CONTINENTAL INSURANCE LIMITED
CODE OF CONDUCT
OF
NOMINATION AND REMUNERATION COMMITTEE

1. Preamble

The Nomination and Remuneration committee (NRC) is the sub-committee of the Board. The NRC constituted and governed by the Corporate Governance Code, 2018. The Nomination and Remuneration Policy governs the criteria for determining qualifications, positive attributes and independence of a Director and lays down the remuneration principles for Directors, Key Managerial Personnel and other employees.

2. Continuance

The Nomination and Remuneration Policy of the Company has been formulated in terms of Corporate Governance Code by the Notification No. BSEC/CMRRCD/2006- 158/207/Admin/80, dated 03 June 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC).

3. Definitions

a. These policies may be called the Code of Conduct of Nomination and Remuneration Policy of the company.

b. "Board" means the Board of Directors of the Company.

c. "Director" means a Director appointed to the Board of a Company under the definition in Company Act, 1994.

d. "Managing Director" shall have the meaning as defined in the Company Act, 1994.

e. "Code of Conduct" or "this Code of Conduct" means the Nomination and Remuneration Policy of the Company.

f. "Key/ Top level executive" means: - Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.

4. Constitution of the NRC

The NRC constituted and governed by the Corporate Governance Code, 2018.

a. The Committee shall comprise of at least three members including an independent director or board may appoint any addition member for their requirements;

b. All members of the Committee shall be non-executive directors;

c. The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff 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;

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

e. The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; (i) No member of the NRC 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.

f. Chairperson of the NRC

The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director. In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes.

The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

5. Meeting of the NRC

The NRC shall conduct at least one meeting in a financial year and any the Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC. The quorum of the meeting of the NRC 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 as required under condition No. 6(2)(h), the Corporate Governance Code, 2018. The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

6. Appointment and Removal

The members of the Committee shall be nominated and appointed by the Board of Directors of the company. The Board shall have authority to remove and appoint any member of the Committee. In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee.

7. Role of the NRC

Role of the NRC are made with the Conformity of the Corporate Governance Code, 2018 issued by the BSEC and according the Board of Directors of the company, these are as follows:

i. NRC shall be independent and responsible or accountable to the Board and to the shareholders;

ii. NRC shall oversee, among others, the following matters and make report with recommendation to the Board;

iii. 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:

   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;

   d. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

   e. 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;

   f. formulating the criteria for evaluation of performance of independent directors and the Board;

   g. identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

iv. Analyzing, monitoring developing, recommending and reviewing annually the company's human resources and training policies;

v. Determining whether to extend or continue the term of appointment of the independent director, based on the report of performance evaluation of independent directors;

vi. Determining compensation levels payable to the senior management personnel and other staff (as deemed necessary), which shall be market-related, usually consisting of a fixed and variable component;

vii. Reviewing and approving compensation strategy from time to time in the context of the then-current country`s market following applicable laws;

viii. Performing such other activities as may be delegated by the Board and/or by any other competent regulatory authority.

8. Remuneration

a. Remuneration of Executive Directors:
   NRC shall recommend to the Board, remuneration of Executive Directors subject to approval by the members and such other approvals, as may be

necessary. While recommending remuneration, the NRC shall consider various factors such as qualifications, experience, expertise, position, leadership qualities, prevailing remuneration in the industry, volume of the Company's business and profits earned by it and the responsibilities shouldered by the director concerned. Directors shall be paid sitting fees for attending the meetings of the Board and its Committees. The Committee shall keep in mind the following criteria that the remuneration is aligned with market when compared to relevant peer companies and Understandable and valuable to the talent the Company wishes to attract, motivate, engage and retain.

b. Remuneration of Non-Executive Directors/ Independent Directors:
   i. Sitting Fees for meeting: sitting fees shall be paid for attending meetings of the Board and its Committees, provided that the same shall not exceed the maximum amount provided by the

   ii. The Board may at its discretion revise the sitting fees payable to the Non-Executive/Independent Directors from time to time.

9. Remuneration for other Employees

The Managing Director and/or Whole-time Director with the consent or empowered by the articles of the company shall jointly or severally, decide and approve and/or delegate authority, from time to time, to the Human Resource Department or such other official(s) of the Company, as they may deem fit, to decide and approve the terms and conditions of the employment including payment of remuneration of the employees other than Executive/Non- Executive Directors and Top Management Personnel (TMP) of the Company.

10. Committee Members' Interest

The Committee member(s) is/are not entitled to be present when his or her own remuneration package is discussed at a meeting or when his or her performance is being measured. The Committee may invite such personal/personnel, as it considers fit, to be present at the meetings of the Committee.

11. Disclosure:

This Policy, implementation and the evaluation criteria shall be disclosed in the Annual Report of the Company. Disclose any information/policy(s) subject to the commission`s directives time to time.

12. Review and Amendments

The Board reserves the right to amend, modify or review this Policy in whole or in part, unilaterally at any time, as may be deemed necessary.

The End