

Bangladesh Securities and Exchange Commission (BSEC) Form for Corporate Regulatory Disclosure for Independent Non-executive Directors

Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission stipulates that at least one fifth of the total number of directors shall be independent non-executive directors. Provisions 1(2), 1(3), 6(1) through 6(5) of the Code are critical regulations concerning nomination, remuneration, 'Independence' and 'Qualifications' of an Independent Director. The Commission requires that the Chairman of the Board of Directors and the top management including Chief Executive Officer (CEO), Company Secretary, and Chief Financial Officer (CFO) of a listed company shall jointly certify that the regulatory requirements of an independent director are duly observed and submit relevant documentation in support of the nomination. It is further required that an Independent Director himself/herself authenticates corporate declaration of his/her independence and qualifications and gives express agreement to the corporate governance code as outlined in this Form. This regulatory disclosure shall go effective for both existing and prospective independent directors with immediate effects.

CGC Reference	Particulars	Management's Response (Provide further documentation, if needed, as separate attachments)
Provisions 6(1)-6(4)	<p>The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the board. The NRC shall include at least three non-executive directors including at least one independent director. Chairperson of NRC shall be an independent director. The quorum of NRC meeting shall not be constituted without attendance of at least an independent director.</p> <p>Note: Provide details of the members as well as the chairperson of the NRC. Submit relevant proceedings of NRC meeting that recommended the nomination of the independent director(s).</p>	
Provision 6(5)	<p>Provide substantive evidences on the role of NRC as outlined below in the selection of independent director(s):</p> <p>6(5)(a) NRC shall be independent and accountable to the Board and to the shareholders;</p> <p>6(5)(b) NRC shall oversee, among others, the following matters and make report with recommendations to the Board:</p> <p>6(5)(b)(i) formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:</p> <p>(a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;</p> <p>(b) the relationship of remuneration to performance is clear and</p>	

	<p>meets appropriate performance benchmarks and</p> <p>(c) remuneration to directors and top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;</p> <p>6(5)(b)(ii) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;</p> <p>6(5)(b)(iii) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;</p> <p>5(b)(iv) formulating the criteria for evaluation of performance of independent directors and the Board;</p>	
1(2)(a)	<p>Whether at least one-fifth ($\frac{1}{5}$th) of the Board of Directors of the company are Independent Directors or not;</p> <p>Any fraction shall be considered to the next integer or whole number for calculating the number of independent director(s)</p> <p>Note: Provide the following disclosure for existing independent directors:</p> <p>(a) Provide a list of Independent Directors together with a full disclosure of their qualifications, independence, and tenures in the Board of Director of the company.</p> <p>(b) Further declare whether an independent director has, or has had, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company.</p> <p>(c) Provide details of their B/O account(s), if any, and transaction statements of the B/O account(s) for the period of his/her tenure as an independent director.</p>	
	<p>Circumstances which are likely to impair 'Independence' of a non-executive director shall include, but not limited to:</p>	
1(2)(b)(i)	<p>Does the Independent Director hold one percent (1%) or more of the total number of shares outstanding of the company?</p> <p>Note: Provide record of shareholdings by the independent director during his/her tenure.</p>	
1(2)(b)(ii)	<p>(i) Is he/she a sponsor of the company?</p>	
1(2)(b)(ii)	<p>(ii) Is he/she connected, by family relationship, with a sponsor, director, nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parent/holding company holding one percent (1%) or more of the shares outstanding of the company?</p> <p>Note that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family</p>	

members

Note: Provide an adequate disclosure of potential connection, by family relationship, between the independent director and sponsor, director, nominated director or shareholders of the company or any of its associates, sister concern, subsidiaries and parent company holding 1% or more of the share of the company.

1(2)(b)(iii)	Has he/she ever been an executive of the company in immediately preceding 2 (two) financial years?	
1(2)(b)(iv)	Has he/she any other relationship, pecuniary or otherwise, with the company, its subsidiary/associated companies? Note: More specifically, describe whether he/she has, or has had, a material business relationship with the company, either directly or as a partner, shareholder, director or senior employee of a body that has such a relationship with the company. Provide details of his/her B/O account(s), if any.	
1(2)(b)(v)	Is he/she a member or TREC (Trading Right Entitlement Certificate) holder, director, officer of any stock exchange?	
1(2)(b)(vi)	Is he/she a shareholder, director excepting independent director, officer of any member or TREC holder of any stock exchange, or an intermediary of the capital market? Note: A capital market intermediary shall include, among others, a TREC holder, an asset management company, a merchant bank, issue managers, underwriters, trustees and custodian companies, subsidiaries and associated companies that are actively trading in the capital market.	
1(2)(b)(vii)	Is he/she a partner or an executive (or was he/she a Partner or an executive during the preceding 3 (three) years) of the statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code by the company?	
1(2)(b)(viii)	Is he/she an independent director in more than 5 (five) listed companies?	
1(2)(b)(ix)	Has he/she ever been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank, a Non-Bank Financial Institution (NBFI)?	
1(2)(b)(x)	Has he/she ever been convicted for a criminal offence involving moral turpitude?	
1(2)(c)	Is he/she appointed by the Board of Directors and duly approved by the shareholders in the Annual General Meeting (AGM)?	
1(2)(d)	Is there any vacancy(ies) of Independent Director(s) for more than 90 (ninety) days?	
1(2)(e)	(i) Is the tenure of office of the Independent Director fixed for a period of 3 (three) years?	

	<p>(ii) Has the tenure of the Independent Director already been extended for 1 (one) more term?</p> <p>(iii) Is the former independent director(s) considered for re-appointment for another tenure after a time gap of one tenure, i.e., three years from his/her completion of consecutive two tenures [i.e., six years]?</p> <p>Note that for the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.</p>	
1(3)(a)	<p>Is he/she a knowledgeable individual with integrity, able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business?</p> <p>Note: Submit valid evidences including NRC resolutions to this end. ↘</p>	
1(3)(b)(i)	<p>Is he/she a Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association?</p> <p>Note: Provide a list of company(ies), evidence of ownership into the companies, and membership of chamber of commerce or business association.</p>	
1(3)(b)(ii)	<p>Is he/she a Corporate Leader who is or 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 or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company?</p> <p>Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.</p> <p>Provide valid evidence to this end.</p>	
1(3)(b)(iii)	<p>Is he/she a former official of government or statutory or autonomous or regulatory body in the position not below the 5th Grade of the national pay scale, who has at least educational background of bachelor degree in Economics/Commerce/Business/Law?</p> <p>Provide valid evidence to this end.</p>	
1(3)(b)(iv)	<p>Is (was) he/she a University Teacher with educational background in Economics/Commerce/Business Studies/Law?</p>	

	Provide valid evidences together with academic certificates of his/her university degrees.	
1(3)(b)(v)	Is he/she a Professional who is/was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court/ a Chartered Accountant/ Cost and Management Accountant/ Chartered Financial Analyst/ Chartered Certified Accountant/ Certified Public Accountant/ Chartered Management Accountant/ Chartered Secretary or equivalent qualification? Provide official record of it.	
1(3)(c)	Has he/she gathered at least 10 (ten) years of experiences in any field mentioned in clause 1(3)(b)? Submit a valid record of 10 years of progressive experience in any field mentioned in 1(3)(b).	
Attachment	Is bio-data/CV together with a photograph of the candidate attached herewith?	
Attachment	Is the CIB report of the nominated person attached herewith?	

We declare that to the best of our knowledge and belief the information given in this check list and/or statements/documents attached/annexed herewith are correct and complete. We further declare that any misstatement and/or falsification of any information herein shall constitute a contravention of section 18 and be subject to penalty under section 22 of the Securities and Exchange Ordinance—1969.

**Name and Signature of the Chairman
of Board of Directors of the company**

**Name and Signature of
Chief Financial Officer**

**Name and Signature of
Chief Executive Officer**

**Name and Signature of
Company Secretary**

**(Name and Signature)
Independent Director
(Proposed for Appointment)**