

# Corporate Governance Report

## Company's Philosophy on Corporate Governance

At Singer Bangladesh Limited, the ethical values are the foundation of our governance philosophy which over the past several decades of the company's existence has become a part of its culture and integrated into the core of our business. We strongly believe that in business, there is something more important than just top line and bottom line and hence, each of us strive towards delivering our very best in all we do so that we not only fulfil the needs of each and every consumer, but also far exceed their expectations.

For us, corporate governance is about a commitment to values and ethical business conduct. Our actions are governed by our values and principles, which are reinforced at all levels within the company. We are committed to doing things the right way which means taking business decisions and acting in a way that is ethical and is in compliance with applicable legislations.

The company emphasizes on the need for complete transparency and accountability in all its dealings to protect stakeholders' interests. The enterprise governance framework encourages the efficient utilisation of resources and accountability for stewardship. The Board considers itself as the custodian of shareholder trust and acknowledges its responsibilities towards stakeholders for sustainable and responsible value creation.

Singer Bangladesh is committed to maintaining high standards of corporate governance, ensuring transparency, accountability and long-term sustainability. The company's corporate governance framework that helps steward governance and compliance processes and practices, is aligned to the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code 2018, international best practices and the company's internal governance framework.

As a subsidiary of Arçelik ultimate parent company, a globally-recognized leader in the home appliances industry, Singer Bangladesh adheres to Arçelik's corporate governance

### Singer Bangladesh: Building Trust Through Robust Corporate Governance Practices



principles, which emphasize business ethics, risk management, sustainability and compliance with all relevant regulations. Arçelik follows OECD (Organization for Economic Co-operation and Development) corporate governance standards, ensuring strong Board oversight, stakeholder engagement and ESG (Environmental, Social, and Governance) integration.

Notably, the OECD Principles of Corporate Governance help our Board and Management evaluate and improve the legal, regulatory and institutional framework for governance. It helps identify the key building blocks for facilitating a sound corporate governance framework and offers practical guidance for implementation.

Aligned with Arçelik's governance standards, Singer adheres to:

- Rigorous risk management policies to mitigate financial, operational and compliance risks.
- Strong sustainability commitments, aligning with global ESG standards and responsible business practices.

- Ethical business conduct and anti-corruption measures, ensuring integrity across all business operations.
- Transparent financial reporting and shareholder rights protection, fostering investor trust and confidence.

By aligning with Arçelik's governance framework, Singer Bangladesh strengthens its own governance ecosystem, ensuring robust compliance, stakeholder trust and long-term value creation.

### Our governance approach

At Singer Bangladesh, our governance framework is designed to align with global best practices, the Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Code 2018, the governance principles of our ultimate parent company, Arçelik.

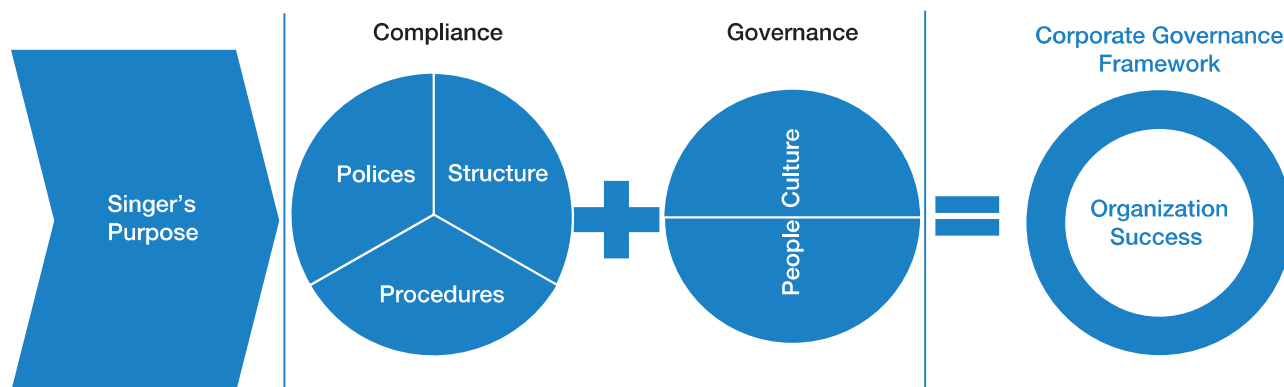
As guardians of shareholder confidence, our Board of Directors plays a crucial role in creating sustainable value through strategic decision-making, overseeing execution ensuring operational relevance. By closely monitoring the macroeconomic environment, resource availability and stakeholder expectations, the Board actively contributes to the formulation and execution of the company's long-term strategy.

The independent role of the Board, separation of responsibilities between the Chairman and the MD & Chief Executive Officer and clearly defined roles for the Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance ensure a well-structured governance system. Additionally, two dedicated Board Committees provide independent oversight and strengthen governance excellence across all areas of the business.

Our corporate governance framework is designed to uphold a robust control environment that adheres to globally recognized standards and meets the expectations of shareholders and all stakeholders. By integrating structured governance practices, ensuring fairness and accountability and prioritizing the protection of minority shareholders' rights, Singer Bangladesh fosters trust and creates a conducive environment that facilitates long-term value creation.

We recognize that strong corporate governance extends beyond mere compliance; it is a critical driver of business sustainability. By continually improving our governance practices, we enhance our ability to achieve our growth targets, operational excellence and win stakeholder confidence, thus securing a resilient future for the company.

### Singer's Governance Drivers Fueling Long-Term Success



### Key focus areas of 2024

Singer Bangladesh remained committed to espousing high standards of corporate governance in 2024, ensuring resilience and adaptability amid evolving market dynamics. The Board prioritized strategic decision-making that balanced sustainable growth with the interests of all stakeholders.

In an increasingly complex regulatory and economic environment, the company is focused on strengthening governance structures by enhancing Board effectiveness, improving risk management frameworks and reinforcing compliance with regulatory requirements. Building on its commitment to transparency and accountability, Singer

emphasizes rigorous oversight of business strategies, financial performance and operational efficiencies. The Board actively monitors emerging risks, including economic uncertainties and cybersecurity threats, to safeguard the company's long-term stability.

Additionally, sustainability remains at the core of our governance standards, with our strong focus on ESG initiatives that align with global best practices. Recognizing that a company's reputation is one of its most valuable assets, Singer Bangladesh maintains an unwavering commitment to ethical business conduct. Compliance is deeply rooted within our corporate culture, ensuring adherence to all applicable laws, regulations and internal policies.

By leveraging organisational transformation and governance innovation, the company continues to enhance operational efficiency, stakeholder engagement, and overall corporate integrity, reinforcing its position as a responsible and forward-thinking organization.

### Commitment towards best-in-class corporate governance

The Board acknowledges that strong corporate governance is essential for protecting stakeholder interests, fostering

effective decision-making, creating sustainable value and ensuring long-term success. Our governance framework is built on four key pillars:

- Leadership and strategy
- Stakeholder and shareholder management
- Communication and reporting protocols
- Internal control environment

# COMMITMENT TOWARDS BEST-IN-CLASS CORPORATE GOVERNANCE

## PRINCIPLES



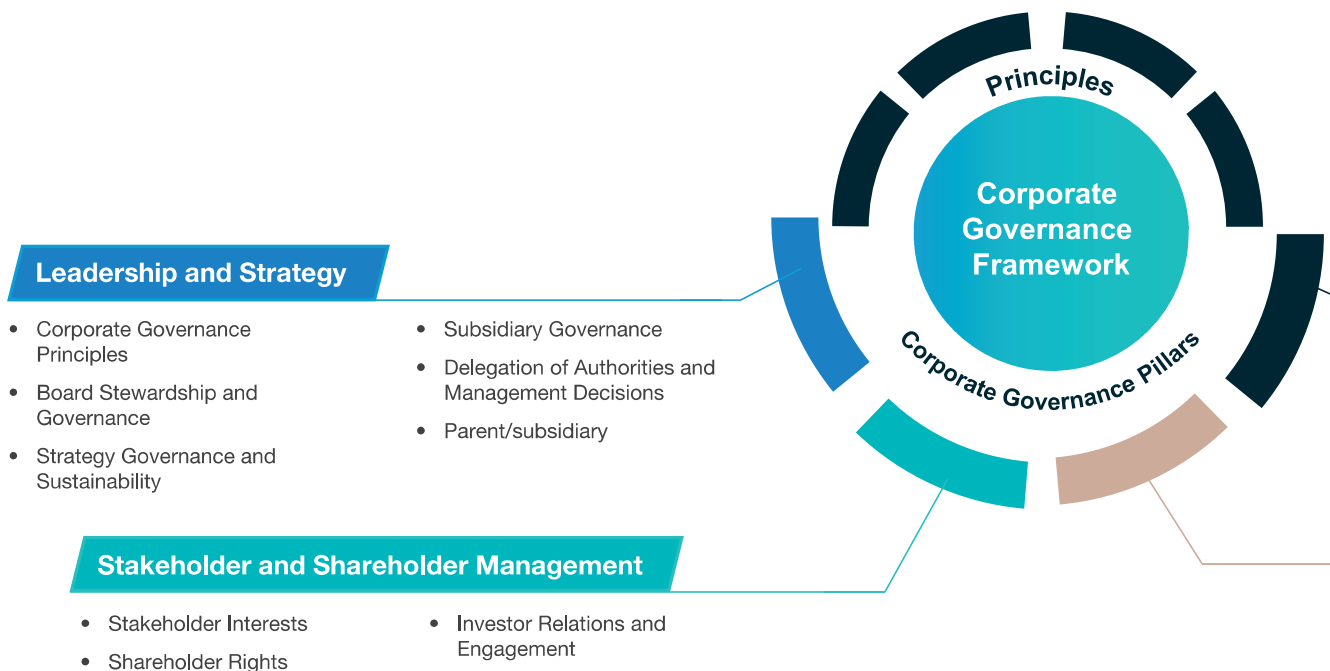
### RESPONSIBILITY

Setting the tone-at-the-top with active supervision/monitoring and evaluation



### ACCOUNTABILITY

Ensuring effective risk management through employing a system of checks-and-balances, segregation of duties and accountability for actions (or inaction) by executives.



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The Board recognises that applying good governance practices are critical to safeguarding stakeholder interests, facilitating effective decision-making, creating value and enabling to long-term positive corporate performance. The following principles underpin the four governance pillars of our organization: leadership and strategy, stakeholder and shareholder management, communication and reporting protocol, and the internal control environment.



#### **EQUITY**

Equitable treatment of all shareholders.



#### **TRANSPARENCY AND FAIR DISCLOSURE**

Accurate, timely communication of material matters to relevant stakeholders

### **Communication and Reporting Protocol**

- Communication with Stakeholders
- Corporate Social Responsibility
- Reporting

### **Internal Control Environment**

- Governance Documents and Business Applications
- Internal Control over Financial Reporting
- Health, Safety, Security and Environment
- Ethics and Compliance
- Risk Management, Governance and Oversight
- Related Party Transactions
- Internal Audit

Our corporate governance framework promotes transparency, accountability and strategic decision-making. It aligns leadership, stakeholder engagement, reporting integrity and internal controls to ensure business resilience, stakeholder trust and operational excellence.

## Value Creation through Corporate Governance Framework

### Value creation objectives

Ensuring long-term growth and sustainability

Catering to evolving customer needs

### Inputs

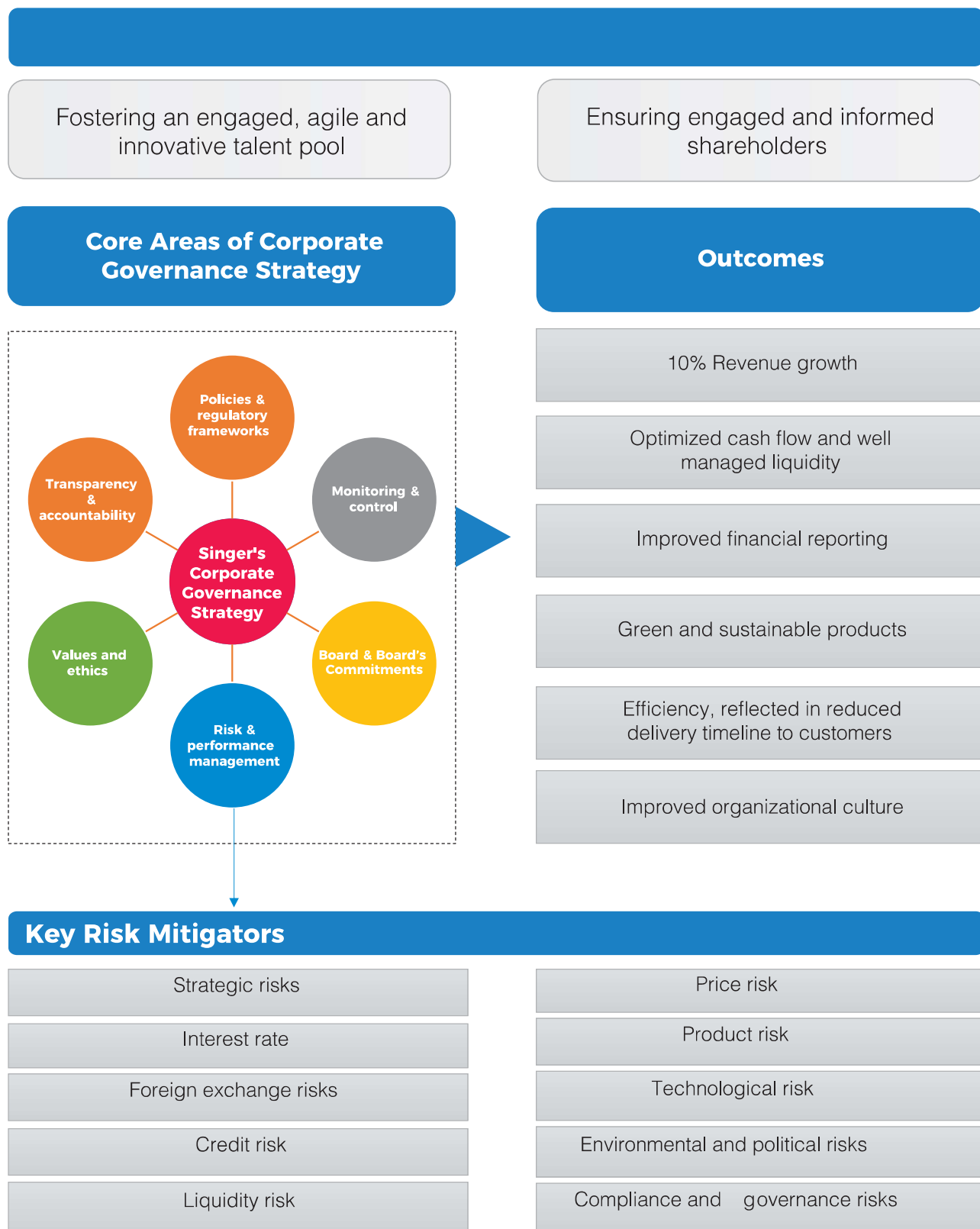
Financial Capital
Human Capital
Manufactured Capital
Intellectual Capital
Social & Relationship Capital
Natural Capital

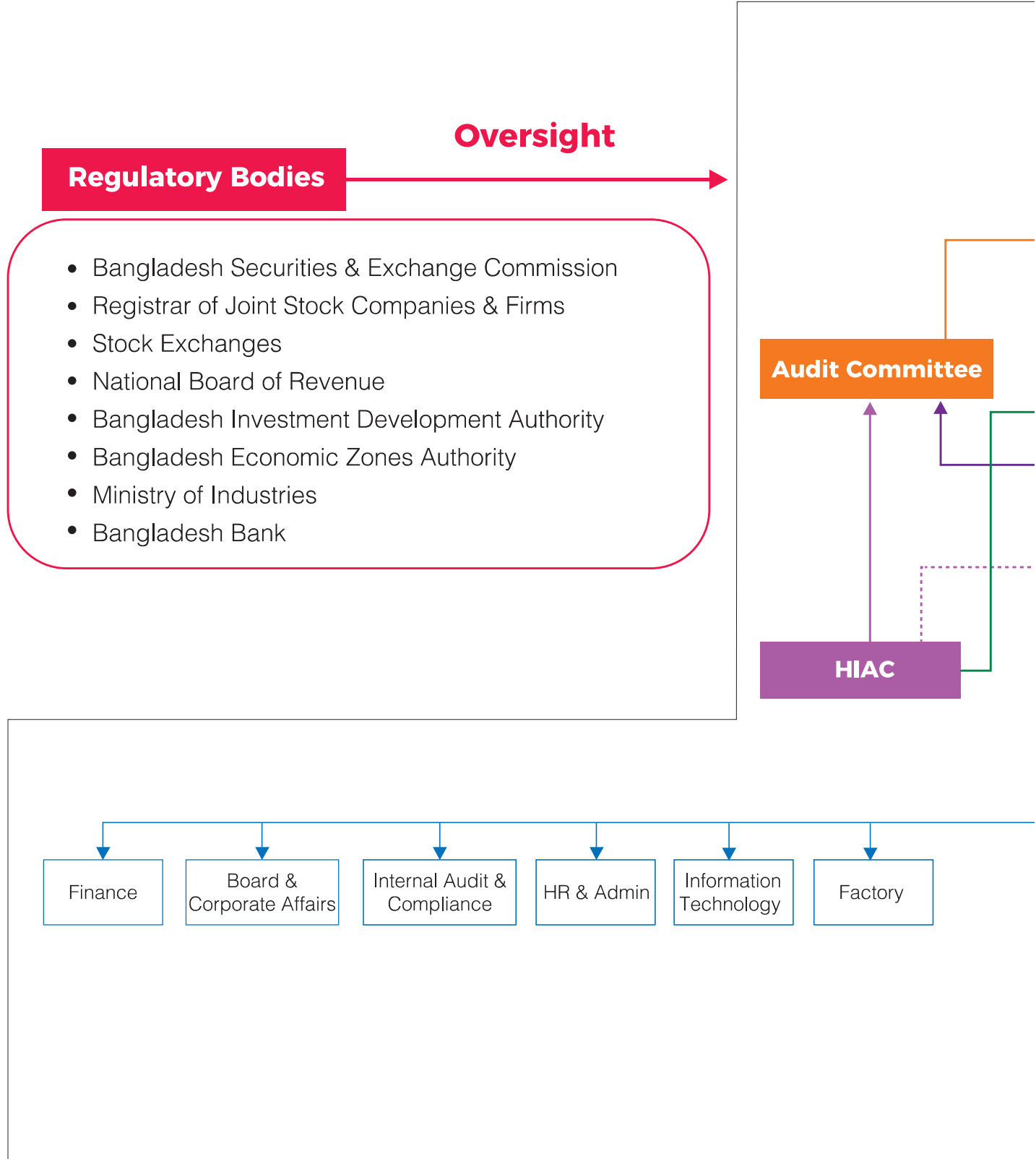
### Governance Pillars

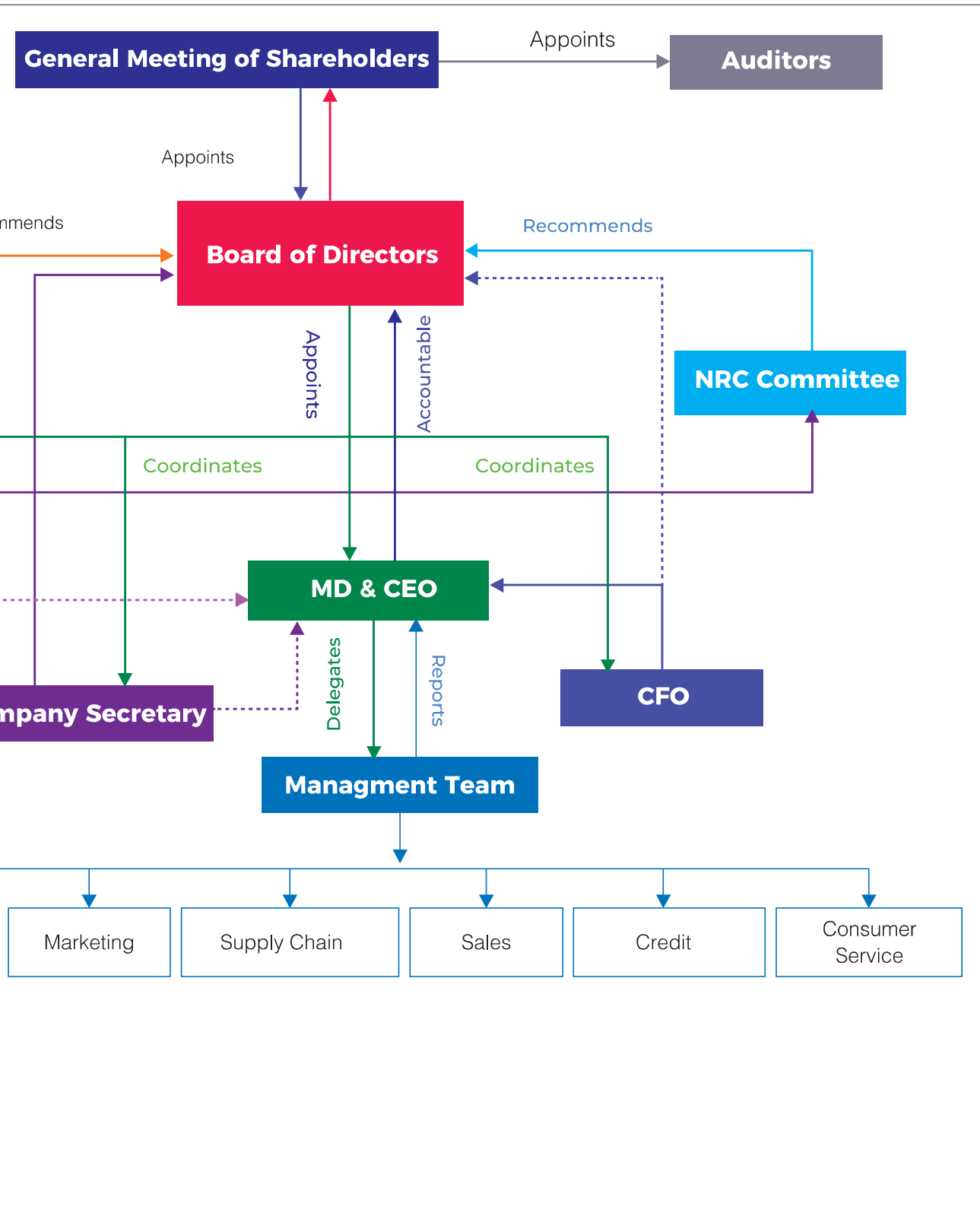
Our Values	Business Continuity Plan
Code of Conduct	CSR & ESG Initiatives
Internal Control & Risk Management	Integrity Policy
Whistle Blower Policy	

### Means through which we generate value:

Value creation objectives upheld	References of Corporate Governance framework	Initiatives/Responses and Outcomes
<b>Ensuring long-term growth and sustainable standing</b>	Singer's Vision, Mission and Strategies	<ul style="list-style-type: none"> <li>Green and sustainable products</li> <li>Enterprise risk management and three lines of defense model</li> <li>Net -zero emissions roadmap</li> </ul>
	Board of Directors	
	Audit Committee	
	Internal Control and Risk Management	
<b>Ensuring engaged and informed shareholders</b>	ESG Obligation	Improved interaction with Shareholders and Investors
	Communication and relationship with Shareholders and Investors	
<b>Fostering an engaged, agile and innovative talent pool</b>	Dividend Distribution Policy	Ensuring value maximization for shareholders
	Human Capital	Improved skills and integrated thinking abilities
<b>Catering to evolving customer needs</b>	Remuneration Policy of Directors and Executives	Enhancing employee excellence and nurturing their well - being
	Ethics and Compliance	<ul style="list-style-type: none"> <li>Large multi-category portfolio</li> <li>Product dependability and reliability</li> <li>Sales and customer management excellence</li> <li>Strong after-sales service network</li> </ul>
	Complaint Management Process	









Sl. no.	Name of members	Board position	Audit committee	NRC committee
1.	Dr. Fatih Kemal Ebiclioglu	Chairman		
2.	Mr. M. H. M. Fairoz	Managing Director		
3.	Mr. Masud Khan	Independent Director	Chairman	Member
4.	Mr. Mohsin Ahmed	Independent Director	Member	Chairman
5.	Mr. Hakan Hamdi Bulgurlu	Director		
6.	Mr. Cemal Can Dincer	Director		Member
7.	Mr. Baris Alparslan	Director	Member	
8.	Mr. Kazi Ashiqur Rahman	Company Secretary	Secretary	Secretary

### Board composition

The Board of Singer is composed of seven Directors, two of whom are Independent Directors with diverse professional backgrounds and expertise. The proportion of Independent Directors on the Board complies with the Corporate Governance Code, 2018 of Bangladesh Securities and Exchange Commission (BSEC).

The Directors come from various businesses and backgrounds, and their extensive experience enables them to provide independent judgment on Board matters, thus enabling quality decision-making. They contribute to the company's strategy and policy formulation, as well as maintain its oversight responsibility for the Executive Management.

All members possess expert knowledge of governance and compliance issues as required by the Corporate Governance Code. The profiles of all Board members are available on page no 35.

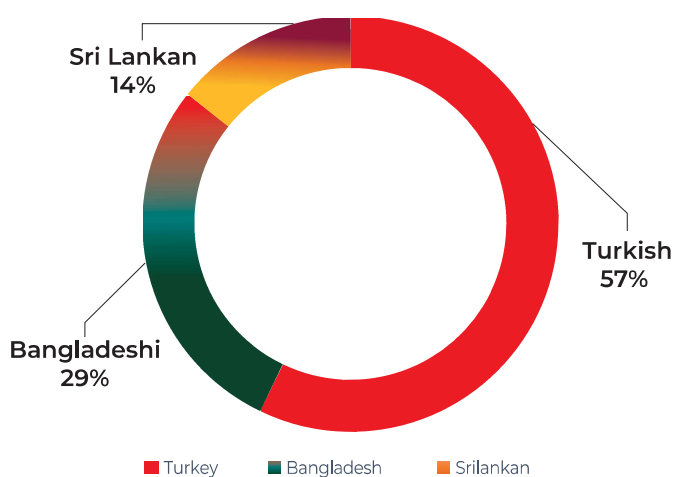
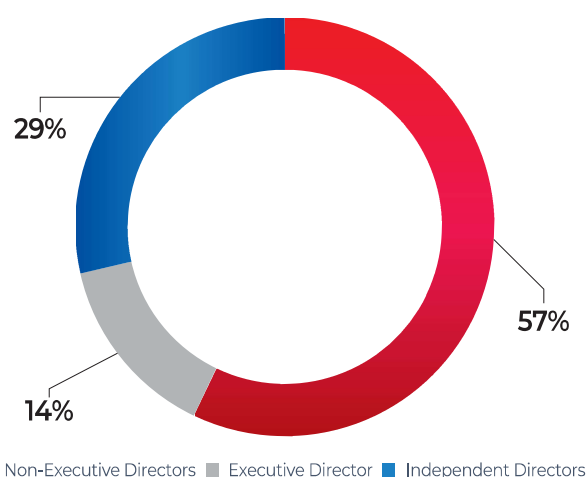
### Diversity of the Board

The composition of our Board reflects a balance of skills, experiences and perspectives to effectively oversee the company's performance and uphold its fiduciary duties to shareholders.

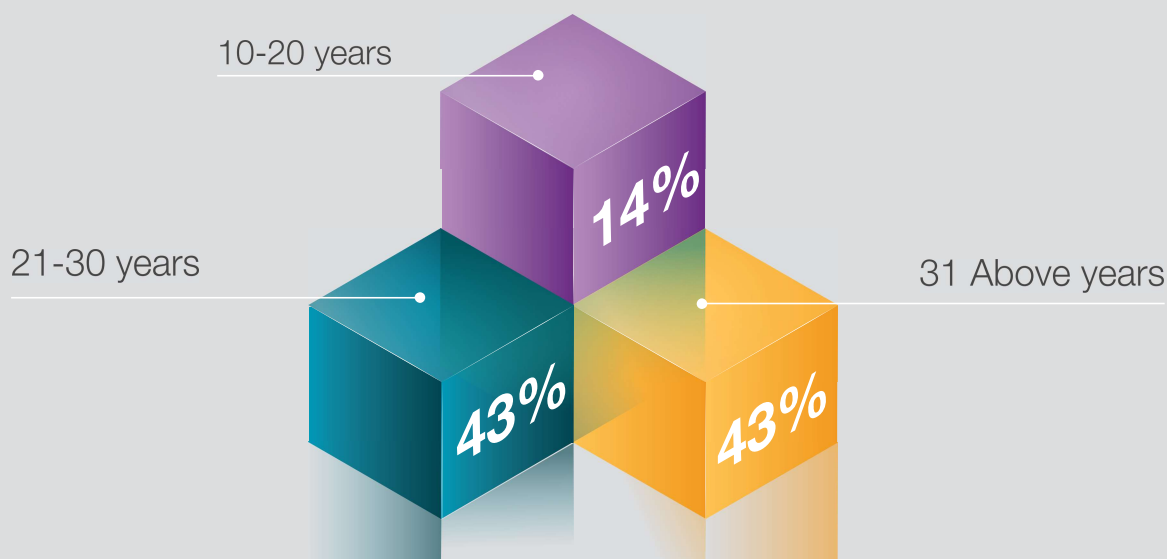
Singer maintains strict compliance with the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), fulfilling requirement of non-executive and independent directors set by the revised Corporate Governance Code of BSEC.

At Singer, we believe embracing cultural diversity within the boardroom lead to more robust decision-making, greater organizational resilience, and improved performance on a global scale.

### Board Composition



## Experience matrix



With the majority of board members possessing over 21 years of experience, the leadership demonstrates deep expertise, strategic foresight, and strong governance capabilities. This wealth of experience enhances decision-making and ensures long-term stability. However, the limited representation in the 10-20-year range may highlight the need for broader succession planning to sustain leadership continuity.

### Appointment of Directors

The Board of Singer is comprised of Nominated Non-Executive Directors who are nominated from the senior management of the holding company, Managing Director is an Ex-officio and the other are Non-Executive Independent Directors, whose recommendation is received from various sources for highly capable and seasoned professionals fulfilling all the required criteria for being appointed to the Board, as set by Corporate Governance Code of the BSEC. We follow the Directors appointment process as follows:

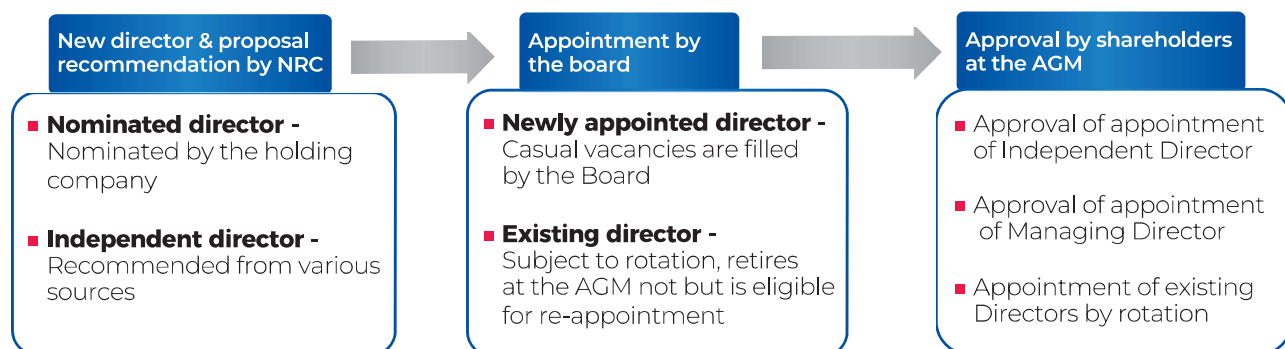
### Induction of Directors and their Training & Development

All new Directors appointed to the Board attend a formal induction program to familiarize themselves with the company's strategy and aspirations, business divisions and corporate functions, financials and audit, compliance and risk management standards.

The Board recognizes the importance of ensuring that Directors are continuously updated to enable them to enhance their knowledge and skills to effectively discharge their duties and responsibilities. In addition, the Directors are also updated on information relating to developments in the business and the industry through discussions at Board meetings with the Senior Management team.

### Responsibilities of the Board

The Board is collectively accountable to the company's shareholders, as laid down in its Articles of Association and



the relevant laws and regulations. Board decisions are taken at its meetings that are held as per the Articles of Association. The Company Secretary calls the meetings of the Board and Board Committees, prepares the agenda in consultation with the Chairman of the Board of Directors, the Chairman of both Committees (Audit Committee and Nomination and Remuneration Committee), and the Managing Director. The agenda for the meetings of the Board and its Committees, together with the appropriate supporting documents, are circulated well in advance of the meetings. All Board members have the right to raise other issues as well that are beyond the agenda items.

The Company Secretary is accountable to the Board for ensuring that the Board procedures are followed and that applicable rules and regulations are complied with.

### Board Committees

The responsibility for good governance rests with the Board. The Board retains certain matters at its disposal; other specific responsibilities are delegated to its committees, namely the Audit Committee and the Nomination and Remuneration Committee. Each of these committees operate within their defined terms of reference (ToR).

The Chair of each Committee reports to the Board on its proceedings and minutes of the meetings are available, as appropriate.

### Audit Committee

The Board's Audit Committee, consisting of three members, including two Independent Directors, is responsible for overseeing the company's control mechanisms. The Committee is led by Mr. Masud Khan, an Independent Director with a vast and impressive career in multinational companies. His extensive experience and expertise have proven to be a great asset to the company.

Additionally, all members of the Audit Committee possess financial expertise, ensuring the company's financial affairs are being managed efficiently and effectively.

### Responsibilities of the Audit Committee

#### The Audit Committee monitors:

- The integrity of the financial statements of the company, including annual, half-yearly, quarterly and other formal announcements relating to its financial performance and reviewing and reporting to the Board on significant financial reporting issues and judgments.
- The relationship with the Company's External Auditors, including consideration of fees, audit scope and terms of engagement.

### Board Responsibilities



- The effectiveness and objectivity of the External Audit and the Auditor's independence.
- The Company's Internal Control and Risk Management systems.
- Reviewing the effectiveness of the Company's Internal Audit function.
- Compliance with laws, regulations, ethical and other issues, including those yet to be transferred to the Board.

### Nomination and Remuneration Committee

The Nomination and Remuneration Committee (NRC) is responsible for identifying individuals qualified to become Board members, in conformity with the criteria as agreed by the Board, and for making such recommendations to the Board.

Based on the recommendations of the NRC, the Board appoints a member as elected by the shareholders in the general meeting. For this purpose, the Company strictly follows the criteria laid down in the Corporate Governance Code 2018 of the BSEC.

To adhere to good governance practices, NRC works towards identifying Directors to be inducted to the Board from time to time and to take steps to refresh the constitution of the Board to enable the Directors to discharge the responsibilities of the candidates proposed for appointment to the Board, in conformity of the balance and structure of the Board.

The NRC also discharges the responsibilities of the Board relating to compensation of the company's Executive Directors and Senior Management. The Committee is also responsible for ensuring motivation and retaining individuals of high caliber. NRC consists of three members, including two Independent Directors. Mr. Mohsin Ahmed is the Chairman of the Committee. The Committee meets at least once a year, as and when required, to consider candidates for appointment as Directors and to fix the compensation of the Executive Directors and Senior Management.

### Directors' Code of Conduct

The Board of Singer has established a separate Code of Conduct for its Directors, in compliance with the requirement of the Bangladesh Securities and Exchange Commission (BSEC) notification.

### Chairman of the Board and his Role & Responsibilities

The Chairman of the Board is not the Managing Director & Chief Executive Officer of the Company, they are distinct and separate individuals, each with their unique roles and responsibilities. The Board is helmed by the Chairman. The primary role of the Chairman is to ensure that the Board is effective in its task of setting and implementing the company's direction and strategy. He is responsible for leadership of the Board. Appointment of the Chairman is done by the Board.

### MD & CEO and his Role and Responsibilities

The Managing Director & CEO is appointed by the Board, and the consent of shareholders in the Annual General Meeting. In compliance with the requirements of the Bangladesh Securities and Exchange Commission (BSEC) Code, the role

of the Managing Director has been defined by the Board of Directors, as indicated below:

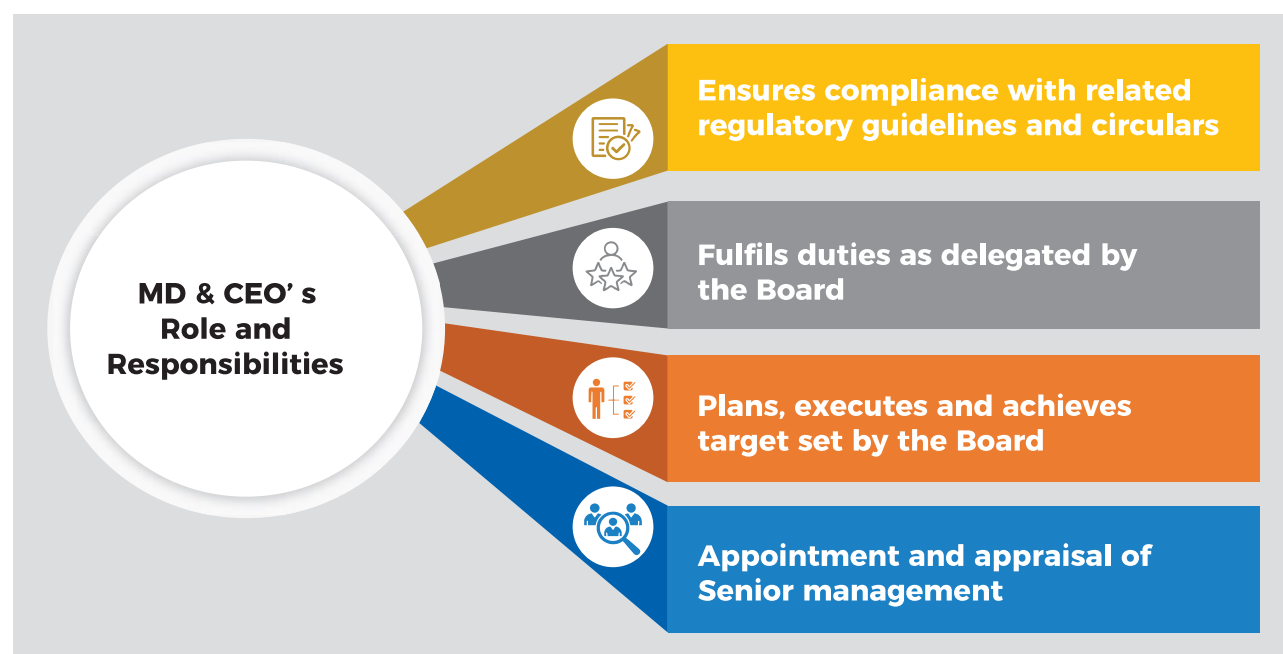
### Independent Director

The Company has complied with the notification of the Bangladesh Securities and Exchange Commission issuing Corporate Governance Code concerning the composition of the Board. Mr. Masud Khan and Mr. Mohsin Ahmed, being Independent Directors, are free from any business or other relationships with the Company that might materially interfere with or affect the exercise of their independent judgment. The Board believes that their experience and knowledge will enable them to provide constructive as well as effective contributions to the Company.

The Company strictly follows the criteria for appointment of Independent Directors as described in the Corporate Governance Code, 2018 of BSEC.

### Board and Committee meetings

The Board and its sub-Committees meet regularly to effectively discharge their duties. Five Board meetings were held during the year 2024 and the gap between meetings did not exceed three months. Besides, the Audit Committee met four times and the Nomination and Remuneration Committee met three times during the year. Bangladesh Secretarial Standards (BSS) issued by the Institute of Chartered Secretaries of Bangladesh (ICSB) were followed in conducting the meetings as well as keeping records of the meetings of the Board and those of its committees.



**Compliance is a vital part of Singer's management and corporate culture, integrated into all business processes. The Board provides assurance that the Company operates with the highest ethical standards.**

### Board of directors

#### Responsible for the overall management of the organization of our business:

- Sets standards, policies and strategic aims
- Ensures we have the resources in place to meet our objectives
- Monitors and reviews material strategic issues, financial performance and risk Management. More details are available on pages 94.

#### Audit committee

- Reviews and monitors financial statements
- Oversees external audit
- Reviews internal audit plans. More details on pages 126.

#### Nomination and remuneration committee

- Sets, reviews and recommends overall remuneration policy and strategy
- Reviews and approves remuneration arrangements for Executive Directors and Senior Management
- Makes recommendations to the Board on its composition. More details on page 131.

### Reporting by the Committees to the Board

Each Committee regularly reports on their work to the Board. As a minimum, the report includes a summary of the matters addressed and the measures undertaken by the Committee concerned.

### Management Committee

The responsibility for the day-to-day management of the Company relies on the Management Committee. In performing this role, the Management Committee also has the responsibility for monitoring the detailed performance of all aspects of the Company. The Management Committee is chaired by the Managing Director and comprises 13 key senior executives. The Management Committee, as the Company's Management Body, is committed to serving the interests of the Company and ensuring achieving sustainable growth.

### Role of the Company Secretary

The Company Secretary is responsible for a range of activities, including maintaining the Company's statutory registers, preparing and filing statutory returns, and providing guidance to the Board on matters related to corporate governance. In addition, the Company Secretary facilitates communication between the Company and its shareholders, ensuring that shareholder rights are respected and promoting transparency

and accountability in all aspects of the Company's operations. The Company Secretary's expertise in navigating the complex legal and regulatory landscape is critical to ensuring that the Company operates in full compliance with the applicable laws and regulations, and that it is well-positioned to meet the needs of its stakeholders.

### Responsibilities to Customers

Our success depends on the quality of our products and also on our after-sales services. Besides, the Company maintains a country-wide marketing network and provides a wide choice of products and brands to its customers at competitive prices. Easy payment options are also made available to customers. The Company extends a warranty on its products and has made appropriate provisions to meet the warranty expenses. It maintains a countrywide network of service centres and franchise agents to facilitate product repairs. Customer grievances, if any, are handled promptly and solutions thereof are provided.

### Financial Reporting and Transparency

Financial statements have been prepared in line with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS). Financial data is circulated as appropriate within and outside the organization. The timely publication of the quarterly, half-yearly and annual





Financial Statements with comprehensive details beyond the statutory requirements has been a salient feature of the company's financial reporting system. The Financial Statements included in this Annual Report have been audited by M/s. A. Qasem & Co. Chartered Accountants.

### Internal Controls

The Directors are responsible for instituting a system of internal controls to ensure the effective implementation of all policies and decisions of the Board. The Board ensures that the Directors maintain full and effective control of all significant strategic, financial, organizational and compliance issues. The Directors have delegated to the Management Committee the responsibility of establishing and implementing a system of internal controls appropriate to the business environment in which the Company operates. The Company has an Internal Audit and Compliance Department headed by the Head of Internal Audit & Compliance. The internal control system is maintained and reviewed by an internal audit function that operates throughout the Company and reports to the Management and the Audit Committee.

The work of the Internal Audit is focused on the areas of risk on the basis of Risk Management approach. The Company's operations are also subject to be reviewed by the Corporate Internal Audit Division of the ultimate parent company, Arcelik.

### Compliance with Laws and Regulations

Ethical business conduct and compliance with applicable laws and regulations are fundamental aspects of Singer. To this end, the Company has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Relevant officials are responsible for ensuring proper compliance with applicable laws and regulations, and this process is followed by the Company. The Independent Corporate Compliance Auditor, M/s. S. F. Ahmed & Co., Chartered Accountants was appointed by the Board and confirmed in the 44th AGM held in 2024 to conduct Corporate Compliance Certification as per the requirement of the

Bangladesh Securities and Exchange Commission (BSEC). Accordingly, M/s. S. F. Ahmed & Co., Chartered Accountants, upon examination, issued a Compliance Certificate which has been shown on page 149 of the Annual Report.

### Our Code of Conduct

"Honesty, integrity, and superior business ethics are the foundations of our business conduct. We conduct our business based on good intentions, mutual benefit, and fair treatment in all our relationships. We are committed to conforming at all times to the highest ethical and legal standards."

Arcelik's (Arcelik A. S., the ultimate parent of Singer) Global Code of Conduct has been adopted by the Company, as a guide for the desired behaviors in business. As the Company continues to expand, it is important to adapt the Code to ensure that employees understand business conduct, what to pay attention to, and what behaviors to avoid. The Global Code of Conduct is designed to maintain high ethical standards and promote a culture of transparency and accountability, as well as outline the Company's commitment to responsible business practices, such as human rights, environmental sustainability, and social responsibilities. By adhering to the Global Code of Conduct, the Company demonstrates its commitment to ethical business practices and the creation of a safe and transparent workplace.

We conduct our operations in accordance with laws and regulations, with honesty and with respect for the human rights. All our employees and Business Partners are expected to adopt these rules, act in line with them. Our leaders are responsible from setting examples with their attitudes by leading our employees and making business decisions in accordance with the Arcelik Global Code of Conduct and related Code Policies.

While the Arcelik Global Code of Conduct and Code Policies strive to address various scenarios, they may not encompass every circumstance, especially considering the variations in laws across different countries. In cases where specific situations are not explicitly addressed, we maintain the spirit of the Code of Conduct and Code Policies by applying common sense and sound judgment. This should be done with consideration for objective criteria, ensuring compliance with the stricter of the relevant local laws and regulations, without violating either. The Code of Conduct is available in the Company's website [www.singerbd.com](http://www.singerbd.com).

### Whistle Blowing Policy

Arcelik's Global Code of Conduct has included a global whistle-blowing policy for employees of its own and of its worldwide subsidiaries. This policy promotes a work environment where employees are encouraged to report any