



**Annexure-12**

## STATUS OF COMPLIANCE OF CORPORATE GOVERNANCE CODES

Status of compliance with the codes imposed by the Bangladesh Securities & Exchange Commission (BSEC) notification no.-BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2 (CC) of the Securities & Exchange Ordinance, 1969 and as amended up to date:

Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>1</b>	<b>Board of Directors</b>			
<b>1 (1)</b>	<b>Board's Size</b>			
	Minimum 5 and maximum 20	√		
<b>1 (2)</b>	<b>Independent Director (ID)</b>			
1(2)(a)	At least one-fifth (1/5) of the total number of directors must be independent in the Company's Board.	√		
<b>1(2)(b)</b>	<b>Independent Director means who</b>			
1(2)(b)(i)	does not hold any share or minimum number of shares less than 1% (one percent) of the total paid-up capital	√		
1(2)(b)(ii)	does not have any relationship with sponsors and directors of the Company or any of its associates, sister concerns subsidiaries or parents or holding entities or relationship with family members	√		
1(2)(b)(iii)	has not been an executive immediately preceding 2 (two) financial years;	√		
1(2)(b)(iv)	does not have any relationship pecuniary or otherwise with the Company or its subsidiary or associated Company.	√		
1(2)(b)(v)	is not a member or TREC (Trading Right Entitlement Certificate) holder/Director/Officer of Stock Exchanges.	√		
1(2)(b)(vi)	is not a shareholder, director excepting independent director or officer or member or TREC holder of any stock exchange or an intermediary of capital market	√		
1(2)(b)(vii)	is not a partner or an executive during the preceding 3 (three) years as a statutory audit firm or special auditor or professionals certifying compliance of the codes	√		
1(2)(b)(viii)	is not independent director in more than 5 listed companies.	√		
1(2)(b)(ix)	has not been convicted by a court as a defaulter in payment of any loan to a bank or NBFIL.	√		
1(2)(b)(x)	has not been convicted for a criminal offence involving moral turpitude	√		
1(2)(c)	Independent Director shall be appointed by the Board and approved by the shareholders in the AGM	√		
1(2)(d)	Post of Independent Director cannot remain vacant for more than 90 (ninety) days			Not such event occurred
1(2)(e)	Tenure of office of an Independent Director shall be for a period of 3 (three) years extended for another tenure ie. for further 3 years	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
	Provided that former ID considered for reappointment for another tenure after a time gap of one tenure i.e. completion of consecutive two tenures. ID shall not be subject to retirement by rotation as per the Companies Act.			Not such event occurred
<b>1(3)</b>	<b>Qualification of Independent Director</b>			
1(3)(a)	Independent Director, shall be a knowledgeable individual with integrity, is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make contribution to the business	√		
1(3)(b)	Independent Director shall have-			
1(3)(b)(i)	Business leader who is or was a director of an unlisted co. having minimum paid up capital of Tk. 100 million or any listed company or a member of any national or international chamber of commerce or business association ; or	√		
1(3)(b)(ii)	Corporate leader who is or was a top level executive not less than the position of MD, DMD, CFO, CS, HIAC, HLS	√		
1(3)(b)(iii)	Former official of Govt. or statutory body not below 5th grade officer at least bachelor in economics, commerce or law.			Not applicable
1(3)(b)(iv)	University Teacher in Economics, Commerce, Business studies and Law			Not applicable
1(3)(b)(v)	Professionals like advocate of High Court, Chartered Accountants or Cost and Management Accountant or Chartered Secretary or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or equivalent qualification			Not applicable
1(3)(c)	Independent Director required at least 10 (ten) years experiences in the relevant field.	√		
1(3)(d)	In special cases, the qualifications or experiences may be relaxed subject to prior approval of the Commission			Not applicable
<b>1(4)</b>	<b>Duality of Chairperson of the Board and Managing Director (MD) or Chief Executive Officer (CEO)</b>			
1(4)(a)	The position of the Chairperson of the Board and the Managing Director /Chief Executive Officer (CEO) of the Company shall be filled by different individuals	√		
1(4)(b)	MD 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	√		
1(4)(d)	The Board shall define the roles & responsibilities of the Chairman and Managing Director/CEO	√		
1(4)(e)	In the absence of Chairperson, elect one Non Executive Director and reason of absence of regular chairperson shall be recorded in the minutes.	√		
<b>1(5)</b>	<b>The Directors' Report to Shareholders</b>			
1(5)(i)	An industry outlook and possible future developments	√		
1(5)(ii)	The segment-wise or product-wise performance	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(iii)	Risk and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1(5)(iv)	A discussion on Cost of goods sold, Gross profit margin and Net profit margin where applicable	√		
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications on gain or loss			Not applicable
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions.	√		
1(5)(vii)	A statement of utilization of proceeds raised through public issues right issues and/or any other instruments			Not applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO) or Repeat Public Offering (RPO) Right Share Offer Direct listing			Not applicable
1(5)(ix)	If any significant variance occurs between quarterly financial performances and Annual Financial Statements the management shall explain about the variance in their Annual Report			Not such event occurred
1(5)(x)	A statement of remuneration paid to Directors including Independent Directors	√		
1(5)(xi)	The Financial Statements prepared by the management of the company present fairly its state of affairs, results of operations, cash flows and changes in equity;	√		
1(5)(xii)	Proper Books of accounts of the company have been maintained	√		
1(5)(xiii)	Appropriate accounting policies have been applied consistently in preparation of the financial statements and the accounting estimates are based on prudent judgment	√		
1(5)(xiv)	International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) have been followed in preparation of the financial statements	√		
1(5)(xv)	The system of internal controls is sound in design and has been effectively implemented and monitored	√		
1(5)(xvi)	Minority shareholders have been protected from abusive action by controlling shareholders	√		
1(5)(xvii)	A statement regarding the business is a going concern	√		
1(5)(xviii)	Explanation of significant deviations from the previous year's operating results	√		
1(5)(xix)	Summary of key operating and financial data for at least the last 5 (five) years	√		
1(5)(xx)	Reasons for non-declaration of dividend for the year	√		
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend			Not applicable
1(5)(xxii)	Number of Board Meetings held during the year and attendance by each Director	√		
1(5)(xxiii)	A report on pattern of aggregate shareholding by category	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxiii)(a)	Parent or Subsidiary or Associate Companies and other related parties	√		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children	√		
1(5)(xxiii)(c)	Executives	√		
1(5)(xxiii)(d)	Shareholders holding 10% (ten percent) or more voting interest in the company	√		
<b>1(5)(xxiv)</b>	<b>In case of the appointment or reappointment of director a disclosure to shareholders</b>			
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)	Name of companies where the person holds directorship or member of the committee of Board	√		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operation	√		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of Financial Statements	√		
1(5)(xxv)(b)	Any changes in accounting policies and estimation	√		
1(5)(xxv)(c)	Comparative analysis including effect of inflation of financial performance or results and financial position as well as cash flows for current year with immediately preceding 5 (five) years explaining thereof	√		
1(5)(xxv)(d)	Compare financial performance or results and financial position with the peer industry scenario	√		
1(5)(xxv)(e)	Briefly explain the financial & economic scenario of the country and the globe	√		
1(5)(xxv)(f)	Risks and concerns issues related to the Financial Statements explaining such risk and concerns mitigation policy of the company	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation performance & position, with justification thereof actual position shall be explained to the shareholders in the next AGM	√		
1(5)(xxvi)	Declaration or certification by the CEO and CFO to the board as required under condition 3(3) disclosed as per Annexure-A; and	√		
1(5)(xxvii)	Certificate regarding Compliance condition no. 9 disclosed as per Annexure- B and Annexure – C.	√		
<b>1(6)</b>	<b>Meetings of the Board</b>			
	Company shall conduct its Board Meetings and record the minutes of the meetings, as well as required books and records in line with the provisions of the BSS as issued by the ICSB in so far as those standards are not inconsistent with any condition of this code.	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>1(7)</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer/ Managing Director</b>			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No.6. for Chairman, other Board members and CEO of the company	√		
1(7)(b)	The code of conduct as determined by the Nomination and Remuneration Committee (NRC) shall be posted on the website of the company	√		
<b>2</b>	<b>Governance of the Board of Directors of Subsidiary Company</b>			
2(a)	Composition of the Board of holding company shall be applicable to the subsidiary company			Not applicable
2(b)	At least 1 (one) Independent Director of the holding company shall be a Director on the Board of the subsidiary company			Not applicable
2(c)	Minutes of the Board Meeting of the subsidiary company shall be placed for review at the board meeting of holding co.			Not applicable
2(d)	The minutes of the respective Board meeting of holding company shall state that they have reviewed the affairs of the subsidiary company also			Not applicable
2(e)	The Audit Committee of holding company shall review the financial statements of subsidiary company			Not applicable
<b>3</b>	<b>Managing Director (MD)/Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) and Head of Internal Audit &amp; Compliance (HIAC)</b>			
3(1)(a)	The Board shall appoint MD or CEO, CS, CFO and 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)	Board shall clearly define respective roles, responsibilities and duties of CFO, HIAC & CS.	√		
3(1)(e)	The MD/CEO, CFO, CS & HIAC shall not be removed from their position without approval of the board and dissemination to Exchange and Commission immediately	√		
<b>3(2)</b>	<b>Requirement to attend Board of Directors' Meetings</b>			
	The MD, CS, CFO and HIAC shall attend the Board meetings; Provided that the CS, CFO and /or the HIAC shall not attend such part of a meeting of the Board which involves any agenda relating to their personal matters.	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>3(3)</b>	<b>Duties of Chief Executive Officer (CEO) /Managing Director (MD) and Chief Financial Officer (CFO)</b>			
3(3)(a)	The CEO/MD and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge-	√		
3(3)(a)(i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		
3(3)(a)(ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	√		
3(3)(b)	The CEO and CFO also certify that there are, to the best of their knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of code of conducts	√		
3(3)(c)	The certification of the CEO/MD and CFO shall be disclosed in the Annual Report	√		
<b>4</b>	<b>Board of Directors' Committee</b>			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
	(i) Audit Committee	√		
	(ii) Nomination and Remuneration Committee	√		
<b>5</b>	<b>Audit Committee (AC)</b>			
<b>5(1)</b>	<b>Responsibility to the Board of Directors</b>			
5(1)(a)	Sub-Committee of the Board	√		
5(1)(b)	Ensure that the financial statements reflect true and fair view of the state of affairs of the company and a good monitoring system within the business	√		
5(1)(c)	The Audit Committee shall be responsible to the Board; duties of the Audit Committee shall be clearly set forth in writing	√		
<b>5(2)</b>	<b>Constitution of the Audit Committee</b>			
5(2)(a)	Comprising at least 3 members	√		
5(2)(b)	all members of the Committee shall be non-executive directors except the 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 background and ten years experiences	√		
5(2)(d)	The Board shall appoint a new member to fill up the casual vacancy in the Committee immediately or within 1 (one) month from the date of vacancy	√		
5(2)(e)	The Company Secretary shall act as the Secretary of the Committee	√		
5(2)(f)	The quorum of the Committee meeting shall not constitute without at least 1 (one) independent director	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
<b>5(3)</b>	<b>Chairperson of the Committee</b>			
5(3)(a)	The Board shall select the Chairman of the audit committee who shall be an independent director	√		
5(3)(b)	In the absence of Chairperson, elect one Non Executive Director and reason of absence of regular chairperson shall be recorded in the minutes	√		
5(3)(c)	In absence of chairperson, any other member of the Audit Committee shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the regular Chairperson of the AC shall be recorded in the minutes of the AGM	√		
<b>5(4)</b>	<b>Meeting of the Audit Committee</b>			
5(4)(a)	The Audit Committee shall conduct at least 4 (four) meetings in a financial year	√		
5(4)(b)	The quorum of the Audit Committee meeting shall not constituted in presence of either two members or two third members of the AC whichever is higher, where presence of an independent director must	√		
<b>5(5)</b>	<b>Role of the Audit Committee</b>			
5(5)(a)	Oversee the financial reporting process	√		
5(5)(b)	Monitor choice of accounting policies and principles	√		
5(5)(c)	Monitor internal and external audit activities	√		
5(5)(d)	oversee hiring and performance of external auditors	√		
5(5)(e)	Hold meeting with external auditor for review of the annual Financial Statements before submission to the Board	√		
5(5)(f)	Review the annual financial statements before submission to the Board for approval	√		
5(5)(g)	Review the quarterly and half yearly financial statements before submission to the Board for approval	√		
5(5)(h)	Review 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 all related party transactions	√		
5(5)(k)	Review management letters or 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, required time and evaluate the performance of external auditor	√		
5(5)(m)	Declaration of the Committee regarding utilisation of the proceeds raised through IPO, RPO or Right Share Offer			Not applicable
<b>5(6)</b>	<b>Reporting of the Audit Committee</b>			
5(6)(a)	Reporting to the Board of Directors-			
5(6)(a)(i)	The Committee shall report on its activities to the Board of Directors	√		
5(6)(a)(ii)	Activities of the Committee shall immediately report to the Board on			
5(6)(a)(ii)(a)	Conflicts of interest	√		Not such event occurred



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularities or material defect identified in compliance process or financial statements	√		Not such event found
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatories	√		Not such event found
5(6)(a)(ii)(d)	Material deficiency in internal control	√		Not such event found
5(6)(b)	Reporting to the authorities			Not such event found
5(7)	Reporting to shareholders and General Investors	√		Not such event found
<b>6</b>	<b>Nomination and Remuneration Committee (NRC)</b>			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	Sub-Committee of the Board	√		
6(1)(b)	Ensure formulating 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 executives	√		
6(1)(c)	The Terms of Reference (ToR) shall clearly set forth covering the areas stated in condition no-6(5)(b)	√		
<b>6(2)</b>	<b>Constitution of the Nomination and Remuneration Committee</b>			
6(2)(a)	Comprising 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 the authority to remove and appoint any member of the Committee	√		
6(2)(e)	In case of casual vacancy, the Board shall fill the vacancy within 180 days of occurring the vacancy in the Committee			Not such event occurred
6(2)(f)	The chairperson of the committee may appoint or co-opt any external expert to the committee as advisor who shall be non-voting member	√		
6(2)(g)	The Company Secretary shall act as 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	√		
<b>6(3)</b>	<b>Chairperson of the Committee</b>			
6(3)(b)	The Board shall select the Chairman of the Committee who shall be an independent director	√		
6(3)(b)	In the absence of Chairperson, elect one Non-Executive Director and reason of absence of regular chairperson shall be recorded in the minutes	√		





Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6(3)(c)	In absence of chairperson, any other member of the NRC shall be selected to be present in the Annual General Meeting (AGM) and reason for absence of the regular Chairperson of the NRC shall be recorded in the minutes of the AGM	√		
<b>6(4)</b>	<b>Meeting of the NRC</b>			
6(4)(a)	At least one meeting in a financial year	√		
6(4)(b)	The Chairperson may convene any emergency meeting upon request by any member of NRC	√		
6(4)(c)	Quorum shall be two members or two third of the members of the committee including independent director, whichever is higher	√		
6(4)(d)	Minutes of each meeting shall be recorded and confirmed in the next meeting of the Committee	√		
<b>6(5)</b>	<b>Role of the NRC</b>			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		
6(5)(b)	NRC shall oversee the following matters -			
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 remuneration of directors and top executives	√		
6(5)(b)(i)(a)	the level and composition of remuneration is reasonable & sufficient for Directors to run the Company successfully	√		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmark	√		
6(5)(b)(i)(c)	remuneration to Director and Top Level Executive involves a balance between fixed and incentive pay reflecting short and long term performance objectives to the working of the Company and its goal	√		
6(5)(b)(ii)	Devising a policy on Board's diversity	√		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and top level executives position and recommending their appointment and removal to the Board	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board	√		
6(5)(b)(v)	Identifying the company's needs for employees at different levels- selections, transfer or replacement and promotion criteria	√		
6(5)(b)(vi)	Developing and reviewing annually the company's HR and training policies	√		
6(5)(c)	The Company shall disclose the nomination and remuneration policy and activities of NRC in its annual report	√		
<b>7</b>	<b>External/ Statutory Auditors</b>			
7(1)	The company shall not engage its external or statutory auditors to perform the following services of the company namely-			
7(1)(i)	Appraisal or valuation services for fairness opinions	√		



Condition No.	Title of the Condition	Compliance Status		Remarks (if any)
		Complied	Not Complied	
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)(vi)	Any service that the Audit Committee determines	√		
7(1)(vii)	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 or his or her family members of the external audit firms shall possess any share of the company during the tenure of audit	√		
7(3)	Representative of external or statutory auditors shall remain present in the shareholders' meeting (AGM)	√		
<b>8</b>	<b>Maintaining of a website by the Company</b>			
8(1)	The company shall have an official website linked with the website of the Stock Exchange(s)	√		
8(2)	The company shall keep the website functional from the date of listing	√		
8(3)	Detailed disclosures on its website as required under listing regulations of the Stock Exchange(s)	√		
<b>9</b>	<b>Reporting and Compliance of Corporate Governance Codes</b>			
9(1)	The Company shall obtain a certificate from a practicing professional Accountant or Secretary other than statutory auditors or audit firm on yearly basis and such certificate shall be disclosed in the Annual Report	√		
9(2)	The practicing professionals shall be appointed by the shareholders in the Annual General Meeting	√		
9(3)	Directors of the company shall state in Directors' report whether the company has complied these conditions or not and attached in the Annual Report in accordance with the Annexure-C	√		