

Nomination and Remuneration Policy

This Nomination and Remuneration Policy is being formulated in compliance with condition no.6 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). This policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management has been formulated by the Nomination and Remuneration Committee, (NRC) and has been approved by the Board of Directors of the Company.

Definitions

“Remuneration” means any money or its equivalent given to any person for services rendered by him and includes perquisites as defined under the Income Tax Ordinance, 1984

“Key Managerial Personnel” (KMP) means:

- i) Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
- ii) Chief Financial Officer;
- iii) Company Secretary;
- iv) Head of Internal Audit and Compliance; and
- v) Such other officer as may be prescribed.

“Senior Managerial Personnel” (SMP) mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

Objective:

The objective of the policy is to ensure that

- ♦ The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- ♦ Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- ♦ Remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Validation of the Policy:

This policy on Nomination and Remuneration of Directors and Top-Level Executives of the Company has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of the Company.

Amendments to the Policy

The Board preserves the rights to amend and review time to time the provisions of the policy depending on the legal and other requirements or for a bona fide purpose.

APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

- a. The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his/her appointment, as per Company’s Policy.
- b. A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

EVALUATION

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management Personnel yearly or at such intervals as may be considered necessary.

REMOVAL

The Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Companies Act, 1994, rules and regulations and the policy of the Company.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act. and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

1. Remuneration to Managing Director / Whole-time Directors:

- a) The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Companies Act, 1994 and rules made there under or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

2. Remuneration to Non- Executive / Independent Directors:

- a) The Non-Executive / Independent Directors may receive meeting fees and such other remuneration as permissible under the provisions of Companies Act, 1994. The amount of meeting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.
- b) Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (a) above if the following conditions are satisfied:
 - i) The Services are rendered by such Director in his capacity as the professional; and
 - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession.

3. Remuneration to Key Managerial Personnel and Senior Management:

The remuneration to Key Managerial Personnel and Senior Management shall consist of fixed pay and incentive pay in accordance with the Company's Policy.

IMPLEMENTATION

- a) The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- b) The Committee may delegate any of its powers to one or more of its members.