

## Terms of Reference (TOR) for Managing Director & CEO

### Background and Purpose

The first building block of Corporate Governance to be put in place in a company is the Managing Director [“the 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 and his/her roles and responsibilities. Articles 109, 110 and 145 of the Articles of Association of Doreen Power Generations and Systems Ltd. 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 CEO.”

In view of the above, the Board of Directors of Doreen Power Generations and Systems Ltd. defined the TOR (specifying the roles and responsibilities) of the CEO which was updated in its Board Meeting held on 29<sup>th</sup> November 2015.

### Appointment of MD/CEO

- As per the Articles of Association, the Board of Directors, shall appoint the Managing Director from amongst the members of the Board of Directors for the time being of the Company and the office tenure shall be determined by the Company’s Board.
- The Managing Director shall be the Chief Executive of the Company with charge, power and function as are conferred on him by the Board of Directors.

### Roles & Responsibilities

A. As per the Articles of Association, the Managing Director shall have the powers to-

- purchase or otherwise acquire for the Company property
- To purchase or otherwise acquire for the Company property, rights or privileges which the Company, is authorized to acquire at such price and generally on such terms and conditions as he/she think fit and subject to the provisions of sections 107(a) of the Act, to sell, to let, exchange or otherwise dispose of absolutely or conditionally any part of the property, privileges and undertaking of the Company upon such terms and conditions, and for such consideration as he/she may think fit.

  
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Chairman

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- At his/her discretion to pay for any property, rights, privileges acquired by or services rendered to the Company either wholly or partially in case of shares (Subject to section 145 of the Act), bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds, debentures or other securities may be either specially charged upon all or any part of the property of the Company and its uncalled capital or not so charged.
- To secure the fulfillment of any contracts, agreements or engagement entered into by the Company by mortgage or all or any of the property of the Company and its unpaid capital for the time being or such other manner as he/she may think fit.
- To appoint and at his/her discretion remove or suspend such agents (other than Managing Agents), Managers, Secretaries, Officers, Clerks and Servants for permanent, temporary or special services as he/she may from time to time think for, and to determine their powers and duties and fix their salaries or emoluments and to require security in such instances and to such amount as he/she think fit.
- To appoint any person or persons (whether incorporate or not) to accept and hold in trust for the Company and property belonging to the Company or which it is interested or for any other purpose and to execute and do all such deeds, documents and things as may be requisite in relation to any such trust and to provide for the remuneration of such trustees.
- Subject to the provision of section 107 of the Act, to institute, conduct, defend, compound or abandon any legal otherwise convening the affairs of the Company and also to compound and allow the time for payment of satisfaction of any debts due and of claims or demands by or against the Company.
- To refer any claims or demands by or against the Company to arbitration and observe and perform the award.
- To make and give receipts, releases and other discharges for money payable to his/her Company and for the claims and demands of the Company.
- To determine who shall be entitled to sign on the Company's behalf bills, notices, receipts, acceptances, cheques, release, contracts and documents.
- To act on behalf of the Company in all matters relating to bankrupts and insolvents.
- From time to time provide to for the managements of the affairs of the Company either in different parts of Bangladesh or in elsewhere in such manners as he/she think fit and in particular to establish branch offices and to appoint any person to be attorney or Agents to sub-delegate and upon such terms as may be thought fit.
- Subject to the provisions of sections 58, 120, 121 and 122 of the Act to invest and deal with any of the money of the Company not immediately required for the purpose thereof upon such securities (not being shares in this Company) and in such manner as he/she think fit, from time to time to vary or realize investment.
- To execute in name and on behalf of the Company in favour of any Director or other person who may incur or about to incur any personal liability for the benefit of the Company such mortgage of the Company property (present and future) as he/she think fit, and any such mortgage may contain a power of seal and such other powers and provisions as shall be agreed on.

  
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- To give to any person employed by the Company other than to the Managing Agents as remuneration for their services or a commission on the profits of any particular business or transaction or a share in the general profit of the Company, and such commission or share of profit shall be treated as part of the working expenses of the Company.
- From time to time to make, vary and repeal bye-laws for the regulation of the business of the Company, its officers and servants.
- To enter into all such negotiation and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the Company as he/she may consider expedient for or in relation to any of the matters aforesaid or other wise for the purpose of the Company.
- To establish, maintain, support and subscribe to any charitable or public, and any institution, society, or club, which may be for the benefit of the Company or its employees or may be connected with any town or place where the Company carries on business, to give gratuities or charitable to any person or persons who have served the company or to the wives, children or dependents of such person or persons, that may appear to the Directors just or proper, whether any such person, his widow, children or dependents have or have not a legal claim upon the Company.
- Subject to the provisions of section 399 of the Act, before recommending any dividend, to set aside portion of profits of the Company to form a Fund to provide for such pensions, gratuities or compensation or to create any Provident or Benefit Fund in such or any other manner as the Directors may deem fit.
- To make and alter rules and regulation concerning the time and manner of contributions of the employees and the Company respectively to any such Fund and the actual, employment suspension and forfeiture of the benefits of the said Fund and the application and disposal thereof and otherwise in relation to the working and management of the said Fund as the Directors shall from time to time think fit.

B. Roles & Responsibilities of the Managing Director are to-

- 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
- Implement the Board's policies and strategies and deliver the strategic plan in the most effective and efficient manner
- Report to the Board on progress against the strategic and annual business plans on a regular basis. Typically, reporting against the annual plan will be monthly, while reporting against the strategic plan will be less frequent, although it should be at least two or three times a year
- Coordinate the overall management, administration, corporate planning and business development
- Ensure the compliances of Laws, Rules and Regulations and for Good Corporate Governance

  
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- Supervise all technical, financial and welfare aspects of the organization, negotiations with sources of credit/fund, and listing in the stock exchange(s).
- Manage the day-to-day operations of the company
- Manage, motivate, develop and lead members of the Management Team
- Manage resources efficiently and effectively to achieve the company's objectives
- Lead the Management Team of the Company and chair Management Team Meetings
- Take a leadership role in establishing the company's culture and values
- Ensure that there is a fit between strategy and culture, and the company's processes and structure
- Ensure that appropriate internal audit and internal control processes and procedures are in place (in liaison with Head of Internal Audit, external auditors and Audit Committee).
- Develop and implement a risk management plan
- Ensure that there is a succession plan in place

## Conclusion

- This document is applicable with immediate effect.
- The Board shall have the authority to make amendment to this document at any time.

  
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Chairman  
Doreen Power Generations & Systems Ltd.

