

STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE

Status of compliance with the conditions imposed by the BSEC's Notification on Corporate Governance

Condition No.	title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.00	Board of Directors			
1.(1)	Size of the Board of Directors	√		
1.2	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be Independent directors	√		2 Independent Directors as per Insurance Act, 2010
1(2)(b)(i)	Shareholding position of Independent Director	√		
1(2)(b)(ii)	Independent Director is not sponsor, nor any family member/ family relationship of the sponsor	√		
1(2)(b)(iii)	Independent Director has not been Executive of the Company in immediately preceding 2(two) financial years	√		
1(2)(b)(iv)	Independent Director does not have any other relationship with the Company or its' subsidiary associates companies	√		
1(2)(b)(v)	Independent Director is not a member or TREC holder, director or officer of any stock exchange	√		
1(2)(b)(vi)	Independent Director is not a shareholder, director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		
1(2)(b)(vii)	Independent Director is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm	√		
1(2)(b)(viii)	Independent Director shall not be an independent director in more than 5 (five) listed companies	√		
1(2)(b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBF1	√		
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		
1(2)(c)	The Independent Director(s) shall be appointed by the board, and approved by the shareholders in the Annual General Meeting (AGM)	√		
1(2)(d)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.			No. Vacancy occurred
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only.	√		
1.3	Qualification of Independent Director (ID)			
1(3)(a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		
1(3)(b)(i)	Independent director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or International chamber of commerce or business association.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
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1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk.100.00 million or of a listed company; or	√		
1(3)(b)(iii)	Independent Director has at least educational background of bachelor degree in economics or commerce or business or law.	√		
1(3)(b)(iv)	University Teacher Independent Director who has educational background in Economics or Commerce or Business Studies or Law.	√		
1(3)(b)(v)	Professional Independent Director is an Advocate, Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Secretary or Chartered Financial Analyst or equivalent qualification.	√		
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3)(d)	In special cases, the above qualification of experiences may be relaxed subject to prior approval of the commission			Not applicable
1.4	Duality of Chairperson of the Board of Directors and Managing Director of Chief Executive Officer			
1(4)(a)	The Chairperson of the Board and Chief Executive Officer (CEO) of the company shall be filled by different individuals	√		
1(4)(b)	The Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	√		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	√		
1(4)(d)	The Board shall clearly define respective roles responsibilities of the Chairperson and the Chief Executive Officer (CEO)	√		
1(4)(e)	In the absence of the Chairperson of the Board, remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board Meeting			No such situation occurred
1.5	Directors reports to Shareholders	√		
1(5)(i)	Industry outlook and possible future developments in the industry	√		
1(5)(ii)	Segment-wise or product-wise performance	√		
1(5)(iii)	Risks and concerns	√		
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin	√		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss.			Not applicable
1(5)(vi)	Basis for related party transactions-a statement or all related party transactions should be disclosed in the annual report			Not applicable
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments.			Not applicable

Condition No.	Title	Compliance status		Remarks (if any)
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1(5)(viii)	An explanation if the financial results deteriorate after the company goes IPO, RPO, Rights Offer, Direct Listing, etc.			Not applicable
1(5)(ix)	Significant variance occurs between Quarterly Financial Performance and Annual Financial Statements			No such significant variance occurs
1(5)(x)	Remuneration to directors including independent director	√		
1(5)(xi)	Financial statements present fairly state of affairs, the result of its operations, cash flows and changes in Shareholders' equity of the company	√		
1(5)(xii)	Proper books of account of the issuer company have been maintained	√		
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statement and that the accounting estimates are based on reasonable and prudent judgment.	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standard (IFRS), as applicable in Bangladesh	√		
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	The minority shareholders have been protected from abusive actions by or in the interest of,controlling shareholders acting either directly or indirectly			No such situation occurred
1(5)(xvii)	There are no significant doubts upon the issuer Company's ability to continue as a going concern.	√		
1(5)(xviii)	Significant deviations from the last year's operating results of the company shall be highlighted			Not applicable
1(5)(xix)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year			Declared dividend regularly (Cash & Bonus)
1(5)(xxi)	The effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	√		
1(5)(xxii)	The number of Board meeting held during the year and attendance by each director shall be disclosed	√		
1(5)(xxiii) (a)	Share holding position parent/ Subsidiary/ Associated Companies and other related parties	√		
1(5)(xxiii) (b)	Share holding position of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	√		
1(5)(xxiii) (c)	Share holding position of Executives of the Company	√		
1(5)(xxiii) (d)	Share holding ten percent (10%) or more voting interest in the Company	√		
1(5)(xxiv) (a)	A brief resume of the appointed/re appointed director	√		
1(5)(xxiv) (b)	Expertise is specific functional areas of the appointed/ reappointed director	√		

Condition No.	Title	Compliance status		Remarks (if any)
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1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		
1(5)(xxv)	Management's Discussion and Analysis signed by CEO			
1(5)(xxv)(a)	Estimation for preparation of financial statements;	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation if any clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes.	√		
1(5)(xxv)(c)	Comparative analysis of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	√		
1(5)(xxv)(d)	Financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe;	√		
1(5)(xxv)(f)	Risk and concerns mitigation plan of the company	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e. actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as Annexure-A;	√		
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C	√		
1.6	Meetings of the Board of Directors			
1(6)	Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	√		
	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the Company;	√		
1(7)(b)	Confidentiality conflict of interest compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency	√		
2.00	Governance of Board of Directors of Subsidiary Company			
2(a)	The Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	√		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	√		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		

Condition No.	Title	Compliance status		Remarks (if any)
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2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;	√		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	√		
3.00	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3(1)(a)	The Board of Directors appointed a Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		
3(1)(b)	Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3(1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).			No such situation occurred
3.2	Requirement to attend Board of Directors' Meeting			
3(2)	The CS, CFO and/or the HIAC shall attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer or CEO and CFO Chief Financial Officer (CFO)			
3(3)(a)(i)	The CEO and CFO shall certify to the Board that Financial statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	Financial statements together present a true and fair view the Company's affairs and are in compliance existing accounting standards and applicable laws	√		
3(3)(b)	To the best of knowledge and belief, no transaction entered into by the Company during the year which fraudulent, illegal or violation of the Company's code of conduct.	√		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	√		
4.	Board of Directors' Committee : For ensuring good governance in the company, the Board shall have at least following sub-committees :			
4(i)	Audit Committee	√		
4(ii)	Nomination and Remuneration Committee	√		
5.	Audit Committee			
5.1	Responsibility to the Board of Directors			

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
5(1)(a)	The Company has an Audit Committee as a subcommittee of the Board of Directors	√		
5(1)(b)	The Audit Committee assist the Board of Directors 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;	√		
5(1)(c)	The Audit Committee is responsible to the Board; the duties of the Audit Committee clearly set forth in writing	√		
5.2	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3(three) members;	√		
5(2)(b)	The Board of Directors appointed 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	√		
5(2)(c)	All members of the audit committee are "financially literate" and 1(one) member have accounting or related financial management background and 10(ten) years of such experience	√		
5(2)(d)	Board of Directors appoint the new Committee member(s) to fill up the vacancy immediately or not later than 1 (one) month from the date vacancies in the Committee	√		
5(2)(e)	The Company Secretary shall act as the secretary of the Committee	√		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
5.3	Chairperson of the Audit Committee			
5(3)(a)	Independent Director is the Chairman of the Audit Committee	√		
5(3)(b)	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 under condition No.5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			No such situation occurred
5(3)(c)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in financial year	√		
5(4)(b)	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.	√		
5(5)	Role of Audit Committee			
5(5)(a)	Audit Committee oversees the financial reporting process	√		
5(5)(b)	Audit Committee monitor choice of accounting policies and principles	√		

Condition No.	Title	Compliance status		Remarks (if any)
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5(5)(c)	Audit Committee monitor Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		
5(5)(d)	Audit Committee oversee hiring and performance of external auditors	√		
5(5)(e)	Audit Committee hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	√		
5(5)(f)	Audit Committee review along with the management, the annual financial statements before submission to the board for approval	√		
5(5)(g)	Audit Committee review the quarterly and half yearly financial statements before submission to the board for approval	√		
5(5)(h)	Audit Committee review the adequacy of internal audit function	√		
5(5)(i)	Audit Committee review Management's Discussion and Analysis before disclosing in the Annual Report	√		
5(5)(j)	Audit Committee review statements of significant related party transactions submitted by the management	√		
5(5)(k)	Audit Committee review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	√		
5(5)(l)	Review the Management's Discussion and Analysis before disclosing in the Annual Report.	√		
5(5)(m)	Money is raised through IPO. RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds.			Not applicable
5.6	Reporting of the Audit Committee			
5(6) (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
5(6)(a)(ii) (a)	The Audit Committee shall immediately report on conflict of interest.			No conflict of interest
5(6)(a)(ii) (b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.			No such situation occurred
5(6)(a)(ii) (c)	Suspected infringement of laws, including securities related laws, rules and regulations.			No such case raised
5(6)(a)(ii) (d)	Any other matter which shall be disclosed to the Board of Directors immediately			No such situation occurred
5(6)(b)	If the Audit Committee reported to the Board of directors about anything which has material impact on the financial condition as result of operation. Audit Committee finds that such rectification has been unreasonably ignored; the Audit Committee shall report such finding to the Commission.			No such situation occurred
5(7)	Report on activities carried out by the Audit Committee, under condition 5.6.(a)(ii) above during the year, shall be signed by the Chairman of the Audit Committee	√		
6.	Nomination and Remuneration Committee (NRC)			
6(1)(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	√		

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	√		
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).	√		
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	√		
6(2)(b)	All members of the Committee shall be non-executive directors;	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	√		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	√		
6(2)(e)	In cash 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 vancy in the Committee;			No such situation occurred
6(2)(f)	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 nonvoting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;			No such expert appointed
6(2)(g)	The company secretary shall act as the secretary of the Committee;	√		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	√		
6(2)(i)	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.	√		
6.3	Chairman of the NRC			
6(3)(a)	The Board shall select 1(one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.	√		
6(3)(b)	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 the minutes;			No such situation occurred
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; In absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the AGM for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the mnutes of the AGM			No such situation occurred

Condition No.	Title	Compliance status		Remarks (if any)
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6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	√		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.			No such situation occurred
6(4)(c)	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 as required under condition No.6(2)(h)	√		
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be fonfirmed in the next meeting of the NRC.	√		
6. 5	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	√		
6. 5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6. 5(b)(i)	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:	√		
6(5)(b)(i)(a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	√		
6(5)(b)(i)(b)	The relationship of remuneration of performance is clear and meets appropriate performance benchmarks;	√		
6(5)(b)(i)(c)	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;	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity educational background and nationality;			Under Process
6(5)(b)(iii)	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;			Under Process
6(5)(b)(iv)	Formulating the criteria for evaluation of performance in independent directors and the Board			Under Process
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;			Under Process
6(5)(b)(vi)	Developing, recommending and reviewing annually the Company's human reources and training policies	√		
6(5)(c)	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.	√		
7.	External or statutory Auditors			
7.1	The issuer company shall not engage its external or statutory auditors to perform the following services of the company namely :			

Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
7(1)(i)	Appraisal or valuation services or fairness opinions;	√		
7(1)(ii)	Financial information systems design and implementation;	√		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	√		
7(1)(iv)	Broker-dealer services;	√		
7(1)(v)	Actuarial services;	√		
7(1)(vi)	Internal audit services or special audit services;	√		
7(1)(vii)	Any services that the Audit Committee determines;	√		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No.9(1);	√		
7(1)(ix)	Any other service that creates conflict of interest	√		
7(2)	No partner or employees of external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company; Provided that spouse, son, daughter, father, mother, brother, sister, son-in law and daughter-in-law shall be considered as family member.	√		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (AGM or EGM) to answer the queries of the shareholders	√		
8.	Maintaining a website by the Company			
8(1)	The Company shall have an official website linked with the website of the stock exchange	√		
8(2)	The Company shall keep the website functional from the date of listing	√		
8(3)	The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		
9.	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.			To be complied upcoming AGM
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	√		