

## Report of The Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) of Padma Oil Company Limited was formed on 10 November 2018 by the Board of Directors of the Company in accordance with the Bangladesh Securities and Exchange Commission's Notification No-BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018. The policy on nomination and remuneration of Directors and top level executives of the Company has been formulated by the Nomination and Remuneration Committee (NRC) in compliance with the BSEC's above notification on Corporate Governance under directives of Energy and Mineral Resources Division under Ministry of Power Energy and Mineral Resources and Bangladesh Petroleum Corporation.

### 1. Composition :

- 1.1 The Nomination and Remuneration Committee ("NRC") shall be appointed by the Board of Directors ("Board") from among their members and shall consist not less than 3 (Three) members,
- 1.2 In the event of any vacancy in the NRC, the Board shall within 3 (three) months appoint such number of new members.
- 1.3 The appointment of a NRC member shall automatically be terminated if the member ceases to be a Director, or as determined by the Board.

### The composition of present Nomination and Remuneration (NRC) Committee is as under :

Mr. Mohammad Iqbal, Independent Director	: Chairman
Dr. Mohd. Sher Ali, Director	: Member
Mr. Mohammed Shahidul Alam, Director	: Member
Mr. KM Eneyetul Karim, Independent Director	: Member
Mr. Sohel Abdullah, Company Secretary	: Secretary

### 2. Duration of appointments

Unless otherwise determined by the Board, the duration of appointments of the Committee shall commensurate with the term and condition of appointment of the respective member to the Board of directors of the Company.

### 3. Chairman

- 3.1 The Chairman of the NRC shall be appointed by the board from among the members who is an Independent Director.
- 3.2 In the absence of the Chairman of the NRC, the remaining members present shall elect one of their members as chairman of the meeting.
- 3.3 The Chairman of the NRC shall report to the Board on any matter that should be brought to the Board's attention and provide recommendations of the NRC that require the Board's approval at the Board Meeting.

### 4. Secretary of the NRC

- 4.1 The Board Secretary shall act as Secretary to the Committee and attend all meetings.
- 4.2 The Secretary shall draw up an agenda for each meeting, in consultation with the Chairman of the NRC. The agenda shall be sent to all members of the NRC.
- 4.3 The Secretary shall prepare the Minutes of the NRC meeting and distribute it to each member. The Minutes of the NRC shall be signed by the Chairman of the meeting.

**4.4** The Minutes of the NRC meeting shall be maintained by the Secretary and be presented for approval of the Board.

## **5. Terms of Reference**

The Terms of Reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC's notification. The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as formal process of considering remuneration of directors and top level executives under directives of Bangladesh petroleum Corporation.

## **6. Responsibilities**

To oversee, among others, the following matters and make report with recommendation to the Board:

(i) Formulating the criteria for determining qualifications, positive attributes and independence of a director under directives of concerned Ministry and Bangladesh Petroleum Corporation (BPC) and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, 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 under directives of concerned Ministry and Bangladesh Petroleum Corporation (BPC).

(b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(c) Remuneration to directors, top level executive involves as balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

(ii) Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

(iii) 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 by the concerned Ministry and Bangladesh Petroleum Corporation (BPC) and recommend their appointment and removal to the Board;

(iv) Formulating the criteria for evaluation of performance of Independent Directors and the Board;

(v) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;

(vi) Developing, recommending and reviewing annually the Company's human resources and training policies.

(vii) To review and recommend the outcome of the evaluations and assessments to the Board concerning the areas of continuous improvement.

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(viii) To carry out such other duties or functions as may be delegated by the Board from time to time or required by the regulatory authority.

## **7. Reporting**

**7.1** Minute of each Committee meeting will be disclosed at the next meeting of the Board. Periodically the Chair of the Committee shall report to the Board on matters within its duties and responsibilities.