



NATIONAL FEED MILL LTD.

Corporate Office : ABC North Ridge, Apartment # A/5, (5th Floor), House # 51,
Road # 15, (Rabindra Soroni), Sector # 03, Uttara Model Town, Dhaka-1230, Bangladesh.
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Registered Office : Baniarchala
Member Bari, Bhabanipur
Gazipur, Bangladesh

National Feed Mill Limited

Report on the Nomination & Remuneration Committee (NRC):

The Nomination and Remuneration Committee, as a sub-committee of the Board of directors of National Feed Mill Limited has been constituted with three board of directors with one Independent director as a chairman as per the requirement of the code of conduct of Bangladesh Securities and Exchange Commission (BSEC). The company Secretary acts as Secretary to the Committee. The Nomination and Remuneration Committee assists 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 a policy for formal process of considering remuneration of directors, top level executive of the company. NRC is responsible to the Board of Directors and its roles and responsibilities are clearly set forth.

The Composition of the NRC

In Accordance with Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC) the Board of Directors has appointed the Nomination & Remuneration Committee comprising three members including of whom one is independent director who is the chairperson of the committee and other two are non-executive directors. Company Secretary is the secretary of the committee. The following members of the Committee are:

Chairman	: Mahbub Hasan, Independent Director (Retired on January 2024)
Member	: Lipy Sultana Karim
Member	: Adib Hossain Babul
Member Secretary	: Arifur Rahman

Scope and role of NRC

NRC shall be responsible to the Board and to the shareholders of the company.

NRC shall oversee and 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;

- (i) the level and composition of remuneration is reasonable and sufficient to attain, retain and motivate suitable directors to run the company successfully;
- (ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (iii) 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;



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- (iv) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- (v) 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;
- (vi) Formulating the criteria for evaluation of performance of independent directors and the Board;
- (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 and any other services that the board of Directors determines time to time.

Objectives of NRC

The objectives of the NRC are as follows:

- 1) To ensure the remuneration of the top-level management if satisfied with their activities.
- 2) The directors and top-level management working activities evaluation, accountability and reporting efficiency impact on economic decision of the company.

Appointment and removal of Director, Top Level Executives and Senior Management

- I) The committee identifies the qualification, efficiency, experience and expertise who appointed as director, top level management and senior management.
- II) The committee shall evaluate of his experience and expertise for the position.
- III) The Committee shall also exercise the appropriate experience and educational qualification for the said position.

Accountabilities

1. The Board is ultimately responsible for the appointment of directors and top level executives.
2. The Board has delegated responsibility for assessing and selecting the candidates for the role of directors and top level executives of the Company to the Nomination and Remuneration Committee which makes recommendations and nominations to the Board.

Procedure of Selection and Appointment of the Board Member

1. The Committee, along with the Board, shall review on an annual basis, appropriate skills, characteristics and experience required of a Board Member. The objective is to have a Board with diverse background and exercise in business, government, academics, technology and in areas that are relevant for the Company's operations.
2. In evaluating the suitability of individual Board member, the Committee shall take into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in



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large organizations with significant international activities that will indicate their ability of complex issues facing the Company.

3. Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interest and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular group.

Procedure for Selection and Nomination of Top Level Executive

The Chairperson of the Company and the Chairperson of the NRC shall along with Company Secretary, identify suitable candidates for appointing them as top level executives of the Company on the basis of their academic, professional qualifications, relevant work experience, skill and other capabilities suitable to the position of concerning top level executives.

Further, in case of top level executive's appointment, approval of the Board of Directors shall be taken in accordance shall be placed before the NRC and/or Board Directors at regular intervals.

Remuneration of Directors and Top Level Executives

The guiding principle is that the level and composition of remuneration shall be reasonable and sufficient to attract, retain and motivate directors and top level executives.

The directors and top level executive's salary shall be based and determined on the individual's responsibilities and performance and in accordance with the limits as proscribed by statute, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for directors and top level executive of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, government's other guidelines. The Committee consults with the Chairperson as well as prevailing laws and government's other guidelines. The Committee consults with the Chairperson of the Board as it deems appropriate. Remuneration of the Company's Chairperson is recommended by the Committee to the Board of the Company.

Remuneration:

a) Base Compensation (fixed salaries)

Must be competitive and reflective of the individual's role, responsibility and experience in relation to performance of day-to-day activities, usually reviewed on an annual basis; (includes salary, allowances and other statutory/non- statutory benefits which are normal part of remuneration package in line with market practices).



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b) Variable salary:

The NRC may in its discretion structure any portion of remuneration to link rewards to corporate and individual performance, fulfillment of specified improvement targets or the attained by the Committee, based on performance against per-determined financial and non-financial metrics.

Evaluation Criteria

The evaluation/assessment of the directors and top executives of the Company is to be conducted on an annual basis and to satisfy the requirements of the Corporate Governance Code. The Following criteria may assist in determining how effective the performances of the directors and top level executives have been:

1. Leadership and stewardship abilities.
2. Contributing to clearly define corporate objectives & plans.
3. Communication of expectations & concerns clearly with subordinates.
4. Obtain adequate, relevant & timely information from external sources.
5. Review and approval achievement of strategic and operational plans, objectives, budgets.
6. Regular monitoring of corporate results against projections.
7. Identify, monitor and mitigate significantly corporate risks.
8. Assess policies, structures and procedures.
9. Direct, monitor and evaluate top level executives.
10. Review management's succession plan.
11. Effective meetings.
12. Assuring appropriate board size, composition, independence and structure.
13. Closely defining roles and monitoring activities of committees.
14. Review of company's ethical conduct.

Meeting of NRC and Attendance

During the financial year 1 (One) NRC meeting were held. The attendance record of the members is given below:

Name of Members	Position	Attendance
Mahbub Hasan	Chairman (Retired on January 2024)	1
Adib Hossain Babul	Member	2
Lipy Sultana Karim	Member	2
Arifur Rahman	Member Secretary	2



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Activities of NRC

During the financial year 2023-2024 the NRC arranged 2 (Two) meetings and carried out following activities:

- Reviewed and approved the Code of Conduct to members of the Board and key management personnel or top-level executives which was adopted by the Board;
- Reviewed the human resources principles of the Company including recruitment, performance evaluation across all levels of members and skill value proposition of the Company.
- Reviewed the appointment of Directors and their remuneration.
- Reviewed the appointment of Managing Directors and his remuneration
- Reviewed the performance of top level management.

On behalf of the Nomination & Remuneration Committee

Adib Hossain Babul, Acting Chairperson
Nomination & Remuneration Committee (NRC)