

Corporate Governance Compliance Report

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th August, 2012.

Condition No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
1	Board of Directors:		✓	
1.1	Board's Size: The number of the board members shall not be less than 5 (five) and more than 20 (twenty).		✓	
1.2	Independent Directors:			
1.2 (i)	One fifth (1/5) of the total number of directors.		✓	
1.2 (ii)a)	Does not hold any share or holds less than 1% shares of the total paid-up shares		✓	
1.2 (ii) b)	Not connected with any sponsor/director/shareholder who holds 1% or more shares of the total paid-up shares on the basis of family relationship.		✓	
1.2 (ii) c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/ associated companies		✓	
1.2 (ii) d)	Not a member, director or officer of any stock exchange		✓	
1.2 (ii) e)	Not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market		✓	
1.2 (ii) f)	Not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm.		✓	
1.2 (ii) g)	Not be an independent director in more than 3 (three) listed companies;		✓	
1.2 (ii) h)	Not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a NBFI		✓	
1.2 (ii) i)	Not been convicted for a criminal offence involving moral turpitude		✓	
1.2 (iii)	Nominated by the board of directors and approved by the shareholders in the AGM		✓	
1.2 (iv)	Not remain vacant for more than 90 (ninety) days		✓	
1.2 (v)	Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded.		✓	
1.2 (vi)	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 (i)	Knowledge of Independent Directors		✓	
1.3 (ii)	Background of Independent Directors		✓	
1.3 (iii)	Special cases for qualifications			N/A
1.4	Individual Chairman of the Board and CEO		✓	
1.5	The Directors' Report 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)	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		✓	
1.5 (vi)	Basis for related party transactions		✓	
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through any others			N/A
1.5 (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing.			N/A
1.5 (ix)	Explanation about significant variance occurs between Quarterly Financial performance and Annual Financial Statements			N/A
1.5 (x)	Remuneration to directors including independent directors		✓	
1.5 (xi)	Fairness of Financial Statement		✓	
1.5 (xii)	Maintenance of proper books of account		✓	
1.5 (xiii)	Adoption of appropriate accounting policies and estimates		✓	
1.5 (xiv)	Followed IAS, BAS, IFRS and BFRS in preparation of financial statements		✓	
1.5 (xv)	Soundness of internal control system		✓	
1.5 (xvi)	Ability to continue as a going concern		✓	
1.5 (xvii)	Significant deviations from the last year's		✓	
1.5 (xviii)	Key operating and financial data of at least preceding 5 (five) years		✓	
1.5 (xix)	Reasons for not declared dividend			N/A
1.5 (xx)	Number of board meetings held during the year and attendance		✓	
1.5 (xxi)	Pattern of shareholding:			
1.5 (xxi) a)	Parent/Subsidiary/Associated Companies and other related parties		✓	
1.5 (xxi) b)	Directors, CEO, CS, CFO, HIA and their spouses and minor children		✓	
1.5 (xxi) c)	Executives		✓	
1.5 (xxi) d)	10% or more voting interest		✓	
1.5 (xxii)	Appointment/re-appointment of director			
1.5 (xxii) a)	Resume of the director		✓	
1.5 (xxii) b)	Expertise in specific functional areas		✓	
1.5 (xxii) c)	Holding of directorship and membership of committees of the board other than this company.		✓	

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2	Chief Financial Officer, Head of Internal Auditor and Company Secretary:			
2.1	Appointment of CFO, HIA and CS	✓		
2.2	Attendance of CFO and CS at the meeting of the Board of Directors.	✓		
3	Audit Committee:			
3 (i)	Constitution of Audit Committee	✓		
3 (ii)	Assistance of the Audit Committee to Board of Directors	✓		
3 (iii)	Responsibility of the Audit Committee	✓		
3.1	Constitution of the Audit Committee:			
3.1 (i)	At least 3 (three) members	✓		
3.1 (ii)	Appointment of members of the Audit Committee	✓		
3.1 (iii)	Qualification of Audit Committee member	✓		
3.1 (iv)	Term of Service of Audit Committee members	✓		
3.1 (v)	Secretary of the Audit Committee	✓		
3.1 (vi)	Quorum of the Audit Committee	✓		
3.2	Chairman of the Audit Committee	✓		
3.2 (i)	Board of Directors shall select the Chairman	✓		
3.2 (ii)	Chairman of the audit committee shall remain present in the AGM.	✓		
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		
3.3 (ii)	Monitor choice of accounting policies and principles	✓		
3.3 (iii)	Monitor Internal Control Risk management process	✓		
3.3 (iv)	Oversee hiring and performance of external auditors	✓		
3.3 (v)	Review the annual financial statements before submission to the board for approval	✓		
3.3 (vi)	Review the quarterly and half yearly financial statements before submission to the board for approval	✓		
3.3 (vii)	Review the adequacy of internal audit function	✓		
3.3 (viii)	Review statement of significant related party transactions	✓		
3.3 (ix)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors	✓		
3.3 (x)	Disclosure about the uses/applications of funds raised by IPO/RPO/Right issue	✓		
3.4	Reporting of the Audit Committee:			
3.4.1	Reporting to the Board of Directors:			
3.4.1 (i)	Activities of Audit Committee	✓		
3.4.1 (ii) a)	Conflicts of interests	✓		
3.4.1 (ii) b)	Material defect in the internal control system	✓		
3.4.1 (ii) c)	Infringement of laws, rules and regulations	✓		
3.4.1 (ii) d)	Any other matter	✓		
3.4.2	Reporting to the Authorities	✓		
3.5	Reporting to the Shareholders and General Investors	✓		
4	Engagement of External/Statutory Auditors:			
4 (i)	Appraisal or valuation services or Fairness opinions	✓		
4 (ii)	Financial information systems design and implementation	✓		
4 (iii)	Book-keeping	✓		
4 (iv)	Broker-dealer services	✓		
4 (v)	Actuarial services	✓		
4 (vi)	Internal audit services	✓		
4 (vii)	Services that the Audit Committee determines	✓		
4 (viii)	Audit firms shall not hold any share of the company they audit	✓		
5	Subsidiary Company :			
5 (i)	Composition of the Board of Directors	✓		
5 (ii)	At least 1 (one) independent director to the subsidiary company	✓		
5 (iii)	Submission of Minutes to the holding company	✓		
5 (iv)	Review of Minutes by the holding company	✓		
5 (v)	Review of Financial Statement by the Audit Committee of the holding company	✓		
6.	Duties of Chief Executive Officer and Chief Financial Officer:			
6 (i) a)	Reviewed the materially untrue of the financial statement	✓		
6 (i) b)	Reviewed about compliance of the accounting standard	✓		
6 (ii)	Reviewed about fraudulent, illegal or violation of the company's code of conduct	✓		
7.	Reporting and Compliance of Corporate Governance:			
7 (i)	Obtain certificate about compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Annexure attached in the Directors' Report	✓		