

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	
1.1	Board size	√		
1.2 (i)	Number of Independent Directors	√		2 Independent Directors as per Insurance Act 2010
1.2 (ii)(a)	Shareholding position of Independent Director	√		Nil
1.2 (ii)(b)	Independent Director is not sponsor, nor any family member/family relationship of the sponsor	√		
1.2 (ii)(c)	Independent Director does not have any other relationship with the Company or its' subsidiary associates companies	√		
1.2 (ii)(d)	Independent Director is not a member, director or officer of any stock exchange	√		
1.2 (ii)(e)	Independent Director is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	√		
1.2 (ii)(f)	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 (ii)(g)	Independent Director shall not be an independent director in more than 3 (three) listed companies	√		
1.2 (ii)(h)	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 NBFIs	√		
1.2 (ii)(i)	Independent Director has not been convicted for a criminal offence involving moral turpitude.	√		
1.2(iii)	The Independent Director(s) shall be appointed by the board, and approved by the shareholders in the Annual General Meeting (AGM)	√		
1.2(iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days.	√		
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	√		
1.2(vi)	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(i)	Independent director shall be a knowledgeable individual with integrity, ensure compliance with financial, regulatory and corporate laws.	√		
1.3(ii)	Independent Director should be a Business Leader/ Corporate Leader Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals. Independent Director must have at least 12 (twelve) years corporate management/professional experiences	√		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission	√		Not applicable

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Condition No.	Title	Compliance status		Remarks (if any)
		Complied	Not Complied	
1.4	Chairman of the Board and Chief Executive Officer shall be filled by different individuals. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer.	√		
1.5	The Director's Report to Shareholders shall include the following additional statements.			
1.5(i)	Industry outlook and possible future developments in the industry	√		Available in Annual Report
1.5(ii)	Segment-wise or product-wise performance	√		Available in Annual Report
1.5(iii)	Risks and concerns	√		Available in Annual Report
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin			Not applicable
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
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	√		Available in Annual Report
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 statements and accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standard (IFRS)/ Bangladesh Financial Reporting Standards (BERS), as applicable in Bangladesh have been followed in preparation of the financial statements	√		
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		
1.5 (xvi)	There are no significant doubts upon the issuer Company's ability to continue as a going concern.	√		Available in the Annual Report
1.5(xvii)	Significant deviations from the last year's operating results of the company shall be highlighted			Not applicable
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarized	√		Available in the Annual report

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1.5(xix)	If the issuer company has not declared dividend (cash or stock) for the year	√		Declared dividend regularly (Cash & Stock)
1.5(xx)	The number of Board meeting held during the year and attendance by each director shall be disclosed	√		5 Meetings took place with an average 75% attendance
1.5(xxi)(a)	Share holding position parent/ Subsidiary/ Associated Companies and other related parties	√		Available in the Annual Report
1.5(xxi)(b)	Share holding position of Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children	√		Available in the Annual Report
1.5(xxi)(c)	Share holding position of Executives of the Company	√		Available in the Annual Report
1.5(xxi)(d)	Share holding ten percent (10%) or more voting interest in the Company	√		Available in the Annual Report
1.5(xxii)(a)	A brief resume of the appointed/re appointed director	√		Available in the Annual Report
1.5(xxii)(b)	Expertise is specific functional areas of the appointed/ reappointed director	√		
1.5(xxii)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board	√		Available in the Annual Report
2.1	The Company appointed Chief Financial Officer, a Head of Internal Audit (Internal Control and Compliance) and Company Secretary. The Board of Directors clearly defined respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS	√		
2.2	Requirement to attend the Board Meeting. The CFO and the Company Secretary of the companies attend meetings of the Board of Directors	√		
3	Audit Committee			
3(i)	The Company has an Audit Committee as a sub-committee of the Board of Directors	√		
3(ii)	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	√		
3(iii)	The Audit Committee is responsible to the Board of Directors. The duties of the Audit Committee clearly set forth in writing	√		
3.1	Constitution of the Audit Committee			
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	√		3 (three members)
3.1(ii)	The Board of Directors appointed members of the Audit Committee who are directors of the company and includes 1 (one) independent directors	√		
3.1(iii)	All members of the audit committee are "financially literate" and 1(one) member have accounting or related financial management experience	√		

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3.1(iv)	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	√		
3.1(v)	The Company secretary shall act as the secretary of the committee	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	√		
3.2	Chairman of the Audit Committee			
3.2(i)	Independent Director is the Chairman of the Audit Committee	√		
3.2(ii)	Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		
3.3	Role of the Audit Committee	√		
3.3(i)	Audit Committee oversees the financial reporting process	√		
3.3(ii)	Audit Committee monitor choice of accounting policies and principles	√		
3.3(iii)	Audit Committee monitor Internal Control Risk Management process	√		
3.3(iv)	Audit Committee oversee hiring and performance of external auditors	√		
3.3(v)	Audit Committee review along with the management, the actual financial statements before submission to the board for approval	√		
3.3(vi)	Audit Committee review the quarterly and half yearly financial statements before submission to the board for approval	√		
3.3(vii)	Audit Committee review the adequacy of internal audit function	√		
3.3(viii)	Audit Committee review statements of significant related party transactions submitted by the management			No such case raised
3.3(ix)	Audit Committee review Management Letters/Letter of Internal Control weakness issued by statutory auditors.			No such case raised
3.3.(x)	Money is raised through IPO. RPO/Rights Issue the company shall disclose to the Audit Committee about the uses/ applications of funds.			Not applicable
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors	√		
3.4.1(i)	The Audit Committee shall report on its activities to the Board of Directors	√		
3.4.1(ii)(a)	The Audit Committee shall immediately report on conflict of interest.			No conflict of interest
3.4.1(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system.			Not applicable
3.4.1(ii)(c)	Suspected infringement of laws, including securities related laws, rules and regulations.			No such case raised
3.4.1(ii)(d)	Any other matter which shall be disclosed to the Board of Directors immediately	√		
3.4.2	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 funds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission.	√		Not application

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3.5	Report on activities carried out by the Audit Committee, under condition 3.4.1(ii) above during the year, shall be signed by the Chairman of the Audit Committee	√		
4	External/statutory auditors to perform			
4(i)	Appraisal or valuation services or fairness opinions	√		
4(ii)	Financial information systems design and implementation.	√		
4(iii)	Book-keeping or other services related to the accounting records or financial statements	√		
4(iv)	Non-engagement in Broker-dealer services	√		
4(v)	Non-engagement Actuarial services	√		
4(vi)	Internal audit services	√		
4(vii)	Any other service that the Audit Committee determines	√		
4(viii)	No partner or employees of the external audit firms shall possess any share of the Company	√		
4(ix)	Audit/Certification services on compliance of corporate governance as required under clause (i) of condition no. 7	√		
5	Subsidiary Company			
5(i)	The compositions of the Board of Directors of the subsidiary company.	√		
5(ii)	At least 1 (one) independent director shall be a director on the Board of Directors of the subsidiary company.	√		
5(iii)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	√		
5(iv)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also	√		
5(v)	The Audit Committee of the holding company shall also review the investments made by the subsidiary company	√		
6	Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
6(i)(a)	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	√		No such material fact
6(i)(b)	Financial statements together present a true and fair view the company's affairs and are in compliance existing accounting standards and applicable laws.	√		
6(ii)	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.	√		
7	Reporting and Compliance of Corporate Governance			
7(i)	The company obtained a certificate from a practicing Chartered Accountant regarding compliance of conditions of Corporate Governance Guidelines.	√		Certificate available in the Annual Report
7(ii)	The directors of the Company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions	√		