

MEGHNA INSURANCE COMPANY LIMITED

TERMS OF REFERENCE OF

CHAPTER I COMPANY SECRETARY

CHAPTER II CHIEF FINANCIAL OFFICER

CHAPTER III HEAD OF INTERNAL AUDIT AND COMPLIANCE

BACKGROUND

The Board of Directors (the “Board”) of Meghna Insurance Company Limited (the “Company”) has adopted the following terms of reference for the three positions as required under the corporate governance guidelines issued by the Bangladesh Securities Exchange and Commission (BSEC).

These terms of references are intended to provide terms of reference to the Company Secretary, the Chief Financial Officer and the Head of Internal Audit and Compliance as to help them to discharge their duties and responsibilities and help foster a culture of transparency and accountability. Each the designated executives are to comply with the spirit of the terms of references and be with immediate effect.

PURPOSE

These Terms of reference are executed to enhance the corporate governance with the intention of achieving the following aims:

- a. To establish an ethical behavior of the executives based on trustworthiness and values;
- b. To uphold the spirit of transparency, establish accountability and fix the responsibility in line with the legislation, regulations and guidelines for administrating the company.

CHAPTER I

TERMS OF REFERENCE OF COMPANY SECRETARY

REPORTING TO :

Board of Directors, Chairman and Managing Director/Chief Executive Officer

RESPONSIBLE FOR :

Corporate Affairs & Secretariat Division

ROLE PURPOSE:

To ensure corporate management and compliance issues of the Company i.e., Meghna Insurance Company Limited (MICL) and to deal with the regulatory matters of the company.

KEY AREAS OF RESPONSIBILITY:

The Company Secretary of Meghna Insurance Company Limited (MICL) is the custodian of the interests of the company. It is the prime duty of the Company Secretary to protect and safe guard the interests of MICL at all levels – legal, statutory administrative, arbitrational and in other policy matters. He will be responsible for ensuring that the company complies with standard corporate management, compliance and legal practices and maintains standards of corporate governance.

He will act as a point of communication between the board of directors and the company's stakeholders and to report on time on regulatory compliance issues, interaction with the regulators and submission of the returns on time.

The Company Secretary occupies a pivotal role in the management and works as the bridge between policy and implementation process of the company. The duties of the Company Secretary have many folds including that he has to adhere to the legal and primary directives and another to discharge managerial, administrative responsibilities. The position is the flow line of all information to and from the Board.

Company Secretary's main functions are relating to –

- ❖ Share management
- ❖ Meeting management
- ❖ Legal and Statutory compliance matters
- ❖ Communication and public relation, etc

Company Secretary's duties and responsibilities include:

1. Convening and organizing board meetings, committees' meetings, preparing agendas, resolutions, agenda papers, notes, preparing the minutes of the meetings, companies
2. Convening, organizing, preparing agendas and preparing the minutes of annual general meetings (AGMs) and extraordinary general meetings (EGMs);
3. Maintaining and updating of statutory books and records, including registers of members, directors as contemplated under Companies Act and BSEC Rules and Regulations applicable to the Company;
4. Dealing with correspondence, collating information and writing reports, ensuring decisions made are communicated to the relevant company stakeholders,
5. Contributing to meeting discussions as and when required, and advising members of the legal, governance, accounting and tax implications of proposed policies;
6. Monitoring changes in relevant legislation and the regulatory environment and taking appropriate action;
7. Liaising with external regulators and advisers, such as lawyers and auditors, RJSC, BSEC, MoC etc.
8. Liaising with DSE, CSE and CDBL for affecting the necessary corporate actions.
9. Developing and overseeing the systems that ensure the company complies with all applicable directives, laws, codes, in addition to its legal and statutory requirements,
10. Liaison with stakeholders and ensure compliance responsibilities and handling the investor correspondence and redressing shareholders' grievances;
11. Maintaining the register of shareholders/members;
12. Monitoring of changes in share ownership of the company;
13. Monitoring of timely issue of dividends and managing share option schemes;
14. Taking a role in share issues, mergers and takeovers;
15. Overseeing and renewing insurance cover for employees, equipment and premises;

16. Taking a role at the time of entering into contractual agreements of the company with suppliers and customers and other parties;
17. Managing the corporate affairs and secretariat division's (CASD) office management and as well as dealing with CASD personnel administration,
18. Overseeing public and stakeholders' relations and overseeing the aspects of capital management matters;
19. Other corporate and regulatory matters as assigned by the Board of Directors from time to time;
20. Preparation and filing of various statutory forms, returns, reports, documents and summaries to the regulators and authorities including the RJSC and timely submission of all reports pertaining to the BSEC and Stock Exchanges;
21. Maintain strict confidentiality of the affairs of the Board of MICTL;
22. Preparation and finalization of Annual Reports;
23. Obtaining strategic and professional advice on implementation and compliance with delicate company law matters;
24. Handling matters related to listed shares of the Company in the DSE and CSE, CDBL etc.
25. Preparing and filing of various reports, documents, and letters
26. Humoring the changes and amendments to various corporate laws and their impact on Company's operations and smooth compliances with corporate laws, rules, regulations and guidelines and implementation of good corporate governance practices with special emphasis on corporate governance guidelines,
27. Any other assignments as advised and delegated by the Board of Directors from time to time.

CHAPTER II

TERMS OF REFERENCE of CHIEF FINANCIAL OFFICER

REPORTING TO :

Board of Directors
Chairman of the Audit Committee
Managing Director/Chief Executive Officer for day-to-day administration

RESPONSIBLE FOR : Finance and Accounts Division

ROLE PURPOSE :

To ensure financial planning / design, management and reporting management and control environment within the Company i.e., Meghna Insurance Company Limited (MICL) and to continue it and to ensure the reporting in time.

KEY AREAS OF RESPONSIBILITY:

The Chief Financial Officer (CFO) will provide both operational and programmatic supports to Meghna Insurance Company Limited. (MICL) management. The CFO will supervise the finance and accounts division. The CFO reports directly to the Chairman / Managing Director/Chief Executive Officer (MD). He will directly assist the MD on all strategic financial matters as they relate to budget, financial management, cost benefit analysis, forecasting needs and the securing of new funding etc.

In MICL the Chief Financial Officer generally performs the following functions relating to the finance and accounts:

1. Assist in performing all tasks as necessary to achieve the MICL's mission, objective and help execute financial growth plans;
2. Train the Finance and Accounts staff on financial management matters;
3. Work with the Chairman/Managing Director/Chief Executive Officer in developing new business.
4. Assist the Chairman/Managing Director/Chief Executive Officer in identifying new funding opportunities, the drafting of prospective and programmatic budgets, and determining cost effectiveness of prospective service delivery;
5. Assess the benefits of programmatic design and implementation matters and suggest the management over the outcome;
6. Ensure that adequate controls are installed and that substantiating documentation is approved and available such that all purchases may pass internal checking and control and are in the purview of periodic audits;
7. Provide the management with the operating budget and analysis. Work with the management to ensure programmatic success through cost analysis support, and compliance with regulatory, contractual and programmatic requirements;
8. Oversee all fiscal reporting activities for the organization including: organizational revenue/expense and balance sheet reports, reports to funding agencies, development and monitoring of organizational and contract/grant budgets;

9. Oversee all payroll activity for staff and participants;
10. Attend Board and Audit Committee meetings;
11. Monitor banking activities of the organization;
12. Ensure adequate cash flow to meet the organization's needs;
13. Investigate cost-effective benefit plans;
14. Oversee the monthly and periodic reports including reconciliations as well as financial statements and cash flow projections for use by the management, as well as the Board of Directors;
15. Assist in the design, implementation, and timely calculations of wage incentives, commissions, and salaries for the staff;
16. Oversee the accounts payable and accounts receivable and ensure the recovery plan;
17. Oversee the maintenance of the inventory of all fixed assets, including assets purchased with government funds (computers, etc.) assuring all are in accordance with regulatory requirements and guidelines;
18. Develop new methodologies to improve the internal control process;
19. Engage efforts in meeting regulatory requirements.
20. Keep abreast of developments in best financial management practices and advise the management accordingly.
21. Any other assignments as delegated by the Board of Directors and the management from time to time.

CHAPTER III
TERMS OF REFERENCE
of
HEAD OF INTERNAL AUDIT AND COMPLIANCE

REPORTING TO:

Board of Directors
Chairman of the Audit Committee
Managing Director/Chief Executive Officer for day-to-day administration

RESPONSIBLE FOR: Internal Audit Team.

ROLE PURPOSE:

To provide independent and objective assurance on the management of risk throughout the Company i.e., Meghna Insurance Company Limited (MICL).

KEY AREAS OF RESPONSIBILITY:

The Head of Internal Audit has to work in accordance with the internal audit guidelines and standards. He will provide assistance to the management in meeting regulatory requirements, keep abreast of developments in best internal management practices and advise the authorities accordingly. The Head of Internal Audit will ensure that the final internal audit reports are issued with all recommendations made to the board and to implement the equal opportunities policy in the internal audit activities.

In MICL the Head of Internal Audit generally performs the following functions relating to the internal audit management and control:

1. Develop an annual internal audit plan to identify priorities and resource requirements for the year.
2. Annual internal audit plan has to cover all activities of the MICL including the Registered Office and Factory operations, Sales and Marketing network.
3. Meet with the Directors, Management and Trustees, to discuss needs and propose internal audits, to build stakeholder requirements into internal audit department's plans.
4. Ensure that the internal audit plan is developed to meet the regulators' expectations as well to meet the Audit Committee's expectations. To ensure quality control of the internal audit plans on an ongoing basis by reviewing periodically.
5. Develop the internal audit team's engagement with and support of MICL's major business strategy change program.
6. Ensure annual audit plans have contingency built in, to provide unexpected audits to departments and cost centers as they may surface.
7. Support and encourage internal audit team members to be proactive in identifying opportunities to share best practice with Trustees, Directors and Managers to improve the control environment.
8. Ensure effective and efficient use of company's resources.
9. Develop new methodologies to improve the internal audit process, making it "easier" within the MICL as to request for internal audits and implement recommendations.

10. Provide ongoing feedback to the team to ensure they develop the skills and competencies required for effective planning and individual professional and personal career growth.
11. Make direct reports accountable for managing and developing their assignments to ensure the internal audit department's goals are achieved with satisfaction.
12. Ensure that appropriate consideration of risk and control is given to all changes.
13. Oversee and provide quality control for the cost centers and department's internal audits, to ensure departmental mandate and business goals are met;
14. Ensure completion of audit assignments to provide independent, objective assurance to the Board.
15. Manage and oversee team performance through performance planning, training and performance appraisals.
16. Motivate and inspire the team by providing them with the information and tools they need to do their jobs well and meet Board's expectations.
17. Deal with performance issues, discipline as necessary and address poor standards, ensuring department targets and Board's satisfaction is not compromised.
18. Report to the Board of Directors at the required intervals on Internal Audit assignments including planned reviews, investigations, risk advisory work and any other ad-hoc activity as required.
19. Report to the Audit Committee on any adverse matters and findings.
20. Any other duties as are within the scope, spirit and purpose of the job, the title of the post and it's grading as requested by the line manager or Head of Department/Division.

The revised Terms of Reference of Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance have been approved on the 154th meeting of the Board of Directors.

THE END