

# NOMINATION AND REMUNERATION COMMITTEE REPORT

In compliance with the Corporate Governance Code 2018, the Board of Directors at its meeting held on 11 December 2018 constituted the Nomination and Remuneration Committee (“NRC”) to assist the Board broadly in formulation of policy with regard to determining qualifications, positive attributes, experiences, remuneration mainly for directors and top level executives. A brief of the NRC and its roles, responsibilities and functions are appended below:

## Composition and Meetings

The NRC of Grameenphone comprises of three (3) members who will exclusively be Non-Executive Directors, including one (1) Independent Director. The Committee includes:

1. Prof. (Dr.) Jamilur Reza Choudhury, Chair
2. Mr. Haakon Bruaset Kjoel, Member
3. Mr. Md. Ashraful Hassan, Member

The Independent Director, Prof. (Dr.) Jamilur Reza Choudhury acts as Chair of the Committee. As per regulatory guidelines, the Company Secretary, Mr. S M Imdadul Haque acts as Secretary to the Committee. The NRC, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

Permanent invitees to the meetings are the Chief Executive Officer (CEO), the Chief Human Resources Officer (CHRO), and the Company Secretary. Relevant heads of divisions and other members of the Management team will also attend the meetings at occasions, as required.

## Major Responsibilities of NRC

The purpose, authority, composition, duties and responsibilities of the Nomination and Remuneration Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend a policy on Board’s diversity taking into consideration age, gender, experience, education and nationality;
- Formulate the criteria for determining qualification and independence of Directors;
- Identify persons who are qualified to become Directors and in top level executives and recommend their appointment and removal;
- Formulate the criteria for evaluation of performance of Independent Directors and the Board;
- Recommend a policy to the Board relating to the remuneration of the Directors, and top level executives;
- Assess that the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable Directors to run the company successfully;
- Evaluate that remuneration to Directors and top level executives 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;
- Identify the company’s needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;
- Recommend and review annually the Company’s human resources and training policies;
- Recommend the remuneration policy of the Company, particularly in relation to the yearly increment principle; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer of the Company.

## Nomination, Election and Selection of Directors

The NRC is responsible to ensure that the procedures for appointing new Directors are transparent and rigorous. The Board places great emphasis on ensuring its membership reflecting diversity in broader sense. A combination of age, gender, experience,

ethnicity, educational background, nationality and other relevant personal attributes in the Board is important in providing a range of perspectives, insights and challenges needed to support right decision making. Recruitment and selection processes for Board members identify candidates with the most suitable skills, knowledge, experiences and personal values. Qualifications stated explicitly in Grameenphone's corporate governance promote the equitable and unbiased selection.

### Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board shall carry out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. 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.

### Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top Level Executives. To prosper, the Company must attract, motivate and retain highly skilled Directors and Executives.

The recruitment process for Top Level Executives shall be transparent, non-discriminatory, diversified and in alignment with the Codes of Conduct. Recruitment standards shall support Grameenphone's reputation as an attractive employer.

The objective of Grameenphone'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 value for shareholders in accordance with the Grameenphone behaviour.

### Remuneration for Board of Directors

Each Director shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to and returning from Board meetings. The amounts will be determined by the Shareholders at the General Meeting.

### Activities of the NRC during the reporting period

Since the NRC was constituted as a sub-committee of the Board on 11 December 2018, no meeting of NRC was held during the reporting period.

For and on behalf of the Nomination and Remuneration Committee of Grameenphone Ltd.



**Prof. (Dr.) Jamilur Reza Choudhury**  
Chair  
Nomination and Remuneration Committee

27 January 2019