

হাক্কানী পাল্প এন্ড পেপার মিলস্‌ লিঃ
HAKKANI PULP & PAPER MILLS LTD.

NOMINATION AND REMUNERATION COMMITTEE (NRC) POLICY
OF
HAKKANI PULP AND PAPER MILLS LIMITED



Nomination and Remuneration Committee (NRC) Policy

Head Office : 2/10, Dhaka Trunk Road, North Pahartali, Chittagong, Bangladesh

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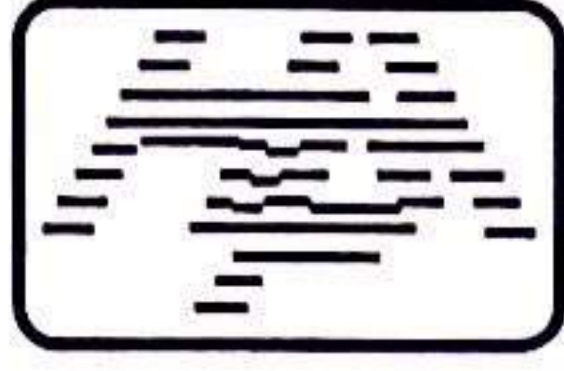
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1. The purpose:

The Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 on Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC). 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) and has been approved by the Board of Directors which is presented under at a glance.

2. Constitution of the NRC:

The Nomination and Remuneration Committee (NRC) of Hakkani Pulp and Paper Mills Limited is comprised of four members including an independent director and rests of the members are non-executive directors of the Company. All members of the Committee have been nominated and appointed by Board. The Chairperson of the Committee is an independent director of the Company. The company secretary acts as the secretary of the Nomination and Remuneration Committee (NRC).

The Nomination and Remuneration Committee (NRC) of the Company is considered of the following members:

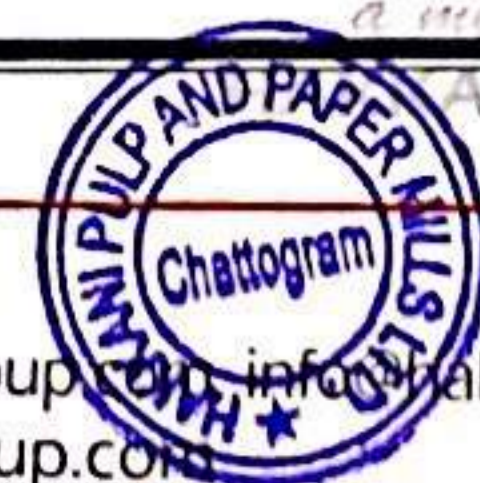
S.L	Name of Directors	Status In the Company	Status in the Committee
1.	Professor S.M. Nasrul Quadir	Independent Director	Chairman
2.	Mr. Md. Golam Haider	Director	Member
3.	Mr. Md. Golam Morshed	Director	Member
4.	Mr. Md. Golam Rasul Muktadir	Director	Member

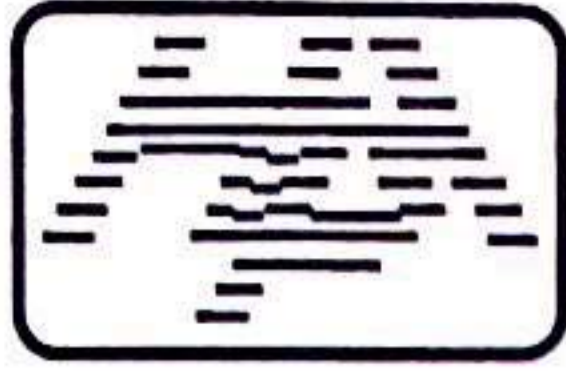
3. Responsibility to the Board of Directors:

The Terms of Reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board of Directors as per aforesaid BSEC notification. The policy on nomination and remuneration of Directors and top level executives of the company has been formulated by the HR department. After overseeing the policy NRC assist the Board to implement the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors and top level executive as well as policy for formal process of considering remuneration of directors, top level executive as a sub-committee of the Board.

4. Role of the NRC:

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





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- (i) Recommend a policy to the Board relating to the remuneration of the directors, top level executives;
- (ii) Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle;
- (iii) Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
- (iv) Evaluate that remuneration to director, to 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;
- (v) Recommended policy on board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (vi) Identifying persons who are qualified to become directors and in top level executives and recommend their appointment and removal to the Board;
- (vii) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (viii) Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- (ix) Developing, recommending and reviewing annually the company's human resources and training policies;

5. Meeting of the NRC:

The Nomination and Remuneration Committee (NRC) shall conduct at least 1 (One) time a year at appropriate intervals in the financial reporting and otherwise as required.

Meeting of the Committee are attended by the non-executive directors along with an independent director who are the Chairperson of the Committee. The company secretary acts as the secretary of the NRC. The NRC of the Company ensured the following activities at their meeting.

- a. Discussion on the current Code of Conduct for the Chairperson of the Board, Other Board members and Managing Director/Chief Executive Officer of the Company;
- b. Discussion and oversee the current organization structure developed by HR department where reporting line is clearly defined for the directors and top level executives along with standard manpower planning exercise for each and every position for identifying the total requirement;
- c. Discussion and oversee the current standard pay structure developed HR department for all level employees based on education, experience and competency; and
- d. Discussion and oversee the current criteria formulated by HR department. To evaluate the performance of employees, directors and top level executives which leads to yearly increment and promotion of individual.



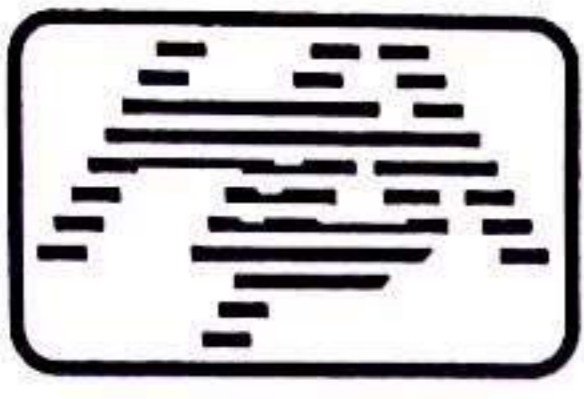
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6. Nomination and Appointment of Directors and Top Level Executives:

The NRC is responsible to ensure that the procedures for nomination and appointment of directors are transparent and rigorous. The Committee identified and ascertained a combination of age, gender, experience, Ethnicity, diversity, educational background, nationality and other relevant personal attributes in the Board for nomination of Directors. The Committee also identified nomination criteria with the most suitable skills, knowledge, experiences and personal values for appointment of Directors.

As the performance of the Company depends upon the quality of its Directors and Top Level Executives the NRC is also responsible to ensure that the recruitment process for Top Level Executives are transparent, diversified, non-discriminatory and in alignment with the Code of Conduct. To prosper of the Company the NRC must attract, motivate and retain highly skilled Directors and Top Level Executives.

7. Remuneration Policy for Directors and Top Level Executives:

The NRC reviewed that the Board of Directors of the Company received reasonable remuneration from the Company as per Company policy approved by the Board.

The objective of the Company's remuneration policy is to secure that reward for Top Level Executives shall contribute to attracting, engaging and retaining the right employees to deliver sustainable service for the prosperity of the Company.

8. Evaluation of Performance:

The NRC is responsible for ensuring the effectiveness of the Board. The evaluation includes a review of the administration of the Board and its committees covering their operations, agenda, reports and information produced for consideration and relationship with Management. The Committee shall carry out an evaluation of performance of Directors and Top level executives yearly or at such intervals of its work, functions and performance as may be considered necessary.

9. Activities of the NRC carried out during the reporting period:

The Committee Chairperson reported formally to the Board on the Committee's proceedings after NRC meeting. The Committee reviewed NRC policy to ensure it is operating at maximum effectiveness and recommended any necessary changes to the Board for its approval. The Chairperson of the Committee recommended to the Board for Consideration it deems appropriate on any areas within its Terms of Reference where action or improvisation is needed.

The End

