

NRC Report of Central Insurance Co. Ltd.

Under Condition# 6 (5) (c) of CGC

The Nomination and Remuneration Policy is prepared and adopted in compliance with Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission in view to formulate and recommend proper, fair, transparent and non-discriminatory nomination and remuneration for the Directors and Top Level Executives of the Central Insurance Company Ltd.

The Nomination and Remuneration Policy of Directors and Top Level Executives has been formulated by the Nomination and Remuneration Committee and has been approved by the Board of Directors of Central Insurance Company Ltd.

NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee has been constituted by the Board of Directors of the Company as a subcommittee to assist the Board under the Condition No.6 of the Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission.

NRC is independent and responsible or accountable to the Board of Directors and to the Shareholders of Company.

The NRC consists of the following Non-Executive Director of the Board:

Sl. No.	Composition of Audit Committee	Position in the Committee
01.	Mr. Abu Mohammed Abid Chowdhury	Chairman
02.	Mr. Md. Abul Kalam	Member
03.	Mrs. Nurun Nahar	Member
04.	Mr. Md. Jafar Ali FCS	Member Secretary

PURPOSE AND AUTHORITY OF THE COMMITTEE

The NRC also assists the Board in formulating policy for the formal and continued process of considering remuneration/honorarium of Directors and top-level executives. The NRC has a guiding role to the management to identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria. This Report of Nomination and Remuneration Committee is prepared according to the requirements of the CG codes of BSEC. It covers nomination and remuneration policies, evaluation criteria and activities of the NRC.

NOMINATION AND REMUNERATION POLICIES/CRITERIA

The nomination and remuneration policies and the benchmark of which pursuing the business code of conduct and standards perceptible in the market context and appropriate to meet the present and future needs of the Company, is followed by the company. The Board criteria in this respect for the Directors and Top-Level Executives of the Company are as follows:

a) Nomination Criteria

- J Following the Company policies as well as guidelines and applicable country regulations,
- J Following a selection process that is transparent in all respects,
- J Following a process that is compatible with international standards and local best practices,
- J Recognize core competencies of the respective personnel for the different levels of management and employees of the Company,
- J Follow diversity in age, maturity, qualification, expertise and gender disciplines,

b) Recruitment and Selection Guidelines

The NRC Charter draws a broad outline of the Company's needs for employees at different levels, as ascertained by the management. The recruitment and selection of Directors, top-level executives and other employees of the Company are made according to the following guidelines:

- J **Sponsor Directors:** The NRC recommends the candidate(s) for Sponsor Director(s), based on nomination by the majority shareholders. The Board of Directors appoints the Director/s upon nomination and recommendation of the NRC.
- J **Public Directors:** The NRC recommends candidate(s) for Non-Executive Director(s), based on nomination by the majority shareholders, the Government shareholders and other general shareholders. The Board of Directors appoints the Non-Executive Directors upon nomination and recommendation of the NRC.
- J **Independent Director:** The Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make a meaningful contribution to the business. The Independent Director should have competence relevant to the sector in which the Company operates, and necessarily should have the qualifications as required by the regulations of BSEC. The Board of Directors appoints Independent Directors upon nomination and recommendation of the NRC, which is then approved by shareholders at the Annual General Meeting of the Company.
- J **Top-level executives:** The NRC identifies and recommends candidate(s) for top-level executives upon thorough scrutiny by the Managing Director, Executive Committee and Human Resources Department (HRD), considering relevant qualifications, experience, skills and leadership, as required for the respective positions based on the Company's internal selection process.
- J **Other Employees:** The NRC sets a guideline to identify the Company's need for employees at different levels and empowers the relevant management of the Company's HRD for selection, transfer, replacement and promotion of respective employees based on the Company's internal processes.

c) Remuneration Criteria

- J The structure, scale and composition of remuneration/honorarium is reasonable and sufficient to attract, retain and motivate suitable Directors, top-level executives and other employees to run the Company efficiently and successfully.
- J The context of packages, including remuneration/ benefits monthly, yearly and in the long run for all the employees are categorically laid down and meets the appropriate performance benchmarks;
- J The remuneration, including bonuses, compensation, benefits (or in whatever form) payable to the Executive Directors, top-level executives and other employees are determined by the NRC based on the respective Company policies and guidelines, which shall be ratified by the Board as and when required;
- J guidelines, which are ratified by the Board as and when required;
- J The NRC recommends the Board meeting attendance fees, honorarium, including incidental expenses, if any; and
- J No member of the NRC receives, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the Company.

EVALUATION CRITERIA

- a) **Board Directors:** The respective line authority of the Director(s) sets the performance measurement criteria based on the respective role profile and responsibilities through a Company appraisal process at the beginning of each calendar year.
- b) **Independent Director:** The evaluation of the performance of the Independent Directors are carried out at least once a year by the Board of Directors, according to the following criteria:
-)] Attendance at the Board meetings and committee meetings
 -)] Participation in the Board meetings and committee meetings
 -)] Contribution to improving the corporate governance practices of the Company
- c) **Top-level Executives & other Employees:** The respective line authority of top-level executives and other employees sets the performance measurement criteria based on the respective roles and responsibilities to achieve people and business objectives through Company appraisal processes at the beginning of each calendar year. The employees concerned prepare the performance document year-end. The respective line authority then evaluates the performance of the employee(s) according to the measurement criteria.

ACTIVITIES OF THE NRC CARRIED OUT DURING THE REPORTING PERIOD

The NRC carried out the following activities in line with Committee's Terms of Reference during the reporting period:

- i. Reviewed and recommended the Code of Conduct for the Chairman, other Members of the Board and Managing Director.
- ii. Reviewed the Company's existing policy relating to the remuneration of Directors and Top Level Executives.
- iii. Discussed and decided in regard to formulate the criteria of evaluation of performance of the Board and Independent Directors.
- iv. Reviewed the Company's existing Human Resource and Training policies.

With thanks and best regards



(Abu Mohammed Abid Chowdhury)
Chairman, NR Committee