

Compliance Check List

ANNEXURE - C

As per condition No. 1(5)(xxvii)

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 3rd June, 2018.

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1.1	Board Size (number of Directors - minimum 5 and maximum 20)	√		
1.2	Independent Directors:			
1.2 (a)	At least one fifth of Directors should be Independent Directors;	√		
1.2 (b)(i)	Independent Director does not hold any share or holds less than 1% share of the total paid-up shares;			
1.2 (b) (ii)	Not a Sponsor of the Company or non- connectivity with the company's sponsor or director or shareholder who holds 1% or more shares on the basis of family relationship.;	√		
1.2 (b) (iii)	Who has not been an executive of the company in the immediately preceding 2 financial years	√		
1.2 (b) (iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		
1.2(b) (v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		
1.2(b) (vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		
1.2(b) (vii)	Not a partner or an executive or was not a partner or an Executive during the preceding 3 (Three) years of the concerned Company's statutory audit firm.	√		
1.2(b) (viii)	Shall not be an Independent Director in more than 5 listed companies;	√		
1.2(b) (ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		
1.2 (b) (x)	Non convicted for a criminal offence involving moral turpitude;	√		
1.2 (c)	Appointment of Independent Director shall be by Board and subsequently approved by shareholders in the AGM;	√		
1.2 (d)	The post of Independent Director(s) can not remain vacant for more than 90 (ninety) days.	√		
1.2 (e)	Tenure of office of an Independent Director (for a period of 3 years, may be extended for 1 term only);	√		
1.3	Qualification of Independent Director			
1.3 (a)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business;	√		
1.3 (b) (i)	Business Leader who is or was a promoter or director of an unlisted company.	√		
1.3 (b) (ii)	Corporate Leader who is or a top level executive of an unlisted company having 100 million paid up capital or of a listed company.	√		
1.3 (b) (iii)	Former official of government not below 5th grade of salary			Not Applicable
1.3 (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		
1.3 (b) (v)	Professional like practicing Advocate, Chartered Accountant/Cost Accountant/ Chartered Secretary or equivalent qualification.	√		
1.3 (c)	The independent director shall have at least 10(ten) years of experiences.	√		
1.3 (iii) (d)	Relaxation of qualifications of Independent Directors subject to prior approval of the Commission.			Not Applicable
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1 (4) (a)	The posts of Chairperson of the board and MD/CEO shall be filled by different individuals.	√		
1 (4) (b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		
1 (4) (c)	The Chairperson shall be elected from among the non-executive directors.	√		
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		
1 (4) (e)	In absence of the Chairperson of the Board, for the particular Board Meeting, Chairperson may be elected from one of non-executive directors and to be duly recorded.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)	The Directors' Report to Shareholders			
1.5 (i)	Industry outlook and possible future developments in the industry;	√		
1.5 (ii)	Segment-wise or product-wise performance;	√		
1.5 (iii)	Risks and concerns including internal and external risk factor;	√		
1.5 (vi)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin;	√		
1.5 (v)	Discussion on continuity of any extra-ordinary activities and their implications;	√		
1.5 (vi)	Detail disclosure on related party transactions;	√		
1.5 (vii)	Utilization from public issues, rights issues and/or through any others instruments;			Not Applicable
1.5 (viii)	Explanation if the financial results deteriorate after going for IPO, RPO, Rights Offer, Direct Listing, etc.;			Not Applicable
1.5 (ix)	Significant variance between Quarterly Financial performance and Annual Financial Statements and explanation thereon;	√		
1.5 (x)	Remuneration to directors including independent directors;	√		
1.5 (xi)	Statement about fairness of financial statements;	√		
1.5 (xii)	Maintenance of proper books of account;	√		
1.5 (xiii)	Application of appropriate accounting policies and estimates;	√		
1.5 (xiv)	Application of International Accounting Standards (IAS)/International Financial Reporting Standards (IFRS) as applicable in Bangladesh;	√		
1.5 (xv)	Efficiency of Internal control system;	√		
1.5 (xvi)	Statement about the interest of minority shareholders have been protected;	√		
1.5 (xvii)	Statement about the ability to continue as going concern;	√		
1.5 (xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and the reasons there of should be explained.	√		
1.5 (xix)	Key operating and financial data of at least preceding 5 (Five) years;	√		
1.5 (xx)	Reason for non declaration of dividend;			Not Applicable
1.5 (xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.	√		
1.5 (xxii)	Number of Board Meetings (no. of Board Meetings held and attendance by each director);	√		
1.5 (xxiii)	The pattern of shareholding;			
1.5 (xxiii) a	Parent/Subsidiary/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 Compliance and their spouses and minor children (name wise details);	√		
1.5 (xxiii) c	Executives;	√		
1.5 (xxiii) d	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		
1.5 (xxiv)	Appointment or reappointment of a director, disclosure			
1.5 (xxiv)(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)	Management discussion and analysis signed by CEO or MD			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes	√		
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate preceding five years explaining reasons	√		
1(5)(xxv)(d)	Compare 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;	√		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements;	√		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation 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(30) shall be disclosed as per Annexure-A;	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	Report as well as certificate regarding compliance of conditions of this Code as required under condition no. 9 shall be disclosed;	√		
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		
1(7)	Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer			
1 (7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC)	√		
1 (7) (b)	The code of conduct as determined by the NRC shall be posted on the website	√		
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary.			Not Applicable
2 (b)	At least 1 Independent Director of holding company also be a director of the subsidiary company.			Not Applicable
2 (c)	Minutes of subsidiary to be placed in the following meeting of holding company.			Not Applicable
2 (d)	Minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company.			Not Applicable
2 (e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			Not Applicable
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3.1	Appointment			
3 (1) (a)	Board shall appoint MD or CEO, CS, CFO, and HIAC.	√		
3 (1) (b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		
3 (1) (c)	MD or CEO, CS, CFO, and HIAC of a listed company shall not hold any executive position in any other company at the same time.	√		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		
3 (1) (e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.			Not Applicable
3.2	Requirement to attend Board of Directors' Meetings			
3.2	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board and CS, CFO & HIAC shall not attend such part of which involves their personal matters.	√		
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3.3 (a)	MD or CEO and CFO to certify that they have reviewed financial statements to the best of their knowledge.	√		
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance	√		
3(3)(b)	MD or CEO and CFO to certify on due diligence in the Report.	√		
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		
4	Board of Directors' Committee- Board shall have at least:			
4 (i)	Audit Committee	√		
4 (ii)	Nomination and Remuneration Committee	√		
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5 (i) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		
5 (i) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company.	√		
5 (i) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		
5.2	Constitution of the Audit committee			
5 (2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		
5 (2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive 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.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
5 (2) (d)	When the term of service of the Committee member expires, Board shall appoint new Committee member immediately or not later than 1 month of vacancy.	√		
5 (2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		
5 (2) (f)	Quorum shall not constitute without at least 1 independent director.	√		
5.3	Chairperson of the Audit Committee			
5 (3) (a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		
5 (3) (b)	Absence of chairperson, the remaining members may elect one of them and reason of absence to be recorded in the minutes.	√		
5 (3) (c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		
5.4	Meeting of the Audit Committee			
5 (4) (a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		
5 (4) (b)	Quorum: presence of 2 or 2/3 members whichever is higher and 1 independent director is must.	√		
5.5	Role of Audit Committee			
5 (5) (a)	Oversee the financial reporting process.	√		
5 (5) (b)	Monitor choice of accounting policies and principles.	√		
5 (5) (c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		
5 (5) (d)	Oversee hiring and performance of external auditors.	√		
5 (5) (e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		
5 (5) (f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		
5 (5) (g)	Review with the management, the quarterly and half yearly financial statements before submission to the Board for approval.	√		
5 (5) (h)	Review adequacy of internal audit function.	√		
5 (5) (i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		
5 (5) (j)	Review statement of all related party transactions submitted by the Management.	√		
5 (5) (k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		
5 (5) (l)	Oversee determination of audit fees and evaluate performance of external auditors.	√		
5 (5) (m)	Oversee whether IPO/RPO proceeds utilized as per the published Prospectus.			Not Applicable
5.6	Reporting of the Audit Committee			
5.6(a)	Reporting to the Board of Directors			
5 (6) (a) (i)	The Audit Committee shall report on its activities to the Board.	√		
5 (6) (a) (ii)	Shall report immediately the the Board on the followings:			
5 (6) (a) (ii) (a)	Report on conflicts of interests.			Not Applicable
5 (6) (a) (ii) (b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.			Not Applicable
5 (6) (a) (ii) (c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.			Not Applicable
5 (6) (a) (ii) (d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.	√		
5.6(b)	Reporting to the Authorities			Not Applicable
5.7	Reporting to the Shareholders and General Investors	√		
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors:			
6(i) (a)	The company shall have a NRC as a sub-committee of the Board.	√		
6(i) (b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications and policy for remuneration of directors, top level executives.	√		
6(i) (c)	The Terms of Reference of the NRC shall be clearly set forth in writing.	√		
6.2	Constitution of the NRC	√		
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		
6(2)(b)	All members of the Committee shall be non-executive directors.	√		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external non-voting expert for valuable advice.	√		
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		
6(2)(h)	Quorum shall not constitute without at least 1 independent director.	√		
6(2)(i)	No member of the NRC shall receive any remuneration/advisory, other than Director's fees or honorarium form the company.	√		

Condition No.	Title	Compliance Status		Remarks (if any)
		Complied	Not Complied	
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee who shall be an independent director.	√		
6(3)(b)	Absence of chairperson, the remaining members may elect one of them and reason of absence to be recorded in the minutes.	√		
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		
6(4)(c)	Quorum: presence of 2 or 2/3 members whichever is higher and 1 independent director is must.	√		
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting.	√		
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	√		
6(5)(b)(i)	Formulating the criteria for qualification and remuneration of the directors and top level executives considering the following:	√		
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent directors and the Board.	√		
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following services:			
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		
7(1)(ii)	Financial information systems design and implementation.	√		
7(1)(iii)	Book keeping or other service related to the account ion records.	√		
7(1)(iv)	Broker–dealer services	√		
7(1)(v)	Actuarial services	√		
7(1)(vi)	Internal/special audit services.	√		
7(1)(vii)	Any services that the Audit Committee may determine.	√		
7(1)(viii)	Certification services on compliance of corporate governance.	√		
7(1)(ix)	Any other service that may create conflict of interest.	√		
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		
7(3)	Representative of External Auditors shall remain present in the AGM.	√		
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that 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 exchanges.	√		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate Governance	√		
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		
9(3)	The directors of the company shall state, in accordance with the Annexure-C these attached, in the directors report whether the company has complied with conditions.	√		