

Terms of Reference

For

The Chief Executive Officer (CEO) of RBB Merchant banking Limited

RBBMBL, a newly established company under the Company Act, 2063 and Securities Act, 2063, where the main promoter is Rastriya Baniya Bank Ltd.

The Company is committed to the functions related to issue and sales management of securities including drafting of prospectus, offer documents and other related documents, to do Underwriting by entering into agreement with body corporate and undertake to purchase the unsubscribed portion of securities offered by body corporate, to Provide share registration related services such as maintaining register of ownership of securities and execute name transfer on behalf of the body corporate, and Provide portfolio management services to the clients by entering into an agreement.

Company has established an authorized capital of Rs. 140 million and a paid up capital of Rs. 100 million. The Company intends to, and is in the process of selecting a highly qualified and competent professional to lead the company in the capacity of Chief Executive Officer (CEO).

The Chief Executive Officer is the senior management officer of the Company. S/he serves as the leader and maintains an effective and cohesive senior management team for the Company; leads the Company in achieving its goal; is the main spokesperson for the Company; and bears the chief responsibility in ensuring the Company meets its short-term operational and long-term strategic goals. S/he works with and is accountable to the BoD.

Functions, Duties and Responsibilities of the CEO

The functions, duties and responsibilities of the CEO are as follows:

1. Establish control and oversight of the institution for the sound Merchant banking practices based on the standard securities laws, rules, regulations and directions of the Securities Board Nepal and other related laws of the nation.
2. Review the financial and operational conditions of the Company, maintain profitable operation and recommend viable alternatives for cost effective operations.
3. Prepare a Management Plan that establishes goals and objectives for the management of the institution and also prepare Key Performance Indicators based on the plan.
4. Ensure that the institution is operated in a safe and sound manner as guided by Securities Businessperson (Merchant Banker) Regulations, 2008, Company Act, 2063. The Company operation is expected to yield operating profit; high growths, eliminates fraudulent activities and avoid unnecessary influences.
5. be responsible for delivery of the overall results of the Company and to ensure the attainment of its objectives.

Duration of Assignment

CEO will be appointed for a maximum period of four years. BOD of the Company will monitor performance of CEO every six months and will give feedback to improve performance. Evaluation

of performance will be done annually based on the progresses and the targets achieved Based on the performance of the last one year, incentive for the next year will be fixed.

In the event of BOD being convinced that the performance of CEO during a period of time is not satisfactory and he/she has failed to achieve the agreed performance targets, he/she will be release from the duty at any time as per the terms of performance contract. This decision will be based on the objective evaluation of CEO's performance. CEO will be given an opportunity to defend him/her.

Eligibility Requirements

I. Academic Attainments

The CEO must have at least post-graduate (Master's) degree in Economics, or Management, or Statistics or Accountancy or equivalent from the recognized university or above or a CA/ ACCA/ and CPA,CFA with graduation from the recognized institution.

II. Executive Experience

Minimum of five years of working experience at least as a senior manager in Merchant banking company or bank or financial institutions or similar Fiduciary Financial Institution or any foreign bank/ Financial institutions with having working experience specially in venture capital financing, merger and acquisition and portfolio management.

III. Age Limit

The CEO must have not exceeding 55 years at the last day of submission of application.

IV. Other Requirements

1. No affiliation with any political parties (a self declaration note is needed)
2. Comprehensive knowledge about Merchant Banking sector with knowhow in other investment sector
3. Recognition for high professional value and integrity
4. A good track record of past performance in leadership role
5. No conflict of interests with the Company (a self declaration note is needed)
6. Not having been convicted by the court on any criminal charge and not blacklisted by any bank and Financial Institution in the past.
7. Must not be disqualified by the prevailing laws, rules and regulations of the country.
8. Not having been charged/penalized by the Regulatory body (e.g. NRB, SEBON, BIMA SAMATI etc).
9. Must be Nepalese citizen.

Reporting and Deliverables

CEO must submit its report to BOD about the details of the activities regarding issue and sales management of securities, portfolio management services to the clients, share registration related

services, mutual fund operation, achievements and financial position carried out. CEO shall prepare and submit following reports:

- CEO Monthly Business Reports – The CEO Business report shall be prepared on monthly basis, covering the following and submitted to the BOD in each Board Meeting. However such report shall not be prepared for the period covering less than 1 month.
 - Capital Market scenario of the country and its growth over the period
 - Business performance
 - Merchant banking activity and risk associated with its operation
 - Human Resources Management
 - Legal and Compliance
 - Corporate Affairs (Public Relation)
- Trimester Progress Reports – The trimester progress reports shall be submitted in the BOD meeting held immediately after completion of each trimester.
- Half yearly Progress Report: The half yearly progress report shall be a comprehensive report of budget vs. actual performance and shall be submitted in the board meeting held immediately after the half year end.
- Yearly Progress Reports – The yearly progress report shall be submitted within one month of finishing each year to board. These trimester, half yearly and yearly reports shall cover, but not limited to, the following:
 - All the functions related to issue and sales management of securities including drafting of prospectus, offer documents and other related documents,
 - Underwriting by entering into agreement with body corporate and undertake to purchase the unsubscribed portion of securities offered by body corporate,
 - Provide share registration related services such as maintaining register of ownership of securities and execute name transfer on behalf of the body corporate,
 - Provide portfolio management services to the clients by entering into an agreement.
 - Financial position of the Company,
 - Sector wise Business scenario,
 - Activities related to Institutional efficiency,
 - Planned targets and achievements in each activity,

Remuneration and Facilities:

Prospective candidates must submit his/her expected remuneration in the proposal, the remuneration package, including facilities, to CEO for his/her services shall be as mentioned in the contract made after negotiation. However, the incentive of the CEO will be based on the annual performance evaluation made by the BOD. The performance of the CEO will be done based on the progresses and the targets achieved. No additional facilities other than specifically stated in the contract shall be provided. CEO, once employed by the Company under such contract, will not be allowed to work outside for his personal benefit.