

Terms of Reference (TOR) of the Audit Committee

Background and Purpose

An Audit Committee is a standing committee of the Board of Directors charged with oversight of financial reporting and disclosure. It assists the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012]. The conditions of the Corporate Governance Guidelines 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 3 of the said guidelines, "every listed company shall have an Audit Committee as a sub-committee of the Board of Directors and the duties of the Audit Committee shall be clearly set forth in writing".

In view of the above, the Board of Directors of Bengal Windsor Thermoplastics Limited has approved the Terms of Reference (TOR) for the Audit Committee in the Board Meeting held on 06 December 2012.

Abstract

1. The Board of Directors of Bengal Windsor Thermoplastics Limited shall constitute, and reconstitute from time to time, an Audit Committee as a sub-committee of the Board of Directors.
2. The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.
3. The Audit Committee shall also evaluate whether the Management has established a sound compliance environment and importance of internal control system in the organization, the officials have been given clear directives regarding their duties and responsibilities in these regards and the Management has entire control thereon.
4. The Audit Committee shall be responsible to the Board of Directors and shall be responsible for performing the duties set forth below.

Constitution of the Audit Committee

1. The Audit Committee shall be composed of at least 3 (three) members, who shall be directors of the company, including at least 1 (one) Independent Director.
2. The Board of Directors shall appoint members of the Audit Committee. It shall also select 1 (one) member, who shall be an independent director, to be its Chairman. Qualification of the members shall conform to the requirements of the Corporate Governance Guidelines.
3. When the term of service of any member expires or there is any circumstance causing any member to be unable to hold office until expiration of the term of service, thus making the number of the members to be lower than 3 (three), the Board of Directors shall appoint new member(s) to fill the vacancy(ies) immediately

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