

Meghna Insurance Company Limited

Terms of Reference (ToR) of the Board of Directors

1. Introduction:

The Terms of Reference (ToR) outline the responsibilities, authorities, and functioning of the Board of Directors (the "Board") of **Meghna Insurance Company Limited (the "Company")**. The ToR aims to provide a clear framework for the Board's role in overseeing the management and strategic direction of the Company.

2. Role and Responsibilities:

The Board is responsible for the overall governance of the Company and is accountable to the shareholders. Its primary role is to protect and enhance the interests of shareholders while ensuring the long-term sustainability and growth of the Company. The key responsibilities of the Board include but are not limited to:

- a. Providing strategic guidance and direction to the Company's management;
- b. Monitoring the Company's financial performance, risk management, and compliance with relevant laws and regulations;
- c. Ensure and establish appropriate system of internal controls;
- d. Approving major policies, investment decisions, and significant transactions;
- e. Evaluating the performance of the Chief Executive Officer (CEO) and Senior Management;
- f. Ensuring the Company operates with high standards of ethics, transparency, and corporate social responsibility;
- g. Reviewing and approving the annual budget, financial statements, and dividend distribution;
- h. Assessing and managing key risks and ensuring appropriate controls are in place;
- i. Reviewing and approving the appointment, compensation, and succession planning of senior executives;
- j. Engaging with shareholders, regulators, and other stakeholders;

3. Board Composition:

The Board shall consist of a diverse group of individuals with a mix of skills, expertise, and experience relevant to the Company's business. The Board shall comprise both Directors and Independent Director.

4. Meetings and Quorum:

The Board shall meet at least four times per year, with additional meetings convened as necessary. As per the Article of Association the quorum for Board meetings shall be at least 05 (five) of directors. Meetings may be conducted in person or through electronic means, provided that all directors can effectively participate and vote.

5. Decision-Making:

Decisions of the Board shall be made by a majority vote of the directors present at a meeting. In the event of a tie, the Chairman shall have a casting vote. Directors are expected to act in the best interests of the Company and exercise independent judgment.

6. Board Committees:

The Board may establish committees to assist in fulfilling its responsibilities, such as an Audit Committee, Risk Management Committee, Nomination and Remuneration Committee, and any other committee deemed necessary. The Board shall define the composition, roles, and responsibilities of these committees through separate charters.

7. Reporting and Accountability:

The Board shall receive regular reports from management on the Company's operations, financial performance, and other significant matters. The Board shall provide relevant information to shareholders, regulators, and other stakeholders as required. The Board shall ensure effective communication channels are in place between the Board and management.

8. Evaluation, Development and Training:

The Board shall periodically evaluate its own performance, individual directors, and Board committees. It shall identify areas for improvement and undertake appropriate development activities to enhance its effectiveness. The Board may arrange training program for the development of Board on Corporate and Commercial rules, regulations, notification, acts, laws, etc or any other rules, regulations, notification, acts, laws, etc as necessary.

8. Review of the Terms of Reference:

The Terms of Reference shall be reviewed periodically to ensure its relevance and alignment with best governance practices. Any amendments or updates to the Terms of Reference shall be approved by the Board.

9. Confidentiality and Conflict of Interest:

Directors shall maintain strict confidentiality regarding the Company's affairs and shall disclose any potential conflicts of interest. Directors shall act in the best interests of the Company and avoid any personal, financial, or other interests that may compromise their objectivity or integrity.

10. Indemnification:

Directors shall be indemnified by the Company to the extent permitted by law against any liabilities, costs, or expenses incurred in the discharge of their duties, subject to the Company's articles of association and applicable regulations.

11. Effective Date:

These Terms of Reference shall implemented with immediate effective.