

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 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 1.4 of the said guidelines, "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 06 December 2012.

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

TOR for MD & CEO : Page # 1 of 2



