

**Bangladesh Securities and Exchange Commission**  
Securities Commission Bhaban  
E-6/C, Agargaon  
Shere-E-Bangla Nagar Administrative Area  
Dhaka-1207, Bangladesh

**Draft Corporate Governance Guidelines**

Whereas, the Bangladesh Securities and Exchange Commission (herein after referred to as the “Commission”) deems it fit that the consent already accorded by the Commission, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital by the companies listed with any stock exchange in Bangladesh, shall be subject to certain further conditions or codes in order to enhance corporate governance in the interest of investors and the capital market;

Now, therefore, in exercise of the power conferred by section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969), the Commission hereby supersedes its earlier Notification No. **SEC/CMRRCD/2006-158/134/Admin/44** dated 07 August 2012, gazette on 30 August 2012 and imposes the following further conditions or codes to the consent already accorded by it, or deemed to have been accorded by it, or to be accorded by it in future, to the issue of capital by the companies listed with any stock exchange in Bangladesh:

Provided, however, that the companies listed with any stock exchange in Bangladesh shall mandatorily comply with the conditions or codes set under Chapter A, B, C, E and F and the companies are also encouraged to ‘comply or explain’ the conditions or codes set under Chapter-D, which shall be mandatorily complied by December 31, 2020.

**The Conditions or Codes on Corporate Governance:**

**CHAPTER-A: BOARD OF DIRECTORS AND ITS COMPOSITION**

**1.0: BOARD OF DIRECTORS:**

**1.1 COMPOSITION OF BOARD:**

The number of the board members of the company shall not be less than 5 (five) and more than 20 (twenty):

Provided that-

- (i) board of directors shall be constituted of in proportionate to the shareholding of: (a) promoters or sponsors or shareholders who control over individually or persons in concert; and (b) general shareholders including institutional shareholders, excepting independent directors' quota; where general shareholders' portion (quota) may be filled up by at least one general shareholder, female director(s), independent director(s) and/or executive director(s);
- (ii) board of directors shall not be constituted with all of foreign nationals;
- (iii) at least 1/10<sup>th</sup> (one tenth) of the board of directors shall be selected/elected/appointed from the personalities of age between 25 (twenty five) years to 40 (forty) years;
- (iv) all sponsors or promoters and directors of the company excepting independent director(s) and executive director(s) shall all time jointly hold a minimum percentage of shares of the paid up capital of the company as determined by the Commission from time to time;
- (v) each director other than independent director and executive director shall hold a minimum percentage of shares of the paid up capital of the company as determined by the Commission from time to time;
- (vi) in case of nomination of each director in the board, nominating shareholder who may be an individual or an institution or government shall hold at least 5% (five percent) shares of the paid up capital of the company, and such nominating shareholder shall not nominate director(s) in the board exceeding the proportion of his category in the total shareholdings;
- (vii) at least 1 (one) member of the board of directors shall be a female who shall be qualified as a shareholder director or an executive director or an independent director;
- (viii) maximum 2 (two) executives may represent as members of the board of directors who shall be treated as executive director(s), and that executive directors (ED) shall have at least bachelor degree:

Provided that the executive director(s) shall not entitle to any remuneration for attending the meetings of the board or sub-committee of the board; and

- (ix) all members of the board of directors excepting independent director(s) shall be literate and shall have core competencies considered relevant in the context of each company with minimum 5 (five) years experiences in the relevant field:

- (x) Independent director(s) shall have to fulfill the criteria of eligibility, qualification and experience as required under condition No.1.2 and 1.3.

Further provided, however, that in case of banks and non-bank financial institutions, insurance companies and statutory bodies for which separate primary regulators like Bangladesh Bank, Insurance Development and Regulatory Authority, etc. exist, the Boards of those companies shall be constituted as may be prescribed by such primary regulators in so far as those prescriptions are not inconsistent with the aforesaid condition.

## **1.2 INDEPENDENT DIRECTORS:**

All companies shall encourage effective representation of independent directors on their Board of Directors so that the Board, as a group, includes core competencies considered relevant in the context of each company. For this purpose, the companies shall comply with the following:-

- (i) At least one fifth (1/5<sup>th</sup>) and not more than two third (2/3<sup>rd</sup>) of the total number of directors in the company's board shall be independent directors. Any fraction shall be considered to the next integer/whole number for calculating number of independent director(s):

Provided that if the company fails to maintain the minimum ratio of independent director (s) as per clause (i) above, the Commission may, as a special case, nominate independent director(s) in the company's board for maintaining of such minimum ratio:

Provided further that in case of banking company, no banking company shall have directors exceeding 20 (twenty) in total including at least 3 (three) independent directors:

Provided further that if the number of directors of a banking company is less than 20 (twenty), the number of independent directors shall be at least 2 (two).

- (ii) For the purpose of this clause "independent director" means a non-executive director, -
  - (a) who is not related to promoters or sponsors or directors or persons occupying positions at the board level or at management level including Managing Director(MD)/Chief Executive Officer(CEO), Chief Financial Officer(CFO), Company Secretary(CS), Head of Internal Audit and Compliance (HIAC) and Head of Information and Communication Technology (HICT) on the basis of family relationship as explained under condition No.1.2(ii)(g);
  - (b) who has not been an executive of the company in immediately preceding 2 (two) financial years;

- (c) who does not have any material relationship with a supplier, a service provider, a customer, a lessor or a lessee of the company;
- (d) who is not a nominated director of the company;
- (e) who does not hold any share in the company;
- (f) who is not a promoter or sponsor or director of the company;
- (g) who is not connected with any sponsors or promoters or directors of the company or any of its associates, sister concerns, subsidiaries and parents/holding entities or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His family members and extended family members also should not hold above mentioned shares in the company:

Provided that spouse, son, daughter, father, mother, brother, sister, step-father, step-mother, step-brother, step-sister, adopted son, adopted daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grand-son, grand-daughter, grand-father, grand-mother, uncle, aunt, cousin, nephew and niece shall be considered as family members and extended family members;

- (h) who does not have any other relationship apart from receiving the director's remuneration, whether pecuniary or otherwise, with the company, or its promoters or sponsors, directors and senior management or its holding company, subsidiaries, associates and sister concerns;

**Explanation:** Senior Management includes Managing Director (MD)/Chief Executive Officer (CEO), Additional/Deputy Managing Director (AMD/DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Information and Communication Technology (HICT), Head of Administration & Human Resources and same level/ranked/salaried officials of the company.

- (i) who is not associated with any entity that received significant contributions or donations from the company and its holding company, subsidiaries, associates and sister concerns or with any entity that contributed or donated significant amount to the company and its holding company, subsidiaries, associates and sister concerns;
- (j) who is not a member/ TREC holder, director or officer of any stock exchange;

- (k) who is not a shareholder, director or officer of any member/TREC holder of stock exchange
- (l) who is not a shareholder, director or officer of an intermediary of the capital or securities market;
- (m) who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years, of any of the following capacities with the company:
  - (i) the statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of corporate governance codes; and
  - (ii) the legal firm(s) and consulting firm(s) that have a material association with the company.
- (n) who shall not be an independent director in more than 5 (five) listed companies;
- (o) who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advances or any dues of utility bills;
- (p) who has not been convicted by any competent Court for any criminal offence including moral turpitude, forgery and monetary offence as well as convicted for any capital market manipulation and any other non-compliance of securities laws.
- (iii) the independent director(s) shall be appointed by the board of directors with prior clearance from the Commission and then duly placed for approval of the shareholders in the Annual General Meeting (AGM). The company shall apply to the Commission for such clearance of appointment of independent director(s) along with checklist as per **Annexure-A**, a recent passport size photograph and detailed resume of independent director(s).
- (iv) the post of independent director(s) cannot remain vacant for more than 90 (ninety) days.
- (v) the tenure of office of an independent director shall be for a term of 3 (three) years, which may be extended for another 1 (one) term only:

Provided that a former independent director may be re-considered for reappointment for another 1(one) term [i.e., 3 (three) years] after a time gap (cooling of period) of 1 (one) term [i.e. 3 (three) years] from his completion of consecutive 2 (two) terms [i.e. 6 (six) years]:

Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.

**Explanation:** For the purpose of counting tenure or term of independent director, any partial term of a term shall be deemed to be a full term.

- (vi) while appointing independent director(s), the formal letter of appointment specifying the roles and responsibilities of independent director(s) as well as code of conduct of the board members shall be issued.
- (vii) each independent director shall submit a signed and dated declaration annually to demonstrate his independence to the board of directors of the company with intimation to the Commission and the Exchange(s) as per **Annexure-B**.

### **1.3 QUALIFICATION OF INDEPENDENT DIRECTOR (ID):**

- (a) Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business. Independent Director should have competence relevant to the sector in which the company operates.
- (b) Independent director shall have following qualifications :
  - (i) Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 200.00 million or any listed company or a member of any national or international chamber of commerce or business association; or
  - (ii) Corporate Leader who is/was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance/Accounts or Company Secretary or Head of Internal Audit & Compliance or Head of Information and Communication Technology or Head of Legal Service of an unlisted company having minimum paid up capital of Tk. 200.00 million or of a listed company ; or
  - (iii) Bureaucrat or Government Official who is/was an employee of government or statutory or autonomous or regulatory body in the position not below grade-5 of the national pay scale, having at least educational background of bachelor degree in economics or commerce or business or law; or

- (iv) University Teacher; or
- (v) Professional who is/was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Secretary.
- (c) The independent director shall have at least 12 (twelve) years of experiences in any field mentioned above clause (b).
- (d) In special cases the above qualifications and experiences may be relaxed subject to prior approval of the Commission.

#### **1.4. ROLE OF BOARD OF DIRECTORS:**

- (i) The board shall lay down a code of conduct of all board members and senior management of the company. The code of conduct shall be posted on the website of the company and annual compliance of the code to be recorded and included in the annual report, which contains a declaration to this effect signed by the MD or CEO.

Provided that each company shall determine its own policies in the formulation of such a Code. The detailed codes on the followings, among others, shall be included/set forth in their respective code of conduct:

- (a) Prudent Conduct and Behaviour (use due care in the performance of duties, be loyal to company, act in good faith, perform to the best interest of the company, etc);
  - (b) Confidentiality;
  - (c) Conflict of interest;
  - (d) Compliance with laws, rules and regulations;
  - (e) Protection and proper use of company's assets/properties;
  - (f) Prohibition of insider trading;
  - (g) Encouraging the reporting of any illegal or unethical behavior;
  - (h) Competition;
  - (i) Corruption and bribery;
  - (j) Entertainment and gifts;
  - (k) Political activity;
  - (l) Intellectual property;
  - (m) Private interest and activities or private business opportunities;
  - (n) Relationship with environment, employees, customers and suppliers;
  - (o) Information, communication and media; and
  - (p) Independency (for independent directors).
- (ii) The Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care for the best interest of the company and the

shareholders applying high ethical standards. The Board of Directors shall act for the policy issues of the company and excepting ED(s), they shall not perform day to day business of the company. In addition to the provisions of the Companies Act, 1994, the Banking Company Act, 1991, Financial Institutions Act, 1993 and Insurance Act, 2010, the Board of Directors, among others, shall play following roles:

- (a) guiding in the preparation of corporate strategy, major plans of action, risk management policies and procedures, annual budgets and business plan and regular reviewing of the existing ones; setting performance objectives; monitoring implementation of strategy/policy's framed by the board and evaluate corporate performance; and overseeing major capital expenditures;
- (b) monitoring the effectiveness of the company's governance practices and making changes as needed;
- (c) selecting, compensating, monitoring and when necessary replacing key executives and overseeing succession planning;
- (d) aligning key executive and board remuneration with the longer term interests/objectives of the company and its shareholders;
- (e) ensuring a formal and transparent board nomination and election process;
- (f) monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of company's assets and abuse in related party transactions;
- (g) ensuring the integrity of the company's accounting and financial reporting system, including independent audit and confirm that appropriate systems of control are in place, in particular system for risk management, financial and operational control and compliance with the laws and relevant standards;
- (h) overseeing the process of disclosures and communications;
- (i) protecting the interest of the minority shareholders;
- (j) monitoring whether all the rules and regulations are complied fully and managing risks in this area effectively;
- (k) undertaking an annual self-evaluation of the board's own performance;
- (l) ensuring that business policies and procedures are in place and working effectively; and



- (m) ensuring the transparency of major transactions specially procurements, among the group companies, directors and related parties.

Provided that lack of knowledge of the directors' does not absolve themselves from their obligations or duties:

Provided further that the board and the company shall have a complete orientation program/process for its new directors so that the directors can perform their roles or duties on a fully informed basis, with due diligence and care for the best interest of the company and the shareholders and details of such programs shall be disclosed in the annual report and its website.

### **1.5 CHAIRPERSON OF THE BOARD:**

- (i) The positions of the Chairperson of the board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.
- (ii) The Chairperson of the board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company.
- (iii) The Chairperson of the company shall be elected from among the non-executive directors of the company.
- (iv) The board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.
- (v) In the absence of the Chairperson of the board, the remaining members may elect one of themselves as Chairperson for that particular board of directors' meeting. The reason of absence of the regular Chairperson shall be duly recorded in the minutes.

### **1.6 DIRECTORS' REPORT TO THE SHAREHOLDERS:**

The board of directors of the company shall include the following additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994):-

- (i) An industry outlook and possible future developments in the industry.
- (ii) The segment-wise or product-wise performances.
- (iii) A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.
- (iv) A discussion on continuity of any extra-ordinary activities and their implications (gain or loss).

- (v) A discussion on discontinued operational activities, if any.
- (vi) A detailed discussion on related party transactions- a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;
- (vii) A statement of utilization of proceeds from public issues (IPO/RPO), rights issues, private placement and/or through any others instruments.
- (viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer (RO), Private Placement, Direct Listing, etc. along with a comparative statement of financial results.
- (ix) An explanation as well as a comparative report on financial results between actual results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer (RO), Private Placement (PP), Direct Listing (DL), etc. and results estimated/projected in the prospectus, information memorandum, information document or rights share offer document before going for such IPO, RPO, RO, PP or DL.
- (x) An explanation if significant variance occurs on the financial results/performances between the quarterly financial statements and annual financial statements.
- (xi) A statement of remuneration paid to the directors including independent directors.
- (xii) A statement that the financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.
- (xiii) A statement that proper books of account of the company have been maintained.
- (xiv) A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment.
- (xv) A statement that International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.

- (xvi) A statement that the system of internal control, i.e., internal control and its compliance is sound in design and has been effectively implemented and monitored.
- (xvii) A statement that there are no significant doubts upon the company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.
- (xviii) An explanation on significant deviations from the last year's operating results of the company highlighting operating results and the reasons thereof.
- (xix) A summarized statement of key operating and financial data of at least preceding 5 (five) years including the ratios as per **Annexure –C**.
- (xx) The company shall disclose its dividend policy, among others, focusing the following:
  - (a) Ordinary shareholders' rights including minority shareholders' rights;
  - (b) Equitable rights in dividend on Ordinary Shares;
  - (c) Employees' Stock Option, if any;
  - (d) Dividend on Preference Shares, if any;
- (xxi) Board of Directors' statement to the effect that no dividend has been/shall be paid other than out of profits of the year or any other undistributed profits;
- (xxii) Board of directors' statement to the effect that no dividend has been/shall be paid from any un-realized gain, any other comprehensive income or through reduction in capital; and
- (xxiii) Board of directors' statement to the effect that no bonus share or stock dividend has been /shall be declared as interim dividend.
- (xxiv) The company shall, among others, disclose the following:
  - (a) the reasons, if any, for partial distribution or non-distribution of profit, as the case may be, to the shareholders as dividend; and
  - (b) the company's plan (with schedule) for utilization of the undistributed profits, if there is any;

Provided that board of directors shall disclose a detailed report on utilization position of clause (b) above in its report for the annual general meeting of the company for shareholders' consideration:

Provided further that the aforesaid condition shall not apply in respect of an issuer which would recommend at least 10% cash dividend on the face value/paid-up capital for the relevant financial year.

- (xxv) If the company declares stock dividend or bonus share for the year, the company shall also explain the reason for declaring stock dividend or bonus share and utilization of such retained amount as capital (stock dividend or bonus share) shall be disclosed:

Provided that stock dividend or bonus share may be declared if there is any regulatory requirement or if fund is needed for acquisition of capital machinery or land or land development or construction of building or BMRE of existing plant and machinery or any such capital expenditure; as well as disclose the potential impact on the rate of return on equity (ROE) and diluted earnings per share (considering dilution of stock dividend/bonus share) comparing to the rate of ROE and diluted EPS of the immediate preceding year.

- (xxvi) Board of Directors' statement to the effect that any member of the board of directors or member of the board's sub-committee or member of the senior management and their family members do/did not involve in any insider trading as well as not violated the provision with regard to insider trading;

- (xxvii) The number of Board meetings held during the year and attendance by each director shall be disclosed.

- (xxviii) The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name-wise details where stated below) held by:-

- (a) Parent/Subsidiary/Associated Companies and other related parties (name-wise details);
- (b) Top-twenty shareholders containing name, number of shares held, number of shares buy/sell during the year, percentage of shareholdings, percentage of locked in shares and date of locked in;
- (c) Directors and senior management such as CEO, MD, CS, CFO, HIAC, HICT and their spouses and sons and daughters (name wise details);
- (d) Executives;
- (e) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).

**Explanation:** For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors and senior management such as CEO, MD, CS, CFO, HIAC, HICT.

- (xxix) In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:-

- (a) a brief resume of the director;
- (b) nature of his/her expertise in specific functional areas;

(c) names of companies in which the person also holds the directorship and the membership of committees of the board.

(xxx) A statement on regulatory compliances with all applicable laws including tax, labor, environment, etc.

(xxxii) Any litigation, conviction, violation of securities laws, non-compliance of regulators requirement, loan defaulter, etc., by the company, its directors and senior management shall be disclosed with status;

(xxxiii) A list of senior management (Top level executives including CEO, MD, CS, CFO, HIAC, HICT, etc.) and board of directors stating names, address, age, category of directorship, profession, educational & professional qualification, experience including number and percentage of female participations in the senior management and the board shall be disclosed separately .

(xxxiiii) A Management’s Discussion and Analysis (MD&A) signed by CEO or MD presenting detailed analysis of the company’s position and operations along with a line by line discussion of changes in the financial statements , among others, focusing on: (a) accounting policies and estimation for preparation of financial statements; (b) changes in accounting policies and estimation, if any, clearly describing the effect on financial performance/results and financial position as well as cash flows in absolute figure for such changes; (c) comparative analysis (including effects of inflation) of financial performance/results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; (d) compare such financial performance/results and financial position as well as cash flows with the peer company explaining industry scenario; (e) briefly explain the financial and economic scenario of the country and the globe; (f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and (g) future plan or projection or forecast for company’s operation, performance and financial position, with justification of which i.e., actual position shall be explained to the shareholders in the next AGM.

(xxxv) The company shall have a detailed policy focusing the following issues relating to its stakeholders and such issues shall be disclosed:

| SL# | Stakeholders                    | Issues Focused           |
|-----|---------------------------------|--------------------------|
| 1   | Employees                       | Bribery, corruption      |
| 2   | Customers                       | Gifts, entertainment     |
| 3   | Suppliers                       | Conflict of interest     |
| 4   | Community                       | Confidential information |
| 5   | Sponsors/Directors/Shareholders | Use of company assets    |

(xxxvi) The CEO and CFO’s declaration/certification to the Board as required under condition No.3.3 shall be disclosed as per **Annexure-D**.

- (xxxvi) The report as well as certificate regarding compliance of conditions or codes of the Corporate Governance as required under condition No.13 shall be disclosed as per **Annexure-E & F**.

### **1.7 MEETINGS OF THE BOARD OF DIRECTORS:**

The company shall conduct its board of directors meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the Bangladesh Secretarial Standards (BSS)-1 and BSS-3 as adopted by the Institute of Chartered Secretaries of Bangladesh in so far as those standards are not inconsistent with any conditions of these Corporate Governance Codes.

### **2.0 GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY:**

- (i) 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.
- (ii) 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.
- (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.
- (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.
- (v) The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.

## **CHAPTER-B: COMPOSITION OF SENIOR MANAGEMENT**

### **3.0 MANAGING DIRECTOR (MD)/CHIEF EXECUTIVE OFFICER(CEO), COMPANY SECRETARY (CS), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) & HEAD OF INFORMATION AND COMMUNICATION TECHNOLOGY (HICT):**

#### **3.1 APPOINTMENT AND REMOVAL:**

- (i) With approval of the Board of Directors, the company shall appoint a Managing Director (MD)/ Chief Executive Officer (CEO), Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC) and encourage appointing a Head of Information and Communication Technology (HICT).
- (ii) The positions of the Managing Director (MD)/ Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit & Compliance (HIAC) and Head of Information and Communication Technology (HICT) shall be filled by different individuals.

- (iii) The Board of Directors should clearly define respective roles, responsibilities and duties of the MD/CEO, CS, CFO, HIAC and HICT.
- (iv) The MD/CEO, CS, CFO, HIAC & HICT of a listed company shall not hold executive position in any other company at the same time.
- (v) The MD/CEO, CS, CFO, HIAC & HICT shall not be removed from their position without approval of the Board of Directors as well as immediate dissemination to the shareholders as material information.

### **3.2 REQUIREMENT TO ATTEND THE BOARD MEETINGS:**

The MD/CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board of Directors:

Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters:

Provided further that the MD/CEO, CS, CFO and the HIAC shall not entitle for any remuneration for attending such meetings of the Board of Directors.

### **3.3. DUTIES OF MANAGING DIRECTOR (MD)/CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO):**

- (i) The MD/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:
  - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (b) 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.
- (ii) The MD/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 violation of the company's code of conduct.
- (iii) The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.



## **CHAPTER–C: BOARD AND OTHER COMMITTEES**

### **4.0 BOARD COMMITTEE:**

For ensuring good governance in the listed companies, the board of directors shall have at least following sub-committees:

- (i) Audit Committee;
- (ii) Nomination and Remuneration Committee;
- (iii) Risk Management Committee;
- (iv) Environment and Social Responsibility Committee (Optional); and
- (v) Executive Committee.

### **5.0 AUDIT COMMITTEE:**

- (i) The company shall have an Audit Committee as a sub-committee of the Board of Directors.
- (ii) The Audit Committee shall assist the Board of Directors in ensuring that the financial statements fairly represent the state of affairs of the company and also in ensuring that good corporate governance and sound internal audit and compliance systems and monitoring system exist within the business.
- (iii) The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing covering the areas of financial reporting, internal audit and compliance, regulatory compliances including tax, labor and environment and other reporting as well as compliance of Corporate Governance Codes.

### **5.1 CONSTITUTION OF THE AUDIT COMMITTEE:**

- (i) The Audit Committee shall be composed of at least 3 (three) members.
- (ii) The Audit Committee shall not include any member in its committee other than the member of Board of Directors
- (iii) The Board of Directors shall appoint members of the Audit Committee from the non-executive directors of the company and shall include at least 1 (one) independent director.
- (iv) The chairperson of the board and executive directors shall not be included in the audit committee.
- (v) All members of the audit committee should be “financially literate” and at least 1 (one) member shall have accounting or related financial management background and such experience.

**Explanation:** The term “financially literate” means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if (s)he possesses professional qualification or is Accounting/ Finance graduate with at least 12 (twelve) years of corporate management/professional experiences.

- (vi) When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office until expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board of Directors shall appoint the new Committee member(s) to fill up the vacancy(ies) immediately or not later than 60 (sixty) days from the date of vacancy(ies) in the Committee to ensure continuity of the performance of work of the Audit Committee.
- (vii) The company secretary shall act as the secretary of the Committee.
- (viii) In case of need, the audit committee may invite CFO, HIAC and statutory auditors to attend the meeting.

## **5.2 CHAIRPERSON OF THE AUDIT COMMITTEE:**

- (i) The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director.
- (ii) In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in case there is no problem of constitution of quorum as required under condition No. 5.3(iii). The reason of absence of the regular Chairperson shall be duly recorded in the minutes.
- (iii) Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM):

Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee should be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.

### **5.3 MEETING OF THE AUDIT COMMITTEE:**

- (i) The Audit Committee shall conduct at least its four meetings in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;
- (ii) The time gap between two meetings of the Audit Committee shall not be more than four months.
- (iii) The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must.
- (iv) The proceedings of each meeting of the Audit Committee shall duly be recorded as minutes and such minutes shall be confirmed in the next meeting of the Audit Committee.
- (v) The notice shall be served to all members of the committee at least seven days before scheduled date of the meeting;
- (vi) The agenda as to be transacted at the meeting along with notes or working papers shall be circulated or sent to all members of the committee at least three days before the scheduled date of the meeting;
- (vii) The notice may be served with a shorter period than what is stated under clause (v) if the majority of members including independent director (s) of the Audit Committee so agree. The proposal of holding the meeting with a shorter notice shall be stated in the notice and the fact that consent thereto was obtained shall also be recorded in the minutes.

### **5.4 ROLE OF THE AUDIT COMMITTEE:**

The audit committee shall:-

- (i) Oversee the financial reporting process.
- (ii) Monitor choice of accounting policies and principles.
- (iii) Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report.
- (iv) Monitor Internal Control Risk Management process.
- (v) Review all the related party transactions of the company.

- (vi) Review regulatory compliances with all applicable laws including tax, labor, environment, etc.
- (vii) Review the audit plan and methodology submitted by the external auditor(s) to carry out the audit.
- (viii) Meeting with the management or auditors for review of the quarterly financial statements before submission to the board for approval or adoption.
- (ix) Meeting with the external or statutory auditors for review of the annual financial statements before submission to the board for approval/adoption.
- (x) Review Management Letter including effectiveness of Internal Control and Compliance issued by statutory auditors and management response thereon.
- (xi) Review the Management's Discussion and Analysis (MD&A) before disclosing in the Annual Report;
- (xii) Oversee nomination, 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 and report to the Nomination and Remuneration Committee.
- (xiii) Discharge committee's fiduciary responsibilities to consider the major findings for internal investigations and management's response;
- (xiv) Review the utilization of fund/capital raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue (RI)/Private Placement(PP) on a quarterly basis until the fund is completely utilized to ascertain whether such fund/capital is utilized for the purposes and within the time schedule as disclosed in the offer document/prospectus;
- (xv) Internal Audit and Compliance Department shall submit report to the Board with comments or recommendation of the Audit Committee; and
- (xvi) Discuss problems, irregularities and reservations arising from the statutory audits and any matters the statutory auditors may wish to discuss.

## **5.5 REPORTING OF THE AUDIT COMMITTEE:**

### **(1) REPORTING TO THE BOARD OF DIRECTORS:**

- (i) The Audit Committee shall report on its activities to the Board of Directors.
- (ii) The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-

- (a) report on conflicts of interests;
- (b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- (c) suspected infringement of laws or regulatory compliances including tax, labor, environment, securities related laws, rules and regulations, etc.
- (d) any other matter which shall be disclosed to the Board of Directors immediately.

**(2) REPORTING TO THE AUTHORITIES:**

If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

**(3) REPORTING TO THE SHAREHOLDERS AND GENERAL INVESTORS:**

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 5.5 (1) (ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.

**6.0 NOMINATION AND REMUNERATION COMMITTEE:**

- (1) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board of Directors.
- (2) The NRC shall assist the Board of Directors in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and key managerial personnel and senior management as well as a policy for formal process of considering remuneration of directors, key managerial personnel and other employees of the company.

- (3) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6.4.

#### **6.1 CONSTITUTION OF THE NRC:**

- (1) The Committee shall comprise of at least three members including an independent director;
- (2) All members of the Committee shall be non-executive directors, the majority of whom shall encourage being independent directors;
- (3) Members of the Committee shall be nominated and appointed by the board of directors;
- (4) The board shall have authority to remove and appoint any member of the Committee;
- (5) In case of death, resignation, disqualification, 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) The Chairperson of the Committee may appoint/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/suggestion from such external expert and/or member(s) of staff should be required/valuable for the Committee;
- (7) The company secretary shall act as the secretary of the Committee;
- (8) The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;
- (9) 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/honorarium from the company;

#### **6.2 CHAIRPERSON OF THE NRC:**

- (1) The Board of Directors shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director.
- (2) In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting. The reason of absence of the regular Chairperson shall be duly recorded in the minutes.
- (3) The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders :

Provided that in absence of Chairperson of the NRC, any other member from the NRC should be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

### **6.3 MEETING OF THE NRC:**

- (1) The NRC shall conduct at least one meeting in a financial year. The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC.
- (2) 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 independent director is must as required under condition No. 6.1(viii).
- (3) 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.

### **6.4 ROLE OF THE NRC:**

NRC shall be independent and responsible or accountable to the board of directors and to the shareholders. NRC shall oversee, among others, the following matters and make report with recommendation to the board of directors:

- (1) Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors' a policy, relating to the remuneration of the directors, key managerial personnel and other employees. While formulating the policy, the NRC shall consider the following:
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management 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.
- (2) Devising a policy on Board diversity;
- (3) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- (4) Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
- (5) Identify the company's needs for employees at different levels\_ and determine their selection, transfer/replacement and promotion criteria;

- (6) Develop, recommend and review annually the company's human resources and training policies; and
- (7) 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;

## **7.0 RISK MANAGEMENT COMMITTEE:**

- (1) The Risk Management Committee (RMC) shall be a formal sub-Committee of the Board of Directors;
- (2) The Board of Directors shall be responsible for the overall process of risk management, such as framing, implementing and monitoring the risk management plan, including the related system of internal control of the company;
- (3) The RMC shall be constituted to assist the Board of Directors in discharge of its duties and responsibilities for the total process of risk management of the company;
- (4) The Board of Directors shall define the roles and responsibilities of the RMC delegating the total process of risk management functions of the company to the RMC as well as such other functions as it may deem fit;
- (5) The duties and responsibilities of the members of the RMC shall be in addition to those as a member of the Board of Directors; and
- (6) The RMC shall report directly to the Board of Directors.

## **7.1 COMPOSITION OF THE RMC:**

- (1) The RMC shall consist of at least three members who are appointed by the Board of Directors from its non-executive directors together with the MD/CEO: Provided that at least one member of the Committee shall be the member of the RMC sitting on the Audit Committee: Provided further that Senior Executives of the Company may be the members of the Committee;
- (2) The Chairperson of the RMC shall be selected by the Board of Directors from the members of the Committee who shall be non-executive director: Provided that in absence of the Chairperson the members present may nominate and elect one of them to Chair the meeting.
- (3) The quorum of the meeting of the RMC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher;



- (4) Meetings of the RMC shall be held at least three times in a financial year: Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;
- (5) The Chairperson of the RMC shall report from time to time to the Board of Directors as well as the Audit Committee on the deliberations of the Committee;
- (6) The company secretary shall be the secretary of the RMC;
- (7) The executives, who are responsible for the day-to-day management of risk, shall attend all the meetings of the RMC to provide it with relevant input and reporting;
- (8) The Head of Internal Audit and Compliance, as well as representatives of the external auditors, may be invited to attend the meetings to assist the RMC to make effective decisions;

## **7.2 ROLE AND RESPONSIBILITIES OF THE RMC:**

- (1) To assist the Board of Directors as well as Audit Committee in execution of its responsibility for governance of risk, the RMC shall be charged with the following general responsibilities:
  - (a) to assist the Board of Directors as well as Audit Committee in framing risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and integrated reporting;
  - (b) to ensure that an appropriate policy and plan for a system of risk management is developed by management, approved by the Board of Directors and distributed throughout the Company;
  - (c) to annually review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk management policies and strategies are effectively administered by the management and that risks taken are within the agreed tolerance and appetite limit;
  - (d) to review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;
  - (e) to ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of

assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the company's appetite or tolerance for risk. A framework and process to anticipate unpredictable risks should also be implemented;

- (f) to ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually. This assessment should as a minimum cover risks affecting the income streams of the Company, IT risks, the critical dependence of the business, the sustainability and the legitimate interest and expectations of shareholders; A framework and process to anticipate unpredictable;
  - (g) to oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;
  - (h) to review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;
  - (i) to monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts; and
  - (j) to provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board of Directors on all categories of identified risks facing by the Company.
- (2) The RMC shall in particular be charged with the following responsibilities:
- (a) to review the risk philosophy, strategy, policies and risk tolerance and appetite recommended by management. The RMC shall ensure compliance with such policies in accordance with the overall risk profile of the company. Risk in the widest sense, i.e. enterprise-wide risk, shall be considered by the Committee;
  - (b) to review management reports detailing the adequacy and overall effectiveness of risk management, its implementation by management, reports on internal control and any recommendations and confirm that appropriate action has been taken;

- (c) to review key risk areas and key performance indicators of the company, and monitor these factors as part of a regular review of processes and procedures to ensure the effectiveness of its internal systems of control;
- (d) to review the risk bearing capacity of the company in light of its reserves, insurance coverage, guarantee funds or other such financial structures; and
- (e) to assist the Board of Directors in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function.

### **7.3 RISK MANAGEMENT REPORT:**

The Board of Directors shall disclose the company's risk management report in the Annual Report including, among others, the following matters/issues in addition to the disclosure requirements of the company's primary regulators, such as Bangladesh Bank for Banks and Financial Institutions, Insurance Development and Regulatory Authority (IDRA) for Insurance Companies, etc:

- (1) Risk Management Policy;
- (2) Risk Management Committee;
- (3) Risk Factors and Management's perceptions about the Risks :
  - (a) All risk factors and management's perception about how to address the risks are to be clearly stated. All risk factors which are specific to the project and internal to the issuer and those which are external and beyond the control of the issuer and all qualitative or quantitative risks those may not be material at present but may have a material impact in future shall be included;
  - (b) Risk factors shall be disclosed in descending order of materiality. Wherever risks about material impact are stated, the financial and other implications of the same shall be disclosed. If it cannot be quantified, a statement shall be furnished about the fact that the implications cannot be quantified;
  - (c) Perceptions to address risks shall not contain any speculative statement on the positive outcome of any litigation, etc. and shall not be given for any matter that is sub-judice before any Court/Tribunal;
  - (d) The disclosures of Risk factors shall include, where applicable, the following :
    - (i) Internal risk factors
    - (ii) External risk factors.

- (i) Internal risk factors may include, among others;**
- (a) Credit Risk;
  - (b) Liquidity Risk;
  - (c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associated;
  - (d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;
  - (e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;
  - (f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;
  - (g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;
  - (h) Loss making associate/subsidiary/group companies of the issuer;
  - (i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;
  - (j) Decline in value of any investment;
  - (k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;
  - (l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;
  - (m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;
  - (n) Related party transaction entered into by the company those may adversely affect competitive edge;
  - (o) Any restrictive covenants in any shareholder's agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/credit limit and other banking facilities;
  - (p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;
  - (q) Seasonality of the business of the issuer;
  - (r) Expiry of any revenue generating contract that may adversely affect the business;
  - (s) Excessive dependence on debt financing which may adversely affect the cash flow;
  - (t) Excessive dependence on any management personnel absence of whom may have adverse effect on the issuer's business performance;
  - (u) Enforcement of contingent liabilities which may adversely affect financial condition;

- (v) Insurance coverage not adequately protect against certain risks of damages;
- (w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;
- (x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;
- (y) History of non operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;
- (z) Risks related to engagement in new type of business, if any;
- (aa) Risk in investing the securities being offered with comparison to other available investment option;
- (bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;
- (cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;
- (dd) Registered office or factory building or place of operation is not owned by the issuer;
- (ee) Lack of renewal of existing regulatory permissions/licenses;
- (ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any its subsidiaries;

**(ii) External risk factors may include among others:**

- (a) Interest rate risks;
- (b) Exchange rate risks;
- (c) Industry risks;
- (d) Economic and political risks;
- (e) Market and technology –related risks;
- (f) Potential or existing government regulation;
- (g) Potential or existing changes in global or national policies;
- (h) Statutory clearances and approvals those are yet to be received by the issuer;
- (i) Competitive condition of business;
- (j) Complementary and supplementary products/services which may have an impact on business of the issuer.

## **8.0 EXECUTIVE COMMITTEE:**

- (1) The company shall have an Executive Committee (EC) as a standing committee of the executives.
- (2) The EC shall assist the Board of Directors or its sub-committees to deal with the day-to-day activities of the company and to develop and implement the business

plans, policies, and budget of the company and report and recommend to the board of directors and the board's sub-committees.

- (3) The EC shall be responsible to the Board of Directors. The duties of the EC shall be clearly set forth in writing.

#### **8.1 CONSTITUTION OF THE EC:**

- (1) The Committee shall comprise of at least top five executives, which may include MD/CEO, COO, CS, CFO, HIAC, HICT, etc;
- (2) The MD/CEO of the company shall chair the Committee. Provided that in the absence of the Chair of the EC, the remaining members may elect one of themselves as Chair for that particular meeting. The reason of absence of the regular Chair shall be duly recorded in the minutes.
- (3) Members of the EC and its Chair are nominated and appointed by the Board of Directors;
- (4) The quorum of the meeting of the EC shall be constituted in presence of either three members or two third of the members of the Committee, whichever is higher;
- (5) Meetings of the EC shall be held at least once in a month;
- (6) The Chair of the EC shall report from time to time to the Board of Directors and the Board's sub-committees on the deliberations of the Committee;
- (7) The secretary of the EC shall be appointed by the Committee;
- (8) The executives (Head of different departments or divisions), who are responsible for supervising and monitoring the day-to-day activities of the company, shall attend all the meetings of the EC to provide it with relevant input and reporting;
- (9) The board has authority to remove and appoint any member of the Committee;
- (10) In the case of death, resignation, disqualification, removal or any other case, the board may fill any vacancy occurring in the Committee; and
- (11) No member of the EC shall receive, either directly or indirectly, any remuneration from the company for attendance to the EC meeting or any advisory or consultancy role or otherwise.

#### **8.2 ROLES AND FUNCTIONS OF THE EC:**

- (1) The responsibilities of the EC shall be to exercise the management of the Company's business subject to:
  - (a) the policies laid down, from time to time, by the Board of Directors;
  - (b) the Reserve Powers of the Board of Directors; and

- (c) any directions that the Board of Directors may give from time to time.
- (2) In particulars, but without limiting the foregoing, the duties of the EC shall include:
- (a) managing and directing the company and ensuring it run within the government framework agreed with the Board of Directors;
  - (b) making recommendations to the Board of Directors in respect of the Company's strategy and implementing the strategy approved by the Board of Directors;
  - (c) supervising the preparation of long range financial plans and budgets to be recommended to the Board of Directors annually for approval;
  - (d) considering matters referred from the pipelines or in-line committees that are material from a risk, financial, reputational or strategic perspective, and referring decisions to the Board of Directors as necessary or appropriate;
  - (e) approving the Company's overall R&D strategy and monitoring the progression of pipeline projects;
  - (f) monitoring the performance of the Company's in-line products against budget;
  - (g) reviewing the adequacy and effectiveness of the Company's internal controls and risk management systems;
  - (h) reviewing and advising the Board of Directors on proposed strategic transactions including acquisitions or disposals;
  - (i) managing internal talent and senior leadership succession planning;
  - (j) directing the Company's HR approach within parameters agreed with the Nomination and Remuneration Committee, including the reward framework;
  - (k) identifying, evaluating and monitoring the risks facing the company and deciding how they are to be managed. Reporting any significant internal control failings or weakness to the Audit Committee as well as Risk Management Committee;
  - (l) reviewing the divisional strategy plans and endorsing the Company's strategic plan for submission to the Board of Directors each year;
  - (m) reviewing, prior to submission to the Board of Directors or to the NRC as appropriate, proposals relating to the following:
    - (i) Pensions policy;
    - (ii) Investment policy;
    - (iii) Short and long term incentive arrangements;
    - (iv) Issues of new shares or debt instruments;

- (v) The form and content of the Annual and Quarterly Reports and Preliminary Statements and Internal Management Statements;
  - (vi) The Organization Planning Process;
  - (vii) Substantial acquisition of shares or assets;
  - (viii) Any Related party transactions;
  - (ix) Takeovers, Amalgamation and other organizational restructuring; and
  - (x) Appointment, retirement and promotion of employees.
- (n) reviewing the Company's annual budget prior to submission to the Board of Directors and monitoring monthly performance of the Company against approved plans;
- (o) reviewing the monthly acquisition/investment and divestment report and the Company's Corporate Development activity;
- (p) considering post-investment reviews prior to their submission to the Board of Directors;
- (q) approving and leading the implementation of business and operational processes to be deployed consistently across the Company including the work of the sub-committees, the Company's IT strategy and the work of the Procurement Directors' Team; and
- (r) discussing any matter which any member of the Committee believes to be of such importance that it should be brought to the attention of the Committee.



## **CHAPTER-D : ENVIRONMENT AND SOCIAL RESPONSIBILITIES COMMITTEE (ESRC)**

### **9.0 ENVIRONMENT AND SOCIAL RESPONSIBILITIES (ESR):**

- (1) For making policy and implementation of ESR, the company shall constitute an Environment and Social Responsibility Committee (ESRC) as a sub-committee of the Board of Directors.
- (2) The ESRC shall be comprised of at least 3 (Three) non-executive directors, out of which at least one director shall be an independent director, who shall meet at least twice in a financial year to discuss and review the ESR activities and policy of the company.
- (3) The quorum of the meeting of the ESRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher.
- (4) The board of directors shall select a member of ESRC to be Chair of ESRC, who shall be an independent director.
- (5) The company secretary shall act as the secretary of the Committee.
- (6) Responsibilities for Environmental Issues (REI):
  - (i) ESRC shall be responsible for making REI policy in line with the provisions /directives/ notifications/ requirements as per respective government authority as applicable for the respective industry/service sector as well as the implementation and monitoring of REI policy, is in compliance with the regulatory requirements.
  - (ii) ESRC shall also make a statement that the implementation and monitoring of REI policy is in duly compliance with the regulatory requirements, which shall also disclose in the Directors' Report as annexed in the Annual Report of the company.

### **(7) CORPORATE SOCIAL RESPONSIBILITIES (CSR):**

- (i) The company, which is holding its AGM regularly, paying dividend at least @ 10% or more, having no accumulated/retained loss, paying cash incentives to its employees/making fund for workers profit participation from its profits and complying with the provisions with regard to the CSR in force from time to time by the Government, is encouraged to make a fund for Corporate Social Responsibilities from its profits.
- (ii) The fund for CSR shall not be utilized other than the following purposes:
  - (a) stipends or scholarships program for promoting education for the poor or distressed families' children/students;
  - (b) contribution to the people in national natural calamities as well as contribution to the Prime Minister's Relief Fund or any other fund set up by the Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;

- (c) ensuring green environment or pollution free environment/society, environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water; and
- (d) contribution to any program/project/fund recognized by the government for improving medical support facilities of hospitals, e.g., medical equipments for kidney dialysis, heart surgery, etc.

Provided that contribution of any fund/amount directly or indirectly to any political party or political purpose or in the purpose of the company's promoters, sponsors, shareholders, directors, employees and their family members shall not be considered as CSR activity.

- (iii) The ESRC shall formulate a CSR Policy in line with the condition No. 9 (7) and recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor progress ensuring end-use of CSR fund and recommend it to the Board of Directors.
- (iv) The tax treatment of CSR spent shall be in accordance with the Income Tax Ordinance, 1984 as may be notified by the Tax Authority.
- (v) The board of directors shall, among others, disclose the followings in the Annual Report:
  - (a) A brief outline of the company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
  - (b) The composition of the ESRC;
  - (c) Average net profit of the company for last three financial years;
  - (d) Dividend paid during the last three financial years;
  - (e) Cash incentive/workers profit participation paid/made during last three financial years;
  - (f) CSR expenditure budgeted (showing % of net profit) on the basis of net profit for the last 3 financial years;
  - (g) Details of CSR spent during the financial year, mentioning the implementing agency;
  - (h) In case the company has failed to spend the prescribed/budgeted percentage of the average net profit of the last three financial year, reasons thereof; and
  - (i) A responsibility statement of the ESRC that the implementation and monitoring of CSR policy, is in compliance with CSR objectives/purposes as mentioned in condition No. 9(7) and policy of the company.

## CHAPTER–E : FINANCIAL REPORTING AND DISCLOSURES

### 10.0 FINANCIAL REPORTING AND DISCLOSURES:

The company, among others, shall also comply with the following conditions:

**10.1 PREPARATION OF FINANCIAL STATEMENTS:** The financial statements (annual/quarterly) of the company shall be prepared in accordance with the Securities and Exchange Rules, 1987 as well as the provisions of International Financial Reporting Standards (IFRS) /International Accounting Standards (IAS) as adopted in Bangladesh or as per requirements under Financial Reporting Act, 2015 as the case may be, unless otherwise any specifications specified in the referred Rules related to Issue or Issuer of securities.

**10.2 AUDITING OF FINANCIAL STATEMENTS:** (1) The company shall get its financial statements audited by the panel auditors or the firm of chartered accountants as declared by the Commission from time to time.

- (2) The company shall not appoint any firm of chartered accountants as its statutory auditors for a consecutive period exceeding three years.
- (3) The auditor/audit firm shall not also be eligible for performing the auditing of financial statements of the company for a consecutive period exceeding three years.
- (4) The chartered accountant /auditor/partner of an audit firm shall make the audit report in accordance with the International Standards on Auditing applicable in Bangladesh ensuring the provisions of the □□□□□□□□ আইন, ১৯৯৪ (১৯৯৪ □□□□ ১৮ □□ আইন), the Financial Reporting Act, 2015, securities laws and other relevant laws.
- (5) The chartered accountant/auditor/partner of the audit firm shall have to follow/ensure the compliance with the provisions/professionalisms/practices/ethics of International Standards on Auditing (ISA) applicable in Bangladesh and Bangladesh Auditing Practice Statements (BAPS) as well as Bangladesh Standards on Auditing, Assurance, and Ethics Pronouncements in conduction of auditing and issuing audit report.
- (6) The company shall not get its financial statements audited by any firm of chartered accountants or auditor which or who is convicted for any securities or exchange or financial related offence under any law or which or who has been declared ineligible by the Commission for acting as auditor of any issuer under sub-rule (3B) of rule 12 of the Securities and Exchange Rules, 1987.

**10.3 ADOPTION OF QUARTERLY FINANCIAL STATEMENTS:** (1) The company shall notify the Exchange and the Commission in advance the date and time of its board of directors' meeting specially called for consideration/adoption of its quarterly financial statements and for declaration of any entitlement (interim dividend) for the shareholders before 3 (three) working days of holding such meeting.

(2) The board of directors of the company, while considering/adopting any quarterly financial statements shall, in the same board meeting, declare the net asset value (NAV) per share, earnings per share (EPS) and net operating cash flow per share (NOCFPS) and if take any decisions with regard to recommending interim dividend for the shareholders on the basis of said financial statements which shall duly be audited, declare the shareholders who shall be entitled to such dividend:

Provided that no stock/bonus entitlement shall be declared as interim dividend:

Provided further that the board of directors may from time to time pay to the shareholders such interim dividend(s) as appear to the board of directors to be justified by the profits of the company on the basis of related periodical audited financial statements:

Provided further that the decision about recommending dividend and entitlement for such dividend cannot be changed:

Provided further that the issuer shall, among others, disclose comparative net asset value (NAV) per share, earnings per share (EPS) and net operating cash flow per share (NOCFPS) in respect of the previous period for such NAV per share, EPS and NOCFPS as declared for the current period's financial statements.

(3) It is optional that the company may call a conference on its quarterly financial statements/results for its shareholders/investors/analysts/financial reporters/stakeholders within the shortest possible time but not later than seven days from the date of adopting/considering of such quarterly financial statements by the board of directors and duly published in the national dailies and posted in the website.

(4) The Chairperson or the CEO, CFO and HIAC shall remain present in the conference, if it calls, for providing explanation on the quarterly financial results and to answer the queries of the shareholders/investors/analysts/financial reporters/stakeholders on the said financial results.

(5) The company shall notify the Exchange and the Commission in advance the date, time and venue of its conference specially called for quarterly financial statements/results before 3 (three) working days of holding such conference and

immediately publish such notice in at least two widely circulated national dailies, one in Bangla and the other in English.

**10.4 SUBMISSION OF QUARTERLY FINANCIAL STATEMENTS:** (1) The company excepting the life insurance company shall, within one month of end of the first quarter (Q1) of the financial year, submit quarterly financial statements (audited/un-audited) to the Exchange and the Commission, and publish the same in at least two widely circulated national dailies, one in Bangla and the other in English. In case of significant deviation in any parameter between the quarterly periods, the company shall provide reasons there for:

Provided that life insurance company shall, within 90 (ninety) days of end of Q1 of the financial year, submit quarterly financial statements (audited/un-audited) to the Exchange and the Commission, and publish them in the same manner as above.

(2) The company shall, within one month of end of the second quarter (Q2) of the financial year, submit quarterly financial statements (audited/un-audited) to the Exchange and the Commission, and publish the same in at least two widely circulated national dailies, one in Bangla and the other in English. In case of significant deviation in any parameter between the quarterly periods, the company shall provide reasons there for.

(3) The company shall, within one month of end of the third quarter (Q3) of the financial year, submit quarterly financial statements (audited/un-audited) to the Exchange and the Commission, and publish the same in at least two widely circulated national dailies, one in Bangla and the other in English. In case of significant deviation in any parameter between the quarterly periods the company shall provide reasons there for.

Disclosure of quarterly (Q1, Q2 and Q3) financial statements shall be in accordance with the provisions of the Securities and Exchange Rules, 1987 as well as the provisions of International Financial Reporting Standards (IFRS) /International Accounting Standards (IAS) as adopted in Bangladesh, as the case may be, unless otherwise any specifications specified in the referred Rules related to Issue or Issuer of securities along with special disclosures on: (a) detailed break-up or composition of shareholders' equity- paid-up capital, share premium and number of ordinary shares with face value & date of issue, Preference Share Capital, number of preference shares with face value & date of issue, conversion features of preference shares (if any) with conversion date, conversion features of any other securities (if any) with conversion date, detailed break-up of reserve & surplus; (b) Calculation of Net Asset Value Per Share; (c) Calculation of Earnings Per Share (Basic & Diluted); (d) Calculation of Net Operating Cash Flow Per Share; and (e) In addition to disclosures on direct method of cash flows, a reconciliation of Net Income or Net Profit with Cash Flows from operating activities- making adjustments of for non-

cash items, for non-operating items and for the net changes in operating accruals; and (f) Ratios on the financial statements as per **Annexure-C**.

#### **10.5 SUBMISSION OF ANNUAL FINANCIAL STATEMENTS AND OTHER**

**REPORTS:** (1) Annual financial statements of the company except Life Insurance Company shall be audited within ninety days from the date on which the issuer's financial year ends and a copy of such audited financial statements shall be submitted to the Commission and the Stock Exchange within fourteen days thereof:

Provided that listed life insurance company shall, within 30<sup>th</sup> June of Gregorian calendar, submit the audited annual financial statements to the Commission and the Stock Exchange:

Provided further that on application filed by the company except mutual fund under rule 12(3A) of the Securities and Exchange Rules, 1987, the Commission may on good cause shown and only under extreme circumstances extend the time for auditing the financial statements or submission of the financial statements to the Commission, as the case may, as it deems fit:

(2) Disclosure of annual audited financial statements shall be in accordance with the provisions of the Securities and Exchange Rules, 1987 as well as the provisions of International Financial Reporting Standards (IFRS) /International Accounting Standards (IAS) as adopted in Bangladesh, as the case may be, unless otherwise any specifications specified in the referred Rules related to Issue or Issuer of securities along with special disclosures on: (a) detailed break-up or composition of shareholders' equity- paid-up capital, share premium and number of ordinary shares with face value & date of issue, Preference Share Capital, number of preference shares with face value & date of issue, conversion features of preference shares (if any) with conversion date, conversion features of any other securities (if any) with conversion date, detailed break-up of reserve & surplus; (b) Calculation of Net Asset Value Per Share; (c) Calculation of Earnings Per Share (Basic & Diluted); (d) Calculation of Net Operating Cash Flow Per Share; (e) In addition to disclosures on direct method of cash flows, a reconciliation of Net Income or Net Profit with Cash Flows from operating activities- making adjustments of for non-cash items, for non-operating items and for the net changes in operating accruals; and (f) Ratios on the financial statements as per **Annexure-C**.

#### **10.6 ADOPTION OF ANNUAL FINANCIAL STATEMENTS:**

(1) The company shall notify the Exchange and the Commission in advance the date and time of its board of directors' meeting specially called for consideration/adoption of its annual audited financial statements and for declaration of any entitlement for the shareholders/unit holders before 7 (seven) days of holding such meeting.

- (2) The Board of Directors of the company, while considering/adopting annual audited financial statements shall, in the same Board of Directors' meeting, declare the Net Asset Value (NAV) per share, Earning Per Share (EPS) and Net Operating Cash Flow Per Share (NOCFPS) and also fix the date of the relevant annual general meeting and take specific decisions with regard to (a) recommending or not recommending dividend for the shareholders on the basis of said financial statements; and (b) the shareholders who shall be entitled to such dividend, if recommended:

Provided that the decision about recommending or not recommending dividend and entitlement for such dividend, if recommended, cannot be changed prior to holding of the annual general meeting:

Provided further that no dividend shall be paid other than out of profits of the year or any other undistributed profits:

Provided further that no dividend shall be declared out of the capital reserve account or the revaluation reserve account or any unrealized gain or out of profit earned prior to the incorporation of the company.

Provided further that in case of declaration of stock dividend for the year, the company shall explain the reason for declaring stock dividend and utilization of such retained amount as capital (stock dividend) shall be disclosed in the annual report:

Provided further that the company shall, among others, disclose comparative net asset value (NAV) per share, earnings per share (EPS) and net operating cash flow per share (NOCFPS) in respect of the previous year for such NAV per share, EPS and NOCFPS as declared for the current year's financial statements.

**10.7 AUTHENTICATION OF FINANCIAL STATEMENTS:** (1) Any un-audited financial statements of the company shall be authenticated on behalf of the Board of Directors signed by the Chief Executive Officer/Managing Director, at least two Directors including Chairperson, Chief Financial Officer/Head of Finance & Accounts and the Company Secretary until and unless otherwise required by applicable primary regulators.

- (2) Any audited financial statements of the company shall be authenticated as per the provisions of the □□□□□□□□ আইন, ১৯৯৪ (১৯৯৪ □□□□ ১৮ □□ আইন) and requirement of the Commission as well as requirement of primary regulator of the issuer, if any.

**10.8 POSTING OF FINANCIAL STATEMENTS IN THE WEBSITE:** The company shall make available the detailed financial statements (annual/quarterly) in its website as well as to make available the same in the website of the Exchange through link arrangement and in case of quarterly financial statements, to include the following

Para in bold letters at the end of the quarterly financial statements published in the newspapers:

**"The detail of the published quarterly financial statements is available in the website of the issuer of securities. The address of the website is....."**

**10.9 SUBMISSION OF ANNUAL REPORT:** (1) The company shall furnish copy of annual report in soft form or printed form as the case may be, [together with all relevant annual audited financial statements, management's discussion and analysis, report/certificate on compliance of corporate governance guidelines & Directors' Report, etc.] to the shareholders at least fourteen days before the general meeting of the shareholders of the issuer at which the report is to be laid before them and shall simultaneously furnish 30 (thirty) printed copies of such reports to the Commission and to the Exchange.

(2) The company shall publish its Annual Report in its website linked with the stock exchange within at least fourteen days before the annual general meeting of the shareholders of the company, with proper notification, specifying the web address, in two widely circulated national dailies (one in Bangla and one in English) for general information of the shareholders:

Provided that the company shall also send the Annual Report to the e-mail addresses of the shareholders available in their BO account with the depository.

(3) The company shall also print sufficient numbers of Annual Reports so that any shareholder may collect the printed copy of Annual Report from the registered address of the issuer or Investors' Relation Department or from the AGM venue if any shareholder requires in writing.

**10.10 ANNUAL GENERAL MEETING, etc:** (1) Annual general meeting (AGM) shall be held by the company within 45 (forty five) working days from the record date or commencement of book closure period, as the case may be.

(2) The company shall send all notices of Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) to the Exchange and simultaneously to the shareholders at least 14 (fourteen) days prior to AGM and 21 (twenty one days) prior to EGM:

Provided that the company shall also publish such notice & agenda of such meetings in two widely circulated national dailies (one in Bangla and other in English) and simultaneously publish the same in the website of the issuer linked the stock exchange.



Provided further that the company shall also send such notice & agenda of such general meetings to the e-mail addresses of the shareholders available in their BO accounts with the depository:

- (3) The company shall hold their annual general meeting in each year of the Gregorian Calendar and the issuer shall hold discussions in its annual general meeting strictly in conformity with the provisions of the □□□□□□□□ আইন, ১৯৯৪ (১৯৯৪ □□□□ ১৮ □□ আইন):

Provided that no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities:

It is optional that subject to prior approval of the Commission, the company may, with due recommendation of the stock exchange(s), hold its general meeting through video conference duly ensuring of electronic attendance and voting system where the investors are able to make any questions on the company's affairs and other issues and able to establish their rights on the company.

- (4) The Annual General Meeting (AGM) shall be held within the city, town or locality in which the registered office of the company situated:

Provided that the Commission may, in special circumstances, upon application of the company, permit for holding of such AGM at any other place.

- (5) The company shall make continuous and uninterrupted audio visual recording of the entire proceedings of its general meeting (AGM/EGM) or any meeting called by the Board of Trustee for fund with the unit holders and shall furnish a copy of the same in unedited form within the shortest possible time but not later than three working days from the date of holding of the said general meeting (AGM/EGM) to the Commission and to the Exchange:

Provided further that any resolutions taken therein shall be sent to the Commission and the Exchange(s) within half an hour if such resolutions contain any price sensitive information.

- (6) The company shall furnish copies of attendance of shareholders/unit holders and minutes of its general meeting (AGM/EGM) or any meeting called by the Board of Trustee to the Exchange and to the Commission within 14 days of holding of such general meeting.

- (7) In addition to condition No.10.10(1) to 10.10(6) above, the company shall ensure compliance with the provisions of the Bangladesh Secretarial Standards (BSS)-2 and BSS-3 as adopted by the Institute of Chartered Secretaries of Bangladesh with regard to conducting its general meetings and recording the

minutes of the meetings as well as keeping required books and records in so far as those standards are not inconsistent with any conditions of these Corporate Governance codes.

(8) The company shall, within 30 (thirty) days of declaration or approval, as the case may be, based on the written option collected from the securities holder concerned, pay off the dividend,-

(a) through transfer of cash dividend to the bank of the securities holder for depositing into the securities holder 's account:

Provided that, the securities holder will bear the applicable service charge, if any, of the securities holder's banker, and also that the issuer shall simultaneously issue a letter of intimation to the securities holder containing, among others, the amount of tax deducted at source, if any, the date and amount remitted with details of the bank through and to which bank such remittance has been effected; or through issuance of cash dividend warrant in the name and address of the securities holder concerned as provided in the beneficial owner's (BO) account set up in case of dematerialized securities, or as provided by the securities holder in case of paper securities;

(b) through transfer of stock dividend into the beneficial owner's (BO) account of the shareholder in case of dematerialized share, or through issuance and delivery of the share certificate to the shareholder in case of paper share.

(9) The Exchange shall notify the fact of dividend payment default and the name of defaulting company by notice or through online news of the Exchange.

(10) The company shall submit a compliance report to the Exchange and to the Commission in the format prescribed by the Commission in respect of dividend payment within 7 (seven) working days.

(11) If the board of directors of the company recommends dividend for the securities holders, excluding the sponsors and/or directors, the board of directors, in its same meeting, shall also declare, as price sensitive information, the quantity of securities held by the said sponsors and/or directors who will not be entitled to such recommended dividend and the amount payable to the general securities holders as dividend.

(12) The said sponsors and/or directors who will not be entitled to the recommended dividend, as mentioned at code 10.10(11) above, shall be barred from disposing off their securities through the Exchange during the period from the date of holding concerned board of directors' meeting to the date of holding of concerned general meeting.

(13) The company shall, among others, specifically and clearly mention the following in its resolutions of every annual general meeting:

- (i) the reasons, if any, for partial or non-distribution of profit, as the case may be, to the shareholders as dividend; and
- (ii) the issuer's plan (with schedule) for utilization of the undistributed profits, if there be any:

Provided that the board of directors shall submit a detailed report on utilization position of clause (ii) above in the next annual general meeting of the company for shareholders' consideration:

Provided further that the aforesaid condition shall not apply in respect of a company which would recommend at least 10% dividend on the face value/paid-up capital for the relevant financial year.

- (14) The company shall ensure compliance with the provisions of the Bangladesh Secretarial Standards (BSS)-4 as adopted by the Institute of Chartered Secretaries of Bangladesh with regard to dividend in so far as that standard is not inconsistent with any conditions of these Corporate Governance codes.
- (15) In case of any litigation with regard to the pending AGM(s), the company shall not declare any dividend or rights offer until the matter is resolved by the competent Court.

#### **10.11 DISCLOSURE OF STAKEHOLDERS POLICIES:**

The company shall have, among others, specific policies for its following stakeholders focusing their rights and responsibilities, voting and control, relationship, conflict of interest, protection of interest, agreement and contract, transactions with the company and code of conduct etc., which shall also be disclosed in the Company's website as mentioned at code No.10.12:

- (a) Shareholders (Ordinary and Preference);
- (b) Creditors (Bond/Debenture holders and Banks & Financial Institutions as lenders);
- (c) Management and Employees;
- (d) Board of Directors;
- (e) Customers;
- (f) Suppliers;
- (g) Government and regulators; and
- (h) Environment, Social and Governance (ESG).

- 10.12 WEBSITE:** (1) The company shall have an official website linked with the website of the Stock Exchange. The issuer shall keep the website functional from the date of listing.
- (2) The website of the company shall contain, among others, the following basic information from the date of listing:
- (a) Affairs of the company along with details of its business;
  - (b) Profile along with the photographs of Board of Directors and senior management (MD/CEO, CS, CFO, HIAC, HICT, etc.) of the issuer;
  - (c) List/composition of sub-committees of Board of Directors (Audit Committee, Nomination and Remuneration Committee, Risk Management Committee and CSR Committee, etc) and Executive Committee along with short profile of the Committee Members;
  - (d) Terms and Conditions for appointment of independent directors;
  - (e) Code of conduct for Board of Directors and Senior Management;
  - (f) Details of whistle blower policy, if any;
  - (g) Remuneration criteria/policy for non-executive directors including independent directors;
  - (i) The latest Annual Report;
  - (j) Notice of board meeting to consider/adopt quarterly/annual financial results or financial statements;
  - (k) Quarterly/annual financial results or financial statements approved in the board meeting;
  - (l) Detailed information on quarterly financial statements (at least last six quarterly financial statements) and annual audited financial statements (at least recent five years annual audited financial statements);
  - (m) Policy to determine material information and details of the authorized Key Managerial Personnel;
  - (n) Corporate Social Responsibility Policy;
  - (o) All price sensitive information;
  - (p) Notice and agenda of AGM/EGM;
  - (q) Related party transactions policy;
  - (r) Financial statements of parent/subsidiary/associates;
  - (s) Information Memorandum/documents relating to substantial acquisition, takeovers, merger and other reconstructions;
  - (t) Prospectus/Documents relating to public offering/Rights issue;
  - (u) Dividend policy;
  - (v) List of shareholders in case dividend remains unpaid;

- (w) Details of resignation of directors and senior management personnel;
- (x) Details with status regarding any litigation, conviction, violation of securities laws, non-compliance of regulators requirement, loan defaulter, etc., by the company, its directors and top management;
- (y) Details of shareholding (segregate with Sponsors/directors, Institutions and General Shareholders and percentage of holding);
- (z) Details of shareholdings position of sponsors/directors, trading of shares, declaration and status report of buy/sale by them;
- (z1) Stakeholders' policies as required under condition No. 10.11;
- (z2) Status of compliance with the corporate governance guidelines;
- (z3) Name & contact address and number (Fax, e-mail & telephone) of the officials of Investors' Relation Department;
- (z4) Name & contact address and number (Fax, e-mail & telephone) of the Focal Point Official assigned for the Corporate Governance issue; and
- (z5) A separate page on complaint redressal system (along with contact details of complaint redressal team)
- (z6) Utilization status of fund raised through IPO/RPO/Rights issue/Private placement in prescribed format.

**10.13: E-FILING OF INFORMATION/DOCUMENTS, etc.:** The company shall file the information/documents in prescribed electronic format to the Commission and to the Exchange as and when required by the Commission or the Stock Exchange.

**10.14: DISCLOSURE OF PRICE SENSITIVE INFORMATION:**

The company shall make full disclosure of all decisions, may mean price sensitive information, as defined in the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ or any other rules or regulations:

Provided that the company shall make written report (signed by Chairperson or Managing Director/Chief Executive Officer or Company Secretary) of its price sensitive information within thirty minutes of the decision on such information to the Exchange and the Commission by fax, through electronic communication and by special messenger or by courier service as the case may be and immediately ensure publication of such information/decision in two widely circulated daily newspapers, one in Bangla and the other in English:

Provided further that the board of directors of the company shall hold the board of directors' meeting involving price sensitive decision either after the trading hour or on a holiday.

Provided further that the company shall make continuous and uninterrupted audio visual recording of the entire proceedings of its board of directors' meeting,

involving price sensitive decision and shall furnish a copy of the same in unedited form within the shortest possible time but not later than three working days from the date of holding of the said meeting to the Commission and to the Exchange.

#### **10.15 DECLARATION OF SPONSORS OR DIRECTORS FOR BUYING AND SELLING OF SECURITIES:**

- (1) Every sponsor or director of a company shall simultaneously submit a written report to the Exchange and to the Commission about his intension to buy or sell or otherwise dispose of the securities of the company held by him in that company in the prescribed format (as prescribed in the Exchange's listing regulations) along with his declaration. The Exchange shall disseminate such declaration of sponsors or directors through the trading system of the Exchange.
- (2) Every placement holder of a company shall simultaneously submit a written report to the Exchange and to the Commission about his intension to sell or otherwise dispose of the securities held by him in that company in the prescribed format (as prescribed in the Exchange's listing regulations) along with his declaration.

#### **10.16 SUBMISSION OF STATEMENT OF MONTHLY SHAREHOLDING POSITION AND FREE FLOAT REPORTING:**

- (1) The company shall submit the statement of shareholding position (shareholding of Sponsor/Director and shareholders who hold 10% or more) in the prescribed format (as prescribed in the Exchange's listing regulations) of previous month within tenth day of each month of English Calendar to the Exchange and to the Commission.
- (2) The company shall submit the statement of shareholding position and free-float reporting showing the shareholding position of, among others, each sponsor/director, foreigner, institution and shareholder who hold 5% or more in the prescribed format (as prescribed in the Exchange's listing regulations) within seventh day of each month of English Calendar to the Exchange.

#### **11.0 EXTERNAL/STATUTORY AUDITORS:**

- (1) The issuer company shall not engage its external/statutory auditors to perform the following services of the company; namely:-
  - (i) Appraisal or valuation services or fairness opinions;
  - (ii) Financial information systems design and implementation;

- (iii) Book-keeping or other services related to the accounting records or financial statements;
  - (iv) Broker-dealer services;
  - (v) Actuarial services;
  - (vi) Internal audit services or special audit services;
  - (vii) Any other service that the Audit Committee determines;
  - (viii) 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/her family members also shall not hold any shares in the said company.  
Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.
  - (ix) Audit/certification services on compliance of corporate governance codes as required under clause (i) of condition No. 13(1); and
  - (x) Any other service that creates conflict of interest.
- (2) External/statutory auditors shall submit a signed and dated declaration annually to demonstrate their independence which shall also be included in Annual Report of the company.
- (3) Representative of external/statutory auditors shall remain present in the Shareholder's Meeting (AGM/EGM) to answer the queries of the shareholders.

## **CHAPTER-F: MISCELLANEOUS**

### **12.0 THE EXCHANGE'S ROLES ON COMPLIANCE OF CORPORATE GOVERNANCE CODES BY THE COMPANY:**

- (1) The Exchange shall review the annual reports and the reports on compliance of corporate governance of the listed companies within thirty days of receiving such reports.
- (2) The Exchange shall also inspect on cause and on routine basis, the compliance status of corporate governance codes of all the listed company and every listed company shall be inspected at least once in every two Gregorian calendar years with intimation to the Commission and shall report to the Commission within fifteen days of completion of such inspection on regular basis.
- (3) The Exchange shall also collect information/data from every listed company in each Gregorian calendar year as per questionnaire prescribed by the Commission from time to time and shall report to the Commission after analyzing such information /data within 30 (thirty) days of ending of each Gregorian calendar year.

- (4) Without prejudice to the provisions of clause (1), (2) and (3) above, every listed company and its directors, officers, auditors or authorized persons thereof shall furnish such documents, information, clarification or explanation relating to the annual report, report on compliance of corporate governance and questionnaire as the Exchange may require with intimation to the Commission, at any time, by request in writing:

Provided that the listed company and its directors, officers, auditors or authorized persons shall be allowed at least seven days' time for furnishing such documents, information, clarification or explanation to the Exchange .

- (5) The Exchange(s) shall submit a report in each month to the Commission within tenth day of next month of the reporting month of the Gregorian calendar incorporating its findings or recommendations on anomalies/non-compliances that observed from the annual reports and compliance reports on corporate governance of listed companies as well as from the inspection conducted under clause (2) above.
- (6) For making pool of prospective independent directors, the Exchange(s) shall maintain a separate page in its website where the individual interested to be the independent director of any listed company may provide information by filling up a form which has been developed by the Exchange(s) in line with the provisions of the condition No.1.2 & 1.3 of the Corporate Governance Codes (CGC). From the said pool, the company may select its prospective independent director(s) and apply for the Commission's clearance in this regard under the condition No. 1.2(iii) of the CGC.

### **13.0 REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:**

- (1) The company shall obtain a certificate (**as prescribed at Annexure-E**) from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) other than its statutory auditors/audit firm on yearly basis regarding compliance of conditions of Corporate Governance codes of the Commission and such certificate shall be disclosed in the Annual Report:

Provided that representative of professional who provides such compliance certificate shall remain present in the annual general meeting (AGM) to answer the queries of the shareholders.

**Explanation:** Chartered Accountant means Chartered Accountant as defined in The Bangladesh Chartered Accountants Order, 1973 (President's Order No. 02 of 1973) Cost and Management Accountant means Cost and Management Accountant as defined in the Cost and Management Accountants Ordinance,



1977 (Ordinance No. LIII of 1977); Chartered Secretary means Chartered Secretary as defined in the চার্টার্ড সেক্রেটারীজ আইন, ২০১০ (২০১০ সনের ২৫ নং আইন).

- (3) The professional who will provide the certificate on compliance of corporate governance codes shall be appointed by the shareholders in the annual general meeting.
- (4) The directors of the company shall state, in accordance with the **Annexure-F** attached, in the directors' report whether the company has complied with these conditions.
- (5) The company shall disclose, in accordance with the **Annexure-G** attached, in the annual report whether the company has developed policies and procedures assessment checklist with a view to ensuring good governance in the company.

#### **14.0 COMPLIANCE OF OTHER LAWS:**

In addition to the securities laws, the listed companies shall have to comply with all laws of land relevant to them, i.e., the Companies Act, 1994, the Banking Companies Act, 1991, the Financial Institution Act, 1993, The Insurance Act, 2010, The Telecommunication Act, 2001, Bangladesh Energy Regulatory Commission Act, 2010, The Bangladesh Labour Act, 2013, The Income-Tax Ordinance, 1984, The Environment Conservation Act, 2010, the Financial Reporting Act, 2015 for ensuring of better governance in the listed companies.

This Notification shall be complied within 31 December 2018.

**Check List for Appointment of Independent Director**

[In compliance with the provisions of the following conditions of the Commission's Notification No. BSEC/CMRRCD/..... dated ....., 2017 on CGG under condition No. 1.2(iii)]

| <b>Condition No.</b> | <b>Particulars</b>   | <b>Information/Comment/ Status</b> |
|----------------------|--|------------------------------------|
| 1.2(i)               | <p>Whether at least one fifth (1/5<sup>th</sup>) but not more than two third (2/3<sup>rd</sup>) of the total number of directors in the company's board shall be independent directors or not;</p> <p>Any fraction shall be considered to the next whole integer/number for calculating number of independent director(s):</p> <p>Provided that in case of banking company, no banking company shall have directors exceeding 20 (twenty) in total including at least 3 (three) independent directors:</p> <p>Provided further that if the number of directors of a banking company is less than 20 (twenty), the number of independent directors shall be at least 2 (two).</p> |                                    |
| 1.2(ii)(a)           | <p>Whether the Independent Director is related to promoters or sponsors or directors or persons occupying positions at the board level or at management level including Managing Director (MD)/Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC) and Head of Information and Communication Technology (HICT) on the basis of family relationship as explained under condition No.1.2(ii)(g) or not;</p>   |                                    |
| 1.2(ii)(b)           | <p>Whether the Independent Director has been an executive of the company in immediately preceding 2 (two) financial years or not;</p>  |                                    |
| 1.2(ii)(c)           | <p>Whether the Independent Director is a material supplier, service provider or customer or a lessor or lessee of the company or not;</p>  |                                    |
| 1.2(ii)(d)           | <p>Whether the Independent Director is a nominated director of the company or not;</p>   |                                    |
| 1.2(ii)(e)           | <p>Whether the Independent Director is holding any share in the company or not;</p>  |                                    |

|            |   |  |
|------------|---|--|
| 1.2(ii)(f) | Whether the Independent Director is a promoter or sponsor or director of the company or not;  |  |
| 1.2(ii)(g) | <p>Whether the Independent Director is connected with any sponsors or promoters or directors of the company or any of its associates, sister concerns, subsidiaries and parents/holding entities or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship or not;</p> <p>Whether his family members and extended family members are holding above mentioned shares in the company or not;</p> <p>Provided that spouse, son, daughter, father, mother, brother, sister, step-father, step-mother, step-brother, step-sister, adopted son, adopted daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grand-son, grand-daughter, grand-father, grand-mother, uncle, aunt, cousin, nephew and niece shall be considered as family members and extended family members;</p> |  |
| 1.2(ii)(h) | <p>Whether the Independent Director has any other relationship apart from receiving the director's remuneration, whether pecuniary or otherwise, with the company, or its promoters or sponsors, directors and senior management or its holding company, subsidiaries, associates and sister concerns or not;</p> <p><b>Explanation:</b> Senior Management includes Managing Director (MD)/Chief Executive Officer (CEO), Additional/Deputy Managing Director (AMD/DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Information and Communication Technology (HICT), Head of Administration &amp; Human Resources and same level/ranked/salaried officials of the company.;</p>  |  |
| 1.2(ii)(i) | Whether the Independent Director is associated with any entity that received significant contributions or donations from the company and its holding company, subsidiaries, associates and sister concerns or with any entity that contributed or donated significant amount to the company and its holding company, subsidiaries, associates and sister concerns or not;   |  |
| 1.2(ii)(j) | Whether the Independent Director is a member/TREC holder, director or officer of any stock exchange or  |  |

|            |   |  |
|------------|---|--|
|            | not;  |  |
| 1.2(ii)(k) | Whether the Independent Director is a shareholder, director or officer of any member/TREC holder of stock exchange or not;  |  |
| 1.2(ii)(l) | Whether the Independent Director is a shareholder, director or officer of an intermediary of the capital or securities market excepting the subsidiaries of banks, NBFIs and insurance companies or not;  |  |
| 1.2(ii)(m) | Whether the Independent Director is a partner or an executive or was not a partner or an executive during the preceding 3 (three) years or not, of any of the following capacities with the company:<br><br>(i) the statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of corporate governance codes; and<br><br>(ii) the legal firm(s) and consulting firm(s) that have a material association with the company. |  |
| 1.2(ii)(n) | Whether the Independent Director is an independent director in more than 5 (five) listed companies or not;  |  |
| 1.2(ii)(o) | Whether the Independent Director has been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advances or any dues of utility bills or not;   |  |
| 1.2(ii)(p) | Whether the Independent Director has been convicted by any competent Court for any criminal offence including moral turpitude, forgery and monetary offence as well as convicted for any capital market manipulation and any other non-compliance of securities laws or not;  |  |
| 1.2(iii)   | Whether the Independent Director(s) is (are) appointed by the board of directors with prior clearance from the Commission and placed for approval of the shareholders in the Annual General Meeting (AGM) or not.<br><br>Whether the company applied to the Commission for such clearance of appointment of independent director(s) along with checklist as per <b>Annexure-A</b> and a recent passport size photograph & a detailed resume of independent director(s) or not.                                    |  |
| 1.2(iv)    | Whether the post of Independent Director(s) remained vacant for more than 90 (ninety) days or not;  |  |
| 1.2(v)     | Whether the tenure of office of the Independent   |  |

|          |  |  |
|----------|--|--|
|          | <p>Director is fixed for a period of 3 (three) years or not. Whether the tenure of the Independent Director has already been extended for 1 (one) term or not:</p> <p>Provided that a former independent director may be re-considered for re-appointment for another 1(one) term [i.e., 3 (three) years] after a time gap (cooling of period) of 1 (one) term [i.e. 3 (three) years] from his completion of consecutive 2 (two) terms [i.e. 6 (six) years]:</p> <p>Provided further that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.</p> <p><b>Explanation:</b> For the purpose of counting tenure or term of independent director, any partial term of a term shall be deemed to be a full term.</p> |  |
| 1.2(vi)  | While appointing independent director(s), whether a formal letter of appointment specifying the roles and responsibilities of independent director(s) as well as code of conduct of the board members is issued or not.  |  |
| 1.2(vii) | Whether each independent director is submitted a signed and dated declaration annually to demonstrate his independence to the Board of Directors of the company with intimation to the Commission as per <b>Annexure-B</b> or not.   |  |
| 1.3(a)   | <p>Whether the independent director is a knowledgeable individual with integrity, able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business or not.</p> <p>Whether the independent director has competence relevant to the sector in which the company operates or not.</p>  |  |
| 1.3(b)   | <p>Whether the independent director has the following qualifications or not:</p> <p>(i) Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 200.00 million or any listed company or a member of any national or international chamber of commerce or business association; or</p> <p>(ii) Corporate Leader who is/was a top level executive</p>   |  |

|          |   |  |
|----------|---|--|
|          | <p>not lower than chief executive officer or managing director or deputy managing director or chief financial officer or head of finance/accounts or company secretary or head of internal audit &amp; compliance or head of information and communication technology or head of legal service of an unlisted company having minimum paid-up capital of Tk. 200.00 million or of a listed company ; or</p> <p>(iii) Bureaucrat or Government Official who is/was an employee of government or statutory or autonomous or regulatory body in the position not below grade-5 of the national pay scale, having at least educational background of bachelor degree in economics or commerce or business or law; or</p> <p>(iv) University Teacher; or</p> <p>(v) Professional who is/was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a practicing Chartered accountant or Cost and Management Accountant or Chartered Secretary.</p> |  |
| 1.3(c)   | Whether the independent director has at least 12 (twelve) years of experiences in any field mentioned above clause (b) or not.  |  |
| 1.2(iii) | Whether details resume along with a recent passport size photograph of independent director is attached or not.   |  |

We declare that to the best of our knowledge and belief the information given in this check list and statements/documents attached/annexed herewith are correct and complete.

Independent Director  
(Proposed for appointment)

Managing Director/CEO

Chairman

**DECLARATION**

(Pursuant to condition 1.2(vii) of the Commission Notification No. .... dated ..... on the Corporate Governance Codes to be made at the first meeting of the Board of Directors in every financial year by the Independent Director (s) of the Company on fulfillment of the criteria of independence.)

|  |  |  |
|--|--|--|
| Name   |  |  |
| Residential Address  |  |  |
| Designation  |  |  |
| Declaration confirming/meeting the criteria of Independency under Condition 1.2(vii) of the Corporate Governance Codes |  |  |
|  | I am a person of integrity and possesses relevant expertise and experience in the opinion of the Board;  |  |
|  | I am/was not related to promoters or sponsors or directors or persons occupying positions at the board level or at management level including Managing Director (MD)/ Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC) and Head of Information and Communication Technology (HICT) on the basis of family relationship as explained under condition No.1.2(ii)(g); |  |
|  | I am/was not an executive of the company in immediately preceding 2 (two) financial years;   |  |
|  | I have/had no material relationship with a supplier, a service provider, a customer, a lessor or a lessee of the company;  |  |
|  | I am/was not a nominated director of the company;  |  |
|  | I am /was not holding any share in the company;  |  |
|  | I am/was not a promoter or sponsor or director of the company;   |  |
|  | I am/was not connected with any sponsors or promoters or directors of the company or any of its associates, sister concerns, subsidiaries and parents/holding entities or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship. His family members and extended family members also should not hold above  |  |

|  |  |  |
|--|--|--|
|  | <p>mentioned shares in the company;<br/>         Provided that spouse, son, daughter, father, mother, brother, sister, step-father, step-mother, step-brother, step-sister, adopted son, adopted daughter, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grand-son, grand-daughter, grand-father, grand-mother, uncle, aunt, cousin, nephew and niece shall be considered as family members and extended family members;</p>   |  |
|  | <p>I have/had not any other relationship apart from receiving the director's remuneration, whether pecuniary or otherwise, with the company, or its promoters or sponsors, directors and senior management or its holding company, subsidiaries, associates and sister concerns;</p> <p><b>Explanation:</b> Senior Management includes Managing Director (MD)/Chief Executive Officer (CEO), Additional/Deputy Managing Director (AMD/DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Information and Communication Technology (HICT), Head of Administration &amp; Human Resources and same level/ranked/salaried officials of the company.</p> |  |
|  | <p>I am/was not associated with any entity that received significant contributions or donations from the company and its holding company, subsidiaries, associates and sister concerns or with any entity that contributed or donated significant amount to the company and its holding company, subsidiaries, associates and sister concerns;</p>   |  |
|  | <p>I have no involvement with a member/TREC holder, director or officer of any stock exchange;</p>   |  |
|  | <p>I have no involvement with a shareholder, director or officer of any member/TREC holder of stock exchange ;</p>   |  |
|  | <p>I have no involvement with a shareholder, director or officer of an intermediary of the capital or securities market;</p>   |  |
|  | <p>I am/was not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years, of any of the following capacities with the company:</p>  |  |



|  |   |  |
|--|---|--|
|  | <p>(i) the statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of corporate governance codes; and</p> <p>(ii) the legal firm(s) and consulting firm(s) that have a material association with the company.</p>  |  |
|  | I am not involved as an independent director in more than 5 (five) listed companies;  |  |
|  | I have/had not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advances or any dues of utility bills;  |  |
|  | I have/had not been convicted by any competent Court for any criminal offence including moral turpitude, forgery and monetary offence as well as convicted for any capital market manipulation and any other non-compliance of securities laws.   |  |
|  | I am not related to promoters or directors in the company, its holding, subsidiary or associate company   |  |
|  | I have/had no pecuniary relationship with the company, its holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year  |  |
|  | I am knowledgeable with integrity and able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contribution to the business. I have also competence relevant to the sector in which the company operates.   |  |
|  | <p>I have the following qualifications :</p> <p>(i) Business Leader who is/was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 200.00 million or any listed company or a member of any national or international chamber of commerce or business association; or</p> <p>(ii) Corporate Leader who is/was a top level executive not lower than chief executive officer or managing director or deputy managing director or</p> |  |

|  |   |  |
|--|---|--|
|  | <p>chief financial officer or head of finance/accounts or company secretary or head of internal audit &amp; compliance or head of information and communication technology or head of legal service of an unlisted company having minimum paid up capital of Tk. 200.00 million or of a listed company ; or</p> <p>(iii) Bureaucrat or Government Official who is/was an employee of government or statutory or autonomous or regulatory body in the position not below grade-5 of the national pay scale, having at least educational background of bachelor degree in economics or commerce or business or law; or</p> <p>(iv) University Teacher; or</p> <p>(v) Professional who is/was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered accountant or Cost and Management Accountant or Chartered Secretary.</p> |  |
|  | I have at least 12 (twelve) years of experiences in any field mentioned above clause (b)  |  |
|  |   |  |

I declare that to the best of my knowledge and belief the information given above are correct and complete.

Place:  
Date:

(Name \_\_\_\_\_)  
Independent Director

**Ratios as per disclosure requirement at condition No. 1.6(xix)**

**(A) Activity Ratios**

Activity ratios measure how efficiently a company perform day to day tasks, such as the collection of receivables and management of inventory:

- (1) Inventory turnover = Cost of sales or cost of goods sold / Average inventory
- (2) Days of inventory on hand (DOH) = Number of days in period / Inventory turnover
- (3) Receivables turnover = Revenue / Average trade receivables
- (4) Days of sales outstanding (DSO) = Number of days in period / Receivables turnover
- (5) Payables turnover = Purchases / Average trade payables
- (6) Number of days of payables = Number of days in period / Payables turnover
- (7) Working capital = Revenue / Average working capital
- (8) Fixed asset turnover = Revenue / Average net fixed assets
- (9) Total asset turnover = Revenue / Average total assets

**(B) Liquidity Ratios**

Liquidity ratios measure the company's ability to meet its short term obligations:

- (1) Current ratio = Current assets / Current liabilities
- (2) Quick ratio = (Cash + Short-term marketable investments + Receivables) / Current liabilities
- (3) Cash ratio = (Cash + Short-term marketable investments) / Current liabilities
- (4) Defensive interval ratio = (Cash + Short-term marketable investment + Receivables) / Daily Cash Expenditures
- (5) Cash conversion cycle (net operating cycle) = DOH + DSO - Number of days payables

**(C) Solvency Ratios**

Solvency ratios measure the company's ability to meet its long –term and short-term obligations:

- (1) Debt-to –assets ratio = Total debt / Total assets
- (2) Debt-to-capital ratio = Total debt / Total debt + Total shareholders' equity
- (3) Debt-to equity ratio = Total debt / Total shareholders' equity
- (4) Financial leverage ratio = Average total assets / Average total equity
- (5) Interest coverage = EBIT / Interest payments
- (6) Fixed charge coverage = (EBIT + Lease payment) / (Interest payments + Lease payments)

### **(D) Profitability Ratios**

Profitability ratios measure the company's ability to generate profits from its resources (assets):

- (1) Gross profit margin =  $\text{Gross profit} / \text{Revenue}$
- (2) Operating profit margin =  $\text{Operating income} / \text{Revenue}$
- (3) Pretax margin =  $\text{EBT (earnings before tax but after interest)} / \text{Revenue}$
- (4) Net profit margin =  $\text{Net income} / \text{Revenue}$
- (5) Operating ROA =  $\text{Operating income} / \text{Average total assets}$
- (6) ROA =  $\text{Net income} / \text{Average total assets}$
- (7) Return on total capital =  $\text{EBIT} / \text{Short-and long-term debt and equity}$
- (8) ROE =  $\text{Net income} / \text{Average total equity}$
- (9) Return on common equity =  $(\text{Net income} - \text{preferred dividends}) / \text{Average common equity}$

### **(E) Valuation Ratios**

- (1) P/E =  $\text{Price per share} / \text{Earning per share}$
- (2) P/CF =  $\text{Price per share} / \text{Cash flow per share (Operating)}$
- (3) P/S =  $\text{Price per share} / \text{Sales per share}$
- (4) P/BV =  $\text{Price per share} / \text{Book value per share}$
- (5) Basic EPS =  $\text{Net income minus preferred dividends} / \text{Weighted average number of ordinary shares outstanding}$
- (6) Diluted EPS =  $\text{Adjusted income available for ordinary shares, reflecting conversion of dilutive securities} / \text{Weighted average number of ordinary and potential ordinary shares outstanding.}$
- (7) Cash flow per share =  $\text{Cash flow from operations} / \text{Weighted average number of shares outstanding.}$
- (8) EBITDA per share =  $\text{EBITDA} / \text{Weighted average number of shares outstanding.}$
- (9) Dividends per share =  $\text{Common dividends declared} / \text{Number of common shares outstanding.}$
- (10) Dividend payout ratio =  $\text{Common share dividends} / \text{Net income attributable to common shares}$
- (11) Retention rate (b) =  $(\text{Net income attributable to common shares} - \text{Common share dividends}) / \text{net income attributable to common shares.}$
- (12) Sustainable growth rate =  $b * \text{ROE}$

## (F) Cash Flow Ratios

- (1) Cash flow to revenue = CFO/Net revenue
  - (2) Cash return on assets = CFO/ Average total assets
  - (3) Cash return on equity = CFO/ Average shareholders' equity
  - (4) Cash to income = CFO/ Operating income
  - (5) Cash flow per share = (CFO – Preferred dividends) / Number of common shares outstanding
  - (6) Debt coverage = CFO/Total debt
  - (7) Interest coverage = (CFO + Interest paid + Taxes paid) /Interest paid
  - (8) Reinvestment = CFO/Cash paid for long-term assets
  - (9) Debt payment = CFO/ Cash paid for long-term debt repayment
  - (10) Dividend payment = CFO/ Dividends paid
  - (11) Investing and financing = CFO/Cash outflows for investing and financing activities.
  - (12) FFO (Funds from operations ) to Debt = FFO/Total Debt
  - (13) Free operating cash flow to Debt = CFO or Cash Flow from operations (Adjusted) minus Capital Expenditures/Total Debt
  - (14) Discretionary cash flow to Debt = CFO minus capital expenditures minus dividends paid/Total Debt
  - (15) Net cash flow to capital expenditures = FFO minus dividends/ Capital Expenditures
  - (16) Free cash flow to the firm = CFO + Interest (1-Tax Rate) – Fixed Capital Expenditures
  - (17) Free cash flow to the equity = CFO - Fixed Capital Expenditures + Net Borrowing or – Net repayment
- \* CFO = Cash flows from operations.

**Name of the company ( ..... Ltd.)  
CEO & CFO's Declaration**

Date: .....

The Board of Directors  
..... Limited  
.....  
.....  
.....

**Subject: Declaration on Financial Statements for the year ended on.....**

Dear Sirs,

Pursuant to the condition No. 1.6(xxxvi) imposed vide the Commission's Notification No. .... Dated ..... under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of ..... Limited for the year ended on ..... are prepared in compliance with International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS)/ Bangladesh Financial Reporting Standards (BFRS), as applicable in the Bangladesh and any departure there-from has been adequately disclosed;
- (2) The estimates and judgements related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs reasonably and fairly presented;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) In case, there are inherent limitations that should be recognized in weighing the assurance provided by any system of internal controls and accounting.

In this regard, we also certify that: -

- i) We have reviewed the financial statements for the year ended on ..... and that to the best of our knowledge and belief:

- a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - b) these statements together presents a true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violation of the Company's code of conduct.

Sincerely yours,

**(Name & Signature with date)**  
Chief Executive Officer (CEO)

**(Name & Signature with date)**  
Chief Financial Officer (CFO)

**Annexure-E**  
**[Certificate as per condition No...1.6(xxxvii)]**

**Report to the Shareholders of ..... Limited on compliance  
on Corporate Governance Issues**

We have examined the compliance status to the Corporate Governance Codes by ..... Limited for the year ended on ..... These codes relate to the Notification No. .... dated ..... of the Bangladesh Securities and Exchange Commission (BSEC).

Such compliance with the Corporate Governance Codes is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Codes.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Codes as well as the provisions of Bangladesh Secretarial Standards issued by Institute of Chartered Secretaries of Bangladesh (ICSB).

We state that we have obtained all the information and explanations which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- (a) the Company has complied with the conditions of the Corporate Governance Codes as stipulated in the above mentioned Corporate Governance Codes issued by the BSEC/ or not complied ( if not complied, specify non-compliances) ;
- (b) The company shall comply with the provisions on the Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)/ or not complied ( if not complied, specify non-compliances);
- (c) Proper books and records have been kept by the company as required by the Companies Act, 1994, the securities laws, provisions on the Bangladesh Secretarial Standards (BSS) and other relevant laws/ or not complied ( if not complied, specify non-compliances); and
- (d) The governance of the company is highly satisfactory/satisfactory/ not satisfactory.

Place: For.....(Name of the firm)

Dated: -----(Signature with name and designation)

**Annexure -G**



**Policies and Procedures Assessment Check list [As per condition No. 13(4)]**

|  | <b>We already have a policy in this area; it does not need to be revised</b> | <b>We already have a policy in this area, but it needs revision</b> | <b>We need a policy in this area and need to develop one urgently</b> | <b>We need a policy in this area, but it is not an urgent or high priority need</b> | <b>We do not require a policy in this area</b> |
|--|--|---|---|---|--|
| Advertising and marketing practices  |  |   |   |   |  |
| Bribery and dishonesty   |  |   |   |   |  |
| Confidential information, intellectual property, trade secrets   |  |   |   |   |  |
| Conflicts of interest, including family and personal relationships, outside employment and financial investments               |  |   |   |   |  |
| Media relations  |  |   |   |   |  |
| Employee and customer privacy  |  |   |   |   |  |
| Employment practices, equality of employment opportunity, non-discrimination, sexual harassment, workplace safety and violence |  |   |   |   |  |
| Environmental protection   |  |   |   |   |  |
| Fair competition, including gratuities   |  |   |   |   |  |
| Global business practices, import/export regulations, anti-boycott laws  |  |   |   |   |  |

|  |  |  |  |  |  |
|--|--|--|--|--|--|
| Industrial espionage   |  |  |  |  |  |
| Industrial relations, human resources issues   |  |  |  |  |  |
| Insider trading  |  |  |  |  |  |
| Intellectual property and trade secrets  |  |  |  |  |  |
| Political contributions  |  |  |  |  |  |
| Product quality and safety, including consumer protection standards  |  |  |  |  |  |
| Protecting company assets  |  |  |  |  |  |
| Protecting company funds and accurately reporting company information  |  |  |  |  |  |
| Relations with customers and suppliers, including: marketing issues, use of market power, pricing practices, description of goods and services, quality and safety of goods, recall, related practices |  |  |  |  |  |
| Relations with contractors, consultants, joint venture partners, other third parties   |  |  |  |  |  |
| Relations with shareowners, the investment community   |  |  |  |  |  |
| Responsibilities to shareowners and the financial community: disclosure, accounting practices, insider trading,  |  |  |  |  |  |

|   |  |  |  |  |  |
|---|--|--|--|--|--|
| conflicts of interest   |  |  |  |  |  |
| Responsibilities to the community, community support, impact on communities |  |  |  |  |  |

**Annexure -F**

Status of compliance with the conditions imposed by the Commission’s Notification No. ....dated..... issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 13.3)

| Condition No.  | Title | Compliance Status<br>(Put √ in the appropriate column) |              | Explanation on the compliance status |
|--|-------|--|--------------|--------------------------------------|
|  |       | Complied   | Not complied |                                      |
| <b>CHAPTER-A: BOARD OF DIRECTORS AND ITS COMPOSITION</b> |       |  |              |                                      |
| 1.1  |       |  |              |                                      |
| 1.1 (i)  |       |  |              |                                      |
| 1.1 (ii)   |       |  |              |                                      |
| 1.1 (iii)  |       |  |              |                                      |
| 1.1(iv)  |       |  |              |                                      |
| 1.1(v)   |       |  |              |                                      |
| 1.1(vi)  |       |  |              |                                      |
| 1.1(vii)   |       |  |              |                                      |
| 1.1(viii)  |       |  |              |                                      |
| 1.1(ix)  |       |  |              |                                      |
| 1.1(x)   |       |  |              |                                      |
| 1.2 (i)  |       |  |              |                                      |
| 1.2 (ii)(a)  |       |  |              |                                      |
| 1.2 (ii) (b)   |       |  |              |                                      |
| 1.2 (ii) (c)   |       |  |              |                                      |
| 1.2 (ii) (d)   |       |  |              |                                      |
| 1.2 (ii) (e)   |       |  |              |                                      |
| 1.2 (ii) (f)   |       |  |              |                                      |
| 1.2 (ii) (g)   |       |  |              |                                      |
| 1.2 (ii) (h)   |       |  |              |                                      |
| 1.2 (ii) (i)   |       |  |              |                                      |
| 1.2 (ii) (j)   |       |  |              |                                      |
| 1.2 (ii) (k)   |       |  |              |                                      |
| 1.2 (ii) (l)   |       |  |              |                                      |
| 1.2 (ii)(m)(i)   |       |  |              |                                      |
| 1.2(ii)(m)(ii)   |       |  |              |                                      |
| 1.2(ii)(n)   |       |  |              |                                      |
| 1.2(ii)(o)   |       |  |              |                                      |
| 1.2(ii)(p)   |       |  |              |                                      |
| 1.2 (iii)  |       |  |              |                                      |
| 1.2 (iv)   |       |  |              |                                      |
| 1.2 (v)  |       |  |              |                                      |
| 1.2 (vi)   |       |  |              |                                      |

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| 1.2 (vii)    |  |  |  |  |
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| 1.3 (b)(i)   |  |  |  |  |
| 1.3 (b)(ii)  |  |  |  |  |
| 1.3 (b)(iii) |  |  |  |  |
| 1.3 (b)(iv)  |  |  |  |  |
| 1.3 (b)(v)   |  |  |  |  |
| 1.3 (c)      |  |  |  |  |
| 1.3 (d)      |  |  |  |  |
| 1.4(i)(a)    |  |  |  |  |
| 1.4(i)(b)    |  |  |  |  |
| 1.4(i)(c)    |  |  |  |  |
| 1.4(i)(d)    |  |  |  |  |
| 1.4(i)(e)    |  |  |  |  |
| 1.4(i)(f)    |  |  |  |  |
| 1.4(i)(g)    |  |  |  |  |
| 1.4(i)(h)    |  |  |  |  |
| 1.4(i)(i)    |  |  |  |  |
| 1.4(i)(j)    |  |  |  |  |
| 1.4(i)(k)    |  |  |  |  |
| 1.4(i)(l)    |  |  |  |  |
| 1.4(i)(m)    |  |  |  |  |
| 1.4(i)(n)    |  |  |  |  |
| 1.4(i)(o)    |  |  |  |  |
| 1.4(i)(p)    |  |  |  |  |
| 1.4(ii)(a)   |  |  |  |  |
| 1.4(ii)(b)   |  |  |  |  |
| 1.4(ii)(c)   |  |  |  |  |
| 1.4(ii)(d)   |  |  |  |  |
| 1.4(ii)(e)   |  |  |  |  |
| 1.4(ii)(f)   |  |  |  |  |
| 1.4(ii)(g)   |  |  |  |  |
| 1.4(ii)(h)   |  |  |  |  |
| 1.4(ii)(i)   |  |  |  |  |
| 1.4(ii)(j)   |  |  |  |  |
| 1.4(ii)(k)   |  |  |  |  |
| 1.4(ii)(l)   |  |  |  |  |
| 1.4(ii)(m)   |  |  |  |  |
| 1.5 (i)      |  |  |  |  |
| 1.5(ii)      |  |  |  |  |
| 1.5(iii)     |  |  |  |  |
| 1.5(iv)      |  |  |  |  |
| 1.5(v)       |  |  |  |  |
| 1.6 (i)      |  |  |  |  |
| 1.6(ii)      |  |  |  |  |

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| 1.6 (iii)       |  |  |  |  |
| 1.6 (iv)        |  |  |  |  |
| 1.6 (v)         |  |  |  |  |
| 1.6 (vi)        |  |  |  |  |
| 1.6 (vii)       |  |  |  |  |
| 1.6 (viii)      |  |  |  |  |
| 1.6 (ix)        |  |  |  |  |
| 1.6 (x)         |  |  |  |  |
| 1.6 (xi)        |  |  |  |  |
| 1.6 (xii)       |  |  |  |  |
| 1.6 (xiii)      |  |  |  |  |
| 1.6 (xiv)       |  |  |  |  |
| 1.6 (xv)        |  |  |  |  |
| 1.6 (xvi)       |  |  |  |  |
| 1.6 (xvii)      |  |  |  |  |
| 1.6 (xviii)     |  |  |  |  |
| 1.6 (xix)       |  |  |  |  |
| 1.6 (xx)(a)     |  |  |  |  |
| 1.6 (xx)(b)     |  |  |  |  |
| 1.6 (xx)(c)     |  |  |  |  |
| 1.6 (xx)(d)     |  |  |  |  |
| 1.6 (xxi)       |  |  |  |  |
| 1.6 (xxii)      |  |  |  |  |
| 1.6 (xxiii)     |  |  |  |  |
| 1.6 (xxiv)(a)   |  |  |  |  |
| 1.6 (xxiv)(b)   |  |  |  |  |
| 1.6 (xxv)       |  |  |  |  |
| 1.6 (xxvi)      |  |  |  |  |
| 1.6 (xxvii)     |  |  |  |  |
| 1.6 (xxviii)(a) |  |  |  |  |
| 1.6 (xxviii)(b) |  |  |  |  |
| 1.6 (xxviii)(c) |  |  |  |  |
| 1.6 (xxviii)(d) |  |  |  |  |
| 1.6 (xxviii)(e) |  |  |  |  |
| 1.6(xxix)(a)    |  |  |  |  |
| 1.6(xxix)(b)    |  |  |  |  |
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| 1.6(xxx)        |  |  |  |  |
| 1.6(xxxi)       |  |  |  |  |
| 1.6(xxxii)      |  |  |  |  |
| 1.6(xxxiii)     |  |  |  |  |
| 1.6(xxxiv)      |  |  |  |  |
| 1.6(xxxv)       |  |  |  |  |
| 1.6(xxxvi)      |  |  |  |  |
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| 2(ii)  |  |  |  |  |
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| 2(iv)  |  |  |  |  |
| 2(v)   |  |  |  |  |
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| 3.1(iii)   |  |  |  |  |
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| 3.3(i)(a)  |  |  |  |  |
| 3.3(i)(b)  |  |  |  |  |
| 3.3(ii)  |  |  |  |  |
| 3.3(iii)   |  |  |  |  |
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| 4.0(iv)  |  |  |  |  |
| 4.0(v)   |  |  |  |  |
| 5.0(i)   |  |  |  |  |
| 5.0(ii)  |  |  |  |  |
| 5.0(iii)   |  |  |  |  |
| 5.1(i)   |  |  |  |  |
| 5.1(ii)  |  |  |  |  |
| 5.1(iii)   |  |  |  |  |
| 5.1(iv)  |  |  |  |  |
| 5.1(v)   |  |  |  |  |
| 5.1(vi)  |  |  |  |  |
| 5.1(vii)   |  |  |  |  |
| 5.1(viii)  |  |  |  |  |
| 5.2(i)   |  |  |  |  |
| 5.2(ii)  |  |  |  |  |
| 5.2(iii)   |  |  |  |  |
| 5.3(i)   |  |  |  |  |
| 5.3(ii)  |  |  |  |  |
| 5.3(iii)   |  |  |  |  |
| 5.3(iv)  |  |  |  |  |
| 5.3(v)   |  |  |  |  |
| 5.3(vi)  |  |  |  |  |
| 5.3(vii)   |  |  |  |  |
| 5.4(i)   |  |  |  |  |
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| 5.4(v)        |  |  |  |  |
| 5.4(vi)       |  |  |  |  |
| 5.4(vii)      |  |  |  |  |
| 5.4(viii)     |  |  |  |  |
| 5.4(ix)       |  |  |  |  |
| 5.4(x)        |  |  |  |  |
| 5.4(xi)       |  |  |  |  |
| 5.4(xii)      |  |  |  |  |
| 5.4(xiii)     |  |  |  |  |
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| 5.4(xvi)      |  |  |  |  |
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| 5.5(1)(ii)(a) |  |  |  |  |
| 5.5(1)(ii)(b) |  |  |  |  |
| 5.5(1)(ii)(c) |  |  |  |  |
| 5.5(1)(ii)(d) |  |  |  |  |
| 5.5(2)        |  |  |  |  |
| 5.5(3)        |  |  |  |  |
| 6.0(1)        |  |  |  |  |
| 6.0(2)        |  |  |  |  |
| 6.0(3)        |  |  |  |  |
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| 6.1(3)        |  |  |  |  |
| 6.1(4)        |  |  |  |  |
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| 6.1(6)        |  |  |  |  |
| 6.1(7)        |  |  |  |  |
| 6.1(8)        |  |  |  |  |
| 6.1(9)        |  |  |  |  |
| 6.2(1)        |  |  |  |  |
| 6.2(2)        |  |  |  |  |
| 6.2(3)        |  |  |  |  |
| 6.3(1)        |  |  |  |  |
| 6.3(2)        |  |  |  |  |
| 6.3(3)        |  |  |  |  |
| 6.4(1)(a)     |  |  |  |  |
| 6.4(1)(b)     |  |  |  |  |
| 6.4(1)(c)     |  |  |  |  |
| 6.4(2)        |  |  |  |  |
| 6.4(3)        |  |  |  |  |
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| 6.4(5)        |  |  |  |  |
| 6.4(6)        |  |  |  |  |



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| 6.4(7)          |  |  |  |  |
| 7.0(1)          |  |  |  |  |
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| 7.0(4)          |  |  |  |  |
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| 7.0(6)          |  |  |  |  |
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| 7.1(6)          |  |  |  |  |
| 7.1(7)          |  |  |  |  |
| 7.1(8)          |  |  |  |  |
| 7.2(1)(a)       |  |  |  |  |
| 7.2(1)(b)       |  |  |  |  |
| 7.2(1)(c)       |  |  |  |  |
| 7.2(1)(d)       |  |  |  |  |
| 7.2(1)(e)       |  |  |  |  |
| 7.2(1)(f)       |  |  |  |  |
| 7.2(1)(g)       |  |  |  |  |
| 7.2(1)(h)       |  |  |  |  |
| 7.2(1)(i)       |  |  |  |  |
| 7.2(1)(j)       |  |  |  |  |
| 7.2(2)(a)       |  |  |  |  |
| 7.2(2)(b)       |  |  |  |  |
| 7.2(2)(c)       |  |  |  |  |
| 7.2(2)(d)       |  |  |  |  |
| 7.2(2)(e)       |  |  |  |  |
| 7.3(1)          |  |  |  |  |
| 7.3(2)          |  |  |  |  |
| 7.3(3)(a)       |  |  |  |  |
| 7.3(3)(b)       |  |  |  |  |
| 7.3(3)(c)       |  |  |  |  |
| 7.3(3)(d)(i)(a) |  |  |  |  |
| 7.3(3)(d)(i)(b) |  |  |  |  |
| 7.3(3)(d)(i)(c) |  |  |  |  |
| 7.3(3)(d)(i)(d) |  |  |  |  |
| 7.3(3)(d)(i)(e) |  |  |  |  |
| 7.3(3)(d)(i)(f) |  |  |  |  |
| 7.3(3)(d)(i)(g) |  |  |  |  |
| 7.3(3)(d)(i)(h) |  |  |  |  |
| 7.3(3)(d)(i)(i) |  |  |  |  |
| 7.3(3)(d)(i)(j) |  |  |  |  |

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| 7.3(3)(d)(i)(k)  |  |  |  |  |
| 7.3(3)(d)(i)(l)  |  |  |  |  |
| 7.3(3)(d)(i)(m)  |  |  |  |  |
| 7.3(3)(d)(i)(n)  |  |  |  |  |
| 7.3(3)(d)(i)(o)  |  |  |  |  |
| 7.3(3)(d)(i)(p)  |  |  |  |  |
| 7.3(3)(d)(i)(q)  |  |  |  |  |
| 7.3(3)(d)(i)(r)  |  |  |  |  |
| 7.3(3)(d)(i)(s)  |  |  |  |  |
| 7.3(3)(d)(i)(t)  |  |  |  |  |
| 7.3(3)(d)(i)(u)  |  |  |  |  |
| 7.3(3)(d)(i)(v)  |  |  |  |  |
| 7.3(3)(d)(i)(w)  |  |  |  |  |
| 7.3(3)(d)(i)(x)  |  |  |  |  |
| 7.3(3)(d)(i)(y)  |  |  |  |  |
| 7.3(3)(d)(i)(z)  |  |  |  |  |
| 7.3(3)(d)(i)(aa) |  |  |  |  |
| 7.3(3)(d)(i)(bb) |  |  |  |  |
| 7.3(3)(d)(i)(cc) |  |  |  |  |
| 7.3(3)(d)(i)(dd) |  |  |  |  |
| 7.3(3)(d)(i)(ee) |  |  |  |  |
| 7.3(3)(d)(i)(ff) |  |  |  |  |
| 7.3(3)(d)(ii)(a) |  |  |  |  |
| 7.3(3)(d)(ii)(b) |  |  |  |  |
| 7.3(3)(d)(ii)(c) |  |  |  |  |
| 7.3(3)(d)(ii)(d) |  |  |  |  |
| 7.3(3)(d)(ii)(e) |  |  |  |  |
| 7.3(3)(d)(ii)(f) |  |  |  |  |
| 7.3(3)(d)(ii)(g) |  |  |  |  |
| 7.3(3)(d)(ii)(h) |  |  |  |  |
| 7.3(3)(d)(ii)(i) |  |  |  |  |
| 7.3(3)(d)(ii)(j) |  |  |  |  |
| 8.0(1)           |  |  |  |  |
| 8.0(2)           |  |  |  |  |
| 8.0(3)           |  |  |  |  |
| 8.1(1)           |  |  |  |  |
| 8.1(2)           |  |  |  |  |
| 8.1(3)           |  |  |  |  |
| 8.1(4)           |  |  |  |  |
| 8.1(5)           |  |  |  |  |
| 8.1(6)           |  |  |  |  |
| 8.1(7)           |  |  |  |  |
| 8.1(8)           |  |  |  |  |
| 8.1(9)           |  |  |  |  |
| 8.1(10)          |  |  |  |  |

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| 8.1(11)   |  |  |  |  |
| 8.2(1)(a)   |  |  |  |  |
| 8.2(1)(b)   |  |  |  |  |
| 8.2(1)(c)   |  |  |  |  |
| 8.2(2)(a)   |  |  |  |  |
| 8.2(2)(b)   |  |  |  |  |
| 8.2(2)(c)   |  |  |  |  |
| 8.2(2)(d)   |  |  |  |  |
| 8.2(2)(e)   |  |  |  |  |
| 8.2(2)(f)   |  |  |  |  |
| 8.2(2)(g)   |  |  |  |  |
| 8.2(2)(h)   |  |  |  |  |
| 8.2(2)(i)   |  |  |  |  |
| 8.2(2)(j)   |  |  |  |  |
| 8.2(2)(k)   |  |  |  |  |
| 8.2(2)(l)   |  |  |  |  |
| 8.2(2)(m)(i)  |  |  |  |  |
| 8.2(2)(m)(ii)   |  |  |  |  |
| 8.2(2)(m)(iii)  |  |  |  |  |
| 8.2(2)(m)(iv)   |  |  |  |  |
| 8.2(2)(m)(v)  |  |  |  |  |
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| 8.2(2)(m)(vii)  |  |  |  |  |
| 8.2(2)(m)(viii)   |  |  |  |  |
| 8.2(2)(m)(ix)   |  |  |  |  |
| 8.2(2)(m)(x)  |  |  |  |  |
| 8.2(2)(n)   |  |  |  |  |
| 8.2(2)(o)   |  |  |  |  |
| 8.2(2)(p)   |  |  |  |  |
| 8.2(2)(q)   |  |  |  |  |
| 8.2(2)(r)   |  |  |  |  |
| <b>CHAPTER-D: ENVIRONMENT AND SOCIAL RESPONSIBILITIES COMMITTEE</b> |  |  |  |  |
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| 9.0(3)  |  |  |  |  |
| 9.0(4)  |  |  |  |  |
| 9.0(5)  |  |  |  |  |
| 9.0(6)(i)   |  |  |  |  |
| 9.0(6)(ii)  |  |  |  |  |
| 9.0(7)(i)   |  |  |  |  |
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| 9.0(7)(ii)(b)   |  |  |  |  |
| 9.0(7)(ii)(c)   |  |  |  |  |
| 9.0(7)(ii)(d)   |  |  |  |  |
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| 9.0(7)(iv)  |  |  |  |  |
| 9.0(7)(v)(a)  |  |  |  |  |
| 9.0(7)(v)(b)  |  |  |  |  |
| 9.0(7)(v)(c)  |  |  |  |  |
| 9.0(7)(v)(d)  |  |  |  |  |
| 9.0(7)(v)(e)  |  |  |  |  |
| 9.0(7)(v)(f)  |  |  |  |  |
| 9.0(7)(v)(g)  |  |  |  |  |
| 9.0(7)(v)(h)  |  |  |  |  |
| 9.0(7)(v)(i)  |  |  |  |  |
| <b>CHAPTER-E: FINANCIAL REPORTING AND DISCLOSURES</b> |  |  |  |  |
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| 10.2(2)   |  |  |  |  |
| 10.2(3)   |  |  |  |  |
| 10.2(4)   |  |  |  |  |
| 10.2(5)   |  |  |  |  |
| 10.2(6)   |  |  |  |  |
| 10.3(1)   |  |  |  |  |
| 10.3(2)   |  |  |  |  |
| 10.3(3)   |  |  |  |  |
| 10.3(4)   |  |  |  |  |
| 10.3(5)   |  |  |  |  |
| 10.4(1)   |  |  |  |  |
| 10.4(2)   |  |  |  |  |
| 10.4(3)   |  |  |  |  |
| 10.5(1)   |  |  |  |  |
| 10.5(2)   |  |  |  |  |
| 10.6(1)   |  |  |  |  |
| 10.6(2)   |  |  |  |  |
| 10.7(1)   |  |  |  |  |
| 10.7(2)   |  |  |  |  |
| 10.8  |  |  |  |  |
| 10.9(1)   |  |  |  |  |
| 10.9(2)   |  |  |  |  |
| 10.9(3)   |  |  |  |  |
| 10.10(1)  |  |  |  |  |
| 10.10(2)  |  |  |  |  |
| 10.10(3)  |  |  |  |  |
| 10.10(4)  |  |  |  |  |
| 10.10(5)  |  |  |  |  |
| 10.10(6)  |  |  |  |  |
| 10.10(7)  |  |  |  |  |
| 10.10(8)(a)   |  |  |  |  |

|               |  |  |  |  |
|---------------|--|--|--|--|
| 10.10(8)(b)   |  |  |  |  |
| 10.10(9)      |  |  |  |  |
| 10.10(10)     |  |  |  |  |
| 10.10(11)     |  |  |  |  |
| 10.10(12)     |  |  |  |  |
| 10.10(13)(i)  |  |  |  |  |
| 10.10(13)(ii) |  |  |  |  |
| 10.10(14)     |  |  |  |  |
| 10.10(15)     |  |  |  |  |
| 10.11(a)      |  |  |  |  |
| 10.11(b)      |  |  |  |  |
| 10.11(c)      |  |  |  |  |
| 10.11(d)      |  |  |  |  |
| 10.11(e)      |  |  |  |  |
| 10.11(f)      |  |  |  |  |
| 10.11(g)      |  |  |  |  |
| 10.11(h)      |  |  |  |  |
| 10.12(1)      |  |  |  |  |
| 10.12(2)(a)   |  |  |  |  |
| 10.12(2)(b)   |  |  |  |  |
| 10.12(2)(c)   |  |  |  |  |
| 10.12(2)(d)   |  |  |  |  |
| 10.12(2)(e)   |  |  |  |  |
| 10.12(2)(f)   |  |  |  |  |
| 10.12(2)(g)   |  |  |  |  |
| 10.12(2)(h)   |  |  |  |  |
| 10.12(2)(i)   |  |  |  |  |
| 10.12(2)(j)   |  |  |  |  |
| 10.12(2)(k)   |  |  |  |  |
| 10.12(2)(l)   |  |  |  |  |
| 10.12(2)(m)   |  |  |  |  |
| 10.12(2)(n)   |  |  |  |  |
| 10.12(2)(o)   |  |  |  |  |
| 10.12(2)(p)   |  |  |  |  |
| 10.12(2)(q)   |  |  |  |  |
| 10.12(2)(r)   |  |  |  |  |
| 10.12(2)(s)   |  |  |  |  |
| 10.12(2)(t)   |  |  |  |  |
| 10.12(2)(u)   |  |  |  |  |
| 10.12(2)(v)   |  |  |  |  |
| 10.12(2)(w)   |  |  |  |  |
| 10.12(2)(x)   |  |  |  |  |
| 10.12(2)(y)   |  |  |  |  |
| 10.12(2)(z)   |  |  |  |  |
| 10.12(2)(z1)  |  |  |  |  |

|                                 |  |  |  |  |
|---------------------------------|--|--|--|--|
| 10.12(2)(z2)                    |  |  |  |  |
| 10.12(2)(z3)                    |  |  |  |  |
| 10.12(2)(z4)                    |  |  |  |  |
| 10.12(2)(z5)                    |  |  |  |  |
| 10.12(2)(z6)                    |  |  |  |  |
| 10.13                           |  |  |  |  |
| 10.14                           |  |  |  |  |
| 10.15(1)                        |  |  |  |  |
| 10.15(2)                        |  |  |  |  |
| 10.16(1)                        |  |  |  |  |
| 10.16(2)                        |  |  |  |  |
| 11.0(1)(i)                      |  |  |  |  |
| 11.0(1)(ii)                     |  |  |  |  |
| 11.0(1)(iii)                    |  |  |  |  |
| 11.0(1)(iv)                     |  |  |  |  |
| 11.0(1)(v)                      |  |  |  |  |
| 11.0(1)(vi)                     |  |  |  |  |
| 11.0(1)(vii)                    |  |  |  |  |
| 11.0(1)(viii)                   |  |  |  |  |
| 11.0(1)(ix)                     |  |  |  |  |
| 11.0(1)(x)                      |  |  |  |  |
| 11.0(2)                         |  |  |  |  |
| 11.0(3)                         |  |  |  |  |
| <b>CHAPTER-F: MISCELLENOIUS</b> |  |  |  |  |
| 12.0(1)                         |  |  |  |  |
| 12.0(2)                         |  |  |  |  |
| 12.0(3)                         |  |  |  |  |
| 12.0(4)                         |  |  |  |  |
| 12.0(5)                         |  |  |  |  |
| 12.0(6)                         |  |  |  |  |
| 13.0(1)                         |  |  |  |  |
| 13.0(2)                         |  |  |  |  |
| 13.0(3)                         |  |  |  |  |
| 13.0(4)                         |  |  |  |  |
| 14.0                            |  |  |  |  |