

BANK ONE

NOMINATION & REMUNERATION COMMITTEE

TERMS OF REFERENCE

Owner: Corporate Affairs

August 2019

1. OVERALL PURPOSE / OBJECTIVES

The Nomination & Remuneration Committee (the "Committee") is constituted and appointed by the Board in accordance with the guidelines issued by the Bank of Mauritius and the Code of Corporate Governance.

The Committee shall approve or recommend to the Board (as appropriate) on nominations and remuneration at Board level and for such Executive / Senior Management as defined in Appendix 2.

2. ORGANISATION

2.1. Appointment & Membership

2.1.1 The Committee shall consist of not less than 4 Directors appointed by the Board, all of whom shall be Non-Executive Directors including a minimum of 2 Independent Directors.

The current membership is as shown in Appendix 1.

2.1.2 The Board will, as far as practical, review the composition of the Committee and make any changes it deems appropriate.

2.1.3 The Board shall have the power to appoint and remove any member of the Committee, and to fill all casual vacancies that may arise.

2.1.4 The Board shall appoint the chairman of the Committee, who shall be a Nominee Director of I&M Bank Limited.

For purpose of the present, a Nominee Director refers to a Non-Executive Director of the Bank who has been nominated by any of the Shareholders of the Bank by virtue of an agreement entered into between them.

2.1.5 The Chief Executive Officer and Head of HR may attend meetings of the Committee by invitation and for consultation only. The Committee may also invite such other person to attend its meetings as it deems necessary.

2.2. Meetings & Proceedings

2.2.1 The quorum necessary for the transaction of business shall be 3 Members, including the Chairman.

A Member shall be deemed to be present at any meeting if he is able to hear and understand all of the proceedings of the meeting and be heard and understood by all present or deemed present by way of telephone or other suitable means of communication and such Member indicates his willingness for the meeting to proceed on that basis.

2.2.2 The Committee shall meet at least twice yearly or more frequently as required.

2.2.3 The Company Secretary of the Bank, or such other person as nominated by the Board, shall act as the Secretary of the Committee.

2.3 Voting

All decisions in a duly constituted Committee meeting shall be by unanimous approval.

A member present at a meeting of the Committee is presumed to have agreed to and to have voted in favour of a decision / recommendation, unless he expressly dissents from or votes against the decision / recommendation at the meeting.

The Committee may deliberate on any urgent matters by way of email circularisation. Any decision / recommendation taken in such manner would also be by unanimous approval. All decisions / recommendations approved by way of email circularisation shall be formally ratified at the ensuing meeting of the Committee.

- e) Assess the performance of the CEO on an annual basis and recommend to the Board his salary increment and performance-related bonus (including any grants under any Executive Share Scheme);
- f) Review the performance assessment of individual Executive Committee members as carried out annually by the CEO, and approve their respective individual salary increments and performance-related bonuses (including any grants under any Executive Share Scheme) as proposed by the CEO;
- g) Ensure that the Board members receive thorough orientation on board governance and key strategic issues facing the Bank, and make recommendations with regards to training needs;
- h) Determine and recommend on the level of Non-Executive / Independent Directors' fees;
- i) Recommend on incentive compensation plans and equity based remuneration plans at Board and Executive / Senior Management levels;

3.3 Review of HR Initiatives

- a) To consider and approve:
 - 1. matters under the Human Resources Policy of the Bank, over and above powers delegated to Management, to ensure/promote harmonious staff relations in the Bank at all times.
 - 2. Key strategic HR initiatives, including but not limited to, the review of employee engagement survey results and action plan, periodic job grading, etc.
- b) To review the Human Resources Policy from time to time.
- c) To review, on a yearly basis, credit facilities approved to Staff Members.
- d) To consider the Annual Salary Increase and Performance Bonus to Staff, and make recommendations thereof to the Board.
- e) To review on a bi-annual basis movement in Staff at Management Level.
- f) To take note on a bi-annual basis of disciplinary actions involving summary dismissals, cases involving suspension from work and / or intent to dismiss.
- g) To review annually the Bank's overall training plan and budget allocation.

3.4 Reporting Obligations

- a) The Committee shall report to the Board, subsequent to each NRC meeting, on matters reviewed by it;
- b) The minutes of proceedings of the Committee meetings shall be tabled at the subsequent Board Meetings;
- c) The Committee shall evaluate its own performance on a regular basis.

4. GENERAL

- 4.1 The Committee, in carrying out its tasks under these Terms of Reference, may obtain such outside or other independent professional advice as it considers necessary to carry out its duties.
- 4.2 These Terms of Reference may be amended as required, subject to the approval of the Board.