a Chairman and at least two other Directors. The Chairman of the Committee will be an independent Director, qualified in and experienced at dealing with financial matters.

A quorum will comprise all members. If a regular member cannot attend, the Chairman of the Committee may appoint another Government appointed or independent Director to serve in his or her place for a particular meeting or series of meetings.

The Committee may, at its discretion, invite other individual officers of the company to attend, and also external advisers when appropriate. The Company Secretary will act as Secretary to the Committee.

2.14.3.1.2 Meetings

The Committee shall meet prior to the publication of the annual results and monthly for the first two years and at least once on quarterly basis afterwards. It will devote at least one, or part of one, session to each of the following:

- 2.14.3.1.2.1 Financial position of the Company,
- 2.14.3.1.2.2 Compliance with budgetary targets set by the Board,
- 2.14.3.1.2.3 External auditors,
- 2.14.3.1.2.4 Internal audit function and managers from the company's finance function.

The Committee should, at least annually, meet the external and internal auditors, without management, to discuss issues arising from the audit. In addition, external or internal auditors may request a meeting if they consider that one is necessary.

2.14.3.1.3 Minutes

The proceedings and resolutions of the Committee shall be recorded and circulated to members of the Committee and the full Board. The Chairman of the Committee will also orally report to the full Board at its meetings.

2.14.3.1.4 Main functions

The following functions of the Committee shall be complementary to the functions prescribed under law:

- 2.14.3.1.4.1 Monitor the integrity of the financial statements and any disclosures on performance.
- 2.14.3.1.4.2 Monitor accounting policies for compliance with international accounting standards and progress towards full compliance with international accounting standards, as well as accounting norms prescribed by the Accountant General of Pakistan and under the Companies Ordinance, 1984, and where a conflict arises, to seek clarification from the competent accounting regulatory authorities and implement the same on resolution of the conflict.
- 2.14.3.1.4.3 Review the internal financial controls and risk management systems.
- 2.14.3.1.4.4 Monitor and review the effectiveness of the internal audit function, including overseeing of the appointment of the Head of function, and the conduct of regular assessments of performance of internal auditors.

- 2.14.3.1.4.5 To make recommendations to the Board on the appointment/removal of the external auditors, determine the terms of their engagement and remuneration. Review auditors' independence and their performance.
- 2.14.3.1.4.6 Apply appropriate audit processes to regulatory and other non-financial reporting.
- 2.14.3.1.4.7 Ensure that any reports or indications of improprieties are proportionately and independently investigated.
- 2.14.3.1.4.8 Review its own performance (as a Committee) at least annually and report on this to the main Board. Include a statement in the annual report on its activities.
- 2.14.3.1.4.9 Hearing appeals against the decisions taken by the Finance department regarding the financial feasibility of a given project in case the same is not settled at the level of CEO

2.14.3.1.5 Authority

The Committee is authorised to seek any information it requires from any director, employee, adviser, officer, consultant or auditor of R&D Fund Co. in order to perform its duties. It is authorised to obtain and act upon, within reason, external expert advice on any matter within its terms of reference. The charges for such professional services shall be borne by the company. Where the Committee's monitoring and review activities reveal cause for concern or scope for improvement, it should make recommendations to the Board on action needed to address the issue or to make improvements.

2.14.3.2 Governance and Human Resources Committee

2.14.3.2.1 Membership

The Committee shall be appointed by the Board and will comprise a Chairman and at least two other Directors. The Chairman of the Committee will be an independent Director, qualified, and experienced in the governance and human resource matters of companies with research and development as an important element of their business.

A quorum will comprise all members. If a regular member cannot attend, the Chairman of the Committee may appoint another Government appointed or independent Director to serve in his or her place for a particular meeting or series of meetings.

The Committee may, at its discretion, invite other individual officers of the company to attend, and also external advisers when appropriate. The Company Secretary will act as Secretary to the Committee.

2.14.3.2.2 Meetings

The Committee shall meet on at least four occasions each year. It will devote at least one, or part of one, session to each of the following:

- 2.14.3.2.2.1 Review of strategy and policy documents which might impact on R&D Fund Co.'s reputation as a well governed and controlled company.*
- 2.14.3.2.2.2 Review of current directors' independence and interests.*
- 2.14.3.2.2.3 Current status and future contractual and quasi-contractual relationships with relevant other corporations/institutions.*
- 2.14.3.2.2.4 Succession planning and the composition of the Board.*
- 2.14.3.2.2.5 To review the hiring process, make recommendations to the board for new hiring and evaluate the processes employed for the hiring activities*
- 2.14.3.2.2.6 To review the retention, staffing, compensation and training policies. Recommend appropriate strategic measures to make the outcome of these activities more meaningful*

2.14.3.2.3 Minutes

The proceedings and resolutions of the Committee shall be recorded and circulated to members of the Committee and the full Board. The Chairman of the Committee will also orally report to the full Board at its meetings.

2.14.3.2.4 Main functions

The following functions of the Committee shall be complementary to the functions prescribed under law:

2.14.3.2.4.1 Governance issues

- 2.14.3.2.4.1.1 Review of strategy and policy documents, as they might impact on R&D Fund Co.'s reputation as a well governed and managed company.
- 2.14.3.2.4.1.2 Review of current directors' independence and interests, ensuring that disclosure complies with the Companies Ordinance, 1984, R&D Fund Co.'s Articles of Association and any other applicable legal requirements.
- 2.14.3.2.4.1.3 Ensure that any reports or indications of improprieties are proportionately and independently investigated.
- 2.14.3.2.4.1.4 Examine and review the current status and future contractual and quasi-contractual relationships with the awarded projects, proposed projects, the contributors to the R&D Fund, suppliers of equipment and services to R&D Fund Co., government bodies, and the like, again ensuring that any reports or indications of improprieties are proportionately and independently investigated.
- 2.14.3.2.4.1.5 Examine, review and appraise the HR development and HR management policies employed by the R&D Fund Co.

2.14.3.2.4.2 *Nominations issues*

- 2.14.3.2.4.2.1 Set the policy, and oversee the process, of appointing directors and senior management, ensuring that high standards of probity and fairness are maintained.
- 2.14.3.2.4.2.2 Review the plans and programmes for ensuring the succession to senior posts in the company.
- 2.14.3.2.4.2.3 Review the structure, size and composition of the board and recommend any necessary changes.
- 2.14.3.2.4.2.4 Develop an action plan for R&D Fund Co's progressive moves to adopting international standards of governance as they are applied to research and development entities.
- 2.14.3.2.4.2.5 Review its own performance (as a Committee) at least annually and report on this to the main Board. Include a statement in the annual report on its activities.

2.14.3.2.5 *Authority*

The Committee is authorised to seek any information it requires from any director, employee, adviser, officer, consultant or auditor of R&D Fund Co. in order to perform its duties. It is authorised to obtain and act upon, within reason, external expert advice on any matter within its terms of reference. The charges for such professional services shall be borne by the company.

2.14.3.3 Project Appraisal Committee

2.14.3.3.1 Membership

The Committee shall be appointed by the Board and will comprise a Chairman and at least two other Directors. The Chairman shall preferably be an independent director. The Chairman shall be qualified and experienced in research and development initiatives in the ICT sector.

A quorum will comprise all members. If a regular member cannot attend, the Chairman of the Committee may appoint another Director to serve in his or her place for a particular meeting or series of meetings.

The Committee may, at its discretion, invite other individual officers of the company to attend, and also external advisers when appropriate. The Company Secretary will act as Secretary to the Committee.

2.14.3.3.2 Meetings

The Committee shall meet regularly on monthly basis. Out of the twelve annual meetings, at least two meetings shall have the following matters as the agenda items:

- 2.14.3.3.2.1 Review of project evaluation methodology and objectives in light of the R&D Fund Policy objectives of the Federal Government
- 2.14.3.3.2.2 Review of project applications to project award ratios, and awarded projects to commercially successful projects ratios
- 2.14.3.3.2.3 Recommendations to the Board for revisions to project evaluation and grant methodology approved by the Board

2.14.3.3.3 Minutes

The proceedings and resolutions of the Committee shall be recorded and circulated to members of the Committee and the full Board. The Chairman of the Committee will also orally report to the full Board at its meetings.

2.14.3.3.4 Main functions

The functions of the Committee shall be as follows:

- 2.14.3.3.4.1 Review of project funding applications recommended by the Solicitation and Evaluation Division of the R&D Fund Co.
- 2.14.3.3.4.2 Referring the project funding applications to the Solicitation and Evaluation Department for further information or for modifications to the proposal, provided that, the same project shall not be referred back more than once and in case of difference of views between the PAC and the Solicitation and Evaluation Department, the Chairman of the PAC shall refer the project to the full Board for consideration through a circular resolution of the Board
- 2.14.3.3.4.3 Recommending project funding applications falling in the “medium-high” category as per the Manuals of the R&D Fund Co. to the full Board or CEO for approval
- 2.14.3.3.4.4 Seeking advice from external experts on the proposals received
- 2.14.3.3.4.5 Hearing appeals against the decisions taken by the Solicitation and Evaluation Department regarding the technical feasibility of a given project in case the same is not settled at the level of CEO
- 2.14.3.3.4.6 Review its own performance (as a Committee) at least annually and report on this to the main Board. Include a statement in the annual report on its activities.

2.14.3.3.5 Authority

The Committee is authorised to seek any information it requires from any director, employee, adviser, officer, consultant or auditor of R&D Fund Co. in order to perform its duties. It is authorised to obtain and act upon, within reason, external expert advice on any matter within its terms of reference. The charges for such professional services shall be borne by the company.

2.14.3.4 Project Management Committee

2.14.3.4.1 Membership

The Committee shall be appointed by the Board and will comprise a Chairman and at least two other Directors, of which one shall be the CEO of the R&D Fund Co. The Chairman shall preferably be an independent director. The Chairman shall be qualified and experienced in the management of research and development initiatives in the ICT sector.

A quorum will comprise all members. If a regular member cannot attend, the Chairman of the Committee may appoint another Director to serve in his or her place for a particular meeting or series of meetings.

The Committee may, at its discretion, invite other individual officers of the company to attend, and also external advisers when appropriate. The Company Secretary will act as Secretary to the Committee.

2.14.3.4.2 Meetings

The Committee shall meet regularly on monthly basis. Out of the twelve annual meetings, at least two meetings shall have the following matters as the agenda items:

- 2.14.3.4.2.1 Review of the manuals, processes and methods for the management of the projects and recommending to the Board changes required, if any
- 2.14.3.4.2.2 Review of commercialisation status of completed R&D projects
- 2.14.3.4.2.3 Review of the monitoring reports generated by the Monitoring department and examining the existing and foreseeable potential problems and delays in the projects
- 2.14.3.4.2.4 Recommending strategies to counter the identifies problems
- 2.14.3.4.2.5 Analyze and appraise the performance of the Monitoring Department in close connection with interdependencies within the organization

2.14.3.4.3 Minutes

The proceedings and resolutions of the Committee shall be recorded and circulated to members of the Committee and the full Board. The Chairman of the Committee will also orally report to the full Board at its meetings.

2.14.3.4.4 Main functions

The functions of the Committee shall be as follows:

- 2.14.3.4.4.1 Review of the periodic reports on project management and monitoring prepared by the relevant divisions of the R&D Fund Co
- 2.14.3.4.4.2 Giving advice when solicited by the relevant management and monitoring divisions of the R&D Fund Co on matters where they do not find explicit guidance in the manuals and processes in force
- 2.14.3.4.4.3 Review work flow processes and recommend changes for improvement in the work flow processes in quantitative and qualitative terms, and in this regard liaising directly with the Governance and HR Committee and the Project Evaluation Committee
- 2.14.3.4.4.4 Hearing appeals against the reports of Monitoring Department regarding the technical progress of a given project in case the same is not settled at the level of CEO
- 2.14.3.4.4.5 Review of the monitoring reports generated by the Monitoring department and examining the existing and foreseeable potential problems and delays in the projects and recommend strategies to counter the identifies problems
- 2.14.3.4.4.6 Review its own performance (as a Committee) at least annually and report on this to the main Board. Include a statement in the annual report on its activities.

2.14.3.4.5 Authority

The Committee is authorised to seek any information it requires from any director, employee, adviser, officer, consultant or auditor of R&D Fund Co. in order to perform its duties. It is authorised to obtain and act upon, within reason, external expert advice on any matter within its terms of reference. The charges for such professional services shall be borne by the company.

2.14.4 Setting Board Agenda

The Board shall be responsible for its agenda. At the last quarterly meeting of each financial year (and in the first year of operations, the first quarterly meeting), the CEO and the Chairman will propose for the board's approval key issues of strategy, policy, risk and integrity to be scheduled and discussed during the course of the next calendar year. Before that meeting, the board will be invited to offer its suggestions. As a result of this process, a schedule of major discussion items for the following year will be established. Prior to each board meeting, the CEO will discuss the other specific agenda items for the meeting with the Chairman, who shall have the authority to approve the agenda for the meeting.

2.14.5 Access to Independent Advisors

The Board and its committees shall have the right at any time to retain independent outside analysts, consultants, and auditors, legal and other advisors and the company shall provide appropriate funding, as determined by the board or any committee, to compensate such independent outside advisors or auditors, as well as to cover the ordinary administrative expenses incurred by the board's committees in carrying out their duties.

2.14.6 Compensation of the Board

The Board shall decide about the compensation and benefits for non-employee directors. In discharging this duty and taking the appropriate decision, the board may form a compensation committee that would advise the board in such matters. The Board or /and the committees shall be guided by three goals: compensation should fairly pay directors for work in a company of the size and scope of R&D fund.; compensation should align director's interest with the long term interest of the company; and the structure of the compensation should be simple, transparent and easy to be understood by all stakeholders.

2.14.7 Training of Board Members

The Board Members will be subject to at least one training session/workshop in a year to proactively reduce all types of possible agency conflicts.

2.15 Policy review and formulation by MoIT

The formulation of elements of policy for the application of R&D Fund remains within the purview of the Federal Government, which in the present context means the MoIT. While under the Rules of Business, 1973, the MoIT will consult other Ministries before formulation of the policy framework (including its modification in the future), the MoIT remains responsible in the ultimate analysis for formulation of the policy imperatives. The initial policy focus is on adopting an integrated thematic approach and all roll out plans are based on that premise. It is in the discretion of the board to review the policy on or before the recommendatory revision time interval suggested in the policy framework.

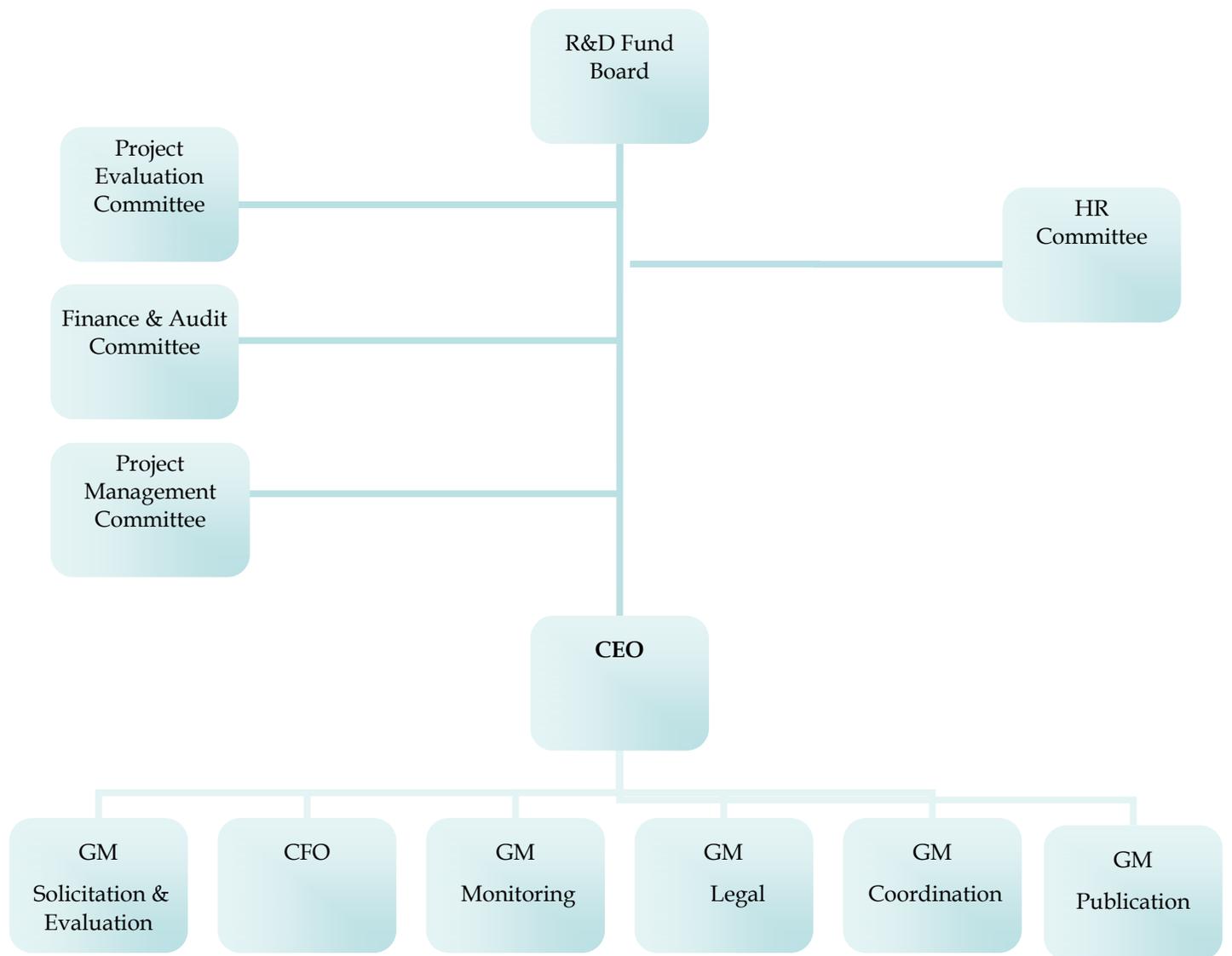
CHAPTER THREE

THE ADMINISTRATIVE STRUCTURE

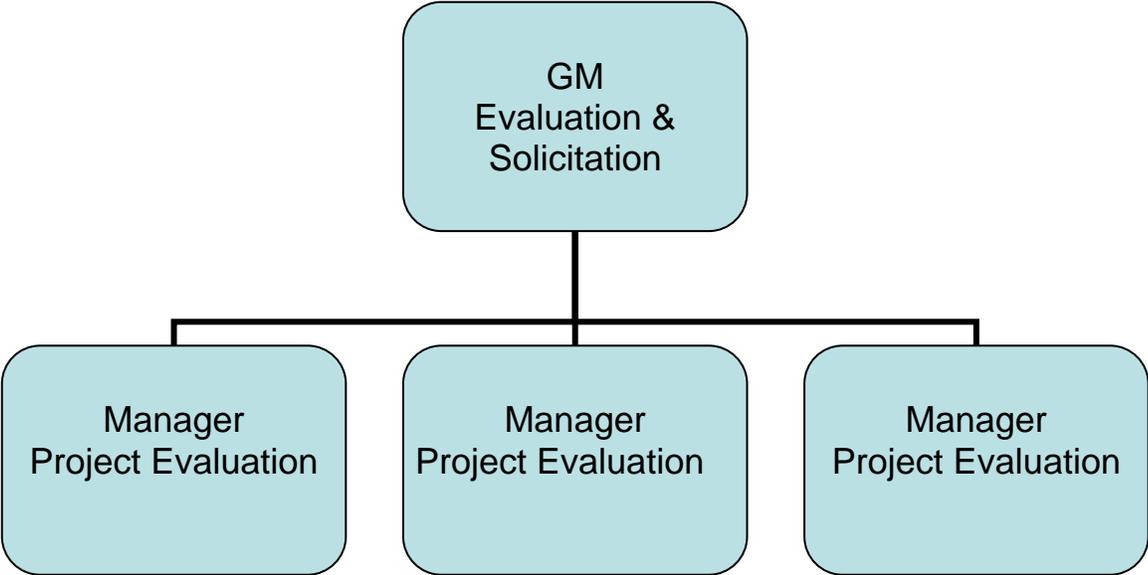
3.1 Organizational Structure

Organizational structure is the formal system of task and authority relationships that govern how people coordinate their actions and use resources to achieve organizational objectives. As any company, the R&D Fund Co will have a management structure for performing its various functions. The design of the structure is based on separation of divisional functions. Each Department/Division will carry out a separate process and though the processes are integrated and interrelated, a clear segmentation on the basis of control and authority is defined across various departments. The structure is formed in line with the generic process definition in the policy document. The discussion about Board and its committees is discussed in the preceding chapter. This chapter is devoted to the definition and description of the Executive Body of the R&D Fund Co. headed by the CEO. The following sections will outline the job definition of each of these executive members. The first tier control in the management would be with the CEO and heads of functional departments (as depicted in the diagram above) would belong to the second tier. The third tier would report to divisional heads and consist of Managers. This document would address all the line positions. Board has the discretion of creating staff positions for Tier-1 and Tier-2 Line Staff Members. The schematic diagram of Tier-wise structures is as follows:

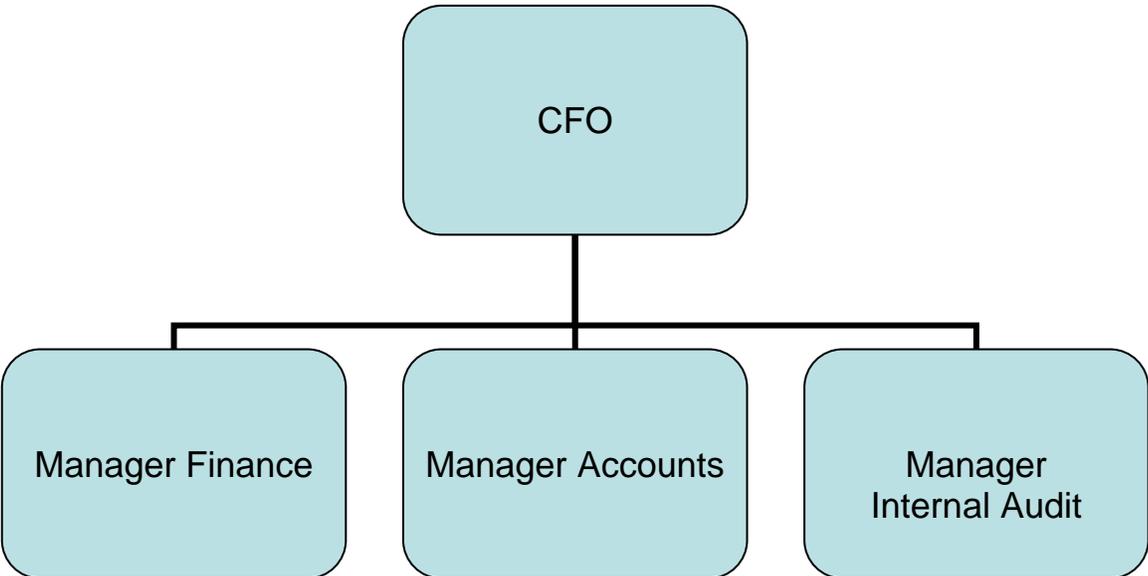
3.1.1 Organizational Chart



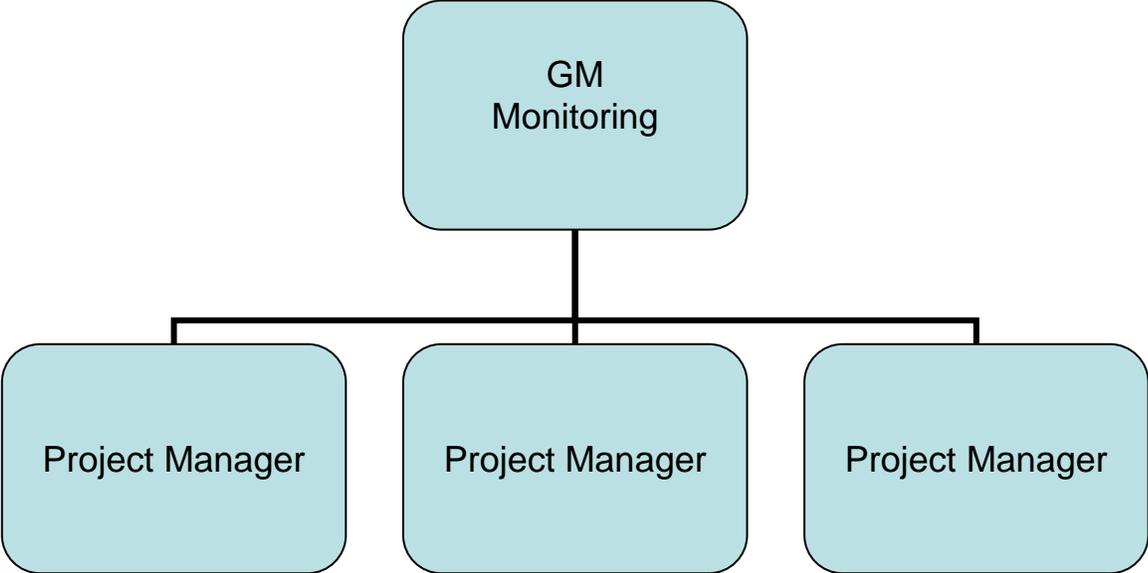
3.1.2 Departmental Chart: Proposal Solicitation & Evaluation



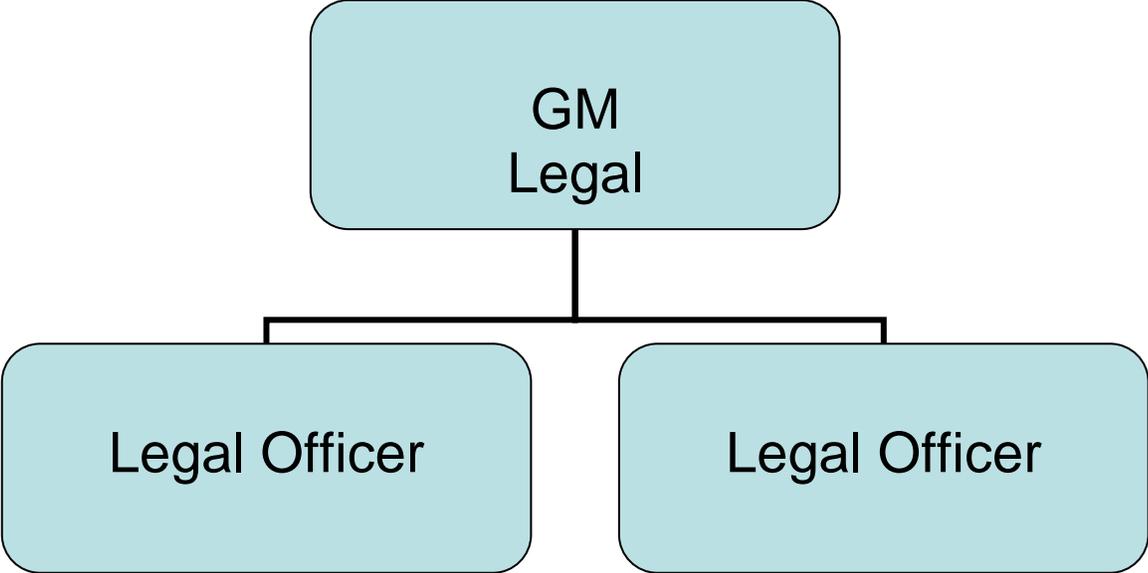
3.1.3 Departmental Chart: Finance Department



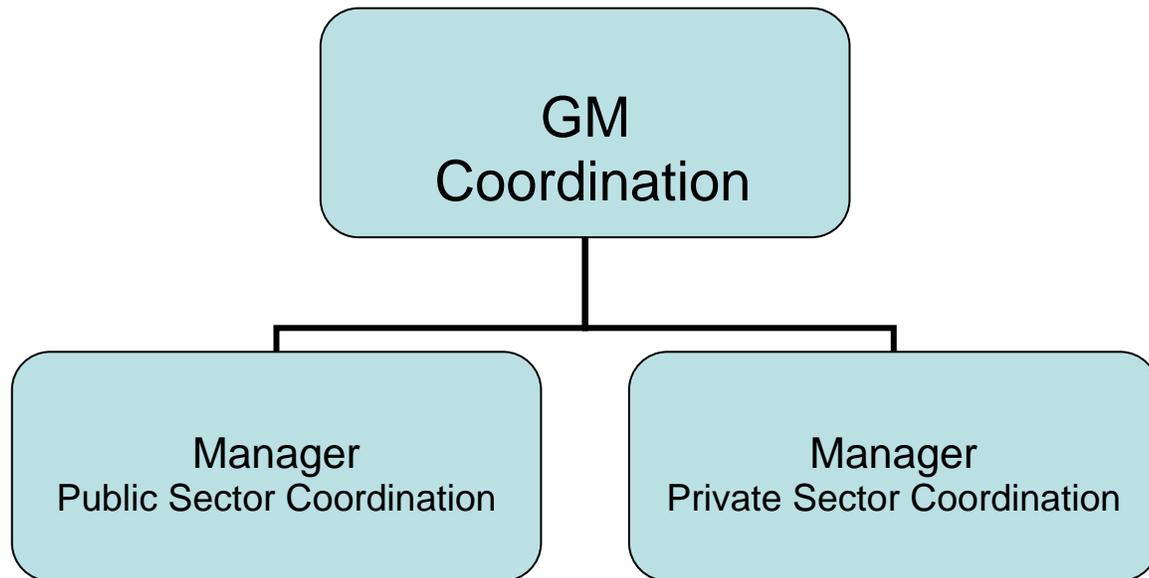
3.1.4 Departmental Chart: Monitoring Department



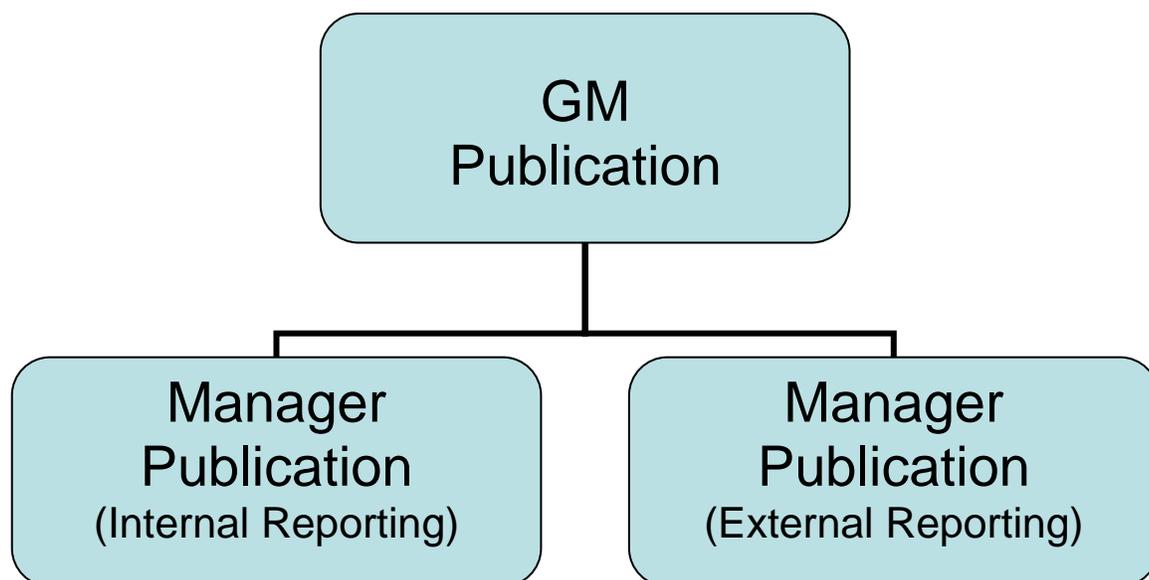
3.1.5 Departmental Chart: Legal Department



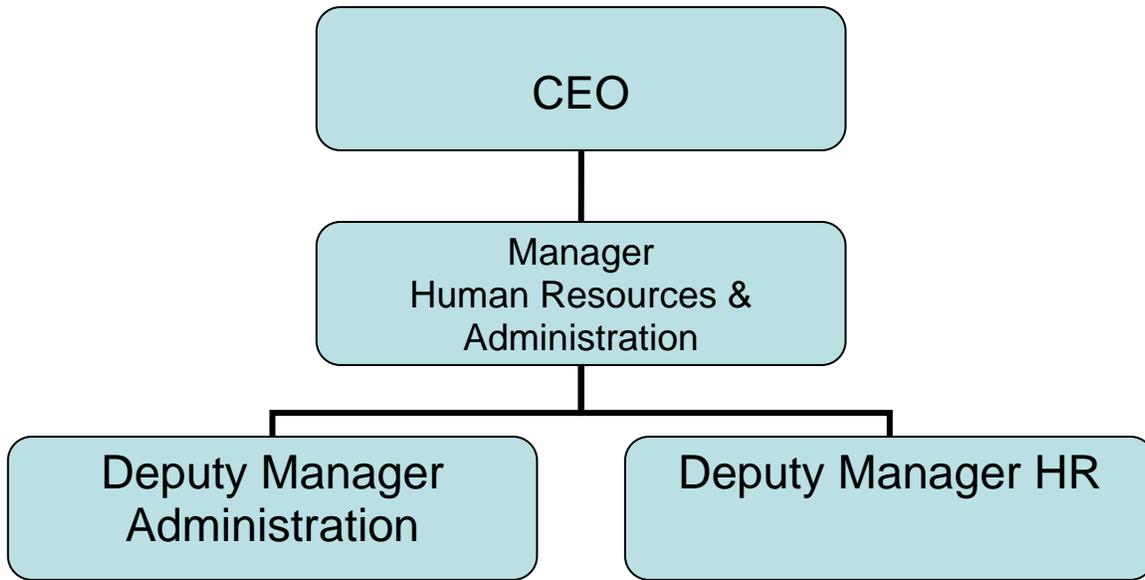
3.1.6 Departmental Chart: Coordination Department



3.1.7 Departmental Chart: Publications Department



3.1.8 Functional Chart: HR and Administration



3.2 Guiding Principles

3.2.1 The organizational Tiers for “Line Jobs” are defined as:

1 st Tier	Chief Executive Officer
2 nd Tier	General Managers / CFO
3 rd Tier	Managers
4 th Tier	Deputy Managers
5 th Tier	Assistant Managers

3.2.2 “Staff Positions” may be filled as per discretion of the board; however staff support will not be available to employees of Tier-III and below. The selection authority is as follows:

Tier-1	Board
Tier-II	Board at the recommendation of HRGC
Tier-III	CEO at the recommendation of HRGC
Tier-IV	CEO

3.2.3 Positions for Tier-I and two would remain fixed, however for the other levels the policy is as follows:

3.2.3.1 *Solicitation and Evaluation Department:*

The number of Managers will depend on the work-load. At the inception, two-three managers must be engaged, however as the R&D Fund Co. progresses, the number can be increased by the Board / HR Committee at the recommendation of the GM and CEO. The increase will be directly proportional to the incremental workload of the department. At any given

point of time, one manager must not be evaluating more than five (5) proposals.

The positions for Deputy Managers and Assistant Managers is not required in the department, however the Board and HR governance committee has the discretion to fill in any of these position if the work load justifies the action.

For HR Capacity Building specialized MPEs will be engaged and as the company evolves. The HR Capacity Building must be handled by a separate department with its equivalent status. That department must be created within the first two years of operations of R&D Fund.

3.2.3.2 *Finance Department:*

The number of Managers would remain fixed in this department as each manager would be handling a distinct function.

The position for Deputy Managers and Assistant Managers may be created in the department if the work load justifies the action. Board and HR committee also has the discretion of increasing the number of positions for Managers if the work justifies the action.

3.2.3.3 *Monitoring Department:*

The number of Managers will depend on the work-load. At the inception, two-three managers must be engaged, however as the R&D Fund Co. progresses, the number can be increased by the Board / HR Committee at the recommendation of the GM and CEO. The increase will be directly proportional to the incremental workload of the department. At any given point of time, one manager must not be monitoring more than Seven (07) projects.

The positions for Deputy Managers and Assistant Managers is not required in the department, however the Board and HR committee has the discretion to fill in any of these position if the work load justifies the action.

3.2.3.4 *Legal Department:*

There will be no position for a manager in this department at the inception, however at a later stage; the officers may be promoted to the Manager scale. At the inception two Deputy Managers must be hired for the department and the number can be increased depending on the workload. The increase in the number of officers will be directly proportional to the incremental

workload of the department. At any given point of time, one Deputy Manager must not be handling more than Five (05) projects.

3.2.3.5 *Coordination Department:*

The number of Managers would remain fixed in this department as each manager would be handling a distinct function. As the R&D Fund Co. evolves, a separate position for Manager (International Coordination) may be created, depending on the work load in the international realm.

The position for Deputy Managers and Assistant Managers may be created in the department if the work load justifies the action

3.2.3.6 *Publication Department:*

The number of Managers would remain fixed in this department as each manager would be handling a distinct function.

The position for Deputy Managers and Assistant Managers may be created in the department if the work load justifies the action

3.2.3.7 *HR & Administration Functions:*

These functions will initially be handled by a Manager level position. As the R&D Fund Co. evolves and strength of human resources grows, a position for GM may be created which would then give this function a status of a separate department. One Deputy Manager (Tier-IV) for each function would be engaged and they would assist the Manager who would report directly to the CEO.

The position for Assistant Managers may be created in the department if the work load justifies the action.

3.2.4 The Salary structure for various line tiers of organization is as follows:

Salaries to all tiers should be market competitive. The minimum equivalency only serves as benchmark. The Board has the discretion to assign a market driven salary to attract the requisite human resource.

<u>Tier</u>	<u>Position</u>	<u>Minimum Equivalency</u>
Tier-1	CEO	MP-I
Tier-2	GM	MP-II
Tier-III	Manager	MP-III
Tier-IV	Deputy Manager	BPS-18
Tier-V	Assistant Manager	BPS-17

3.2.5 Fringe Benefit Scheme is as follows:

The board may from time to time decide as to what fringe benefits to be provided to the employees. It is recommended that as a base minimum all employees should be provided with comprehensive medical insurance and a contributory provident fund.

3.2.6 Staff positions will be engaged as per discretion of the board to support either Tier-I and Tier-II employees or for the smooth functioning of a given department or organization. The positions will carry the following structure.

<u>Position</u>	<u>Minimum Equivalency</u>
Private Secretary to CEO	BPS 17
Private Secretary to GM	BPS 16
Office Assistant	BPS 16
Driver	BPS 04
Peon	BPS 01

Standard perks as discussed in 3.2.5 shall apply to all "Staff Positions."

- 3.2.7 All hiring will be made by the Board or the HR governance committee, however the board and the HR governance committee has the discretion to delegate the hiring authority to an executive of the organization for any/all line positions/posts below his/her own cadre and staff positions/posts for himself/herself and for support of line positions /posts below his/her own cadre.
- 3.2.8 Yearly performance appraisal of the employees of the organizations will be done through a 360 performance appraisal verified by the CEO. The CEO performance appraisal will be verified by the Chairman of HR committee. All decisions regarding promotion/demotion/increment or decline will be made by the HR committee based on the yearly performance appraisal. Board and the HR governance committee have the discretion to change or amend the type and duration of performance appraisal system.
- 3.2.9 The Board has the discretion to amend the organizational structure to suit the needs of the R&D Fund Co. at any given point in time. Board may also decide to merge existing positions or/and create new positions.

3.3 Job Description

Every employee of the organization will perform his/her duties according to a job description and the periodic performance appraisal will be based on the same as well. The Job Description will entail all the specific details about a given job including the hiring criteria and the set of responsibilities /duties.

3.3.1 Chief Executive Officer (CEO)

Chief Executive Officer (CEO) is the head of the R&D Fund Company. He would exercise a vertical power relationship with the organization and a horizontal relationship with the Board and its committees for policy making purposes, however for the management responsibilities his relationship would remain a vertical one with the Board and its committees.

Purpose

Lead a diverse and complex research organization by giving direction and leadership towards the achievement of the National R&D Fund philosophy, mission, strategy, and its objectives by implementing the strategies.

Reports to

CEO will be directly reporting to the Board of R&D Fund Company and its Committees

Qualification and Experience

- Advanced Degree in Telecom, Business Administration, IT, Electronics Engineering or Electrical Engineering
- 10 years relevant professional experience in advance management capacity

Major Duties and Responsibilities

Plan and direct the organization's activities to achieve stated/agreed targets and standards for financial and operational performance, quality, culture and legislative adherence along with many other duties.

Accomplishment of the Vision

The Board of Directors will define the vision of the R&D Fund Company and the basic responsibility of the CEO is to lead the organization toward the vision set by Board of Directors, by setting out correct directions of the R&D Fund so that it can work for the cause it was conceived for.

Creating liaison between the Board and the Staff

The CEO will be responsible to create a liaison between the Board and the staff through interfacing between them to enable the Board to fulfill its governance function

Budget recommendations

CEO will recommend yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations

Appraisal of the staff

It will be a part of the CEO's responsibility to perform annual written and oral performance evaluations of all staff supervised directly by CEO

Periodic Reports

The CEO will be responsible to Prepare and submit timely written and oral reports to the Board of Directors.

Defining and setting standards and procedures

All the goals and objectives will be defined by the Board of Directors of the R&D Fund and the CEO will set the standards and procedures to achieve the goals. Thus the CEO will direct the development of and will approve the standards and procedures.

Effective Policy Implementation

The Board of Directors will provide the directions to implement the policy framework of the R&D Fund and CEO will be responsible to Implement the policy of R&D Fund as directed by the Board in effective and efficient manner.

Transparency

The CEO will be responsible to ensure transparent and effective operations of the R&D Fund Co. in line with best business practices.

Leadership and Direction

Performing the role of a leader among the diverse group of people and synergy building among the workforce will be a responsibility of the CEO. Providing a direction to the workforce for effective implementation of policies and achievement of the goals & objectives of the R&D Fund Company is another responsibility on the part of the CEO.

Remuneration Criteria

The compensation of the CEO will be minimum equivalent scale MP-I

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, CEO will be entitled to;

- 1600 CC car (chauffer driven and fully maintained by the R&D Fund. Co.)
- State of the art, latest technology Lap top

3.3.2 General Manager Solicitation and Evaluation

General Manager Solicitation and Evaluation, the head of the Solicitation & Evaluation Department will oversee the solicitation and processing of research proposals.

Purpose

Receiving, analyzing and approving solicited and unsolicited proposals according to the themes and guidelines defined by the R&D Fund Co. Board; Making periodic reports, analyzing issues related to scientific development and heading the department of Solicitation & Evaluation in managerial capacity.

Reports to

The General Manager Solicitation and Evaluation will directly report to the Chief Executive Officer (CEO)

Qualification and Experience

- Advanced Degree in Telecom or ICT related discipline
- Work requires communications, analytical and organizational skills.
- Ten years of progressive experience in the similar position preferably with a donor agency or a non profit organization.

Major Duties and Responsibilities:

Developing Proposal solicitation and evaluation strategies

- Provide the services of research, prospect identification, proposal design, evaluation and solicitation strategies.

- Design a conceptual framework to help evaluators assess the extent to which the project generally supports the broad policy objectives.

Identification of theme and project definition

Identify, develop and maintain themes and project definitions for consideration by the Board. Define projects corresponding to theme.

Monitoring review process

Research, review, evaluate and edit proposals developed by principal investigators
Create an external review panel for external evaluation of proposals, depending on the funding activity in progress.

Coordinating with other departments

Work closely with other departments to ensure timely involvement of research bodies and principal investigators, disbursement of funds, effective monitoring, publishing of results and beneficial commercialization

Approval on technical proposals

Analyze evaluation results synthesized by evaluation managers. Assess their implications for R&D Fund program performance.

Ensuring adherence to policies and procedures

Monitors the day-to-day operations to ensure that the department is meeting goals and objectives, is following policies and procedures and is adhering to deadlines, takes corrective action as appropriate.

Remuneration Criteria

Minimum equivalent scale MP-II

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, General Manager Solicitation and Evaluation will be entitled to;

- 1300 CC car (fully maintained by the R&D Fund Co.)
- State of the art, latest technology Lap top

Working conditions

Work conditions are normal office environment and may require working on a flexible schedule.

3.3.3 General Manager Monitoring

General Manager Monitoring, the head of the Monitoring Department will ensure effective and progressive monitoring of all R&D Funded projects, with a view to strengthen the performance of these projects.

Purpose

Develop priorities; set goals and strategies for meeting priorities; provide the services of research, prospect identification, monitoring and evaluation and heading the Monitoring Department in a managerial capacity.

Reports to

The General Manager Monitoring will be directly reporting to the Chief Executive Officer (CEO)

Qualification and Experience

- Advance degree in Business Administration or ICT related discipline
- 8-10 years progressive experience in the similar position preferably in a donor agency/financial institution or a non profit organization. Experience within Telecom Industry would be a big plus

Major Duties and Responsibilities

Design and implement Monitoring mechanism

Design and implement monitoring and evaluation tools and strategies in line with the ongoing proposal approval criteria

Analyze and recommend methods to match current interests of National R & D Fund with Industry priorities.

Oversee the monitoring process and ensure compliance with timetables

Maintain tracking system for prospect clearance and project monitoring; coordinate follow-up on successful proposals ensuring timely submission of narrative and financial reports and adherence to project timetables. Take appropriate actions in case of irregularities.

Give recommendations on monitoring team composition for individual project, depending on the scale and criticality of the project.

Facilitate the monitoring team in designing monitoring schedules for R&D projects, to track project progress against planned tasks.

Prepare budgetary recommendation of the department

Determine fiscal requirements of the office and prepare budgetary recommendations; ensure expenditures are monitored, verified and reconciled.

Remuneration Criteria

Minimum equivalent scale MP-II

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, General Manager Monitoring will be entitled to;

- 1300 CC car (fully maintained by the R&D Fund Co.)
- State of the art, latest technology Lap top

Working conditions

Work conditions are normal office environment and may require working on a flexible schedule.

3.3.4 Chief Financial Officer

Chief Financial Officer is responsible for all financial and fiscal management aspects of company operations. Provide leadership and coordination in the business planning, accounting and budgeting efforts of the company

Purpose

Provide dynamic leadership, guidance and direction in financial matters. Ensuring that financial discipline is followed, budgets are met and controls are implemented. And heading the Finance department in a managerial capacity

Reports to

The CFO will directly report to the Chief Executive Officer (CEO)

Qualification and Experience

- MBA Finance / CFA / MS Finance
- 10 year progressive experience with exposure to financial management, investment decision making and/or financial consulting/research
- Knowledge of finance, accounting, budgeting, and cost control principles including Generally Accepted Accounting Principles. Knowledge of automated financial and accounting reporting systems. Knowledge of federal and state financial regulations. Ability to analyze financial data and prepare financial reports, statements, and projections.

Major Duties and Responsibilities

Control and treasury functions

The CFO's responsibilities are rooted in the functions of "control" and "treasury". The CFO must ensure that appropriate systems are in place to measure the attainment of corporate and departmental goals along with certain other responsibilities.

Develop financial systems and internal controls

Develop National R & D Fund's financial systems to facilitate informal management decision-making.

Ensure the effective management of National R & D Fund's financial operations.

Establish and maintain appropriate internal control safeguards.

Develop, execute, and communicate overall financial strategy to all stakeholders.

Financial reporting and auditing procedures

Financial reporting, budgeting and forecasting. Ensure records systems are maintained in accordance with International auditing standards. Ensure compliance with state, federal budgetary reporting requirements.

Handling financing of large projects, audits and accounts functions.

Financial policy decision recommendations

Provide recommendations to the CEO on major financial decisions and carry out the financial policy decisions made by R&D Fund Co. Board

Remuneration Criteria

Minimum equivalent scale MP-II

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, Chief Financial Officer will be entitled to;

- 1300 CC car (fully maintained by the R&D Fund Co.)
- State of the art, latest technology Lap top

Working conditions

Work conditions are normal office environment and may require working on a flexible schedule.

3.3.5 General Manager Publication

Serve as the head of the Publication Department of the R&D Fund Co. , implement publications policies and projects, and provide leadership for improving communication to the stakeholders.

Purpose

Planning, developing, implementing and evaluating information and communication strategies that present the National R & D Fund to the public, and other stakeholders. Promotes a smooth flow of information within and outside the organization and heading the publication department in a managerial capacity

Reports to

The General Manager Publications will directly report to the Chief Executive Officer (CEO)

Qualification and Experience

- Advanced degree in mass communications / business administration
- Ten years related experience.
- Demonstrated ability to communicate effectively and project a positive image.

Major Duties and Responsibilities

Data collection for publications

Collect, compile and organize all the data regarding the granted and in-process projects

Develop Information system

Develop and Design a comprehensive information system for generating periodic reports to all the internal and external stakeholders based on the compiled database

Develop and implement publication plan

Create and implement a plan for all publications, including concepts, timelines and budgets

Publish periodic reports for internal and external stakeholders

Manage the budget for publications.

Responsible for managing printing bids.

Effectively manage outside vendors and designers

Communication of report results

Share the results derived from various reports with Management, Board and its committees on periodic basis

Resolves conflicts/problems that might arise with publications.

Promotion and publicity.

Make decisions on R&D Fund Company's promotional and publicity activities.

Ensure compliance with publication plan

Monitors the day-to-day operations to ensure that the department is meeting goals and objectives, is following policies and procedures and is adhering to production schedules and deadlines, takes corrective action as appropriate.

Remuneration Criteria

Minimum equivalent scale MP-II

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, General Manager Publication will be entitled to;

- 1300 CC car (fully maintained by the R&D Fund Co.)
- State of the art, latest technology Lap top

Working conditions

Work conditions are normal office environment and may require working on a flexible schedule.

3.3.6 General Manager Legal

General Manager Legal affairs will head the Legal affairs Department and shall be responsible for overseeing the legal issues of the R&D Fund Co.

Purpose

To provide strategic and professional advice and execution in all legal matters pertaining to contract preparation and evaluation. And heading the legal department in a managerial capacity.

Reports to

The General Manager for Legal affairs will directly report to the Chief Executive Officer (CEO)

Qualification and Experience:

- Preferably a master's degree in law, however a bachelor degree holder may be appointed who demonstrate exceptional track record
- Having gained in-depth knowledge of Pakistani and international legal system.
- Familiarity with IPR issues, legal drafting and legal dispute settlement
- At least 10 years of relevant experience

Major Duties and Responsibilities

Legal documentation

Drafting and reviewing contracts, agreements and other legal documents.

Participating in contract negotiations and ensure compliance with all legal documentation requirements.

Legal advice

Providing legal advice for the operations of the National R & D Fund, and all potential legal issues.

Follow-up on contractual obligations

Follow up of project contract and subcontract to assure fulfillment of contractual obligations by all parties.

IPR sharing system

Development and execution of an effective system for IPR sharing

Conflict resolution and litigation

Conflict Resolution and also responsible for coordinating and overseeing all litigation. Responsible for handling all potential legal matters, including Analysis, evaluation and defense of any legal dispute.

Update legal policies and procedures

Monitoring changes in laws and regulations that may affect departmental operations and implementing policy and procedural changes as required.

Remuneration Criteria

Minimum equivalent scale MP-II

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, General Manager Legal will be entitled to;

- 1300 CC car (fully maintained by the R&D Fund Co.)
- State of the art, latest technology Lap top

Working conditions

Work conditions are normal office environment and may require working on a flexible schedule.

3.3.7 General Manager Coordination

General Manager Coordination is the head of the Coordination Department of the R&D Fund Co.

Purpose

Planning, developing, implementing and evaluating information and communication strategies that help develop the relationship with international and national level strategic partners. And heading the coordination department in a managerial capacity

Reports to

The General Manager Coordination will directly report to the Chief Executive Officer (CEO)

Qualification and Experience

- Advanced degree in mass communications / business administration
- Ten years related experience.
- Demonstrated ability to communicate effectively and project a positive image.
- Thorough understanding of Public Sector Mechanism
- Must have the ability to clearly communicate to staff, colleagues and stakeholders in order to proactively develop, implement and maintain a positive public relations strategy

Major Duties and Responsibilities

Identify Complementary strategic partners

Evaluate the integrated thematic focus of the R&D Fund and track all possible complementary strategic partners with respect to various themes

Networking

Maintains a current roster of both national and international complementary funding agencies and donors. Develop strong relationships with funding agencies, other ministries, international donors, corporate world and research organizations

Provides coordination and assistance for all fundraising activities from both private and public sectors

Develops adaptive and creative ideas for obtaining resources

Develop Promotion/ publicity plan

Develop and implement overall media relations' strategies. Serves in a proactive manner to promote R&D Fund Co. to the media and public

Plans for future communication needs and opportunities.

Develop a comprehensive promotion/publicity program for approved research activities.

Coordination with stakeholders

Coordinate the thematic focus amongst all stakeholders within and outside IT Ministry

Awareness programs

Develop and implement a comprehensive continual awareness program for various focuses of the R&D Fund.

Remuneration Criteria

Minimum equivalent scale MP-II

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, General Manager Coordination will be entitled to;

- 1300 CC car (fully maintained by the R&D Fund Co.)
- State of the art, latest technology Lap top

Working conditions

Work conditions are normal office environment and may require working on a flexible schedule.

3.3.8 Manager Human Resources and Administration

Purpose: To provide significant contribution in creating a culture that focuses on the continuous growth and vitalization of the system.

Reports to: Manager Human Resource and Administration will be reporting to the Chief Executive Officer.

Major Duties and Responsibilities:

Development of HR System

Manager HR & Administration is responsible for departmental restructuring and re-engineering of procedures and processes for better utilization of human resources.

Coaching & Conflict Resolution

It is a responsibility of Manager HR & Administration to conduct executive and management coaching and conflict resolution.

Design Programs and Values

Manager HR & Administration is responsible to develop values and design programs for team interactions, skills alignment, employee's morale and workplace climate.

HR & Administrative setups

The position is responsible to raise and manage HR and Administrative setups & structures in order to ensure the best performance of the employees.

Administrative Role

Manager HR & Administration is responsible for running & supervising day-to-day administrative affairs of the R&D Fund Co, in compliance with the defined policies and structures.

Qualification and Experience:

- Should have MBA degree from a well reputed university with specialization in Management/ Human Resources
- Should have at least 5-7 years relevant experience preferably in an MNC environment

Remuneration Criteria

The salary package for Manager HR & Administration will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, he will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.9 Manager Project Evaluation

Purpose: To act as internal evaluator for the submitted proposals and assist the General Manager, Solicitation and Evaluation.

Reports to: Manager Project Evaluation will be directly reporting to the General Manager, Solicitation and Evaluation.

Major Duties and Responsibilities:

Broadly, the position will be responsible for the thorough evaluation of the Project Applications/ Proposals, regarding the solicited theme or a request for an independent project along with various other allied responsibilities.

Project Solicitation & Evaluation

The primary responsibility of the Manager Project Evaluation will be to first solicit the projects asking the Principal Investigators to submit their project proposals relevant to the announced theme. Evaluation of the proposals in lined with the defined criteria of the R&D Fund monitoring department. Moreover the evaluation of all unsolicited independent projects will also be the responsibility of the Manager Project Evaluation.

Creating Liaison

The monitoring department of the R&D Fund Company may consult to the panel of the External Evaluators as per the requirement of the projects. Manager Project Evaluation will work as a liaison with the External Evaluators. Creating an effective link between the Monitoring Department and the External Evaluators is a responsibility on the part of the Manager Project Evaluation.

Project Evaluation Reports

Timely submissions of the preliminary and final evaluation reports of the project proposals in accordance with the defined deadlines will be a responsibility of the Manager Project Evaluation.

Pre-approval Negotiations

Negotiation and coordination with the principal investigator regarding the technical aspects of the proposal will be a duty of the Project Evaluation Manager. These negotiations will be conducted to resolve all issues acting as a hazard for the approval.

Project Recommendation

Forwarding Recommendations and preparing penetrations for the GM, CFO, CEO, Board and PAC regarding the evaluated/ approved projects.

Provision of Project Details

Manager Project Evaluation will coordinate and will provide all essential details about the projects required to the other departments for maintaining their data regarding the projects funded by the R&D Fund Company.

Qualification and Experience:

- Incumbent should have a BS Telecom Engineering / BS IT degree, however a person with MS qualification be preferred
- Should have at least 5 years relevant experience preferably in a similar capacity
- Should have a thorough understanding of Project Management theory and practices

Remuneration Criteria

The salary package for the Manager Project Evaluation will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, he will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.10 Manager Finance

Purpose:

To assist the Chief Finance Officer in investment matters, financial projections and modeling

Reports to:

Manager Finance will be directly reporting to the Chief Finance Officer

Major Duties and Responsibilities:

Financial planning

The finance manager will prepare a detailed financial plan in order to develop the effective financial systems and practices.

Budgetary Management

Making internal budgetary schemes and recommending strategies for the better overall budgetary management is a responsibility on part of the Manager Finance.

Financial Evaluation

After having the technical approval of the proposal, Manager Finance has the responsibility to evaluate the financial proposal as an internal evaluator in accordance with the evaluation criteria defined by the R&D Fund Company.

Pre-approval negotiations

Manager Finance has the responsibility to negotiate with the Principal Investigator on the financial grounds of the project proposal including requires & proposed funds and other allied matters.

Investment Strategies

Manager Finance is responsible for recommending the investment strategies for the residual funds of the R&D Fund Company

Fund Raising

Manager Finance has the responsibility to coordinate efforts to raise funds through complementary sources nationally and internationally.

Provision of assistance and advice

The position is responsible to provide assistance and advice to the CFO in all financial matters/ activities of the R&D Fund Company.

Project Recommendation

Forwarding Recommendations and preparing penetrations for the, CFO, CEO, Board and F&A Committee regarding the evaluated/ approved projects.

Qualification and Experience:

- The incumbent should be an MBA (finance) / CFA
- Should have at least 5 years relevant experience preferably in a financial institution
- Should have an understanding of contemporary investment practices domestically and internationally

Remuneration Criteria

The salary package for the Manager Finance will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, he will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.11 Manager Accounts

Purpose: To develop and maintain the accounting records of the R&D Fund Company.

Reports to: Manager Accounts will be directly reporting to the Chief Finance Officer

Major Duties and Responsibilities:

The primary responsibility of the Manager Accounts is to maintain the accounting records and keeping a track of the accounting transactions, besides various other responsibilities.

Development & Implementation of Accounting System

Manager Accounts is responsible for the development and implementation of a comprehensive and effective accounting system for the R&D Fund Company, complied with the international practices, concepts and terminologies of accounting.

Financial Reports

Periodic Financial Reports will be compiled to keep a record of the financial/ accounting transactions of the fund. It is a responsibility of the Manager Accounts to generate all periodic financial reports regarding the activities of the R&D Fund Company

Record Keeping

Manager Accounts has the responsibility of documenting all accounting transactions on daily basis for the purpose of keeping a complete record of these transactions.

Banking Transactions

The position is responsible to manage all the banking transactions and will keep a detailed record of them. Moreover the Accounts Manager will monitor all the transactions of the R&D Fund with the banks in order to ensure the transparency.

Coordination with the External Agencies

It is a responsibility on the part of Manager Accounts to deal and coordinate with all the external agencies of the R&D Fund relating with taxation and other financial matters.

Coordination with Accounting Staff

Manager Accounts is responsible to coordinate with the accounting staff in establishing, maintaining and verifying accounting records.

Qualification and Experience:

- The incumbent should be a CA / ACMA / ACCA / CIMA
- Should have at least 3-5 years relevant experience preferably in a financial institution
- Should have an understanding of computerized accounting systems

Remuneration Criteria

The salary package for the Manager Accounts will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, He/She will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.12 Manager Internal Audit

Purpose: To assist the Chief Finance Officer in implementing an effective audit system

Reports to:

- Chief Finance Officer
- For the internal audit reports on periodic basis, the internal auditor will report directly to the Chairman, Finance and Audit Committee

Major Duties and Responsibilities:

Internal Audit System

Manager internal audit is responsible for developing an effective and concrete internal audit system. Furthermore it is also his responsibility to implement the audit system & to ensure its transparency.

Identifying dissent in Budget

Manager Internal Audit has the responsibility to monitor any dissents or variances in the overall and departmental budgets and to take measures for the correction and elimination of these variances.

Compliance Mechanism

The position is responsible for developing a strict compliance mechanism to avoid any discrepancies and corruption at any level. Moreover the effective implementation of this mechanism is also the responsibility on the part of Manager Internal Audit.

Transparency

It is the responsibility of Manager Internal Audit that the audit program should be performed with proficiency and due professional care, in compliance with the high standards of honesty, objectivity, diligence and loyalty, complied with international practices.

Internal Audit Reports

Internal Audit Manager is responsible for designing and generating the internal audit reports in such a way that these reports could help the external auditors in conducting the external audit periodically.

Corrective Measures

It is a responsibility of the Internal Audit Manager to make sure that before the submission of periodic internal audit report, all steps are taken to ratify errors, non compliance and other accounting/financial issues.

Professional Advice

In order to ensure effective, efficient and transparent operations of the R&D Fund Company, Manager Internal Audit will provide assistance and advice to the management in development of structures, policies and plans, taking into consideration the errors and flaws found during Internal Audit.

Qualification and Experience:

- The incumbent should be CA / ACCA / CIMA / CPA
- Should have 3-5 years relevant experience preferably in a service organization or financial institution
- Should have a command over public audit mechanism

Remuneration Criteria

The salary package for the Manager Internal Audit will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, He/She will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.13 Project Manager

Purpose: Personalized monitoring of the R&D projects

Reports to: General Manager Monitoring

Major Duties and Responsibilities:

Monitoring Strategies

The Project Manager is responsible to Design and implement monitoring and evaluation tools and strategies in line with the ongoing proposal approval criteria for the assigned projects.

Monitoring Reports

It is a responsibility of the Project Manager to prepare periodic monitoring reports in line with established criteria of the R&D Fund Monitoring Department

Project Details

The project Manager has the duty to provide all essential information required by any other department of the R&D Fund Company regarding any ongoing project and to Communicate results with all concerned stakeholders as per provisions of the department

Troubleshooting

To Analyze and recommend methods to realign a troubled projects complied with the international practices is the responsibility of the Project Manager.

Project Results

Project Manager is responsible to Maintain tracking system for prospect clearance and project monitoring; coordinate follow-up on successful proposals ensuring timely submission of narrative and financial reports and adherence to project timetables.

Qualification and Experience:

- should have Masters degree in Business Administration or ICT related discipline
- Should have at least Five years progressive experience in the similar position preferably in a donor agency/financial institution or a non profit organization. Experience within Telecom Industry would be a big plus.

Remuneration Criteria

The salary package for the Project Manager will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, He/She will be entitled to;

- 1000 CC car & State of the art, latest technology Lap top

3.3.14 Manager, Public Sector Coordination

Purpose: Coordination with Stakeholders within the Government Sector, Nationally or internationally

Reports to: General Manager Coordination

Major Duties and Responsibilities:

Integrated Theme Focus

Manager Public Sector Coordination is responsible to evaluate the integrated thematic focus of the R&D Fund and track all possible complementary strategic partners with respect to various themes across various ministries and government bodies.

Public Relation & Coordination

Manager Public Sector Coordination has the responsibility to develop strong relationships with other ministries, and public sector research organizations in order to select the themes and seek the expertise of researchers for the identified value chains and contributors for the R&D Fund Company.

R&D Priority awareness

Manager Public Sector Coordination is responsible to develop and implement a comprehensive continual awareness program for various focuses and key priority areas of the R&D Fund within the Government Circles.

Strategic Partners

The position is responsible for finding Strategic partners & contributors to support thematic focus within public domain, in order to achieve the goals and objectives of the R&D Fund Co.

Government Support

Public Sector Coordination Manager has the responsibility to Investigate and explore the possibilities of Government level Bilateral and multilateral research support with an international perspective

International Development Opportunities

Manager Public Sector Coordination is responsible for designing a strategic framework to support the R&D Fund priorities, initiatives and projects. He/She will seek for the positive contribution from the public sector in developing opportunities for Cross-Border Activities.

Qualification and Experience:

- Should have Masters degree in Mass Communication or Business Administration
- Should have at least five years progressive experience in the similar position preferably in public sector/ donor agency or a non profit organization.

Remuneration Criteria

The salary package for the Manager Public Sector Coordination will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, He/She will be entitled to;

- 1000 CC car & State of the art, latest technology Lap top

3.3.15 Manager, Private Sector Coordination

Purpose: Coordination with Stakeholders within the Private Sector, Nationally or internationally

Reports to: General Manager Coordination

Major Duties and Responsibilities:

Integrated Theme Focus

Manager Private Sector Coordination is responsible to evaluate the integrated thematic focus of the R&D Fund and track all possible complementary strategic partners in the private sector.

Public Relations

Manager Private Sector Coordination has the responsibility to develop strong relationships with funding agencies, international donors, corporate world and private sector research organizations.

Media & Marketing

It is a responsibility on the part of Manager Public Sector Coordination to develop and implement relevant media relations' strategies.

Communication Plan

Manager Private Sector Coordination is responsible for developing Plans for future communication needs and opportunities relevant to R&D Fund Activities.

Promotion/ Publication Program

The position is responsible for developing and conducting a comprehensive promotion/publicity program for approved research activities.

Coordination with Stakeholders

Manager Public Sector Coordination will coordinate the thematic focus amongst corporate sector stakeholders to facilitate the ultimate aim of the R&D Fund aim and focus.

Strategic Partnership

Manager Private Sector Coordination has the responsibility to track and explore strategic partnership possibilities with national and international private R&D funds, VC funds and support organizations.

Awareness Program

The position is responsible to develop and implement a comprehensive continual awareness program for various focuses of the R&D Fund Company and to coordinate with external consultants/advisors for the same task.

Qualification and Experience:

- The incumbent should have Masters degree in Mass Communication or Business Administration
- Should have at least five years progressive experience in the similar position preferably in an MNC/ donor agency or an international non profit organization.

Remuneration Criteria

The salary package for the Manager Private Sector Coordination will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, He/She will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.16 Manager, Publication (Internal Reporting)

Purpose: To provide all the requisite information to all levels of the R&D Fund Co.

Reports to: General Manager Publication

Major Duties and Responsibilities:

Review Reports (Internal)

Manager Publication (Internal Reporting) is responsible for preparing and generating periodic review reports regarding the functioning of various departments.

Progress Reports

Manager Publication (Internal Reporting) has the responsibility to generate reports on the progress and critical analysis of funded projects.

Comparison Reports

The position is responsible generate reports on relative comparison of funded projects in line with recommended criteria

Management Reports

Periodic Management reports will be generated on the basis of the information gathered from all departments of the R&D Fund Company, Manager Publication (Internal Reporting) is responsible for the preparation and communication of these Management Reports.

Newsletters (Internal)

The Publication Manager for Internal Reporting will supervise the internal Newsletters and all other internal publications and will ensure the effective communication of these publications amongst the internal stakeholders of the R&D Fund Company.

Effective Information System

Manager Publication (Internal Reporting) has the responsibility to Develop and implement effective information system within the organization

Qualification and Experience:

- Should have Masters degree in Mass Communication or Business Administration (preferably with MIS specialization)
- Should have at least five years progressive experience in the similar position

Remuneration Criteria

The salary package for the Manager Publication (Internal Reporting) will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, He/She will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.17 Manager, Publication (External Reporting)

Purpose: To provide all the requisite information to all stakeholders of the R&D Fund Co.

Reports to: General Manager Publication

Major Duties and Responsibilities:

Review Reports (External)

Manager Publication for External Reporting has the responsibility to assist other departments in finalizing their periodic review/ reports meant for public consumption

External Communication

It is a responsibility of the Manager Publication (External Reporting) to prepare and publish all the reports which are a part of the External Publication & Communication System of the R&D Fund Company.

Performance Review

Periodic Performance Reviews of the R&D Fund activities will be published for the external stakeholders in order to convey the effective performance and achievements of the R&D Fund Company. Manager Publication (External Reporting) is responsible to Prepare and publish comprehensive periodic performance reviews of the R&D Fund Co.

Newsletters (External)

All the periodic Newsletters of the R&D Fund Company focusing on the external stakeholders will be Prepared and published by the Manager Publication (External Reporting).

R&D Fund Activity Reports

Manager Publication (External Reporting) has the responsibility to Prepare and publish results for various facets of the R&D Fund Co, so that the activities and achievements of the R&D Fund Company could be conveyed to the Principal Investigators and Contributors.

Qualification and Experience:

- Should have Masters degree in Mass Communication or Business Administration
- Should have at least Five years progressive experience in the similar position

Remuneration Criteria

The salary package for the Manager Publication (External Reporting) will be in accordance with Minimum equivalent scale MP-III

Fringe Benefits

In addition to comprehensive medical insurance and a contributory provident fund, CEO will be entitled to;

- 1000 CC car
- State of the art, latest technology Lap top

3.3.18 Deputy Managers

Role: All Deputy Manager level positions will act in a supportive capacity to assist managers and general managers in achieving the overall objectives of the department

Qualification and Experience

- Legal Deputy Managers should at least have a LLB
- All other Deputy Managers must have 16 years of education in the relevant field
- Should have at least 2-3 years of experience in a similar capacity

Remuneration Criteria

The salary package for the Deputy Managers will be in accordance with Minimum equivalent scale BPS-18

Fringe Benefits

Deputy Managers will be entitled to comprehensive medical insurance and a contributory provident fund.

3.3.19 Assistant Managers

Role: All Assistant Manager level positions will act in a supportive capacity to assist managers, deputy managers and /or general managers in achieving the overall objectives of the department

Qualification and Experience

- Must have 14 years of education, preferably in the relevant field
- Should have at least 1-2 years experience, however fresh graduates may be hired as well

Remuneration Criteria

The salary package for the Assistant Managers will be in accordance with Minimum equivalent scale BPS-17

Fringe Benefits

Assistant Managers will be entitled to comprehensive medical insurance and a contributory provident fund.

3.3.20 Support Staff

Role: Support Staff will not be involved in any direct decision making exercise. They are meant to provide assistance in day-to-day affairs of their immediate boss in their defined capacity

Requirement: Board and /or the HR committee is the final authority to decide on induction of any number of support staff for various tiers of the organization. It is in their discretion to delegate this authority to CEO

Qualification:

- Support Staff must be engaged in the cadres as specified in the section 3.2.6 and relevant regulations as decided by the board would govern.

Remuneration Criteria

The salary package for the Support Staff will be in accordance with Minimum equivalent scale BPS-01 – BPS-17. However for the company secretary the remuneration must be market competitive.

Fringe Benefits

Support staff will be entitled to comprehensive medical insurance and a contributory provident fund.

CHAPTER FOUR

THE FINANCIAL STRUCTURE

4.1 Guiding Principles

The Telecom Act envisages four sources of funding:

- grants made by the Federal Government
- prescribed contributions by licensees
- loans obtained from the Federal Government
- grants and endowments received from other agencies

In addition, as the R&D Fund Co. evolve, the cash flows from IP commercialization and royalties would also become a source of funds depending on the agreed upon sharing basis between the company and the principal investigator.

The bulk of the corpus of the R&D Fund is expected to come from the contributions by the telecom operators. The Telecom Act provides that the R&D Fund shall be under the control of the Federal Government and "*...therein shall be credited any sums of money...*" as mentioned above. Accordingly, the telecom operators are required to pay their contributions directly to the R&D Fund⁵.

⁵ Disbursements from the Fund will take place in accordance with the Manuals to be prepared under Task III.

4.1.3 Collection of Funds

An account will be opened in any scheduled bank of Pakistan in the name of the R&D Fund under the control of MoIT. All contributions to the fund will come directly to that account. Telecom operators will deposit the requisite percentage of their gross revenue to the account on yearly basis based on the audited accounts. All contributions to the fund would be based on yearly audited accounts that are subject to the review of the Board and/or Finance and Audit Committee.

4.1.3.1 Default

A telecom operator will be considered to be in default if the contribution is not made within the time specified and the Board may recommend to the MoIT to take corrective action through the regulating body PTA.

4.1.3.2 Other Grants

All other grants/loans/endowments and contributions will also be deposited in the same account.

4.1.4 Fund Management

The R&D Fund Co. account will be used for the active fund management. Board decides the budget on annual basis and transfers the funds to the R&D Fund Co. account on quarterly basis. Each quarter one fourth of the total annual budget must be transferred to the R&D Fund Co. account. No later than fourteen days before the commencement of each quarter of the financial year of the Company, the Federal Government shall, consistent with the annual

budget of the Company, make transfers of sums from the R&D Fund to the Company for that quarter.

4.1.4.1 Core Group

In terms of the fund management, the core group will comprise of three members; The Chairman of the F&A Committee, Chief Executive Officer and CFO. All three will be the signatory to the account and each check must contain the signatures of any two of them, however in the normal course of the business, CEO and CFO operate the account for all practical purposes. In the normal course of business, the disbursement procedures will be according to the user manual where the approval authorities at different levels are defined. The delegation to manage the funds rest with CEO and CFO, however the F&A Committee has the discretion to curtail or revoke the authority. The management of the fund will be in accordance with the policy statement and the budgeted roll out plan approved by the board. F&A committee will review the financial functioning of the R&D Fund Co. on monthly basis.

4.1.5 Investment Policy

The funds must primarily be used for investment in R&D projects and in any year a maximum of 80% of the incremental funds available should be invested in R&D projects. That is necessary to ensure that sufficient funds are available for reserve and recurring costs of the company, however given the circumstances in a given year the maximum cap may be relaxed by the board.

4.1.5.1 Surplus Fund

All surplus funds / income that is estimated to be left after R&D investments, reserve allocation and provision for recurring costs must be put into either the securities issued by a

government or securities that are backed by government institutions. Such investment in risk-free securities can be made in national or international securities.

4.1.5.2 Risk Management

No money will be invested in the equity securities; therefore the investment portfolio would always consist of risk-free debt instruments. All investments must be made in highly liquid securities.

4.1.5.2 Investment Cap

At any point in time no more than 20% of the total funds available to R&D Fund Co. must be invested in such securities, however given the circumstances in a given year the maximum cap may be relaxed by the board. The money put in an interest bearing account at any scheduled bank is considered investment for this purpose. F&A committee and/or the Board have the discretion to revise the investment policy at any time depending on the investment circumstances, amount available as surplus and the available R&D investment horizon.

4.1.6 Reserve Policy

The R&D Fund Co. must reserve a proportion of its resources in a Contingency Fund to provide a buffer against fund shortages and to allow greater flexibility in meeting its broad objectives. The Contingency Fund is primarily a cash reserve to fund the running costs of the Company for 9-12 months, at least. In exceptional circumstances it can also be used for larger items of expenditure than would meet the criteria for the R&D Fund Disbursement policy but which would exceed the budgeted amount allowed or available.

4.1.6.1 Portfolio Management

The contingency fund should be kept in the form of marketable/liquid risk-free debt securities or in a time deposit with a scheduled bank in Pakistan. The decision on the portfolio mix or the duration of the time deposit and decisions on expenditure from this fund are made by the Board or F&A Committee.

4.1.6.2 Revision Policy

The size of the contingency fund is reviewed on an annual basis according to the cost of meeting this plan, plus an allowance for contingencies of other kinds. At the inception, the size is set at 5% of the incremental contributions received

4.1.7 Financial Reporting

The R&D Fund Co. will prepare accounts for each financial year which give a true and fair view of the state of affairs of the Company and of the incoming resources and application of resources, including the net income or expenditure of the Company for that period. In preparing those accounts, the F&A committee would ensure that financial executives are required to:

- 4.1.7.1 Select suitable accounting policies and then apply them consistently;
- 4.1.7.2 Make judgments and estimates that are reasonable and prudent;
- 4.1.7.3 State whether or not applicable International Accounting Standards have been followed, subject to any material departures disclosed and explained in the accounts; and
- 4.1.7.4 Prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in operation.

The Board and /or F&A committee will ensure the availability of accounting records which disclose with reasonable accuracy at any time the financial position of the company and which enable the stakeholders to trust that the accounts comply with the Companies Ordinance 1984, by applying guidelines and compliance procedures. Board and F&A committee is also responsible for safeguarding the assets of the company, and hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The annual reports will be prepared in accordance with International Accounting Standards (IAS) and are subject to internal as well as external audit. The external audit will be performed by a Chartered Accountant firm as defined in the Chartered Accountant Ordinance 1961 (X of 1961) as well as by the Auditor General of Pakistan on annual basis. These reports will be reviewed specifically by the Board and F&A committee and will be sent to the Prime Minister of Pakistan after review.

4.1.8 Risk Assessment

The Board and/ or F&A committee is responsible for assessing the risk in terms of exposure to the investments in R&D regime, health of the reserves and surplus investments. The risk assessment for R&D projects must be based on the level of investment, commercialization track record and future potential and success-failure ratio. Project categories can then be assigned ratings from highly risky to risk free. It is up to the Board to define an acceptable level of risk in this regard and then set policy to accept /reject proposals based on this assessment. A periodic review of risk level is essential and the maximum gap between two reviews must not exceed 12 months.

4.1.8.1 Surplus Funds

In case of investments of surplus fund and investment in reserves, the assessment must be made in terms of exposure to one type of securities, diversification strategies employed, returns and liquidity. On the basis of this periodic risk assessment that must be done at least once a year, portfolio compositions could be changed and investments can be redirected.

4.1.8.2 Funding Sources

Risk assessment in terms of the funding sources, governance and operations must also be made and based on that assessment systems must be put into place that mitigate the exposure to major risks. This exercise must take place at least once a year.