

Terms of Reference (TOR) for Managing Director / Chief Executive Officer

Background and Purpose

The first building block of Corporate Governance to be put in place in a company is the Managing Director ("MD"), also known as the Chief Executive Officer ("CEO"). Whatever the size or nature of the company, the role of the MD/CEO is to ensure that the company achieves its strategic objectives and to provide leadership and direction to the staff.

His/her role depends on the stage of growth of the company. Typically, the scope of the role becomes more clearly defined as the company develops and the supporting Corporate Governance framework required is clearer. Once such a framework is developed, the MD/CEO may delegate some responsibilities to members of the Management Team.

The Articles of Association of a Company generally specify the procedure/manner of appointment of the MD/CEO. Article 123 of the Articles of Association of Bengal Windsor Thermoplastics Limited deals with this issue.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Code [Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018]. The conditions of the Corporate Governance Code are imposed on 'comply' basis aiming to enhance corporate governance in the interest of investors and the capital market. The companies listed with any stock exchange in Bangladesh shall comply with these conditions. As per condition 1(4) of the said code, **"the Board of Directors of a listed company shall clearly define the roles and responsibilities of the MD/CEO."**

In view of the above, the Board of Directors of Bengal Windsor thermoplastics Limited has defined the TOR (specifying the roles and responsibilities) of the MD/CEO in the Board Meeting held on 19 July 2018.


1. Appointment & Removal of MD/CEO

As per the Articles of Association-

- The Directors may appoint one of them as the Managing Director of the Company. The Director may also appoint a person who may not be a Director of the Company as the CEO of the Company on such terms and conditions and for such period, as the Directors so decide;
- The Managing Director and/or CEO can be removed or replaced at the discretion of the Board of Directors.

2. Roles & Responsibilities

- Act as the Chief Executive Officer reporting to the Board of Directors;
- Remain accountable for the overall performance of the company and for the day-to-day operation and management of the company's business, under the authority delegated by the Board from time to time;
- Develop and present strategic and annual business plans, rules, regulations and systems for legal functioning of the organization to the Board for approval;



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- Implement the Board's policies and strategies and deliver the strategic plan in the most effective and efficient manner;
- Report to the Board on progress against the strategic and annual business plans on a regular basis. Typically, reporting against the annual plan will be monthly, while reporting against the strategic plan will be less frequent, although it should be at least two or three times a year;
- Coordinate the overall management, administration, corporate planning and business development;
- Ensure the compliances of Laws, Rules and Regulations and for Good Corporate Governance;
- Supervise all technical, financial and welfare aspects of the organization, negotiations with sources of credit/fund, and listing in the stock exchange(s);
- Manage the day-to-day operations of the company Manage, motivate, develop and lead members of the Management Team;
- Manage resources efficiently and effectively to achieve the company's objectives;
- Lead the Local Management Team of the Company and chair Management Team meetings;
- Take a leadership role in establishing the company's culture and values;
- Ensure that there is a fit between strategy and culture, and the company's processes and structure;
- Ensure that appropriate internal audit and internal control processes and procedures are in place (in liaison with Head of Internal Audit, external auditors and Board Audit Committee);
- Develop and implement a risk management plan;
- Ensure that there is a succession plan in place.

3. Conclusion

- This document is applicable with immediate effect;
- The Board shall have the authority to make amendment to this document at any time.



