



Nomination and Remuneration Committee (NRC) Charter (Terms of Reference)

1. Introduction

In pursuance of the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 (Corporate Governance Code) issued by Bangladesh Securities and Exchange Commission in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance 1969, the Board of Directors ("Board") of the Linde Bangladesh Limited ("Company") has constituted the Nomination and Remuneration Committee ("Committee") as a sub Committee of the Board.

In compliance with Condition No. 6(1)(c) of the aforesaid notification, the Board of the Company has formulated this Terms of Reference of the Committee.

2. Objective

The primary objectives of this Terms of Reference is to define the scope of work of the Committee and govern a framework for the Committee.

3. Membership of the Committee

3.1 Composition

The Committee comprises of the followings:

- i. The Committee shall comprise of at least three members including an Independent Director.
- ii. All members of the Committee shall be Non-Executive Directors.

3.2 Membership

- i. Members of the Committee shall be nominated and appointed by the Board through resolution.
- ii. The Board shall have authority to remove and appoint any member of the Committee.



- iii. In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies which makes the number of the Committee members to be lower than the 3 (three) persons the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.
- iv. The term of the member of the Committee shall be continued unless terminated by the Board of Directors.
- v. The Committee shall have access to adequate internal and external resources. The Chairperson of the Committee may appoint or co-opt any external and/or internal expert to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee.

3.3 Secretary

The company secretary shall act as the secretary of the Committee.

4. Administrative Matters

4.1 Meeting

The committee will meet as often as the Committee members deem necessary in order to fulfil their role. However, it is intended that the Committee shall conduct at least one meeting in a financial year.

4.2 Convening and Notice of Meeting

- i. The Chairperson and the Secretary may convene any meeting upon receiving request from any member of the Committee.
- ii. Notice shall be given to every member of the Committee of every meeting at the member's advised address.



4.3 Quorum

The quorum of the meeting of the Committee 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.

4.4 Chairperson

- i. The Board shall select 1 (one) member of the Committee to be Chairperson of the Committee, who shall be an Independent Director.
- ii. In the absence of the Chairperson of the Committee, the remaining members may elect one of themselves from Independent Directors as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.
- iii. The Chairperson of the Committee shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders.
- iv. In absence of Chairperson of the Committee, any other member from the Committee shall be selected to be present in the AGM for answering the shareholder's queries and reason for absence of the Chairperson of the Committee shall be recorded in the minutes of the AGM.

4.5 Minutes

- i. The proceedings of each meeting of the Committee shall duly be recorded in the minutes by the Company Secretary and, such minutes shall be confirmed in the next meeting of the Committee. All minutes of the Committee must be entered into a minute book maintained for that purpose.
- ii. The minutes of any meeting of the Committee shall be presented at the next Board Meeting following the Committee Meeting.

4.6 Voting

- i. Every member of the Committee shall have one vote while voting on any resolution.
- ii. Matters arising for determination at Committee meetings shall be decided by a majority of votes of members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.



- iii. In the case of equality of votes, the Chairman of the meeting will have a casting or second vote.

4.7 Attendance Fees

No member of the Committee shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's Fees or Honorarium from the company.

4.8 Reporting

- i. The Committee shall report on its activities to the Board. The Company shall disclose the Nomination and Remuneration policy and the evaluation criteria and activities of the Committee during the year at a glance in its Annual Report.
- ii. The Committee shall immediately report to the Board of any material matter arising out of the Committee meeting.

5. Role and Responsibilities

The Committee shall be independent and responsible or accountable to the Board and to the Shareholders. The responsibilities of the Committee are as follows:

- i. Review and recommend the size and composition of the Board to the Board, including review of Board succession plans and the succession of the Chairman.
- ii. Review and recommend a policy to the Board relating to the nomination criteria for determining qualifications, positive attributes, experiences and Independence of Directors and top level executives.
- iii. Assist the Board as required to identify individuals who are qualified to become Directors and who may be appointed in top level executive position in accordance with the nomination criteria laid down, and recommend their appointment/re-appointment and removal to the Board.
- iv. Review and recommend to the Board the policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality.



- v. Review the Code of Conduct of Board on a periodic basis and recommend any amendments for Board consideration.
- vi. Ensure that an effective induction process is in place for any newly appointed Director and regularly review its effectiveness.
- vii. Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- viii. Developing, recommending and reviewing annually the company's human resources and training policies.
- ix. Review and recommend a policy to Board relating to the remuneration of the Directors and 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 and 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.
- x. Assist the Board to formulate the criteria for evaluation of performance of the Board including Independent Director.
- xi. Review and recommend to the Board the meeting attendance fees for the Non-Executive Directors of the Board.
- xii. Recommend a report to the Board on activities of the Committee during the financial year.
- xiii. Such other key issues/matters as may be referred by the Board or as may be necessary in view of the provisions of the Country's Laws, Rules and Regulations.



6. Review

- 6.1 Review the charter as and when required in line with BSEC guideline and discuss any necessary or desirable amendments to ensure it remains consistent with the Board's objectives, current laws and best practice.
- 6.2 Ensure that the charter is approved or re approved by the Board.