

### **Definitions**

1. For the purposes of these Terms of Reference (these Terms):

**Board** means the Board of Directors of the Company;

**Committee** means the Nomination & Remuneration Committee established by resolution of the Board in accordance with clause 2 of these Terms;

**Commission** means Bangladesh Securities and Exchange Commission;

**Company** means eGeneration Ltd. under the Companies Act 1994;

**Director** means the member of the Board pursuant to clause (i) sub-section (1) of section (2) of Companies Act 1994;

**Management** means any persons discharging an executive management role within the Company;

**Key Managerial Personnel** or **KMP** means - (i) Chief Executive Officer or the Managing Director (ii) Company Secretary (iii) Whole-time Director (iv) Chief Financial Officer (v) Such other officer as may be statutorily prescribed from time to time.

**Senior Management** or **SM** means company employees who are members of its core management team excluding Board of Directors. It would include members of management one level below the executive directors, including functional heads.

**Secretary** means the Company Secretary of the Company as appointed by the Board from time to time;

**Shareholders** mean the members of the Company; and

### **Constitution**



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2. The Nomination & Remuneration Committee was established by resolutions of the Board and the members of which shall be appointed by the Board from time to time.

#### Purpose

3. The objective of the Nomination and Remuneration Committee (NRC) is to assist the Board in proposing new nominees for the Board Committees, developing and establishing competitive remuneration policies and packages and assessing the directors. The key objectives of the Nomination and Remuneration Committee are as follows:
  - a) To identify, select, nominate and recommend to the Board, candidates for directorships of the company;
  - b) To evaluate the effectiveness of the Board, Board Committees and contributions of each individual director;
  - c) To assess and consider the appointment and renewal of service contracts of the Executive Directors, Chief Executive Directors (CEO) or Managing Director (MD), Key Managerial Personnel (KMP) and Senior Management (SM) of the company;
  - d) To make recommendation on the remuneration package for the Non-Executive Directors, Executive Directors, CEO or MD, KMP and SM of the company.

#### Membership

4. The Committee shall be composed of at least 3 (three) members who shall be non-executive Directors of the Company and shall include at least 1 (one) Independent Director.
5. The Board shall select 1 (one) member of the NRC to be Chairperson of the committee, who shall be a non-executive independent director.
6. The Chairperson of the Committee may appoint or co-opt any external 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 members(s) of staff be required or valuable for the Committee.



### **Chairperson**

7. The Board shall select a Chairperson of the Committee, who shall be an Independent Director.
8. In the absence of the Chairperson of the Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting.

### **Secretary**

9. The Company Secretary shall act as the Secretary of the Committee.

### **Quorum**

10. The quorum of the meeting of the Committee shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher.
11. The quorum of the Committee meeting shall not constitute without at least 1 (one) Independent Director.

### **Frequency of Meetings**

12. The Committee meets at least one meeting in a financial year, with authority to convene additional meetings as circumstances require.

### **Attendance at Meetings**

13. The Committee may invite any members of KMP, SM or any officer(s) to attend the meeting.

### **Conduct of Meetings**

14. Reasonable notice of a meeting of the Committee shall be given. Agenda and accompanying meeting papers should be sent in full to all members of the



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Committee in a timely manner and at least three days before the intended date of a meeting of the Committee (or such other period as agreed by its members).

15. A meeting may be held by means of such telephone, electronic or other communication facilities as permit all persons participating in the meeting to communicate with each other simultaneously and instantaneously, and participation in such a meeting shall constitute presence in person at such meeting.

16. Matters arising at the meeting shall be decided by a simple majority votes whereof the Chairperson of the meeting shall having a casting vote.

17. A resolution in writing signed or approved by a majority of all of the members of the Committee shall be as effective for all purposes as a resolution of the members of the Committee passed at a meeting duly convened, held and constituted.

#### **Minutes of the Meeting**

18. The Secretary shall minute the proceedings and resolutions of all meetings of the Committee, including recording the names of those present and in attendance.

19. Conflicts of interest must be declared by Committee members at the beginning of meetings and the Secretary should record any such declaration in the minutes.

20. The Secretary shall promptly circulate draft meeting minutes to the Committee Chairman for review and subsequently to all members of the Committee. Meeting minutes shall be confirmed at the next meeting of the Committee.

#### **Annual General Meeting**



21. The Chairperson of the Committee shall present at the Annual General Meeting (AGM) and respond to any questions regarding the Committee's activities.

22. In absence of Chairperson of the Committee, any other member from the Committee shall be present in the AGM and reason for absence of the Chairperson of the Committee shall be recorded in the minutes of the AGM.

### **Duties & Responsibilities**

23. Duties and responsibilities – nomination

The responsibilities of the Committee are as follows:

- Review and recommend to the Board the size and composition of the Board, including review of Board succession plans and the succession of the Chairman and CEO.
- Review and recommend to the Board the criteria for Board membership, including assessment of necessary and desirable competencies of Board members.
- Assist the Board as required identifying individuals who are qualified to become Board members (including in respect of executive directors).
- Review and recommend to the Board membership of the Board, including recommendations for the appointment and re-election of directors, and where necessary propose candidates for consideration by the Board, subject to the principle that a Committee member must not be involved in making recommendations to the Board in respect of themselves.
- Assist the Board as required in relation to the performance evaluation of the Board, its Committees and individual directors, and in developing and implementing plans for identifying, assessing and enhancing director competencies.



- Review and make recommendations in relation to any corporate governance issues as requested by the Board from time to time.
- Review the Board Charter on a periodic basis, and recommend any amendments for Board consideration.
- Review the time expected to be devoted by non-executive directors in relation to the Company's affairs.
- Ensure that an effective induction process is in place for any newly appointed director and regularly review its effectiveness.

#### 24. Policy and procedure for selection and appointment of new directors

- Factors to be considered when reviewing a potential candidate for Board appointment include without limitation:
  - the skills, experience, expertise and personal qualities that will best complement Board effectiveness;
  - the capability of the candidate to devote the necessary time and commitment to the role. This involves a consideration of matters such as other Board or executive appointments; and
  - potential conflicts of interest, and independence.
- Detailed background information in relation to a potential candidate should be provided to all directors.
- The identification of potential Director candidates may be assisted by the use of external search organizations' as appropriate.
- An offer of a Board appointment must be made by the chair only after having consulted all directors, with any recommendations from the Committee having been circulated to all directors.



- All new Board appointments should be confirmed by letter in the standard format as approved by the Board or the Committee from time to time.

## 25. Role and responsibilities – remuneration

The responsibilities of the Committee are as follows:

- Review and recommend arrangements for the executive directors and the executives reporting to the CEO, including contract terms, annual remuneration and participation in the Company's short and long-term incentive plans.
- Review and recommend remuneration arrangements for senior management including contract terms, annual remuneration and participation in the Company's short and long-term incentive plans.
- Review major changes and developments in the Company's remuneration, recruitment, retention and termination policies and procedures for senior management, remuneration policies, superannuation arrangements, human resource practices and employee relations strategies for the company.
- Review the senior management performance assessment processes, and the annual results of those assessments.
- Review and approve short-term incentive strategy, performance targets and bonus payments.
- Review and recommend to the Board major changes/developments to the Company's employee equity incentive plans.
- Recommend whether offers are to be made under any or all of the Company's employee equity incentive plans in respect of a financial year.
- In respect of the Company's employee equity incentive plans in place from time to time:



- review and determine the performance hurdles applicable to the executive directors, the executives reporting to the CEO and senior management;
- review and approve the proposed terms of, and authorize the making of, offers to eligible employees of the company, including determining the eligibility criteria applying in respect of an offer, in respect of a financial year;
- review and approve, within the parameters of the plans, amendments to the terms of existing plans;
- administer the operation of the plans, including but not limited to determining disputes and resolving questions of fact or interpretation concerning the various plans.
- Review and recommend to the Board the remuneration arrangements for the Chairman and the non-executive directors of the Board, including fees, travel and other benefits.
- Be satisfied that the Board and management have available to them sufficient information and external advice to ensure informed decision-making regarding remuneration.

## 26. Remuneration policy

- In discharging its responsibilities, the Committee must have regard to the following policy objectives:
  - to ensure the Company's remuneration structures are equitable and aligned with the long-term interests of the Company and its shareholders;
  - to attract and retain skilled executives;



- to structure short and long-term incentives that are challenging and linked to the creation of sustainable shareholder returns; and
- to ensure any termination benefits are justified and appropriate.
- In the discharge of the Committee's responsibilities, no director or executive should be directly involved in determining their own remuneration.
- The Committee must at all times have regard to, and notify the Board as appropriate of, all legal and regulatory requirements, including any shareholder approvals which are necessary to obtain.

## 27.Compliance with existing Laws & Regulations

Review compliance with existing laws & regulations of the relevant regulators.

## 28.Others

The Committee shall also:

- The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.
- Review its terms of reference to ensure it is operating at maximum effectiveness and recommend any changes it considers necessary to the Board for approval;
- Undertake any other projects relating to its remit which it considers appropriate or as requested by the Board.

