

STATUS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1	Board of Directors			
1.1	Board size (number of Board members - minimum 5 and Maximum 20)	✓		Board size is 08 persons
1.2	Independent Directors			
1.2 (a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		
1.2 (b)	Independent Director means a Director:			
1.2 (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (b) (ii)	who is not a sponsor of the company and is not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total relationship. His/her family members also should not hold paid-up shares of the company on the basis of family above mentioned shares in the company	✓		
1.2 (b)(iii)	who has not been an executive of the company immediately preceding 2 (two) financial years	✓		
1.2 (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2 (b)(v)	who is not a member or TREC holder, director or officer of any stock exchange	✓		
1.2 (b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	✓		
1.2 (b)(vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the company's statutory audit firm or audit firm engaged in internal audit or special audit or professional certifying compliance of this Code	✓		
1.2 (b)(viii)	who is not independent director in more than 5 (five) listed companies	✓		
1.2 (b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or any advance to a Bank or a Non-Bank Financial Institution (NBFI)	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1.2 (b)(x)	who has not been convicted for a criminal offence involving moral turpitude	✓		
1.2 (c)	The Independent Director(s) shall be appointed by the BoD 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	✓		
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) tenure 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, regulatory and corporate laws and can make meaningful contribution to the business	✓		
1.3 (b)(i – v)	Independent Director shall have: a Business Leader/Corporate leader or former official of govt. /statutory/autonomous/ regulatory body in position not below of 5th grade, who has at least bachelor degree in economics or commerce or business studies or University Teacher with Economics or Business Studies or Law background or Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries and Advocate of High Court division.	✓		
1.3 (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned above	✓		
1.3 (d)	In special cases the above qualifications or experiences may be relaxed subject to prior approval of the Commission			N/A
1.4	Duality of Chairperson of the Board and Managing Director of Chief Executive Officer			
1.4 (a)	The positions of the Chairperson of the Board and the MD and or CEO of the company shall be filled by different individuals	✓		
1.4 (b)	The MD and or 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 and responsibilities of the Chairperson and the MD and or CEO	✓		
1.4 (e)	In the absence of Chairperson of the Board, the members may elect one of themselves from non-executive directors as Chairperson for that particular Board meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes			No such incidence

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
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1.5	The Director's Report shall include the following additional statements:			
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			N/A
1.5 (vi)	Basis for related party transactions - a statement of all related party transaction should be disclosed in the annual report	✓		
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any other instrument			N/A
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)	✓		
1.5 (ix)	An explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements	✓		
1.5 (x)	A statement of remuneration paid to directors including independent directors	✓		
1.5 (xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1.5 (xii)	Proper books of account have been maintained	✓		
1.5 (xiii)	Adoptation of appropriate accounting policies & estimates	✓		
1.5 (xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	✓		
1.5 (xv)	The system of Internal control is sound in design and has been effectively implemented and monitored	✓		
1.5 (xvi)	Minority shareholders have been protected and have effective means of redress	✓		
1.5 (xvii)	Going Concern (ability to continue as going concern)	✓		
1.5 (xviii)	Highlight and explain significant deviations from the last year's operating results	✓		
1.5 (xix)	Key operating and financial data of at least preceding 5(five) years shall be summarized	✓		
1.5 (xx)	Reason for non-declaration of Dividend			N/A

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1.5 (xxi)	No bonus share or stock dividend has been or shall be declared as interim dividend	✓		
1.5 (xxii)	The number of Board meetings held during the year and attendance by each director	✓		
1.5 (xxiii)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
1.5 (xxiii) (a)	Parent/Subsidiary/Associated Companies and other related parties	✓		
1.5 (xxiii) (b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	✓		
1.5 (xxiii) (c)	Executives (top five salaried employees other than Directors, CEO, CS, CFO & HIAC)	✓		
1.5 (xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest in the company	✓		
1.5 (xxiv)	In case of the appointment/re-appointment of a director, disclose:			
1.5 (xxiv) (a)	a brief resume of the director	✓		
1.5 (xxiv) (b)	nature of his/her expertise in specific functional areas	✓		
1.5 (xxiv) (c)	names of companies in which the person also held the directorship and the membership of committees of the board	✓		
1.5 (xxv)	Management's discussion and detailed analysis of the Company's position and operations signed by CEO or MD:			
1.5 (xxv) (a)	Accounting policies and estimation	✓		
1.5 (xxv) (b)	Changes in accounting policies and estimation, if any			N/A
1.5 (xxv) (c)	Comparative analysis of financial results for current financial year with immediate preceding five years	✓		
1.5 (xxv) (d)	Compare such financial results and position with peer industry	✓		
1.5 (xxv) (e)	Brief explanation on the financial and economic scenario of the country and the globe	✓		
1.5 (xxv) (f)	Risks and concerns issues related to the financial statements with explanation and mitigation plan	✓		
1.5 (xxv) (g)	Future plan for company's operation, performance and financial position	✓		
1.5 (xxvi)	Declaration by the CEO and the CFO to the Board as per 3(3) disclosed under Annexure - A	✓		
1.5 (xxvii)	This report and certificate regarding compliance of condition of this Code as per condition 9 disclosed under Annexure – B and Annexure – C.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
1.6	The Board meeting shall be conducted and minutes of the meeting shall be recorded as per Bangladesh Secretarial Standards (BSS) as adopted by the ICSB.	✓		
1.7 (a)	A code of conduct prepared by the Board based on the recommendation of the NRC for the Chairperson, other board members and CEO of the Company	✓		
1.7 (b)	The code of conduct to be posted on the Company that includes prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers and independency.	✓		
2.	Subsidiary Company			
2. (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.			N/A
2. (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.			N/A
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.			N/A
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.			N/A
2. (e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.			N/A
3.	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit & Compliance (HIAC) and Company Secretary (CS):			
3. 1. (a)	The Board shall appoint a Managing Director (MD) or 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)	The positions of the MD or CEO, CS, CFO and 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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
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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 incidence
3.2	The MD or CEO, CS, CFO and HIAC of the Company shall attend the meetings of the Board; provided that the CS, CFO and/ or the HIAC shall not 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 (CEO) and Chief Financial Officer (CFO):			
3.3. (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
	(i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
	(ii) these statements together present a true and fair view of the company's and are in compliance with existing accounting standards and applicable laws;	✓		
3.3. (b)	The MD or CEO and CFO shall also certify that there are to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3.3. (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4. (i)	For ensuring good governance in the company, the Board shall have – Audit Committee;	✓		
4. (ii)	For ensuring good governance in the company, the Board shall have – Nomination and Remuneration Committee;	✓		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5.1. (a)	The Audit Committee shall be a sub-committee of the Board of Directors (BOD);	✓		
5.1. (b)	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;	✓		
5.1. (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
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 shall appoint members of the Audit Committee who shall be non-executive directors of the company except Chairperson of the Board and shall include at least 1 (one) Independent Director;	✓		
5.2 (c)	All members of the Audit Committee should be "financially literate" and at least one member shall have accounting or related financial management experience for ten years;	✓		
5.2 (d)	Expiration of term of service of the Committee members making the number lower than 3 (three) and fill up the vacancy by the Board not later than one month from the date of vacancy.	✓		
5.2 (e)	The Company Secretary act as the secretary of the Audit Committee.	✓		
5.2 (f)	The quorum of the Audit Committee shall not constitute without at least one Independent Director.	✓		
5.3	Chairperson of the Audit Committee:			
5.3 (a)	The Board shall select the Chairperson of the Audit Committee who shall be an Independent Director.	✓		
5.3 (b)	In the absence of Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting;	✓		
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 (AC) shall conduct at least four meetings in a financial year;	✓		
5.4 (b)	The quorum of the meeting of Audit Committee shall be either two members or two third of the members of AC present including an independent director is a must;	✓		
5.5	Role of Audit Committee			
5.5 (a)	Oversee the financial reporting process;	✓		
5.5 (b)	Monitor choices of accounting policies and principles;	✓		
5.5 (c)	Monitor Internal Audit and Compliance process to ensure adequacy;	✓		
5.5 (d)	Oversee hiring and performance of external auditors;	✓		
5.5 (e)	Hold meeting with external or statutory Auditors to review the annual financial statements before submission to the board for approval;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
5.5 (f)	Review along with the management to review the annual financial statements before submission to the board for approval;	✓		
5.5 (g)	Review along with the management the quarterly and half yearly financial statements before submission to the board for approval;	✓		
5.5 (h)	Review the adequacy of internal audit function;	✓		
5.5 (i)	Review the Management's discussion and analysis before disclosing in the Annual Report;	✓		
5.5 (j)	Review statement of all related party transactions submitted by the management;	✓		
5.5 (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors;	✓		
5.5 (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate performance of external auditors;	✓		
5.5 (m)	Oversee whether the proceeds raised through IPO or RPO or Right Share Offer have been utilized as per relevant document or prospectus approved by the Commission.			N/A
5.6	Reporting of the Audit Committee:			
5.6 (a)	Reporting to the Board of Directors:			
5.6 (a)(i)	Reporting to the Board on the activities of the Audit Committee;	✓		
5.6 (a) (ii) (a)	Reporting to the Board on conflicts of interests;			No such incidence
5.6 (a) (ii) (b)	Reporting to the Board on suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements ;			No such incidence
5.6 (b)	Reporting to the Commission on anything has material impact on financial condition and results, if such thing reported to the Board for rectification and such rectification was ignored reasonably, within six months or reports to the Board three times whichever is earlier.			No such incidence
5.7	Reporting to the Shareholders and General Investors through report on activities of the Audit committee signed by its Chairperson disclosing in the Annual Report.	✓		
6	Nomination and Remuneration Committee			
6.1	Responsibility to the Board of Directors:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
6.1 (a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6.1 (b)	The NRC shall assist the Board in framing criteria or policy for directors and top level executives as well as policy for considering remuneration of directors, top level executives;	✓		
6.1 (c)	Terms of Reference (ToR) of the NRC shall be clearly defined in writing as per condition 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 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 case of vacancy (death, resignation, disqualification, or removal), the Board shall fill the vacancy within 180 days of such vacancy;			No such incidence
6.2 (f)	The Chairperson of the Committee may appoint or co-opt any external expert and or member of staff as advisor being non-voting member;	✓		
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 role or otherwise, other than Director's fees or honorarium from the Company.	✓		
6.3	Chairperson of the NRC:			
6.3 (a)	The Board shall select one person being independent director from the NRC to be Chairperson;	✓		
6.3 (b)	In the absence of the Chairperson, the remaining members may elect one from themselves as Chairperson for that particular meeting;			No such incidence
6.3 (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders; any other member from the NRC shall be present at the AGM in case of absence of Chairperson of the NRC.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
6.4	Chairperson of the NRC:			
6.4 (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6.4 (b)	The Chairperson may convene any emergency meeting upon request by any member of the NRC;			No Such incidence
6.4 (c)	The quorum of the meeting shall be constituted in presence of two members or two-third of the members, whichever is higher; where presence of an independent director is must;	✓		
6.4 (d)	The proceedings of each meeting shall duly be recorded in the minutes and such minutes shall be confirmed 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)	The criteria to determine qualifications, positive attributes and independence of a director and recommend a policy to the Board about remuneration of the directors, top level executive considering -	✓		
	(a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;			
	(b) The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and			
	(c) Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives;			
6.5. (b) (ii)	A policy on Board's diversity considering age, gender, experience, ethnicity, educational background and nationality;	✓		
6.5. (b) (iii)	Selection of persons who are qualified to be directors and may be appointed in top level executive position as per the criteria and recommend their appointment and removal to the Board;	✓		
6.5. (b) (iv)	The criteria to evaluate performance of independent directors and the Board;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
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6.5. (b) (v)	Identification of Company's needs for employees and determine their selection, transfer or replacement and promotion criteria;	✓		
6.5. (b) (vi)	Development, recommendation and review of the Company's human resources and training policies annually;	✓		
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/Statutory Auditors :			
7.1. (i)	Non-engagement in appraisal or valuation services or fairness opinions	✓		
7.1. (ii)	Non-engagement in financial information systems design and implementation	✓		
7.1. (iii)	Non-engagement in book keeping or other services related to the accounting records or financial statement	✓		
7.1. (iv)	Non-engagement in broker-dealer services	✓		
7.1. (v)	Non-engagement in actuarial services	✓		
7.1. (vi)	Non-engagement in internal audit or special audit services	✓		
7.1. (vii)	Non-engagement in any other services that the Audit Committee determines;	✓		
7.1. (viii)	Non-engagement of certification services on compliance of Corporate Governance Guidelines as per condition 9(1).	✓		
7.1. (ix)	Non-engagement of any other service that creates conflict of interest.	✓		
7.2	No partner or employees of the external audit firms shall possess any share of the company during the tenure of their assignment	✓		
7.3	Representative of external or statutory auditors shall remain present in the AGM 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 exchanges.	✓		
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 exchanges.	✓		

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		Complied	Not Complied	
9	Reporting and compliance of Corporate Governance			
9.1	The company shall obtain certificate from a practicing Professional Accountant/ Secretary regarding compliance of conditions of Corporate Governance Code of the Commission and include in the Annual Report.	✓		
9.2	The professional who will provide the certificate on compliance on this Corporate Governance Code shall be appointed by the shareholders in the AGM.	✓		
9.3	The Directors of the Company shall state in the directors' report whether the company has complied with these conditions as per Annexure – C.	✓		