



# ALLTEX INDUSTRIES LIMITED

Correspondence Office: Suite No. 5B, House No. 1, Road 27/28, Block-K, Banani, Dhaka, Bangladesh.  
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## NOMINATION AND REMUNERATION POLICY AND EVALUATION CRITERIA OF ALLTEX INDUSTRIES LIMITED

### Background

The Board of Directors of Alltex Industries Limited in its Board Meeting held on Thursday, February 07, 2019 adopted the following "Nomination and Remuneration Policy and Evaluation Criteria" of the Company as recommended by the Nomination and Remuneration Committee (NRC) in terms of the conditions No. 6(1)(b) and 6(5)(b) of the Corporate Governance Code issued by Bangladesh Securities and Exchange Commission through its Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018.

### Nomination and Remuneration Policy

This Nomination and Remuneration Policy applies to the directors and the top level executives of Alltex Industries Limited.

### Objectives

The objectives of the Policy are as follows:

1. To set criteria for determining qualifications, positive attributes and independence of a director, and recommend remuneration of the directors and top level executives;
2. To enable the Company to attract, retain and motivate highly qualified members for the Board and top level executives to run the Company successfully;
3. To enable the Company to provide a well-balanced and performance-related compensation package, taking into account shareholder interests, industry standards and relevant corporate regulations;
4. To ensure that the interests of Board members and top level executives are aligned with the business strategy and risk tolerance, objectives, values and long-term interests of the company and will be consistent with the "pay-for performance" principle; and
5. To ensure that remuneration to directors, top level executives of the Company 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.

### 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 for 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







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with diverse background and experience 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 large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array 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 with provisions of corporate governance code. The appointment and/or removal of top level executives shall be placed before the NRC and/or Board of 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 executives' salary shall be based and determined on the individual's responsibilities and performance and in accordance with the limits as prescribed by statute, if any.

The Nominations & Remuneration Committee determines individual remuneration packages for directors and top level executives of the Company taking into account factors it deems relevant, including but not limited to market, business performance and practices in comparable companies, having due regard to financial and commercial health of the Company 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







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basis; (includes salary, allowances and other statutory/non-statutory benefits which are normal part of remuneration package in line with market practices).

(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 attainment of certain financial or other objectives set by the Board. The amount payable is determined by the Committee, based on performance against pre-determined financial and non-financial metrics.

### Evaluation Criteria

The evaluation/assessment of the directors and top level 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 significant 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. Clearly defining roles and monitoring activities of committees.
14. Review of company's ethical conduct.

Evaluation on the aforesaid parameters will be conducted by the Independent Directors for each of the Executive/Non-Independent Directors in a separate meeting of the Independent Directors.

The Executive Director/Non-Independent Directors along with the Independent Directors will evaluate/assess each of the Independent Directors on the aforesaid parameters. Only the Independent Director being evaluated will not participate in the said evaluation discussion.

On behalf of the board

Engr. Afsar Uddin Ahmad  
Chairperson

