



ফার্স্ট সিকিউরিটি ইসলামী ব্যাংক পিএলসি.
فارسٲ سٲكٲورٲٲٲٲ اسلامٲ بنك بٲ السٲٲ FIRST SECURITY ISLAMI BANK PLC.

Terms of Reference (ToR)
Nomination and Remuneration Committee (NRC), FSIB

Bangladesh Securities and Exchange Commission (BSEC) has instructed to the companies listed with any Stock Exchange in Bangladesh to form Nomination and Remuneration Committee (NRC) to comply the conditions of Corporate Governance Code (CGC) issued on 03 June 2018 (Up to the latest amendment) in order to enhance corporate governance to protect the interest of investors in the capital market.

Bangladesh Bank has instructed through BRPD Circular No. 02, dated 11 February 2024 that each Bank Company will form an Executive committee, an Audit Committee and a Risk Management Committee comprised of its Directors. No other permanent, temporary or sub-committee except the above mentioned three committees is to be formed.

Bangladesh Bank has also instructed through BRPD Circular Letter No. 21, dated 12 May 2024 that the **activities** of Nomination and Remuneration Committee (NRC) will be vested on Audit Committee of the Board of Directors of Bank Company.

Role of the NRC

Roles and Responsibilities of Nomination and Remuneration Committee (NRC) as per the instruction of Corporate Governance Code as under:

- (a) NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- (b) NRC shall 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 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;
 - (b) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - (c) remuneration to directors, top level executive 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;
 - (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, 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; and
 - (vi) developing, recommending and reviewing annually the company's human resources and training policies;
- (c) 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.

Notwithstanding anything contained in the above conditions repugnant to the instructions of the Directive/Order/Circular/Circular Letter/Guidelines/Regulations published by other Regulatory Authorities, the Bank will follow the provisions of Bank Companies Act, 1991, the Companies Act, 1994 and the instructions of its Primary Regulator i.e. Bangladesh Bank.

The Committee will also follow the instruction in addition to the above conditions:

- (a) The Committee/NRC shall conduct at least one meeting in a financial year;
- (b) The Chairperson of the Committee/NRC may convene any emergency meeting upon request by any member of the NRC;
- (c) The quorum of the meeting of the Committee/NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must.
- (d) The proceedings of each meeting of the Committee/NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the Committee/NRC.
- (e) Any decision approved by the Audit Committee in regard to the activities of NRC will be ratified in the next Board of Directors' meeting.

