

Certificate on Compliance of Conditions of Corporate Governance

Mak & Co. Chartered Accountants

Certificate on Compliance on the Corporate Governance Code [Issued under condition # 15) (xxvii) of Corporate Governance Code of BSEC vide Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June, 2018]

We have examined the compliance status to the Corporate Governance Code by “Prime Islami Life Insurance Limited” for the year ended on 31 December, 2018. This Code relates to the Notification No. BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03 June, 2018 of the Bangladesh Securities and Exchange Commission.


Such compliance with the Corporate Governance Code 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 Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

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 Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- (b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this code;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The Governance of the company is satisfactory.

Place: Dhaka
2019, September 04


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Report on Corporate Governance

Concept of Corporate Governance

Corporate Governance is a matter of discipline complied through corporate rules. Compliance of corporate governance ensures integrity, transparency, accountability, internal control and responsibilities in all activities in an organization. The basic foundation of corporate Governance is Board i.e. Board of Directors.

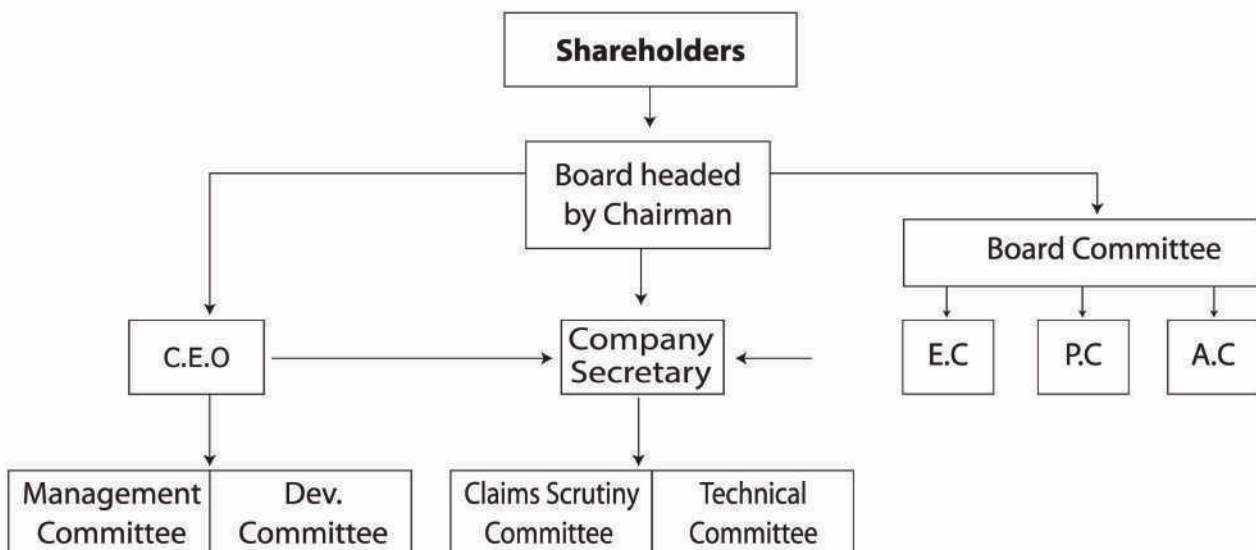
Board of Directors is the central entity in functioning corporate governance system. It is the governing body of any organization and is accountable to the shareholder and other stake holders of the organization. To meet these organizational objectives, the Board provide strategic policy and direction to the management and not involved in day to day operational decisions. Management is accountable to the Board and, therefore, provide relevant, transparent and material information to the Board. The Board, to achieve its objectives, operates its function through different Board Committees VIZ.

- I. Executive Committee (E.C.)
- II. Claims & Policy Committee (P.C.)
- III. Audit Committee (A.C.)
- iv. Money Laundering Committee (M.L.C.)

Framework of Corporate Governance

Although, Board is the basic foundation of Corporate Governance, but not only the Board is responsible for compliance of corporate governance. All individual officers/ executives are liable for good corporate governance practices.

The Company operates the functions of corporate governance within a comprehensive frame work which is outlined in the diagram below:



Report on Corporate Governance - Continued

Composition of the Board

The Board of Prime Islami Life Insurance Limited is comprised with 15 Directors including two independent Director and one executive Director who is the Chief Executive Officer.

The Chairman and the Chief Executive Officer of the company are different persons with different roles and responsibilities.

Tenure and Retirement

The Office of the non-executive Director is subject to retirement under Article-94 of the Articles of Association of the Company. At least one third of the non-executive Director both from Group-A and Group-B shall retire by rotation in every Annual General meeting. The Chief Executive Officer is appointed for a maximum period of 03(Three) years by the Board of Director subject to approval of the Insurance Development & Regulatory Authority. The Office of the Chief Executive Officer being an ex-officio Director is not subject to retirement.

Independent Director

To comply with Bangladesh Securities and Exchange Commission's Corporate Governance guidelines, the Board of Directors appointed two Independent Directors to the Board. A full compliance report of the said guidelines is provided at annexure-I

Board Meetings

Meetings of the Board of Directors are held on regular basis to discuss and resolve the policy matters. During the year, 08 (Eight) meetings were held. A detail of the meetings of the Board is given at page of this report.

Audit Committee

The Audit Committee maintains regular contact with both external and internal auditors and ensures that complaints and observations from the auditors are acted upon. Furthermore, the Audit Committee discusses accounting principles and changes thereto. The Audit Committee consults and advises the Board on the scope of internal audits. The committee keeps under review the scope and results of the audit and its cost-effectiveness and the independence and objectivity of the auditors. The committee ensures transparency and accountability in the operations of the Bank and the activities of the Bank are conducted within framework of policies, principles and plans as laid down by the Board and the guidelines of the regulatory authorities issued from time to time.

Director's Remuneration

Other than the Chief Executive Officer, none of the Director holds any position of profit and receive any remuneration excepting fees for attending in the meeting of the Board and Committee. The meeting fee is fixed at Tk.8,000/- (eight thousand) only for attending in each meeting as per decision of the Regulatory Authority.

Report on Corporate Governance - Continued

Internal control

Standard Accounting system alongside Internal Audit is vital factors to ensure internal check. In doing so, IFRS is maintained in Prime Islami Life Insurance Limited and Internal Audit Dept. is allowed to work independently and free from any interference .

Going Concern Assumption

The Directors confirm that they are satisfied that the Company has adequate resources to continue to operate for the foreseeable future and is financially sound. For this reason, they continue to adopt the going concern basis in preparing the financial statements.

Relation and Communication with shareholders

The Company acknowledges and takes necessary steps to provide shareholders with all relevant and reliable information. All relevant information is placed in website of the Company for convenience of the shareholders. Moreover, as per BSEC guidelines all the price sensitive information having possible impact on share prices of the Company are communicated to the shareholders by publication in the national dailies and to the DSE, CSE and BSEC through official letters for appearance in their website . Quarterly & Half -Yearly Financial Statement are communicated to all the shareholders through DSE, CSE and BSEC. Finally we arrange Annual General Meeting as our statutory duty to give our shareholders parliamentary session to communicate their assertions about the Company All the suggestions or recommendations made by the shareholders in AGM or any time during the year are taken very seriously for compliance and better Corporate Governance of the Company.

Role of the Board

The principal roles of the Board are to define strategic objectives and frame policy/plans for running the company. The other specific responsibilities are to approve Annual, Half Yearly & Quarterly Accounts, annual budget, capital expenditure and to review the operational and financial performance, financial control and risk management.

Role of the Chairman and the Chief Executive Officer

The roles of the Chairman and the Chief Executive Officer are quite separate. The Chairman presides over the meetings of the Board and organizes the business of the Board ensuring effectiveness and settings its agenda. Minutes of the Board meeting and offer of appointment and revision of remuneration of the Chief Executive Officer are also signed by the Chairman. Under any circumstances, the Chairman does not involve in day to day operational matters.

Report on Corporate Governance - Continued

The Chief Executive Officer is responsible for whole affairs of the management including day to day business of the company. He is responsible to the Board for operational and financial performance of the company.

Conflict of Interest

There may arise any situation of conflict of interest wherein Directors, Officers; loyalty are divided between business interest and interest of the Company and every body avoids any actual or apparent conflict of Interest with the Company and every body including Directors are required to disclose any potential conflicts of interest that may arise. In Prime Islami Life Insurance Limited, it is complied with as any matter is discussed in the Board/Committee and Directors participate in the discussion independently.

Membership of Independent Director

The Independent Director is also a member of the Audit Committee of the Board of Directors as per notification of the BSEC.

Membership of Board Committee

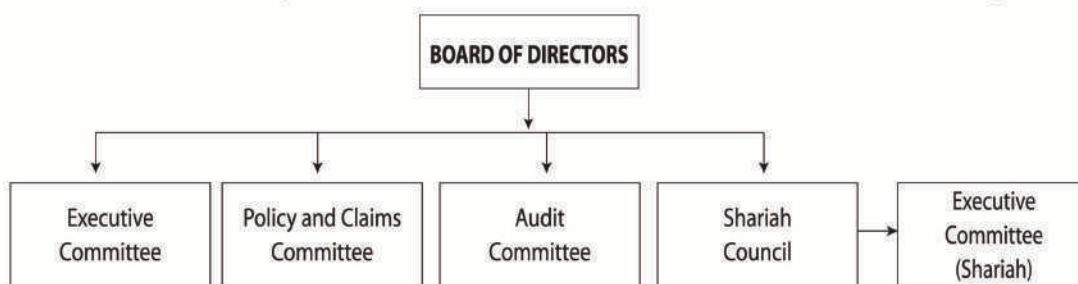
All Committees of the Board are comprised entirely with non-executive Directors.

Charter of the Committee

All Committees of the Board have a charter (TOR) approved by the Board that defines the purpose, duties and responsibilities of the Committee.

Director's responsibility

Each Director uses his or her best efforts to attend in all the meetings of the Board and the Committee to which such Director is appointed. The Directors are responsible for developing and upgrading Governance Principles, Code of Business Conduct and the Charter of each Committee of Prime Islami Life Insurance Ltd. on which such Directors serves. For review, materials are provided to the members in advance of Board/Committee meetings.



BSEC Compliance

As Prime Islami Life Insurance Limited is listed with the Stock Exchange in Bangladesh, we abide by all notifications on corporate governance of the BSEC. In the year 2018, we complied with the relevant provisions shown at page of this report.

Compliance Report on BSEC Notification

Annexure-I

The Pattern of shareholding of Prime Islami Life Insurance Limited

(i) Shareholdings of Parent/ Subsidiaries/ Associate companies and other related parties

Nil

(ii) Directors/ Executives/Shareholders holding ten percent (10%) or more voting rights:

Sl. No.	Directors/Executives/Shareholders holding ten percent (10%) or more voting rights	No. of Shares hold	Percentage of share holding position
1	Mr. Mohd. Akther	6,10,405	2.000
2	Mr. Md. Fazlul Karim	21,132	0.069
3	Mr. Waheed Murad Jamil	6,10,894	2.002
4	Ms. Nargis Akhter Adel	12,20,807	4.000
5	M/s. Noman Corporation Represented by : Mr. Md. Noman Hasan Bhuiyan	6,11,000	2.002
6	M/s. Sifang Securities Limited Representative : Mr. Md. Nasir Bin Jalal	6,11,000	2.002
7	M/s. S B Corporation Represented by : Mr. Md. Nazmull Hashan Bhuiyan	6,10,501	2.000
8	M/s. Ramisha BD Limited Represented by: Mr. Mohammed Salim Mahmud	6,94,928	2.277
9	M/s. Apsara Holding Limited Represented by: Ms. Sonia Akter Honey	6,41,125	2.101
10	Mr. Md. Arif Hossain (Rony)	5,000	0.016
11	Mr. Muhammod Muniruzzaman Mozumder	25,000	0.082
12	Mr. A T M Enayetur Rahman	5,000	0.016
13	Ms. Hasina Mamtaz	10,000	0.033
14	Mr. Mohammad Touhidur Rahman, FCA, Independent Director	Nil	Nil
15	Mr. Md. Abdul Quddus, Independent Director	Nil	Nil
16	Mr. Nizam Uddin Ahmed, Chief Executive Officer (C.C)	Nil	Nil
17	Kazi Abul Manjur, Company Secretary (C.C)	Nil	Nil
18	Quazi Ahsan Ul Alam Ansary, Head of Finance & Accounts	Nil	Nil
19	Mr. Md. Afsar Uddin Bhuiayn, Head of Internal Audit, Compliance & Control	Nil	Nil
20	Executives:	Nil	Nil
21	Shareholders holding ten percent (10%) or more voting rights : ICB (Investment Corporation of Bangladesh)	33,99,619	11.139%

Compliance Report on BSEC Notification

Annexure-II

Status of compliance for the year ended 31st December 2018 with conditions imposed by the Commission's Notification no.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	Board of Directors			
1(1)	The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	✓		
1(2)	Independent Directors			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors.	✓		2 ID as per Insurance Act, 2010
1(2) (b)	'Independent director' means a director-			
1(2) (b) (i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	✓		
1(2) (b) (vi)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	√		
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	√		
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	√		
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	√		
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days and	√		
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	√		
1(3)	Qualification of Independent Director :-			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	√		
1(3) (b)	Independent Director shall have following Qualification.			
1(3) (b) (i)	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; or	√		
1(3) (b) (ii)	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	√		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	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; or	√		
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or	√		
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not;	√		
1(3) (b) (v)	Professional who is or 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 Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification;	√		
1(3) (c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	√		
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4) (a)	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;	√		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	√		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	√		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
1(4) (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
1(5)	Directors' Report to Shareholders:-			
1(5) (i)	An industry outlook and possible future developments in the industry;	✓		
1(5) (ii)	The segment-wise or product-wise performance;	✓		
1(5) (iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		
1(5) (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;			N/A
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
1(5) (vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;	✓		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;			N/A
1(5) (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.;			N/A
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;			N/A
1(5) (x)	A statement of remuneration paid to the directors including independent directors;	✓		
1(5) (xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xii)	A statement that proper books of account of the issuer company have been maintained;	√		
1(5) (xiii)	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;	√		
1(5) (xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed;	√		
1(5) (xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	√		
1(5) (xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;	√		
1(5) (xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed;	√		
1(5) (xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;	√		
1(5) (xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	√		
1(5) (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	N/A		Dividend has been recommended for the year ended 2018.
1(5) (xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	None		No bonus Share or stock dividend has been declared as interim dividend during the year 2018.

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	√		
1(5) (xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by:			
1(5) (xxiii) (a)	Parent or Subsidiary or Associated Companies and other related parties (name wise details);	√		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details);	√		
1(5) (xxiii)(c)	Executives;and	√		
1(5) (xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	√		
1(5) (xxiv)	In case of appointment/re-appointment of a Director the Company shall disclose the following information to the Shareholders:			
1(5) (xxiv) (a)	a brief resume of the Director;	√		
1(5) (xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		
1(5) (xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	√		
1(5) (xxv)	A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5) (xxv) (a)	accounting policies and estimation for preparation of financial statements;	√		
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	√		
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	√		
1(5) (xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√		
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	√		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
1(5) (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.	✓		
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant angladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;	✓		
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	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.	√		
2 (b)	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.		√	
2 (c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company.	√		
2 (d)	The Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the Subsidiary Company also.	√		
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	√		
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	√		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	√		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√		
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of			N/A

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	the Board as well as immediate dissemination to the Commission and stock exchange(s).			
3(2)	Requirement to attend Board of Directors' Meetings:-			
	The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3) (a)	The MD or 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:			
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3) (b)	The MD or 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 in violation of the code of conduct for the company's Board or its members;	✓		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committee:-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee.			Under Process
5	Audit Committee:-			
5 (i)	Responsibility to the Board of Directors.			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(i) (b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business;	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	✓		
5 (2)(c)	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 10 (ten) years of such experience;	✓		
5 (2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before 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 shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			No Vacancy Occured
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting,	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.			
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.			
5(4) (b)	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.	✓		
5(5)	Role of Audit Committee			
	The audit committee shall:-			
5(5) (a)	Oversee the financial reporting process;	✓		
5(5) (b)	Monitor choice of accounting policies and principles.	✓		
5(5) (c)	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;	✓		
5(5) (d)	Oversee hiring and performance of external auditors.	✓		
5(5) (e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption;	✓		
5(5) (f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5) (g)	Review along with the management, the quarterly and half yearly Financial Statements before submission to the Board for approval.	✓		
5(5) (h)	Review the adequacy of internal audit function.	✓		
5(5) (i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5) (j)	review statement of all related party transactions submitted by the management;	✓		
5(5) (k)	Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.	✓		
5(5) (l)	Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and results.	✓		
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:			N/A
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of Interests.			N/A
5(6)(a)(ii)(b)	suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;			N/A
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and			N/A
5(6)(a)(ii) (d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;			N/A
5(6)(b)	Reporting to the Authorities:If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board 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			N/A

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.			
5.(7)	Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(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	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;		✓	Under process
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;		✓	Under process
6 (1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b).		✓	Under process
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;		✓	Under process
6(2)(b)	All members of the Committee shall be non-executive directors;		✓	Under process
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		✓	Under process
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;		✓	Under process
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		✓	Under process

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		✓	Under process
6(2)(g)	The company secretary shall act as the secretary of the Committee;		✓	Under process
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		✓	Under process
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		✓	Under process
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;		✓	Under process
6(3)(b)	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		✓	Under process
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:		✓	Under process
6(4)	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;		✓	Under process
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	Under process
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee,		✓	Under process

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
	whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);		✓	Under process
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.		✓	Under process
6(5)	Role of the NRC			
6(5) (a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	Under process
6(5) (b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:		✓	Under process
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:		✓	Under process
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;		✓	Under process
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and		✓	Under process
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;		✓	Under process
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		✓	Under process
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;		✓	Under process

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5) (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		✓	Under process
6(5) (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		✓	Under process
6(5) (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		✓	Under process
6(5) (c)	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.		✓	Under process
7	External or Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	(iii) book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	(iv) broker-dealer services;	✓		
7(1)(v)	(v) actuarial services;	✓		
7(1)(vi)	(vi) internal audit services or special audit services;	✓		
7(1)(vii)	(vii) any service that the Audit Committee determines;	✓		
7(1)(viii)	(viii) audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	(ix) any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		

Compliance Report on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	√		
8(2)	The Company shall keep the website functional from the date of listing.	√		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	√		
9	9. Reporting and Compliance of Corporate Governance.			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.	√		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-ii attached, in the directors' report whether the company has complied with these conditions or not	√		

Compliance Report on BSEC Notification

Annexure-III

The number of Board Meeting and the attendance of Directors during the year 2018 were as follows:

SL.	Name of the Directors	Position	Meeting held	Attended	Remarks
01.	Mr. Mohd. Akther	Chairman	08	4	
02.	Mr. Md. Fazlul Karim	Vice Chairman	08	4	
03.	Mr. Waheed Murad Jamil	Director	08	5	
04.	Mr. Alak Saha	Director	08	3	
05.	Ms. Nargis Akhter Adel	Director	08	8	
06.	Ramisha BD Limited	Director	08	8	
07.	Apsara Holding Limited	Director	08	8	
08.	Mr. Md. Noman Hasan Bhuiyan	Director	08	4	
09.	Mr. Md. Nasir Bin Jalal	Director	08	3	
10.	Mr. Md. Nazmull Hashan Bhuiyan	Director	08	3	
11.	Mr. Md. Arif Hossain Rony	Director	08	4	
12.	Mr. Muhammad Muniruzzaman Mozumder	Director	08	4	
13.	Mr. A T M Enayetur Rahman	Director	08	4	
14.	Mr. Mohammaed Kamrul Hasan, FCA	Independent Director	08	1	
15.	Mr. Md. Abdul Quddus	Independent Director	08	1	

Directors who could not attend meetings were granted leave of absence by the Board.