

TERMS OF REFERENCE (TOR) OF NOMINATION AND REMUNERATION COMMITTEE (NRC)

Terms of Reference (ToR) of Nomination and Remuneration Committee (NRC)

Introduction

The Nomination and Remuneration Committee (NRC) will be established by the Board of Directors of Bangladesh National Insurance Company Limited under code # 6(1)(a) of Corporate Governance Code having BSCE Notification # BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

- The Board of Directors of the Company will form the Nomination and Remuneration Committee with the members of the Board. The committee will act as a subcommittee of the Board.
- The NRC shall assist the Board in determining the qualification, positive attributes, experiences, independence etc, of directors and top level executives to framework their remuneration/salary etc.

Constitution of the NRC

- The Committee shall comprise of at least three members including an independent directors
- All members of the Committee shall be non-executive directors.
- Members of the Committee shall be nominated and appointed by the Board.
- The Board shall have authority to remove and appointed any member of the Committee
- In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty)/days of occurring such vacancy in the Committee.
- The Chairperson of the Committee may appoint or co-opt any external expert/and/or member(s) of staff to the committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external report and/or member(s) of staff shall be required or valuable for the Committee.
- The company secretary shall act as the secretary of the Committee.
- No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.

The Board in its Meeting held on December 27, 2018 formed its Nomination and Remuneration Committee (NRC) as follows:

Sl #	Name	Designation	Status
1	Prof. Dr. Miyanur Rahman	Independent Director	Chairman
2	Taif Bin Yousuf	Director	Member
3	Wasikur Rahman	Director	Member

Chairperson of NRC

- The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.
- In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in minutes.
- The Chairpersons of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:

Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

Meeting of the NRC

- The NRC shall conduct at least one meeting in a financial year.
- The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.
- The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.

Quorum

The quorum of the NRC meeting shall not constitute without attendance of at least an independent director. The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher where presence of an independent director is must.

Role of the NRC

- NRC shall be independent and responsible or accountable to the Board and to the shareholders;
- NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
 - formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
- devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
- identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

- formulating the criteria for evaluation of performance of independent directors and the Board;
- identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and
- developing, recommending and reviewing annually the company's human resources and training policies;
- The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report

Effective date

This Terms of Reference (ToR) is effective from December 27, 2018.

Terms of Reference (ToR)
of
Audit Committee

Introduction

The Audit Committee will be established by the Board of Directors of Bangladesh National Insurance Company Limited under code # 4 (i) and 5 of Corporate Governance Code having BSCE Notification # BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018.

- The Board of Directors of the Company will form the Audit Committee with the members of the Board. The committee will act as a subcommittee of the Board.
- The Audit Committee shall assist the Board 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.
- The Audit Committee shall be responsible to the Board.

Constitution of the Audit Committee

- The Audit Committee shall be composed of at least 3 (three) members.
- The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director
- All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;
- When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;
- The company secretary shall act as the secretary of the Committee;
- The Board in its Meeting held on December 27, 2018 formed the Audit Committee.

Chairperson of the Audit Committee

- The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;
- In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required above point and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.
- Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):

Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.

Meeting of the Audit Committee

The Audit Committee shall conduct at least its four meetings in a financial year:

Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee

Quorum

The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.

Role of the Audit Committee

The Audit Committee shall --

- oversee the financial reporting process;

- monitor choice of accounting policies and principles
- monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report;
- oversee hiring and performance of external auditors;
- hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;
- review along with the management, the annual financial statements before submission to the Board for approval
- review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;
- review the adequacy of internal audit function;
- review the Management's Discussion and Analysis before disclosing in the Annual Report;
- review statement of all related party transactions submitted by the management;
- review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
- oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
- oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission.

Reporting of the Audit Committee

Reporting to the Board of Directors

- The Audit Committee shall report on its activities to the Board.
- The Audit Committee shall immediately report to the Board on the following findings, if any:
 - report on conflicts of interests;
 - suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
 - suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and
 - any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;

Reporting to the Authorities

If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.

Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.

Effective date

This Terms of Reference (ToR) is effective from December 27, 2018.