Nomination and Remuneration Committee (NRC)

This Nomination and Remuneration Policy is being formulated in compliance with Notification No. BSEC/CMRR D/ 2006-158/ 207/Admin /80, Date: June 03, 2018 on Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC). This 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. This is a sub-committee of the Board. The Nomination and Remuneration Committee (NRC) of PACIFIC DENIMS LIMITED is Comprised of the following members:

Name	Designation	Position
Mr. Md. Ashfak Ahmed Khan	Independent Director	Chairman
Mr. Md. Shadequl Alam (Yeasin)	Chairman	Member
Mr. Sohel Khan	Director	Member
Mr. Md. Sorhab Ali	Company Secretary	Secretary

Terms of Reference:

The terms of reference of the Nomination and Remuneration Committee (NRC) have been determined by the Board as per BSEC notification. The NRC 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 policy for formal process of considering remuneration of director, top level executive.

Role of the NRC:

• NRC Shall be independent and responsible or accountable to the Board and to the shareholders;

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

(i) formulation the criteria for determining qualification, 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.

(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 director (s) 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;

Meeting of NRC:

The Committee formally met for the first time in December, 2018 after constitution of the NRC of Pacific Denims Limited ensured/observed the following activities:

1. Set up an organization structure where reporting line is clearly defined for the directors and top management team along with standard manpower planning exercise for each and every position for identifying the total requirement.

2. Set up standard pay structure for each job level based on education, experience and competency.

3. A target based on-line performance Management System to evaluate performance of employees. This KPI based PMS leads to Yearly Increment, Promotion of individual.

4. Employee Benefit policy to attract the job seekers and retain internal talents. Succession planning of the company to have our future leaders ready according to the requirements. Ensuring extensive training and development plant for the individual or group of people.

5. A transparent recruitment and selection policy where competent candidates get hired.

6. Practicing a clear career path system for employees which reflect in organization structure

Objective:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors/top management team required to run the company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to directors, top level executives reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

Evaluation

The Committee shall carry out evaluation of performance of Director and top level executives yearly or at such intervals as may be considered necessary.

Removal

The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and Stock Exchange(s).

Implementation

The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this Policy as considered appropriate.