



SUCCESS BEYOND NUMBERS

Nomination and Remuneration Committee Charter

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1. Objectives

The Committee has responsibility for making recommendations, to the Board, in respect of nominations and remunerations for the Board and for Committee members, for the Chairperson of the Board and of the Committees, and for Chief Executives and Senior Officers who, when appointed, will form part of the General Management of the Company.

This Charter is posted on the organisation's website.

2. Composition

- 2.1. The Nomination and Remuneration Committee (NRC) shall consist of between three and five members, the majority of which shall be independent non-executive directors.
- 2.2. The Chairperson and the members of the NRC shall be appointed by the Board.
- 2.3. The Chairperson of the Committee shall be a non-executive director or an independent non-executive director.
- 2.4. The Chief Executive Officer may be a member of the Committee.
- 2.5. The Board may at any time remove member/s from the Committee and fill any vacancy/ies created by such removal.

3. Meetings

- 3.1. The Committee shall meet at least twice a year and on an ad hoc basis as and when required.
- 3.2. The Committee shall elect a member to act as secretary.
- 3.3. Any three members shall form a quorum.
- 3.4. The Chairperson of the NRC may in case of absence designate an alternate. In case of absence of the Chairperson and where no alternate has been designated, the Chairperson of the Board shall appoint a non-executive director or an independent non-executive director to chair the meeting.

4. Role and responsibilities

The Board of Directors, through the NRC, shall determine the remuneration and expenses of the Committee members. In determining the level of remuneration of the Board and Committee members, consideration should be given to time spent, skills brought to bear, the onerous nature of the duties undertaken and the value of the work to the Bank. The Chairpersons' responsibilities and time demands will generally be heavier than those of other members and this should be reflected in the level of their remuneration.

The Committee must:

- Ascertain whether the potential new directors and senior officers are fit and proper and are not disqualified from being directors.
- Ensure that the potential new Board Member knows the role, duties and responsibilities of a director in general and what is expected from him/her in particular.
- Seek to achieve a right balance of skills, expertise, taking into account the Board recommendations regarding a majority of independent non-executive directors, and having in mind the necessary mix of existing and new members.
- Ensure that no material conflicts of interest would arise.
- Ensure that the provisions of the Constitution of the Company, the Company's Act regulations and the BOM requirements, relating to the procedures, selection and appointment of directors and senior officials, are abided to.
- Ensure that an induction programme is provided to new directors covering their role and responsibilities, together with an overview of the Bank's business and main risk areas, as well as the Group's activities, strategy, major policies and organisation structure. On-going updates in relevant areas shall be provided to all members, especially in respect of new laws and regulations, new developments in accounting and financial reporting and other matters which may have a material impact on the Bank and its business.
- Regularly review the directors performance and remuneration, including those of the Board Committee Members, taking into account the individual responsibilities and workload.
- Inform the Group Corporate Governance and Sustainability Committee (CGSC) of the proposed nominations of directors of subsidiaries and affiliates and ratify these proposed nominations.
- Determine and regularly review the Company's policy concerning Executive/Senior Officers remuneration including specific packages if necessary and ensure that the policy is in line with that of the Group's CGSC.
- Review annually the financial and non-financial KPIs and initiatives to be achieved by the CEO/Management team .
- Ensure that Senior Management team is adequately skilled and resourced, with succession plans in place, to provide ongoing stable leadership and management of the organization.
- Keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the organisation to compete effectively in the marketplace.

- Establish formal, clear and transparent selection criteria for prospective directors and evaluation of current directors and ensure that a clearly defined and transparent procedure exist for shareholders to recommend potential candidates.
- Recommend to the Board to accept or decline any tendered resignation of a director.
- Review the on-going appropriateness and relevance of the remuneration policy.
- Keep up to date and fully informed about strategic issues and commercial changes affecting the company for a proper assessment of recruitment needs.
- Set a formal succession plan for both executive and non-executive directors and review the succession plan on a regular basis.

5. Other Provisions

5.1. Professional advice

The Board has an agreed procedure whereby directors are able to seek independent professional advice, should the need arise. The professional services procured shall be at the Company's expense and prior approval of the Chairperson is required.

5.2. Access to information

The Committee shall have access to sufficient resources in order to carry out its duties, including access to the Company Secretariat for assistance as required.

5.3. Reporting

The Chairperson of the NRC shall report to the Board of decisions taken at the NRC.

Nominations of directors of the Company and of subsidiaries, of the chief executive officers, of the deputy chief executive officers and of members of the Management; and significant changes in remuneration and changes in remuneration policy should be reported by the Chairperson of the Board to the Boards of the relevant holding companies.

5.4. Review

The Committee shall review this Charter at least every two years and recommend any amendments to the Board for approval. The Charter shall be updated promptly to reflect material changes in applicable laws, regulations or Bank of Mauritius guidelines.