

Compliance status on Corporate Governance Code of BSEC [As per condition No. 1(5)(xxvii)]

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:

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (If Any)
		Complied	Not Complied	
1.00	Board of Directors (BOD)			
1.(1)	Board Size shall not be less than 5(five) and more than 20(twenty)	✓		
1.(2)	Independent Director:			
1.2.(a)	At least one-fifth (1/5) total number board of directors shall be Independent Directors (ID); any fraction shall be considered to the next integer or whole number for calculating number of independent director(s);	✓		The company has 4 (Four) Independent Director
1.2 (b) (i)	IDs do not hold any share or holds less than 1% shares of the total paid-up shares of the Company	✓		
1.2 (b) (ii)	ID is not a sponsor and not connected with any sponsor or director or nominated director or shareholder or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares and his or her family members shall not hold above mentioned shares;	✓		
1.2 (b) (iii)	ID has not been an executive of the company in immediately preceding two financial years;	✓		
1.2 (b) (iv)	ID does not have any relationship whether pecuniary or otherwise relationship with the company or its subsidiary/associated companies;	✓		
1.2 (b) (v)	ID is not a member or TREC holder, director or officer of any stock exchange;	✓		
1.2 (b) (vi)	ID 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)	ID is/was not a partner or an executive of company's audit firms engaged in Statutory Audit or Internal Audit or Special Audit or Compliance Certification of the Codes during receding three years;	✓		
1.2 (b)(viii)	ID shall not be independent director in more than five listed companies;	✓		
1.2 (b)(ix)	ID has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or NBFi;	✓		
1.2 (b)(x)	ID has not been convicted for a criminal offence involving moral turpitude;	✓		
1.2 (b)(c)	Appointment of ID shall be done by Board and approved by the shareholders in AGM.	✓		
1.2 (d)	The Post of ID cannot remain vacant more than 90 days.			No such vacancy created
1.2 (e)	The tenure of office of an ID shall be for Three years, which may be extended for One tenure only;	✓		

1.3	Qualification of Independent Director:			
1.3 (a)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, corporate laws, regulatory requirements and can make meaningful contribution to the business;	✓		
1.3 (b) (i)	ID is a Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of One Hundred million or any listed company or a member of any national or international chamber of commerce or business association;			Not Applicable
1.3 (b) (ii)	ID is/was a Corporate Leader as top-level executive as adopted by the code and a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company;			Not Applicable
1(3) (b)(iii)	ID was Former official of government in the position not below 5th Grade of the national pay scale and educational background of bachelor degree in economics or commerce or business or law;			Not Applicable
1(3) (b)(iv)	ID is/was University Teacher who has educational background in Economics or Commerce or Business Studies or Law;	✓		
1(3) (b)(v)	ID is/was a professional or an advocate practicing in the HCD of Bangladesh Supreme Court or a CA, CMA, CFA, CCA, CPA and CS or equivalent qualification;			Not Applicable
1(3) (c)	The ID shall have at least Ten (10) years of experiences in any field mentioned in clause (b);	✓		
1(3) (d)	Special cases for relaxing qualifications or experiences with prior approval of the Commission;	✓		
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or CEO:			
1(4) (a)	The Position of the Chairman of the Board and the Managing Director (MD) and/or the Chief Executive Officer (CEO) of the Company shall be filled by different Individuals;	✓		
1(4) (b)	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 form among the non-executive directors;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO;	✓		
1(4) (e)	In absence of Chairman, the remaining members may elect one from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence shall be duly recorded in the minutes.	✓		
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 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 (gain or loss);	✓		
1(5) (vi)	A detailed discussion and statement on related party transactions;	✓		

1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and / or any other instruments;			Not applicable
1(5) (viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights offer, Direct Listing, etc.;			Not applicable
1(5) (ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements;	✓		
1(5) (x)	Remuneration to Directors including Independent Directors;	✓		
1(5) (xi)	Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		
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 to the financial statements and that the accounting estimates are based on reasonable and prudent judgment;	✓		
1(5) (xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed;	✓		
1(5) (xv)	The system of internal control is sound in design and has been effectively implemented and monitored;	✓		
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	✓		
1(5) (xvii)	There are no significant doubts upon the issuer company's ability to continue as a going concern. If the issuer company is not considered to be a going concern, the fact along with reasons thereof should be disclosed;	✓		
1(5) (xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained;	✓		
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;	✓		
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;	✓		
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director;	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details);	✓		
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);			Not Applicable
1(5)(xxiii)(b)	Directors, CEO, Company Secretary,CFO, HIAC and their spouses and minor children (name wise details).	✓		
1(5)(xxiii)(c)	Executives.	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details);			Not Applicable
1 (5)(xxiv)	In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:			
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 the companies in which the person also holds the directorship and the memberships of committees of the Board;	✓		
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
1(5)(xxv)(b)	Presenting detailed Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes;	✓		
1(5)(xxv)(c)	Comparative analysis (including effects of inflation) of financial performance and position as well as cash flows for current financial year with immediately preceding five years explaining reasons thereof;	✓		
1(5)(xxv) (d)	Compare such 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 globe;	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such 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 per 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 as per Annexure-C .	✓		
1(6)	Meeting of the Board of Directors: Conducting Board meetings and recording the minutes of the meetings and keeping required books and records in line BSS as adopted by the ICSB;	✓		
1(7)	Code of Conduct for the Chairperson, Other Board members and Chief Executive Officer:			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC);	✓		
1(7) (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior;	✓		
2.00	Governance of Board of Directors of Subsidiary Company:			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary Company;			Not Applicable
2(b)	At least 1 (One) Independent Director of holding company shall be a director on the Board of subsidiary company;			Not Applicable
2(c)	Minutes of subsidiary to be placed in the meeting of holding company;			Not Applicable

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;			Not Applicable
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			Not Applicable
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 shall appoint a 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)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		
3 (1) (e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and stock exchange(s).			Applicable When Required
3 (2)	Requirement to attend Board of Directors' Meetings: MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board;	✓		
3 (3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and CFO:			
3 (3) (a) (i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
3 (3) (a) (ii)	The 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)	Certification of CEO and CFO that to the best of their knowledge and belief there was no fraudulent, illegal transactions during the year;	✓		
3(3) (c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	✓		
4.00	Board of Directors' Committee:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee	✓		
5.00	Audit Committee:			
5 (1)	Responsibility to the Board of Directors			
5 (1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	✓		
5 (1) (b)	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)	Audit Committee shall be responsible to the Board. The duties of Audit Committee shall be 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)	Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least one independent director (ID)	✓		

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 10 years of such experience;	✓		
5 (2) (d)	When the term of service of the committee members expires or there is any circumstance causing any committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee members to fill up the vacancy;	✓		
5 (2) (d)(i)	Immediately or not later than 1(one) month from the date of vacancy in the committee to ensure continuity of the performance of work of the Audit committee.	✓		
5 (2) (e)	The Company secretary shall act as the secretary of the Audit 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)	The Board of Directors shall select 1 (one) member of the audit committee to be chairman of the Audit committee, who shall be an Independent Director;	✓		
5 (3) (b)	Election of Chairman of the particular meeting in absence of regular Chairperson of Audit Committee recording the reasons of such absence in the minutes.			No such situation occurred
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the AGM.	✓		
5 (4)	Meeting of the Audit Committee:			
5 (4) (a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	✓		
5 (4) (b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher, where presence of an ID is a must.	✓		
5 (5)	Role of Audit Committee:			
5 (5) (a)	Oversee the financial reporting process;	✓		
5 (5) (b)	Monitor choice of accounting policies and principles;	✓		
5 (5) (c)	Internal Audit and Compliance process to ensure that it is adequately resourced;	✓		
5 (5) (d)	Oversee hiring and performance of external auditors;	✓		
5 (5) (e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption;	✓		
5 (5) (f)	Review along with the management, 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 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 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 deployed and time required for effective audit and evaluate the performance of external auditors;	✓		
5 (5) (m)	Oversee whether the proceeds raised IPO or RPO or Rights Share Offer have been utilized per the purposes stated in relevant offer document or prospectus approved by the Commission;			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.	✓		
5 (6) (a) (ii)	The audit committee shall immediately report to the board on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process;			No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, rules and regulation;			No such event occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			No such event occurred
5.(6) (b)	Reporting to the Authorities: If any material impact on the financial condition and results of operation, unreasonably ignored by the management;			No such reportable incidence occurred
5.(7)	Reporting to the Shareholders and General Investors: Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5 (6)(a)(ii)	✓		
6.00	Nomination and Remuneration Committee (NRC):			
6 (1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	✓		
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 (ID);	✓		
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)	Board shall have authority to remove and appoint any member of the committee;	✓		
6.(2) (e)	In case 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 vacancy in the Committee;	✓		

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 non-voting member if the Chairperson feels that advice or suggestion from such external expert and/ or member (s) of staff shall be required of valuable for the Committee;			No Such Event Occurred
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 form the company;	✓		
6 (3)	Chairperson 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 if themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes;			No Such Event Occurred
6 (3) (c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders;	✓		
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 Event 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 independence 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 confirmed in the next meeting of the NRC;	✓		
6 (5)	Role of NRC			
6 (5) (a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders;	✓		
6(5)(b)(i)(a)	NRC shall oversee, formulate & recommend to the Board regarding 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)	Relationship of remuneration to 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;	✓		

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;	✓		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board;	✓		
6(5)(b)(v)	Identifying the complains needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria;	✓		
6(5)(b)(vi)	Developing recommending and reviewing annually the complains human resources and training policies.	✓		
6 (5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	✓		
7.00	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: -			
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 services;	✓		
7(1) (vii)	Any other service 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 may create conflict of interest.	✓		
7(2)	No partner or employees of the 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 shall not hold any shares in the said company.	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders;	✓		
8.00	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).	✓		
9.00	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/ Cost and Management Accountant / Chartered Secretary) other than its statutory auditor or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall Such certificate shall be disclosed in the Annual Report.	✓		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be an appointed by the Shareholders in the 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.	✓		

