



**TERMS OF REFERENCE (TOR)  
FOR  
THE NOMINATION AND REMUNERATION COMMITTEE MEMBERS  
OF  
THE BOARD**

30 December 2018

***Company Secretariat***  
**CONFIDENCE CEMENT LIMITED**  
**“Confidence Heights”**

Plot-1, Lane-1, Road-2, Block-L, Haliashahar H/E, Agrabad Access Road, Chattogram.



**NRC - Terms of Reference (TOR)**

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**NRC- Terms of Reference (TOR)****NOMINATION AND REMUNERATION COMMITTEE****New Terms of Reference (TOR))**

(Approved by the Board on 14<sup>th</sup> November, 2018 to take effect on and from 30<sup>th</sup> December, 2018)

**Constitution**

The Board has established a Committee of the Board known as the Nominations Committee (the "Committee") as per Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC) dated 03 June 2018.

The Committee shall comprise of at least 3 (Three) Members including and Independent Director.

All Members of the Committee shall be Non-Executive Directors.

Members of the Committee shall be nominated and appointed by the Board.

In case of death, resignation, disqualification or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (One Hundred Eighty) days of occurring such vacancy in the Committee.

The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as Advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) staff shall be required or valuable of the Committee.

**Purpose**

The purpose of the Nomination and Remuneration Committee (the "Committee") shall be to carry out the responsibility of the Board of Directors relating to executive compensation and to produce an annual report on executive compensation. The guiding principle of the Committee is to provide a compensation program that enables the Company to retain and motivate a team of high quality executives who will able to create long-term shareholder value.

**Structure (Membership)**

The Committee shall consist of not less than three directors as appointed by the Board of Directors. The Chairperson of the Committee shall be designated by the Board of Directors.



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Members of the Committee may be removed by the Board of Directors in its discretion. Each member of the Committee shall be member, in the discretion of the Board of Directors.

The Board of Directors shall make an affirmative determination that each member of the Committee is independent. In making that determination, the Board of Directors shall consider 1) any consulting, advisory, or other compensatory fees paid to the member, 2) any affiliations the member has with the Company, its subsidiaries and or affiliates, and 3) all other factors relevant to determining whether the member has any relationships that are material to that member’s ability to be independent from management in connection with the duties of Committee membership.

**Composition**

Chairperson	Ms. Rabeya Jamali	Independent Director
Members	Mr. Shamsul Alam, BU	Non-Executive Director
	MG A K M Humayun Kabir, (retd)	“Independent Director
In Attendance	Managing Director / CEO	
	Chief Financial Officer	
	Head of HR	
Member Secretary	Company Secretary	

**N.B. The Board of Directors reconstituted the NRC on -24-12-2019.**

**Role**

The Committee reviews the structure, size and composition of the Board, the appointment of members to Board Committees and the appointment of Corporate Officers and also makes recommendations to the Board as appropriate. The Committee reviews management's Succession Plan to ensure its adequacy. The Committee is also responsible for considering and conflicts of interest.

NRC shall be independent and responsible or accountable to the Board and to the Shareholders.



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### **Membership**

The Committee is appointed by the Board in accordance with BSEC regulations. The Committee should have at least 3 (three) members, all of whom shall be Non-Executive Board Members and at least 2 (two) must be Independent Board Members.

The Chairperson of the Committee is to be an independent non executive member of the Board and is to be appointed by the Board (but is not to be the Chairperson of the Board). The members of the Committee shall be elected, by the Board, to serve for a 3 (three) year term, until their successors are elected and qualify or until their resignation or removal. The voting and appointment of committee members shall take place at the first Board meeting of a newly convened Board of Directors. Members may be re-elected for unlimited number of subsequent terms.

The Committee must comprise a minimum of three Directors a majority of whom should be independent and/or Non-Executive Directors as determined by the Board (in accordance with the principles of Corporate Governance Code issued by Bangladesh Securities and Exchange Commission (BSEC)). The members shall be appointed by the Board, in consultation with the Committee Chairperson.

The Committee Chairperson shall be appointed by the Board and must be either the Chairperson of the Board or an independent Non-Executive Director. The Chairperson of the Board shall not chair the Committee whilst it is dealing with the appointment of a successor to the chairpersonship of the Board.

The Committee Chairperson shall review membership of the Committee annually, as part of the annual performance evaluation of the Committee.

The Committee Chairperson and members of the Committee shall be identified in the Committee's Report to shareholders in the Annual Report.

### **Attendance at Meeting**

No one other than the Nomination and Remuneration committee members shall be entitled to attend Nomination and Remuneration committee meetings.

Only members of the committee have the right to attend committee meetings. However, the committee may invite executives/employees to attend meetings of the committee on a regular basis and other non-members may be invited to attend all or part of any meeting as and when appropriate and necessary.

The Chief Executive Officer, the Head of Human Resources and, where relevant, appropriate external advisers, may attend meetings of the Committee by invitation.



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### **Frequency of Meetings**

The Committee shall meet at least once or as and when required in a year at appropriate intervals and otherwise as required. The Committee may consider Succession Planning, with other meetings held as required.

The frequency with which the committee needs to meet will vary depending on the nature, scale and complexity of the company and may change from time to time. The Guidance states that it is for the NRC Chairperson, in consultation with the company secretary, to decide the frequency of meetings.

Outside of the formal meeting program, the Committee Chairperson will maintain a dialogue with key individuals involved in the company's governance, including the board Chairperson, the chief executive, the director, the external expert and/or lead partner and the head of HR, Admin and Compliance.

The minutes of all Committee meetings shall be circulated to members of the Board.

The Chairperson will call a meeting of the Committee if so requested by any Committee member or the Chief Financial Officer of the Company.

### **Quorum**

The quorum necessary for the transaction of business shall be [two] members including the Chairperson of the Committee.

In the absence of the Committee Chairperson or an appointed deputy, the remaining members present shall elect one of the members to chair the meeting who must be an independent Non-Executive Director.

### **Committee Secretary**

The Company Secretary shall be the Secretary to the Committee and shall be responsible for minuting the proceedings of all meetings of the Committee.

The Secretary or his or her nominee shall act as the secretary of the committee and will ensure that the committee receives information and papers in a timely manner to enable full and proper consideration to be given to issues.

In this regard, it is the Secretary's responsibility to ensure that the board and its committees are properly constituted and advised, and that there is clear co-ordination between the board and the various committees.

### **Annual General Meeting**

The Committee Chairperson shall attend the Company's Annual General Meeting and be prepared to respond to shareholder questions on the Committee's activities.



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### **Notice of Meeting**

Meetings of the committee shall be convened by the Secretary of the committee or at the request of any of its members, if they consider it necessary.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date together with an agenda of items to be discussed, shall be forwarded to each member of the committee, any other person required to attend and all other non-executive directors, no later than [Three] working days before the date of the meeting or if all the members agree then meeting may be called by giving notice of any shorter period. Supporting papers shall be sent to committee members and to other attendees as appropriate, at the same time.

### **Minutes of Meetings**

The secretary shall prepare minute the proceedings and decisions of all meetings of the committee, including recording the names of those present and in attendance.

Draft minutes of committee meetings shall be circulated promptly to all members of the committee.

Once approved, minutes should be circulated to all other members of the board unless it would be inappropriate to do so in the opinion of the committee Chairperson.

### **Procedure**

The Committee may ask members of management or others to attend Committee meetings and provide pertinent information when needed. Two members of the Committee will constitute a quorum with a majority of votes of those Committee members present at a meeting in which a quorum has been established being sufficient to adopt a resolution or otherwise take action. The Committee may delegate any of its responsibilities to subcommittees as the Committee may deem appropriate.

### **Nominations & Dismissals**

- a. The Committee shall review the structure, size and composition (including the skills, knowledge, independence, experience and diversity) of the Board and make recommendations to the Board with regard to any adjustments that are deemed necessary.
- b. The Committee shall evaluate the balance of skills, knowledge and experience on the Board before an appointment is made and based on such evaluation shall prepare a description of the role, capabilities and time commitment required for a particular appointment.

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- c. The Committee shall keep under review the leadership needs of the Group, both executive and non-executive, with a view to ensuring the continued ability of the organization to compete effectively in the marketplace.
- d. The Committee shall be responsible for identifying and nominating for the approval of the Board candidates to fill Board vacancies as and when they arise. In identifying suitable candidates for any appointment, the Committee shall use open advertising and/or external advisers to facilitate the search, will consider candidates from a wide range of backgrounds and must consider candidates on merit and against objective criteria, and with due regard to the benefits of diversity on the Board, including gender, and taking particular care to ensure that candidates have adequate time available to devote to the position.
- e. The Committee shall also consider in respect of the Executive Directors and Corporate Officers:
  - (i) proposals for their appointment, re-appointment or promotion (including the term of such appointment or re-appointment); and
  - (ii) any proposal for their dismissal or non-reappointment or any substantial change in their duties or responsibilities or the term of their appointment.
- f. 14(f). The Committee shall consider proposals for the appointment, re-appointment (including the term of such appointment) or retirement of the Chairperson of the Board, Deputy Chairperson, Senior Independent Non-Executive Director and other Non-Executive Directors.
- f. For the appointment of a Chairperson, the Committee shall prepare a job specification, including the time commitment expected. A proposed Chairperson's other significant commitments should be disclosed to the Board before appointment and any changes to the Chairperson's commitments should be reported to the Board as they arise.
- g. The Committee shall make recommendations concerning:
  - (i) suitable candidates for the role of Senior Independent Director;
  - (ii) membership of the audit and remuneration committees, and any other Board committees as appropriate, in consultation with the Chairperson of those committees;
  - (iii) any matters relating to the continuation in office of any director at any time including the suspension or termination of service of an Executive Director as an employee of the Company; and
  - (iv) the appointment of any Director to executive or other office.

**Succession Planning**

- a. The Committee shall review the management's Succession Plan to ensure its adequacy, taking into account the challenges and opportunities facing the Company, and accordingly what skills will be needed on the Board in the future.

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- b. The Committee shall also review succession planning in the wider context of the Board as a whole.

**Board Committee membership**

- a. The Committee shall recommend to the Board, after consultation with the respective Committee Chairmen, appointments to Board Committees as necessary.
- b. For both existing members of the Board and potential new appointments, the Committee will take into consideration other non-executive and executive director positions held to ensure the individual is able to allocate sufficient time to the role in question.
- c. The Committee shall consider and, if appropriate, authorize situational conflicts of interest of directors or potential directors. The Committee shall review the authorizations that have been given from time to time, but at least annually. In addition, the Committee shall review any authorization that has been given in light of any change in circumstances of which it becomes aware that may affect such authorizations.
- d. Prior to the appointment of a Director, the Committee shall ensure that the proposed appointee is required to disclose any other business interests that may result in a conflict of interest and be required to report any future business interests that could result in a conflict of interest.

**Duties and Responsibilities**

The NRFC shall oversee, among others, the following matters and make report with recommendation to the Board:

1. Formulate criteria for determining qualifications, positive attributes and independence of a Director and recommend a policy to the Board, relating to the remuneration of the Directors, top level executives, considering the following:
  - a. The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
  - b. The relationship of remuneration to performance is clear and meets appropriate performance benchmark;
  - c. Remuneration to Directors, top level executives 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;
2. Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
3. Identifying persons who are qualified to become Directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

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4. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Managing Director/Chief Executive Officer & other top level executive officers;
5. Evaluate at least annually the performance of the Managing Director/Chief Executive Officer and the other executive officers in light of established goals and objectives and, based on such evaluation, have sole authority to determine the annual compensation of the Managing Director/Chief Executive Officer and the other executive officers;
6. Formulating the criteria for evaluation of performance of Independent Directors and the Board;
7. Review and make recommendations to the Board of Directors with respect to the compensation of directors;
8. Oversee the development of management succession plans and the development and evaluation of potential candidates;
9. Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
10. Developing, recommending and reviewing annually the company's human resources and training policies;
11. Have the sole authority, in its discretion, to retain, oversee and terminate any compensation consultant, independent legal counsel or other compensation adviser (collectively, an "Adviser") to assist in the evaluation of director, Managing Director/Chief Executive Officer or executive compensation, including sole authority to approve the Adviser's fees and other retention terms. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such Adviser. Prior to engaging any Adviser, and on a continuing basis, the Committee shall assess the independence of the Adviser by considering all relevant factors, including, without limitation, each of the following factors, the presence of which will not necessarily preclude any particular engagement:
  - 11.1 whether the Adviser's employer provides other services to the Company;
  - 11.2 the amount of fees the Company pays to the Adviser's employer, as a percentage of total revenue;
  - 11.3 the policies and procedures of the Adviser's employer designed to prevent and address conflicts of interest;
  - 11.4 any business or personal relationships of the Adviser with any member of the Committee;
  - 11.5 any stock of the Company owned by the Adviser; and
  - 11.6 any business or personal relationship of the Adviser or the Adviser's employer with an executive of the Company.

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12. After review and discussion with management, determine whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement. The Committee shall provide disclosures and reports as required by BSEC regulations, if any, for inclusion in the annual report.
13. Periodically review the Company's compensation policies and practices to evaluate the extent to which such policies and procedures may create incentives that encourage unnecessary and excessive risk-taking which could have a material adverse effect on the Company.
14. Review and assess, at least annually, the Committee charter and submit changes for approval of the Board of Directors.
15. Perform other functions as requested by the Board of Directors.

**Authority**

The Committee is authorized to undertake such work as is necessary to make recommendations for approval by the Board and is authorized to seek any information it requires from any employee or the Company in order to perform its duties.

The Committee is authorized to obtain, at the Company's expense, outside legal or other professional advice on any matters within its terms of reference.

**Reporting Responsibilities**

The Nomination and Remuneration Committee is an arm of, and responsible to, the Board of Directors to which it directly reports. The Committee is responsible for periodically updating the Board of Directors about Committee activities and making appropriate recommendations.

**Corporate Governance Compliance**

- a. Ensuring that a corporate Code of Business Conduct is established and periodically reviewed;
- b. Reviewing policies on sensitive issues or practices such as environmental issues;

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- c. Reviewing policies to avoid conflicts of interest and reviewing past or proposed transactions between the Company and members of management and Company Directors; and
- d. Reviewing the Committee Terms of Reference.

**NRC - Terms of Reference (TOR)****Performance Appraisal, Review and Reporting Procedures**

- I. The Committee shall review at least annually its own performance, constitution and terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval.
- II. The Committee's Report on its activities to be included in the Company's Annual Report shall detail the process used to make appointments and explain if external advice or open advertising has not been used. Where an external search agency has been used, it shall be identified in the annual report and a statement made as to whether it has any connection with the Company.
- III. The Report referred to above should include a statement of the Board's policy on diversity, including gender, any measurable objectives that it has set for implementing the policy, and progress on achieving the objectives.
- IV. The Secretary shall circulate the minutes of meetings of the Committee to all members of the Board.

**Resources and Training**

- I. The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company's Secretariat for assistance as required.
- II. The Committee shall be provided with appropriate and timely training, both in the form of an induction program for new members and on an ongoing basis for all members.

**Remuneration Policy**

Schedule 2 sets out the Company's current remuneration policy and schedule 3 sets out the factors which the Managing Director's recommendations referred to in 9(a) above should take into account. The committee may from time to time review and amend these appendices, but any amendment should be reported to the Board at its next meeting.

**Conflicts of Interest**

Members/Directors must avoid conflicts of interest with Confidence Cement Limited ("the Company").

A conflict of interest occurs when but not limited to:

1. A Director's private interests interfere in any way, or can reasonably be expected to interfere in any way, with the interests of the Company;



2. A Director or a member of his or her immediate family receives an improper personal benefit as a result of the Director's position as a Director of the Company; or
3. A Director has other duties, responsibilities or obligations that run counter to his or her duty to the Company.

A Member/Director must immediately disclose to the Chairperson of the Committee and the Chairperson of the Committee at any situation that involves, or may reasonably be expected to involve, a conflict of interest. While this Code does not attempt to describe all possible conflicts of interest that could arise, the following are some of the conflicts of interest that Directors must avoid:

- Receiving loans or guarantees of obligations as a result of one's position as a Director;
- Engaging in conduct or activity that improperly interferes with the Company's existing or prospective business relationships with a third party;
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company; and
- Accepting, or having a member of a Director's immediate family accept, a gift from persons or entities that deal with the Company, in cases where the gift, considered in light of the totality of the circumstances, would reasonably be expected to influence the Director's actions as a member of the Board.

### **Business Relationships with Members/Directors**

Any direct or indirect monetary arrangement for goods and services between a Member/Director or a member of the Member's/Director's immediate family and the Company or a member of the Company's senior management must be approved by the Board of Directors.

Such approval shall not be required where:

1. The interest of the Director or family member is solely due to such person's status as a Director or the collective ownership by the Director and his or her family members of less than a 10% equity interest in the entity with which the Company has concluded such an arrangement;
2. Neither the Director nor a member of his or her immediate family is personally involved in
  - a. the negotiation or execution of the arrangement;
  - b. the performance of services or provision of goods pursuant to the arrangement; or
  - c. the monetary aspects of the arrangement.



### **Use of Corporate Information, Opportunities and Assets**

Members/Directors may not compete with the Company or use opportunities that are discovered through the use of Company information or their position with the Company for their own personal benefit or for the benefit of persons or entities outside the Company. Directors may not waste or improperly use any Company asset.

Engr. Rezaul Karim, who is the Company's Chairperson and any employee, officer, director or advisor to Confidence Cement Limited and its affiliated entities who also serves as an officer or Director of the Company (each a "Covered Party") are not prohibited from, and the Company has renounced any interest or expectancy in, or being offered an opportunity to participate in, any investment opportunities in Securities that may come to the attention of any Covered Party other than:

1. Investment opportunities that come to such Covered Party's attention directly and exclusively in such Covered Party's capacity as director, officer or employee of the Company;
2. Control investments in companies in the mass merchandising, retailing, commercial appliance distribution, product protection agreements, residential and commercial product installation and repair services and automotive repair and maintenance industries;

### **Confidentiality**

A Director may never use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company. Directors shall not disclose Confidential Information outside the Company either during or after their service as a Director of the Company, except with the express or implied consent of the Board or as required by law.

Pursuant to their fiduciary duties of loyalty and care, Directors are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board of Directors to disclose such information. Accordingly,

- (i) No Member/Director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and
- (ii) No Member/Director shall disclose Confidential Information outside the Company, either during or after his or her service as a Director of the Company, except with authorization of the Board of Directors or as may be otherwise required by law.

"Confidential Information" means all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of the Company. It includes, but is not limited to, non-public information that might be useful to competitors or harmful to the Company or its customers if disclosed, such as:



- Non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock repurchases and divestitures;
- Non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners that the Company is under an obligation to maintain as confidential; and
- Non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and Directors.

## **Waiver**

Waivers of a provision of this Code can only be made by the Board of Directors, and shall be granted only in very exceptional circumstances. The Company shall disclose any such waiver and the reasons for it, in accordance with legal and regulatory requirements. A Member/Director who becomes aware of a circumstance that may require a waiver shall promptly bring the circumstance to the attention of the Chairperson of the NRC.

As a legendary company in the cement sector, Confidence Cement Limited is committed to demonstrating the high standards of ethical behavior expected by its valuable customers worldwide, shareholders, employees and other stakeholders. The Committee and the Board of Directors is accountable for establishing the framework that creates the culture of integrity. The Board's NRC specifically oversees compliance by the company and its employees with laws, regulations and the company's policies. Board members are responsible for complying with laws and regulations, including insider trading rules relating to securities transactions and reporting as well as avoiding behavior that might compromise the company's success. While no policy can anticipate every situation, the following Code of Conduct serves as ethical decision-making guidelines for the Board. Each director should comply with the letter and spirit of this Code of Conduct.

## **Publication of Terms of Reference**

These Terms of Reference shall be made available on the Company's website.



**Definitions of “The Executive” and “Benefits”**

The Executive shall mean all employees of any member of the group who report or who will report directly to the Managing Director.

**“Benefits” shall mean:**

All types of remuneration including salary, bonus, profit sharing, share options, pension contributions, motor car (or payments in lieu thereof) and other incentives and employment benefits.



**SCHEDULE- 2**

**Remuneration Policy**

1. levels of remuneration should be sufficient to attract retain and motivate the persons constitution the executive needed successfully to run the company and its subsidiaries but not paying more than is necessary for this purpose
2. The component parts of the remuneration packages and the benefit schemes for the executive should be designed to encourage the executive to meet the objectives of the Company and the group
3. There should be established a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of the individuals within the executive
4. The Company's annual report should contain an annual remuneration report containing all information required to be disclosed under legislation good corporate governance practices including details of the remuneration of each director of the Company
5. Senior remuneration administration should operate on a "best practice" basis.
6. The executive should be fairly rewarded for their individual contributions to the overall performance of the company
7. Dura guard should be given to the interest of the Company's shareholders and to the financial and commercial health and capability of the Company and the Group by these factors being taken into account in incentive packages.



**SCHEDULE-3**

**Issued to be taken into account**

- a. A demonstration that the increase/decrease complies with the overall remuneration strategy of the Company.
- b. A demonstration that in light of the particular businesses unit and the Group as a whole the award is affordable.
- c. Full reasons to support the award to include
  - i. the provision of internal and external comparative;
  - ii. the nature of the work being undertaken by the member of the executive;
  - iii. the range and weight of responsibilities held by the member of the executive;
  - iv. the performance of the individual member of the executive in each case;
  - v. the performance of any business unit under the executive direction if applicable;
  - vi. the contribution of the member of the executive to the overall strategy management and direction of the group beyond the street performance of his or her duties; and
  - vii. any other pertinent factors



### Duties, Responsibilities and Authority of the NRC

- a. Review and approve on an annual basis the corporate goals and objectives with respect to compensation for the Managing Director/Chief Executive Officer and other executive officers.
- b. Evaluate at least annually the performance of the Managing Director/Chief Executive Officer and the other executive officers in light of established goals and objectives and, based on such evaluation, have sole authority to determine the annual compensation of the Managing Director/Chief Executive Officer and the other executive officers. In determining such annual compensation.
- c. Review and make recommendations to the Board of Directors with respect to the types of incentive-compensation plans and equity-based compensation plans to be maintained by the Company.
- d. Administer, interpret and determine awards pursuant to the Company's equity-based compensation plans.
- e. Oversee the development of management succession plans and the development and evaluation of potential candidates.
- f. Review and make recommendations to the Board of Directors with respect to the compensation of directors.
- g. Conduct an annual performance evaluation of the Committee.
- h. Have the sole authority, in its discretion, to retain, oversee and terminate any compensation consultant, independent legal counsel or other compensation adviser (collectively, an "Adviser") to assist in the evaluation of director, Managing Director/Chief Executive Officer or executive compensation, including sole authority to approve the Adviser's fees and other retention terms. The Company shall provide appropriate funding, as determined by the Committee, for payment of reasonable compensation to any such Adviser. Prior to engaging any Adviser, and on a continuing basis, the Committee shall assess the independence of the Adviser by considering all relevant factors, including, without limitation, each of the following factors, the presence of which will not necessarily preclude any particular engagement:
  - i. whether the Adviser's employer provides other services to the Company;
  - ii. the amount of fees the Company pays to the Adviser's employer, as a percentage of total revenue;
  - iii. the policies and procedures of the Adviser's employer designed to prevent and address conflicts of interest;
  - iv. any business or personal relationships of the Adviser with any member of the Committee;
  - v. any stock of the Company owned by the Adviser; and
  - vi. any business or personal relationship of the Adviser or the Adviser's employer with an executive of the Company.
- i. After review and discussion with management, determine whether to recommend to the Board of Directors that the Compensation Discussion and Analysis be included in the Company's proxy statement. The Committee shall provide disclosures and reports as required by BSEC regulations, if any, for inclusion in the annual report.



- j. Periodically review the Company's compensation policies and practices to evaluate the extent to which such policies and procedures may create incentives that encourage unnecessary and excessive risk-taking which could have a material adverse effect on the Company.
- k. Review and assess, at least annually, the Nomination and Remuneration Committee charter and submit changes for approval of the Board of Directors.
- l. Perform other functions as requested by the Board of Directors.

**-----The End-----**