

## Report on Corporate Governance

Corporate Governance is the system of Internal Control and procedures by which an individual company is managed in the best interest of all stakeholders. The primary role of corporate governance is played by the Board of Directors. Daffodil Computers Ltd. considers that its corporate governance practices comply with all the aspects of BSEC Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018. In addition, to establish high standards of corporate governance and also considers best governance practices in its activities. The independent role of Board of Directors, separate and independent role of Chairman and Managing Director, distinct role of Company Secretary, Chief Financial Officer and different Board Committees allows to achieve excellence in best corporate governance practices.

### Board of Directors' Composition

The Board of Daffodil Computers considers that its membership should comprise of directors with an appropriate skills, experience and personal attributes that allow the directors individually and the board collectively, to discharge their responsibilities and duties, under the law, efficiently and effectively, understand the business of the company and assess the performance of the management. The Board of Daffodil Computers comprise of 5 (Five) directors including 1(One) independent directors who possess a wide range of skills and experience over a range of professions, business and service. Each of our directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensure that the activities of the company are always conducted with devotion to strict and highest possible ethical standards and in the best interests of the stakeholders.

The Directors are appointed in the Board meeting. Casual vacancies, if any, are filled by the Board in accordance with the stipulations of the Companies Act, 1994 and Article of the Company. One-third directors retire from the board every year in the AGM but remain eligible for re-election & fresh election held as per board recommended. All elected and appointed directors' appointments are approved by the shareholders in the AGM.

### Role and Responsibilities of the Board

The board is committed to the company seeking to achieve superior financial performance and long-term prosperity and determines the corporate governance arrangements for the company.

The Board of Directors is in full control of the company's affairs and is also fully accountable to the policyholders & shareholders. They firmly believe that the success of the company largely depends on the sincere corporate governance practices adopted by the company. Taking this into consideration, the

The Board of Directors of Daffodil Computers set out its strategic focus and oversees the business and related affairs of the company. The board also formulates the strategic objectives and policy framework for the company. In settling the above responsibilities, the board carries out the following functions:

- Determine, monitor and evaluate strategies, policy, management performance criteria and business plan.
- Periodic and timely reporting to the shareholders on the affairs, progress and performance of the company
- Ensuring proper decision making and accountability structure throughout the company
- Delegation to Board Committees and management and approval of transactions in excess of delegated level
- Regular review of financial performance
- Appointment and evaluation of the performance of the top management positions
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively, in the best interest of the company
- Monitoring the adequacy, appropriateness and operation of internal controls.
- Recommending shareholders to appoint an external auditor.

### **Role and Responsibilities of Chairman of the Board**

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the company. The Chairman is accountable to the Board and acts as a direct relationship between the Board and the management of the company, through the Managing Director (MD). The Chairman acts as the communicator for Board decisions where appropriate.

The concept of separation of the role of the Chairman from that of the MD implies that the Chairman should be independent from management and free from any interest and any business or other relationship which could interfere with the Chairman's independent judgment other than interests resulting from company shareholdings and remuneration.

### **More specifically, the duties and responsibilities of the Chairman are as follows:**

- to act as a liaison between management and the Board
- to provide independent advice and counsel to MD
- to keep abreast generally of the activities of the company and its management
- to ensure that the directors are properly informed and that sufficient information is provided to enable directors to form appropriate judgments
- concert with the MD, to develop and set the agenda for meetings to the Board
- to act as chair at meetings of the Board
- to recommend an annual schedule of the date, time and location of Board and Committee meetings
- to review and sign minutes of Board meetings
- to sit on other Committees of the Board where appropriate as determined by the Board;
- to call special meetings of the Board where appropriate

- in concert with the MD to determine the date, time and location of the annual meeting of shareholders and to develop the agenda for the meeting
- to act as chair at meetings of shareholders
- to recommend to the Board, after consultation with the directors, management and the governance and nominating committee, the appointment of members of the committees of the board
- to assess and make recommendations to the Board annually regarding the effectiveness of the Board as a whole, the committees of the Board and individual directors; and
- to ensure that regularly, upon completion of the ordinary business of a meeting of the Board the directors hold discussions without management present.

### **Role and Responsibilities of Managing Director**

The Managing Director (MD) is responsible for leading the development and execution of the company's long-term strategy with a view to creating policyholders & shareholder value. The MD's leadership role also entails being ultimately responsible for all day-to-day management decisions and for implementing the company's long- and short-term plans. The MD acts as a direct liaison between the Board and management of the company and communicates to the Board on behalf of management. The MD also communicates on behalf of the company to policyholders, shareholders, employees, Government authorities, other stakeholders and the public.

More specifically, the duties and responsibilities of the MD include the following;

- to lead, in conjunction with the Board, the development of the Company's strategy;
- to lead and oversee the implementation of the Company's long- and short-term plans in accordance with its strategy;
- to ensure that the Company is appropriately organized and staffed and to have the authority to hire and terminate staff as necessary to enable it to achieve the approved strategy;
- to ensure that expenditures of the Company are within the authorized annual budget of the Company;
- to assess the principal risks of the Company and to ensure that these risks are being monitored and managed;
- to ensure effective internal controls and management information systems are in place;
- to ensure that the Company has appropriate systems to enable it to conduct its activities both lawfully and ethically;
- to ensure that the Company maintains high standards of corporate citizenship and social responsibility wherever it does business;
- to act as a liaison between management and the Board;
- to communicate effectively with policyholders, shareholders, employees, Government authorities, other stakeholders and the public;
- to keep abreast of all material undertakings and activities of the Company and all material external factors affecting the Company and to ensure that processes and systems are in place to ensure that the MD and management of the Company are adequately informed;

- to ensure that the Directors are properly informed and that sufficient information is provided to the Board to enable the Directors to form appropriate judgments;
- to ensure the integrity of all public disclosure by the Company in concert with the Chairman, to develop Board agenda
- to request that special meetings of the Board be called when appropriate; in concert with the Chairman, to determine the date, time and location of the annual meeting shareholders and to develop the agenda for the meeting
- to sit on committees of the Board where appropriate as determined by the Board; and
- to abide by specific internally established control systems and authorities, to lead by personal example and encourage all employees to conduct their activities in accordance with all applicable laws and the company's standards and policies, including its environmental, safety and health policies.

### **Code of Conduct for the Board Members**

As a Top ICT Company in Bangladesh, the Board of Directors of Daffodil Computers Ltd. is committed to demonstrating the high standards of ethical behavior in their relationships with the company's policyholders, shareholders, employees, regulators and the public. The Board of Directors is accountable for establishing the framework that creates a culture of integrity and objectivity. Board members are also responsible for complying with laws and regulations as well as avoiding behavior that might compromise the company's success. The following Code of Conduct for members of the Board of Directors of Daffodil Computers Ltd serves as ethical decision-making guidelines:

#### **Avoiding Conflicts of Interest**

Directors should avoid any conflicts between their interests and the Company's interests. A conflict of interest can occur when a director's personal interest is averse to the interests of the company or when a director (or a family member) receives improper personal benefits as a result of his/her position as a director.

#### **Pursuing Business Opportunities**

Directors may not contest for, or pursue either personally or on behalf of another firm, company business opportunities, including opportunities that are discovered through the use of DCL property, information or their position as a director.

#### **Maintaining Confidentiality**

It is essential to handle all non-public information carefully and appropriately. Directors should maintain the confidentiality of company information entrusted to them, regardless of the source. Directors may disclose certain non-public information if it is legally mandated or the director has the authority to do so.

## **Fair Dealing**

In carrying out their duties and responsibilities, Board members shall endeavor to deal fairly, and should promote fair dealing by the Company, its employees and agents, with policyholders and shareholders.

## **Compliance with Laws and Regulations**

In carrying out their duties and responsibilities, Board members shall comply, and endeavor to ensure that the management is causing the Company to comply with applicable laws, rules and regulations.

## **Board Meetings**

The meetings of the Board of Directors of DCL are held in the Physical/Virtual Meeting. The meetings are held on the scheduled dates as per decision of the Board. The notice of the meeting is served in writing to each director by the Company Secretary.

The Company Secretary is responsible for advising the Chairman and the Board on all corporate governance matters, board procedures and compliance with applicable rules and regulations. The Board Secretary maintains minutes of the board meetings.

## **Directors' Remuneration**

The directors do not receive any type of remuneration or incentives. The board members receive Board Fees for attending board and committee meetings.

## **Internal Control**

The Board is responsible for ensuring that the company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material misstatement or loss. The company's internal control system has been designed to provide the directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees/or management and/or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time.

## **Board Committees**

The Board has set up two important Committees namely, Audit Committee and Remuneration and Nomination Committee (NRC), to assist the Board in certain matters specified in the respective terms of reference of the Committees. The Audit Committee's primary role is to oversee financial reporting, risk management and internal control processes of the business. The Audit Committee submits periodic reports to the Board.

The Board has constituted a three-member Nomination and remuneration Committee (NRC) The primary function NRC is to assist the Board in determination of qualification criteria for the directors, fixation of remuneration and compensation for the Directors and top executives of the Company.

## **Executive Committee**

Next to the Board, is a five-member Executive Committee (EC) for closer monitoring of business performance and to provide operational guidance. A representative of the Board holds the position of Chairman of the Committee. The Executive Committee meets on a quarterly basis. Its scope of work includes among others, periodic review of business performance, approval of the budget and evaluation of capital expenditure proposals. The Executive Committee also approves the operating organization structure and significant policies and procedures. The Executive Committee provides significant inputs to enable the Board to make well-informed decisions.

## **Management Committee**

The Management Committee comprises operational heads and representatives from the Board and Executive Committee and is chaired by the Managing Director. The Committee meets on a monthly basis. It is responsible for implementing the decisions of the Board and the Executive Committee and supervision of the day to day affairs of the Company. The management Committee acts as a Centre of coordination across the functions and resolves different operational issues.

## **Internal Control**

Daffodil Computers employs a sound system of internal control including financial control which is designed to effectively achieve its business objectives through the best utilization of resources. A good internal control system enhances the reliability and integrity of financial and operational activities and also confirms compliance with laws, regulations and ethical principles.

The Company has a separate Internal Audit and Compliance department. They carry out financial and compliance audits across the organizations throughout the year. The department is adequately resourced with experienced personnel.

## **Audit Committee**

The Audit committee of Daffodil Computers Ltd is the Sub-Committee of the Board of Directors. The Audit Committee comprises Two Directors nominated by the Board of Directors. The Chairman of the Audit Committee is an Independent Director of the company.

## **Responsibilities of Audit Committee**

- Oversee the financial reporting process.
- Monitor choice of accounting policies and principles.
- Monitor Internal Control Risk management process.
- Oversee hiring and performance of external auditors.
- Review along with the management, the annual financial statements before submission to the board for approval.
- Review along with the management, the quarterly and half-yearly financial statements before submission to the board for approval.
- Review the adequacy of internal audit function.
- Review statement of significant related party transactions submitted by the management.
- Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.

## Report of the Audit Committee

I am pleased to present the report of the Audit Committee of Daffodil Computers Limited in pursuance with the Corporate Governance Guidelines of Bangladesh Securities and Exchange Commission (BSEC), dated June 03, 2018. The principal purpose of the Audit Committee is to assist the Board in effective fulfillment of its error responsibilities. The Committee has distinct terms of reference (TOR) developed conforming to the Code of Corporate Governance issued by the BSEC which includes but not confined to supervision the financial reporting process, monitoring accounting policies and principles, evaluating internal control system, reviewing the statement of significant related party transactions, assessing potential conflict of interests and reviewing the financial statements of subsidiary company. This report is a brief on the activities performed by the Audit Committee throughout the year.

## Review of Financial Statements

The Audit Committee in its meeting held on 22 October 2022 reviewed along with management, the financial statements and the report of the auditors of the company and its subsidiaries for the year ending on June 30, 2022. During the meeting Mr. Md. Jahir Uddin, the Chief Financial Officer of the Company presented the annual accounts along with the independent auditor's report to the committee. Detailed discussions on the financial statements were held with the representatives of the management of the Company. The CFO briefed the Committee that the consolidated as well as separate financial statements have been prepared in compliance with IAS. He appraised the Committee that the accounting policies applied in preparation of the financial statements are consistent with those of the previous financial years and are within the framework of international accounting standards and practices. The Committee reviewed the significant estimates and judgments made in preparation of the accounts and looked into their prudence and justification. They also evaluated the compliance of the financial statements to the disclosure requirements as per IAS and other regulatory authorities including BSEC. They further discussed the financial reporting process and the capability of the internal control system of the company in place, to prevent errors and fraudulent activities.

The Committee carefully examined the related party transactions carried out among different associated companies including the subsidiary. The committee was well satisfied that the related party transactions were made on an arm's length basis in the normal course of business and the transactions have been appropriately disclosed in the financial statements as per IAS : 'Related Party Disclosures'. The independent auditors' report also did not contain any material audit observation that called for the boards' consideration. The committee being satisfied authorized for forward submission of the annual audited financial statements to the Board for approval.

Additionally, during the year the Committee met on three other occasions to review among others, the interim un-audited financial statements issued by the company at quarter ends. In each instance, the committee held detailed discussions with senior management on different aspects of the financial statements to ensure accuracy, consistency and compliance of the reports in all material aspects. The Committee also considered the related party transactions and found that all related party transactions were made on an arm's length basis. In reliance on the reviews and considerations of the Audit Committee, the Board in each case approved the financial statements with the annual audited financial statements for release to the shareholders.

## External Auditor

The Committee evaluated the independence, objectivity and expertise of the independent auditors engaged to carry out the audit for the year 2021-22. The Company's existing Auditors M/S. Shafiq Basak & Co., Chartered Accountants, retired at this meeting and were eligible to the next term and M/S. Shafiq Basak & Co., Chartered Accountants is offer to appointment as auditor of the company for the year 2022-2023. The Board of Directors' recommended that M/S. Shafiq Basak & Co., Chartered Accountants may be appointed for the year ended June 2023 subject to the approval of shareholders in the 25th AGM at such remuneration as will be fixed here.

## Other Reviews and Activities

During 2021-22 the committee also evaluated and examined the risk management process, internal audit and compliance process and reviewed the reports thereon. The financial reporting process and the related compliance and disclosure issues also came up as matters of periodic review by the committee. The senior management of the Company on invitation attended various meetings of the audit committee to apprise the members on different issues. The committee noted no material deviations or non-compliance or adverse audit findings that warrants for Board or shareholders' attention during the year under review.

On behalf of the Audit Committee,



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M. Mofizur Rahman

Chairman of the Audit Committee

## Report on the Nomination and Remuneration Committee (NRC)

The nomination & Remuneration (NRC) is working as per the requirements the corporate governance code Bangladesh Securities and Exchange Commission (BSEC) issued on 03 June 2018. The NRC assists the board in formulating the nomination criteria or policy for determining qualification, positive attributes, experiences and independence of Director/Executive Directors and above hierarchy. The NRC also assists the board to formulate policy for formal & continued process of considering remuneration/honorarium of directors, executive directors and above.

The statement of nomination & Remuneration Committee is prepared following the corporate governance code of Bangladesh Securities & Exchange Commission (BSEC). This report covers nomination & Remuneration policies, evaluation criteria and activities of the NRC.

The NRC consists of three members, of whom one is independent director, one is a shareholder director and rests one is a nominated director. Pursuant to code 6.5(c) of the codes of corporate governance, the nomination & Remuneration policy of the Company is presented hereunder at a glance:

### The Composition of the NRC

The Board of Directors has appointed the Nomination & Remuneration Committee comprising at least three members including an independent Director and all members of the Committee are non-executive Directors.

The Nomination and Remuneration Committee is constituted comprising are the following members:

SL.no.	Members	Status with committee	Status with the Board
1	Ms. Samiha Khan	Chairman	Director
2	Mr. M. Mofizur Rahman	Member	Independent Director
3	Dr. Mohamed Emran Hossain	Member	Director
4	Mr. Md. Monir Hossain	Member	Company Secretary

### Overview of the Nomination and Remuneration policies

The Company follows the nomination policies and the benchmark of which pursuing the business code of conduct and standards perceptible in the market context and appropriate to meet the present and future needs of the company.

The board criteria in this respect for the Executive Directors and above hierarchy of the company are as well as follows:

**(a) Nomination Criteria**

- 1) The company policies as well as guidelines and application laws and regulations for the company;
- 2) A prescribed selection process that is transparent in all respects;
- 3) Following a process which is compatible to the recognized standards and the best practices
- 4) Distinguishing the core competencies of the respective personnel for the different level of management and employees of the company; and
- 5) Follow diversity in age, maturity, qualification, expertise and gender disciplines.

**Recruitment and Selection Standards**

The outline of the company needs for the employees at different levels, as determined by the management. The recruitment and selection of executive directors and above of the company are made according to the following core guiding principles:

**Executive Directors and above level:**

The candidate for executive director is listed based on the set criteria of BSEC and service rules of the company. The board of directors appoints executive directors and above, upon nomination and recommendation of the NRC.

**Independent Director:**

The independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws that can make meaningful contributions to the business.

The independent director should have competence of the relevant sector in which company operates and necessarily should have the qualifications as required by the Code of Corporate Governance issued by the BSEC. The board of directors appoints independent directors upon nomination and recommendation of the NRC, which is then approved by the shareholders in the Annual General Meeting of the Company.

**(b) Remuneration Criteria**

The key features of the Remuneration criteria are recommended by the NRC are as follows:

- i. The structure, scale and composition of remuneration / honorarium are reasonably considered based on the Company's Policies and Guidelines set by the Board of Directors to attract, retain and motivate the higher-level executives / executive directors to run the company efficiently and successfully;
- ii. The context of packages, including remuneration / benefit is categorically laid down which meets the appropriate performance benchmarks as per the Company's Policies and Guidelines ratified by the board as and when required;
- iii. The NRC recommends board meeting attendance fees, honorarium, including incidental expenses, if any; and
- iv. No member of the NRC is allowed to receive, either directly or indirectly, any remuneration for any advisory consultancy role or otherwise, other than board meeting and board's sub-committee meetings attendance fees from the company.

### **(c) Evaluation Criteria**

**Executive Directors and above Level Executives:** The respective line authority of the Executive Directors and above sets the performance measurement criteria based on the role profile and responsibilities through the company's annual appraisal policy at a certain time of each calendar year.

**Independent Director:** The evaluation of performance of the independent directors is to be carried out according to the criteria of attendance and participation at the board meetings, committee meetings; and contribution to the improvement of the corporate governance practices of the company.

### **Activity Summary of the Nomination and Remuneration Committee during the year**

During the year 2021-2022 the committee held a meeting which was attended by all the members of the committee. The Committee noted the Nomination and Remuneration initiatives ensuring the standards and compliance accordingly.

The committee in its meeting discussed in detail the TOR set out by the Board, the role of the committee. The committee decided to review the code of conduct for the Chairman, Board Members and the Managing Director of the Company. It was also agreed to review the existing policies of the Company including policy on remuneration for Directors and top-level executives.

On behalf of the Nomination & Remuneration Committee



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Chairman

Nomination & Remuneration Committee (NRC)



**MOLLAH QUADIR YUSUF & CO.**  
CHARTERED ACCOUNTANTS

Report to the Shareholders of Daffodil Computers Limited on Compliance on the Corporate Governance Code

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

We have examined the compliance status to the Corporate Governance Code by Daffodil Computers Limited for the year ended on 30 June 2022. This Code relates to the Notification No. Compliance of Notification No. BSEC/CMRRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under Section 2CC of the Bangladesh Securities and Exchange Commission (BSEC).

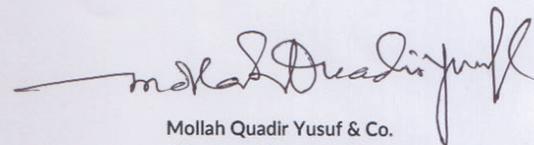
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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 excepting 1 (5)(xi) 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.

6<sup>th</sup> December, 2022  
Place: Dhaka



Mollah Quadir Yusuf & Co.  
Chartered Accountants

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**Status of compliance with the conditions imposed by the Commission's Notification  
No. SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under  
section 2CC of the Securities & Exchange Ordinance, 1969:**

(Report under condition No. 9)

Condition No.	Title	Compliance Status (Put $\checkmark$ in the appropriate column)		Remarks
		Complied	Not Complied	
1(1)	Board's size	$\checkmark$		Five Directors
1(2) (a)	No. of Independent Directors	$\checkmark$		One Independent Director
1(2)(b) (i)	Shareholding of Independent Director	$\checkmark$		
1(2)(b) (ii)	Relationship of Independent Director with sponsor, shareholders and others	$\checkmark$		
1(2)(b) (iii)	Executive of the Company	$\checkmark$		
1(2)(b) (iv)	Pecuniary or other relationship with the company	$\checkmark$		
1(2)(b) (v)	Relationship with the Stock Exchange	$\checkmark$		
1(2)(b) (vi)	Relationship with the member of any Stock Exchange	$\checkmark$		
1(2)(b) (vii)	Relationship with the statutory Audit Firm	$\checkmark$		
1(2)(b) (viii)	Directorship in more than 5 listed companies	$\checkmark$		
1(2)(b) (ix)	Conviction by a competent court	$\checkmark$		
1(2)(b) (x)	Conviction for criminal offence	$\checkmark$		
1(2)(c)	Approval of appointment of Independent Director in the AGM	$\checkmark$		
1(2)(d)	Vacancy in the post of Independent Director	$\checkmark$		
1(2)(e)	Tenure of office of Independent Director	$\checkmark$		
1(3)(a)	Individual with knowledge and integrity	$\checkmark$		
1(3)(b) (i)	Promoter or director of listed/non listed companies or member of chamber of commerce or business association	$\checkmark$		
1(3)(b) (ii)	Top level executive of listed/non listed companies	$\checkmark$		
1(3)(b) (iii)	Government official not below 5 <sup>th</sup> grade with degree in economics, commerce or law	-		N/A
1(3)(b) (iv)	University teacher in Economics, Commerce or Business Studies	$\checkmark$		
1(3)(b) (v)	Professional who is an Advocate/ CA/ CMA/ CPA/ CS	$\checkmark$		

Contition No.	Title	Compliance Status (Put v in the appropriate column)		Remarks
		Complied	Not Complied	
1(3)(c)	10 years experience of independent directors in prescribed field	√		
1(3)(d)	Relaxation of qualifications	√		
1(4)(a)	Chairperson and Managing Director or CEO shall be filled by different individual	√		
1(4)(b)	Managing Director or CEO of listed company shall not hold same position in another listed Company	√		
1(4)(c)	Chairperson shall be elected from non-executive directors	√		
1(4)(d)	Defining roles and responsibilities of Chairperson/ Managing Director/ Chief Executive Officer	√		
1(4)(e)	In absence of Chairperson remaining members may elect Chairperson for that particular meeting from themselves	√		
1(5)(i)	Industry outlook and possible future developments	√		
1(5)(ii)	Product wise performance	√		
1(5)(iii)	Risks and concerns	√		
1(5)(iv)	Discussion on Cost of goods sold, Gross profit and Net profit margin	√		
1(5)(v)	Discussion on continuity of extraordinary activities	√		
1(5)(vi)	Discussion on related party transactions	√		
1(5)(vii)	Statement of utilization of proceeds from public issue	-		No Significant Variance
1(5)(viii)	Explanation for deterioration of financial results	-		N/A
1(5)(ix)	Deviation in operating results between quarterly and annual financial statements	-		N/A
1(5)(x)	Statement of remuneration to Directors	√		
1(5)(xi)	Fair presentation of Financial statements	√		
1(5)(xii)	Maintaining proper books of account	√		
1(5)(xiii)	Application of appropriate accounting policies	√		
1(5)(xiv)	Follow up IAS/IFRS	√		
1(5)(xv)	Sound internal control designed and implementation thereof	√		
1(5)(xvi)	Protection of minority shareholders interest	√		

Contition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
1(5) (xviii)	Explanation of significant deviations and reasons thereof		√	
1(5) (xix)	Statement of key operating and financial data for last 5 years		-	N/A
1(5) (xx)	Reasons for non declaration of dividend		-	Dividend has been Declared
1(5) (xxi)	Board's intention to declare interim stock dividend		√	
1(5) (xxii)	Number of Board Meeting held		√	
1(5) (xxiii) (a)	Shareholding by Parent or Subsidiary/Associated companies		√	
1(5) (xxiii) (b)	Shareholding by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance		√	
1(5) (xxiii) (c)	Shareholding by Executives		√	
1(5) (xxiii) (d)	10% or more shareholding		√	
1(5) (xxiv) (a)	Brief resume of the director		√	
1(5) (xxiv) (b)	Nature of expertise		√	
1(5) (xxiv) (c)	Names of companies in which director holds directorship		√	
1(5) (xxv) (a)	Accounting policies and estimation for preparation of financial statements		√	
1(5) (xxv) (b)	Changes in accounting policies and estimates		√	
1(5) (xxv) (c)	Comparative analysis of financial performance for immediate preceding five years		√	
1(5) (xxv) (d)	Compare financial performance and position with peer industry		√	No peer industry is available for comparison
1(5) (xxv) (e)	Financial and economic scenario of the country and the globe		√	
1(5) (xxv) (f)	Risk and concerns issues related to financial statements and mitigation plan		√	
1(5) (xxv) (g)	Future plan or projection of company's operation, performance and financial position		√	
1(5) (xxvi)	Declaration by CEO and CFO		√	

Contition No.	Title	Compliance Status (Put √ in the appropriate column)		Remarks
		Complied	Not Complied	
1(5)(xxvii)	Certificate regarding compliance of conditions		√	
1(6)	Board meetings and record of minutes as per requirement		√	
1(7) (a)	Code of conduct for chairperson, Board members and Chief Executive Officer		√	
1(7) (b)	Posting code of conduct on the website of the company		√	
2 (a)	Composition of the Board of holding company		-	N/A
2 (b)	Independent director on the Board		-	N/A
2 (c)	Minutes of the Board meeting of the subsidiary company		-	N/A
2 (d)	Minutes of the meeting of holding company		-	N/A
2 (e)	Review of the financial statements of subsidiary company.		-	N/A
3(1) (a)	Appointment of : a) Managing Director (MD) b) Company Secretary (CS) c) Chief Financial Officer (CFO) d) Head of internal Audit and Compliance (HIAC)		√	
3(1) (b)	Managing Director, Company Secretary, CFO and HIAC shall be different individuals		√	
3(1) (c)	Holding of executive position in any other company by Managing Director, Company Secretary, CFO and HIAC		√	
3(1) (d)	Roles and responsibilities of Company Secretary, CFO and HIAC		√	
3(1) (e)	Removal of Managing Director, Company Secretary, CFO and HIAC and dissemination to the commission		√	
3 (2)	Attendance in Board Meetings by Managing Director, Company secretary, CFO and HIAC		√	
3(3)(a)(i)	Untrue/misleading statement		√	
3(3)(a)(ii)	True and fair view of company's affairs		√	
3(3)(b)	Certification by Managing Director and CFO regarding transaction that entered into by the company are not fraudulent and illegal or in violation of the code of conduct of the Board members.		√	
3(3)(c)	Disclosure of certificate in the Annual Report.		√	
4 (i)	Audit Committee		√	
4 (ii)	Nomination and Remuneration committee		√	

Contition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
5(1) (a)	Audit committee as a sub-committee of the Board		√	
5(1) (b)	Ensuring true and fair view of the financial statements and good monitoring system		√	
5(1) (c)	Duties of the Audit committee shall be in writing		√	
5(2) (a)	Composition of Audit Committee		√	
5(2) (b)	Members of the Audit Committee		√	
5(2) (c)	Financial literacy of Audit Committee members		√	
5(2) (d)	Casual vacancy in the Audit Committee		√	
5(2) (e)	Secretary of the Audit Committee		√	
5(2) (f)	Quorum of Audit Committee		√	
5(3) (a)	Chairman of the Audit Committee		√	
5(3) (b)	Chairman from remaining members in absence of chairman of Audit committee		√	
5(3) (c)	Presence of chairperson of Audit committee in the AGM		√	
5(4) (a)	No. of meetings in a year		√	
5(4) (b)	Quorum of the Audit Committee		√	
5(5) (a)	Oversee the Financial reporting process		√	
5(5) (b)	Monitor accounting policies and principles		√	
5(5) (c)	Monitor internal control		√	
5(5) (d)	Oversee hiring and performance of external Auditors		√	
5(5) (e)	Meeting with external auditors		√	
5(5) (f)	Review along with management		√	
5(5) (g)	Review quarterly and half yearly financial statements		√	
5(5) (h)	Review internal Audit function		√	
5(5) (i)	Review management discussion and analysis		√	
5(5) (j)	Review related party transactions		√	
5(5) (k)	Review management letters by statutory Auditors		√	
5(5) (l)	Oversee the determination of Audit fees		√	
5(5) (m)	Oversee the proceeds of initial public offering		√	
5(6)(a) (i)	Report of the Audit Committee		√	
5(6)(a)(ii)(a)	Report on conflict of interest to the Board of Directors		-	No such conflictions

Contition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks
		Complied	Not Complied	
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect in the internal control system	-		No such incidence
5(6)(a)(ii)(c)	Suspected infringement of laws	-		No such incidence
5(6)(a)(ii)(d)	Reporting any other matter to the Board of Directors	-		No such matter
5(6)(b)	Reporting to the Authorities	-		No such incidence
5(7)	Reporting to the Shareholders and general investor	✓		
6(1)(a)	Nomination and Remuneration Committee (NRC)	✓		
6(1)(b)	Assist the Board in formulation of nomination criteria of directors and top level executive	✓		
6(1)(c)	Terms of reference of NRC	✓		
6(2)(a)	Members of NRC	✓		
6(2)(b)	Members are non-executive directors	✓		
6(2)(c)	Members of NRC shall be appointed by the Board.	✓		
6(2)(d)	Board's authority to remove and appoint member of NRC	✓		
6(2)(e)	Fill-up vacancy of member of NRC	✓		
6(2)(f)	Appoint/co-opt any external expert	-		So far not required
6(2)(g)	Secretary of the NRC	✓		
6(2)(h)	Quorum of the NRC	✓		
6(2)(i)	No remuneration for advisory services or consultancy	✓		
6(3)(a)	Chairperson of the NRC	✓		
6(3)(b)	Chairman from remaining members	✓		
6(3)(c)	Attendance of chairperson of NRC in AGM	✓		
6(4)(a)	No. of meeting in a year	✓		
6(4)(b)	Convening emergency meeting	-		No such emergency arises
6(4)(c)	Quorum of the meeting of NRC	✓		
6(4)(d)	Proceedings of NRC meeting	✓		
6(5)(a)	NRC shall be accountable to the Board	✓		
6(5)(b)(i)(a)	Level of composition of remuneration	✓		
6(5)(b)(i)(b)	Relationship of remuneration to performance	✓		

Contition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks	
		Complied	Not Complied		
6(5)(b)(i)(b)	Relationship of remuneration to performance		✓		
6(5)(b)(i)(c)	Balancing between fixed and incentive pay		✓		
6(5)(b)(ii)	Devising policy on Board's diversity		✓		
6(5)(b)(iii)	Identifying persons who are qualified to become directors and top level executives.		✓		
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 appointment of employees and determination their selection, transfer and promotion criteria.		✓		
6(5)(b)(vi)	Developing human resources and training		✓		
6(5)(c)	Disclosure in annual report the nomination and remuneration policy and evaluation criteria and activities of NRC		✓		
7(1)(i)	Appraisal or valuation services		✓		
7(1)(ii)	Financial information systems		✓		
7(1)(iii)	Book-keeping or other services		✓		
7(1)(iv)	Broker-dealer services		✓		
7(1)(v)	Actuarial services		-	-	N/A
7(1)(vi)	Internal audit services		✓		
7(1)(vii)	Any other service		✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition no. 9(1)		✓		
7(1)(ix)	Any other service that creates conflict of interest		✓		
7(2)	Shareholding of partner or employees of external Audit firms		✓		
7(3)	Presence of representative of external auditors in AGM/EGM		✓		
8(1)	Official website of the company		✓		
8(2)	Keeping website functional from date of listing		✓		
8(3)	Detailed disclosures under listing regulation		✓		
9(1)	Certificate of compliance regarding Corporate Governance Guidelines		✓		
9(2)	Compliance auditor shall be appointed by the shareholders in the AGM		✓		
9(3)	Compliance of conditions as per Annexure-C		✓		

**Audit Committee as a sub-Committee of Board of Directors**

Brig Gen (rtd) Mr.M.Mofizur Rahman	(Independent Director)	Chairman
Dr. Mohamed Emran Hossain	(Director)	Member
Ms. Samiha Khan	(Director)	Member
Mr. Md. Monir Hossain	(Company Secretary)	Member

**Members' Attendance in the Audit Committee Meeting During the year 2021-2022.**

Name of Member	Position of the Committee	Total Meeting	Attended
Brig Gen (rtd) Mr.M.Mofizur Rahman	(Independent Director)	8	8
Dr. Mohamed Emran Hossain	(Director)	8	7
Ms. Samiha Khan	(Director)	8	5
Mr. Md. Monir Hossain	(Company Secretary)	8	7

**Name of the internal Audit Committee as a sub-committee of Board of Directors**

Dr. Mohamed Emran Hossain	(Director)	Chairman
Mr. Saif Mohammad Rizvi	Accounts Manager	Member
Mr. Md. Monir Hossain	(Company Secretary)	Member

**Members' Attendance in the Internal Audit Committee Meeting During the year 2021-2022.**

Name of Director	Total Meeting	Attended
Dr.Mohamed Emran Hossain	7	7
Mr.Saif Mohammad Rizvi	7	7
Mr. Md. Monir Hossain	7	7

**Nomination and Remuneration Committee as a sub Committee of the Board of Directors**

Ms.Samiha Khan	(Director)	Chairman
Dr. Mohamed Emran Hossain	(Director)	Member
Mr. M. Mofizur Rahman	(Independent Director)	Member
Mr. Md. Monir Hossain	(Company Secretary)	Member

**Members' Attendance in the Nomination and Remuneration Committee Meeting During the year 2021-2022.**

Name of Member	Position of the Committee	Total Meeting	Attended
Ms. Samiha Khan	(Director)	7	7
Dr. Mohamed Emran Hossain	(Director)	7	7
Mr. M. Mofizur Rahman	(Independent Director)	7	7
Mr. Md. Monir Hossain	(Company Secretary)	7	7

**Director's Attendance in the Board of Directors Meeting During the year 2021-2022.**

Name of Director	Total Meeting	Attended
Ms. Shahana Khan	8	8
Mr. Md. Sabur Khan	8	8
Brig. Gen (rtd) Mr. M. Mofizur Rahman	8	7
Dr. Mohamed Emran Hossain	8	8
Ms. Samiha Khan	8	6

**Shareholding position of Directors as on 17-11-2022**

	Shareholding
Ms. Shahana Khan	1,41,64,080
Mr. Md. Sabur Khan	22,23,245
Brig. Gen (rtd) Mr.	0
Dr. Mohamed Emran Hossain	31,46,653
Ms. Samiha Khan	10,35,651

**Shareholding position of top five executives as on 17-11-2022**

Name	Designation	Shareholding
Mr. Md. Sabur Khan	Managing Director	22,23,245
Mr. Abdur Rob	GM, Chief of Operation	Nil
Mr. Jafar Ahmed Patwary	GM, Business Operation	Nil
Mr. Md. Jahir Uddin	GM and chief of Accounts	Nil
Md. Monir Hossain	Company Secretary	Nil

**Chairman, Managing Director, Directors, Company Secretary, CFO, Head of Internal Audit and their spouse and minor children.**

No.	Name	Position	Spouse Name	Minor Children
	Ms. Shahana Khan	Chairman	Md. Sabur Khan	N/A
	Mr. Md. Sabur Khan	Managing Director	Ms. Shahana Khan	N/A
	Ms. Samiha Khan	Director	N/A	N/A
	Dr. Mohamed Emran Hossain	Director	Mrs. Fahmida Emran	Ms. Nowshin Mumtahina Zara
	Brig Gen (rtd) M. Mofizur Rahmann	Independent Director		N/A
	Mr. Md. Monir Hossain	Company Secretary	Dr. Mahmuda Akhter	Ms. Neeelormi Nirupoma
	Mr. Jahir Uddin	CFO	Mrs. Tahmina Ahmed	N/A