

***CORPORATE GOVERNANCE COMPLIANCE REPORT***

***Alif Industries Limited***

For the year ended 30<sup>th</sup> June, 2023



## **CORPORATE GOVERNANCE COMPLIANCE REPORT**

### **Annexure-B**

*[Certificate as per condition No. 1(5)(xxvii)]*

#### **Report to the Shareholders of Alif Industries Limited on compliance of Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by **Alif Industries Limited** for the year ended on June 30, 2023. This code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 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 the 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 on the above mentioned Corporate Governance Code issued by the commission;
- (b) The company has complied with the provisions of 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;
- (d) The governance of the Company is highly satisfactory.

Place: Dhaka

Dated: October 30, 2023



**HUDA HOSSAIN & CO.**  
**CHARTERED ACCOUNTANTS**

## Corporate Governance Code Compliance Status

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange 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.

### **(Report under Condition No.9)**

Condition No.	Title	Compliance Status (Put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1	<b>Board of Directors:</b>			
1.1	Size of the Board of Directors: The total number of members of a company's Board of Directors shall not be less than 5 (Five) and more than 20 (Twenty).	✓		Alif Industries Ltd Board is comprised of 5 (Five) Directors
1.2	<b>Independent Directors:</b>			
1.2 (a)	Independent Directors: At least 1/5th (We have four Directors and One Independent Director)	✓		There are 1 (One) IDs out of total 5 (Five) Directors
1.2 (b)(i)	Independent Director does not hold any shares in the company or holds Less than one percent (1%) Shares of the total paid-up shares of company	✓		The IDs have submitted declarations about their compliances
1.2 (b)(ii)	Not a Sponsor of The Company or is not connected with the Company's any sponsor or Director or Nominated Director or Shareholder	✓		-do-
1.2 (b)(iii)	Not been an executive of the Company immediate preceding 2 financial years	✓		-do-
1.2 (b)(iv)	Does not have other relationship	✓		-do-
1.2 (b)(v)	Not a Member or TREC holder, Director or Officer of any Stock Exchange	✓		-do-
1.2 (b)(vi)	Not a Shareholder, Director excepting independent director or Officer of any member TREC holder of Stock Exchange or an intermediary of the capital market	✓		-do-
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	✓		-do-
1.2 (b)(viii)	Not an Independent Director more than five listed Companies.	✓		-do-
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan or	✓		-do-



	any advance to a Bank or a Non-Bank Financial Institution (NBFI)			
1.2 (b)x)	Not convicted for a Criminal offence	✓		-do-
1.2 (c)	Appointment by the Board and approved in AGM.	✓		The Board of Directors appointed Mr. Tanim Noman Satter for the 1st term of three years.
1.2 (d)	Post cannot remain vacant for more than 90 days	✓		No such case in the reporting year.
1.2 (e)	Tenure of the Independent Director	✓		The IDs are in their regular term of office.
<b>1.(3)</b>	<b>Qualification of Independent Director:</b>			
1.3 (a)	Independent Director shall be knowledgeable individual with integrity	✓		The qualification and background of ID justifies their abilities as such
1.3 (b)i)	Should be a Business Leader	✓		
1.3 (b)ii)	Should be a Corporate Leader	✓		
1.3(b)iii)	Former official of government or statutory or autonomous or regulatory body.	✓		
1.3 (b)iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.		✓	
1.3 (b)v)	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 shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	✓		
1.3 (d)	Special cases for relaxation of qualifications.			Not applicable
<b>1.(4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:</b>			
1.4(a)	The position 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	✓		The Chair and the MD are different individuals with clearly defined roles



	company shall be filled by different individuals;			roles and responsibilities
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;	✓		The MD does not hold the same position in any other listed company
1.4 (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		All Board members are non-executive director
1.4 (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or chief Executive Officer;	✓		The Board clearly defined roles and responsibilities of the Chair and the CEO
1.4 (e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from nonexecutive directors as Chairperson for that particular Board's meeting.			No such case in the reporting year.
<b>1.(5)</b>	<b>The Directors' Report to Shareholders</b>			
1.5 (i)	Industry outlook and possible future developments in the industry	✓		Included in the Directors' report of the Annual Report ( page 17)
1.5 (ii)	Segment-wise or product-wise performance	✓		Included in the Directors' report of the Annual Report ( page 24)
1.5 (iii)	Risks and concerns		✓	Included in the Directors' report of the Annual Report ( page 24)
1.5 (iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin.	✓		Included in the Directors' report of the Annual Report ( page 25)
1.5 (v)	Discussion on continuity of any Extra Ordinary gain or loss			No such case in the reporting year.
1.5 (vi)	Discussion and Basis of related party transactions- a statement of all related party transactions.	✓		Included in the Directors' report of the Annual Report ( page 25)
1.5 (vii)	Utilization of proceeds from public issues, rights issues and/or through			No such case in the reporting year.



	any others instruments			
1.5 (viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc			No such case in the reporting year.
1.5 (ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report.		✓	
1.5 (x)	Statement of Remuneration to directors including independent directors.	✓		Included in the Directors' report of the Auditors' Report ( Note 31 )
1.5 (xi)	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	✓		Included in the Directors' report of the Annual Report ( page 26)
1.5 (xii)	Statement of Proper books of account of the issuer company have been maintained.	✓		-Do-
1.5 (xiii)	Statement of 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	✓		Included in the Directors' report of the Annual Report ( page 29)
1.5 (xiv)	Statement of IAS/IFRS, as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	✓		Included in the Directors' report of the Annual Report ( page 26)
1.5 (xv)	Statement of system of internal control is sound in design and has been effectively implemented and monitored	✓		-Do-
1.5 (xvi)	Statement of minority shareholders have been protected from abusive actions.			There was no such situation arise to protect the interest of minority shareholders
1.5 (xvii)	Statement of no significant doubts 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	✓		There was no such situation arises.





	with reasons thereof should 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 should be explained.		✓	
1.5 (xix)	Statement of Key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		Given on page 16 (Highlights Five years) of the Annual Report
1.5 (xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or "stock) for the year, the reasons thereof shall be given.			Cash Dividend declared of the reporting period.
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.	✓		No Stock Dividend declared of the reporting period.
1.5 (xxii)	The total number of Board meetings held during the year and attendance by each Director	✓		Stated in report of the Annual Report
1.5 (xxiii)	<b>A report on the pattern of the shareholding:</b>			
1.5 (xxiii)a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details);	✓		Included in the Directors' report of the Annual Report
1.5 (xxiii)b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit & Compliance and their spouses and minor children (name wise details);	✓		Included in the Directors' report of the Annual Report
1.5 (xxiii)c)	Executives;	✓		Included in the Directors' report of the Annual Report
1.5 (xxiii)d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	✓		Included in the Directors' report of the Annual Report
1.5 (xxiv)a)	A brief resume of the director;	✓		Included in page no 9 report of the Annual Report
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)	<b>Management Discussion and Analysis signed by MD:</b>			
1.5 (xxv)a)	Accounting policies and estimation for preparation of financial statements.	✓		Stated in MD's statement (Page -29)
1.5	Changes in accounting policies and	✓		Stated in MD's



(xxv)b)	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;			statement (Page -29)
1.5(xxv)c)	Comparative analysis (including effects of inflation) of financial performance or result and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof	✓		Stated in MD's statement (Page -30)
1.5 (xxv)d)	Compare such financial performance or results and financial position as well as cash flows with the "peer industry scenario;	✓		Stated in MD's statement (Page -30)
1.5 (xxv)e)	Briefly explain the financial and economic scenario of the country and the globe;	✓		Stated in MD's statement (Page -30)
1.5 (xxv)f)	Risks and concerns issues related to the financial statements, explaining such risk and concern mitigation plan of the company.	✓		Stated in MD's statement (Page -31)
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.	✓		Stated in MD's statement (Page -31)
1.5 (xxvi)	Declaration or certification by the CEO and CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;	✓		Given on page 32 of the Annual Report
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.	✓		Given on page 33 of the Annual Report
1.6	Meeting 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 Bangladesh 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	✓		Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and records as per provisions of the Companies Act, 1994 and Bangladesh Secretarial Standards (BSS) as adopted by ICSB
1.7	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			





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.		✓	
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 company;			Alif Industries Ltd. does not any subsidiary Company
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;			There is no 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;			There is no Subsidiary 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;			There is no Subsidiary Company
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company			There is no Subsidiary Company
3	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),	✓		The CEO, CFO, CS, Head of Internal Audit and Head



	a Head of Internal Audit and Compliance (HIAC);			of Ethics & Compliance have been appointed by the Board
3.1(b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance are different individuals and their roles and responsibilities are separately defined
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;			Only CFO hold in position to a separate company ( Alif Industries Ltd.)
3.1(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		The roles and responsibilities are separately defined
3.1(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).		✓	No such case in the reporting year
3.2	Requirement to attend Board of Director' Meetings: The MD or CEO, CS, CFO and HIAC shall attend the meetings of the Board: Provided that CS, CFO and HIAC shall not attend such part of a meeting if the Board of Directors which involves consideration of an agenda item relating to their personal matters.	✓		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance attended in the Board Meetings
3.3	<b>Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)</b>			
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;	✓		MD and CFO have duly certified to the Board and declared is disclosed page 36 of Annual Report.
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	✓		-do-
3.3(a)ii)	These statements together present a true and fair view of the	✓		-do-



	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;	✓		-do-
3.3(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		Given of the Annual Report
<b>4</b>	<b>Board of Directors' Committee:-</b>			
4(i)	Audit Committee	✓		The Board formed Audit Committee as per BSEC's notification
4(ii)	Nomination and Remuneration Committee	✓		The Board formed NRC/Management committee states in Page no. 15 of the annual report.
<b>5</b>	<b>AUDIT COMMITTEE:</b>			
5.1	Responsibility to the Board of Directors	✓		
5.1(a)	The company shall have an Audit Committee as a sub-committee of the Board.	✓		Audit Committee is established as per BSEC guidelines
5.1(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	✓		Audit Committee is established as per BSEC guidelines
5.1(c)	The Audit Committee shall be responsible to the Board. The duties of the Audit Committee shall be clearly set forth in writing.	✓		Audit Committee is established as per BSEC guidelines
<b>5.2</b>	<b>Constitution of the Audit Committee</b>			
5.2(a)	The Audit Committee shall be composed of at least 3 (three) members	✓		Audit Committee comprises of 4 (four) members including CS
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;	✓		All members of Audit Committee are non-executive director out of one member is ID. The chair of member is an ID. -do-
5.2(c)	All members of the audit			The Audit committee



	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			are "financially literate" and they have related financial management experience.
5.2(d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold office 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 such case in the reporting year.
5.2(e)	The company secretary shall act as the secretary of the Committee	✓		In Practice
5.2(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1(one) independent director	✓		-do-
<b>5.3</b>	<b>Chairperson of the Audit Committee</b>			
5.3(a)	The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an-independent director.	✓		The Chair of the Audit Committee is 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, 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	✓		No such case in the reporting year
5.3(c)	Chairperson of the audit committee shall remain present in the Annual General Meeting (AGM).	✓		Was present in the AGM of 2022
<b>5.4</b>	<b>Meeting of the Audit Committee</b>			
5.4(a)	The Audit Committee shall conduct at least its four meetings in a	✓		In Practice



	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.	✓		In Practice
<b>5.5</b>	<b>Role of Audit Committee</b>			
5.5(a)	Oversee the financial reporting process	✓		The Audit Committee performs as per BSEC guidelines
5.5(b)	Monitor choice of accounting policies and principles	✓		-do-
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;	✓		-do-
5.5(d)	Oversee hiring and performance of external auditors	✓		-do-
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	✓		-do-
5.5(f)	Review along with the management, the annual financial statements before submission to the board for approval	✓		-do-
5.5(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		-do-
5.5(h)	Review the adequacy of internal audit function	✓		-do-
5.5(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		-do-
5.5(j)	Review statement of significant related party transactions submitted by the management	✓		-do-
5.5(k)	Review Management Letters or Letter of Internal Control weakness issued by Statutory auditors		✓	-do-
5.5(l)	Oversee the determination of audit	✓		There was no such





	fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and			event to report
5.5(m)	Over see 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:		✓	No IPO was made in the reporting year.
<b>5.6</b>	<b>Reporting of the Audit Committee</b>			
5.6(a)	Reporting to the Board of Directors	✓		As per BSEC guide line
5.6.a(i)	The Audit Committee shall report on its activities to the Board.	✓		-Do-
5.6.a(ii)a)	report on conflicts of interests;			There was no such event to report
5.6.a(ii)b)	Suspected or presumed fraud or irregularity or material defect in the internal control system;			There was no such event to report
5.6.a(ii)c)	Suspected infringement of laws, including securities related laws, rules and regulations;			There was no such event to report
5.6.a(ii)d)	Any other matter which shall be disclosed to the Board Immediately.			There was no such event to report
5.6(b)	Reporting to the Authorities			There was no such event to report
<b>5.7</b>	<b>Reporting to the Shareholders and General Investors.</b>			There was no such event to report
<b>6</b>	<b>Nomination and Remuneration Committee(NRC)</b>	✓		
<b>6.1</b>	<b>Responsibilities to the Board of Directors:</b>	✓		
6.1(a)	The Company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board;	✓		NRC is established as per BSEC guidelines
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;	✓		NRC is established as per BSEC guidelines
6.1(c)	The terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at	✓		NRC is established as per BSEC guidelines



	the condition No. 6(5)(b).			
<b>6.2</b>	<b>Constitution of the NRC</b>			
6.2(a)	The Committee shall comprise of at least three members including an independent director	✓		NRC comprises of three Members including an ID.
6.2(b)	All members of the Committee shall be non-executive directors;	✓		All members of NRC are non-executive directors
6.2(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6.2(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6.2(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other case of Vacancies, the boards shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		There was no such event to report
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 nonvoting 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;	✓		There was no such event to report
6.2(g)	The company secretary shall act as the secretary of the Committee;	✓		
6.2(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
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	✓		There was no such event to report
<b>6.3</b>	<b>Chairperson of the NRC</b>			
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;	✓		The Chair of the NRC is an Independent Director
6.3(b)	In the absence of the Chairperson		✓	No such case in the



	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;			reporting year
6.3(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:	✓		In next AGM
6.4	Meeting of the NRC	✓		1st Meeting of NRC held on 20 January, 2019.
6.4(a)	The NRC shall conduct at least one meeting in a financial year;	✓		There were one meeting held during the reporting year
6.4(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	There was no such event with in the report period
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, whichever is higher where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
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.	✓		
<b>6.5</b>	<b>Role of the NRC</b>			
6.5(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		The NRC performs as per BSEC's guidelines
6.5(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:	✓		-do-
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:	✓		-do-
6.5(b)i)a)	The level and composition of remuneration is reasonable and sufficient to attract, retain and	✓		-do-



	motivate suitable directors to run the company successfully			
6.5(b)i)b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmark;	✓		-do-
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	✓		-do-
6.5(b)ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		-do-
6.5(b)iii)	Identifying person who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommended their appointment and removal to the Board;	✓		-do-
6.5(b)iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		-do-
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	✓		-do-
6.5(b)vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		-do-
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.	✓		The policy, criteria and activities of NRC are given of the Annual Report
<b>7</b>	<b>EXTERNAL OR STATUTORY AUDITORS:</b>			
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	✓		As declared by the Auditors
7.1(ii)	Financial information systems design and implementation	✓		-do-
7.1(iii)	Book-keeping or other services	✓		-do-



	related to the accounting records or financial statements			
7.1(iv)	Broker-dealer services	✓		-do-
7.1(v)	Actuarial services.	✓		-do-
7.1(vi)	Internal audit services	✓		-do-
7.1(vii)	Any service that the Audit Committee determines	✓		-do-
7.1(viii)	Audit or certification services on compliance of corporate governance as required under condition No 9(1); and	✓		-do-
7.1(ix)	Any other service that creates conflict of interest.	✓		-do-
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in law and daughter-in-law shall be considered as family members.	✓		-do-
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.	✓		The representative of external auditors attended in the 31st AGM held December 28, 2023
<b>8</b>	<b>Maintaining a website by the Company</b>			
8.1	The company shall have an official website linked with the website of the stock exchange.	✓		In practice
8.2	The company shall keep the website functional from the date of listing.	✓		In practice
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).	✓		In practice
<b>9</b>	<b>REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:</b>			
9.1	The company shall obtain a certificate from a practicing professional Accountant or Secretary (Chartered Accountant or Cost & Management Account or Chartered Secretary) other than its statutory auditors or audit firm or	✓		The company obtained the certificate from M/s. Huda Hossain & Co., Chartered Accountants and such certificate is disclosed





	yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report.			in th Annual Repot.
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.	✓		The Board appointed the compliance Auditors and their appointment
9.3	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not.	✓		Details status of compliance is given on page 34 to 50 of the Annual Report.

