



The Board of Directors clearly defined respective roles and responsibilities, of the Chairman, the Chief Executive Officer (Managing Director), the Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) and the Company Secretary (CS) as recommended by the Nomination and Remuneration Committee of the company.

CHAIRMAN

The primary objective of such condition being the Board's independence from management and the need for Board leadership to deal with that matter of governance where independence matters, the creation of the non-executive Chairman role signals to all stakeholders that the Chief Executive Officer (Managing Director) is accountable to a united Board with a visible leader. The Chairman's role is therefore communication-intensive requiring exceptional interpersonal skills, intellectual honesty and an apolitical mindset, and must be able to focus a diverse group of directors and build consensus among them, be able to coach the CEO and be willing to have the difficult conversations with the CEO when necessary. The Chairman must as well have the maturity, leadership skills, tact, and ability to keep his or her ego in check as well as a clear understanding of the boundaries of the role and be an effective Board-room leader. An effective Chairman and CEO partnership requires mutual trust and regular contact. A dysfunctional relationship between the Chairman and the CEO, communication failures between the two or between the Chairman and the Board, or the actions of an over-reaching Chairman can all undermine effective governance. The respective roles of the Chairman and the CEO will depend on various factors such as the manner in which the Board functions and the relationship between the Board and the Management.

The Articles of Association of the company provides that the Chairman of the Board of Directors shall be elected by the Board of Directors who shall chair meetings of the company as well as those of the Directors with provisions for circumstances in which he is not present or is unwilling to act as such.

The key roles and responsibilities of the **Chairman** are defined as under:

1. To call and lead meetings of the Board of Directors and that of the Shareholders of the Company, and has a duty to ensure that the meeting is properly convened and conducted.
2. To play a crucial leadership and pivotal role in ensuring that the Board as well as its Committees works effectively in conformity with the highest standards of corporate governance.
3. To ensure full participation of the executive, non-executive and independent directors in the Board's decision making processes and activities.
4. To facilitate effective contribution of non-executive and independent directors and building a strong bond and trust between them and the executive directors.
5. Ensure that the Board plays a full and constructive part in developing and determining the company's strategy and overall business and commercial objectives.



6. Ensure that all relevant, material and timely information is made available to the Board for Board Meetings.
7. Set agenda to be tabled for discussion in consultation with the CEO and the Company Secretary taking into consideration the important issues facing the company with emphasis to strategic rather than routine issues.
8. Ensure that there are sufficient channels for effective communication between the Board and the shareholders at General Meetings.
9. Ensure that all Board Committees are properly established, composed and operated.
10. Ensure that complete, timely and clear information on the company affairs are provided to the Board.
11. Ensure that the advice of the Company Secretary on compliance procedures and rules are considered and acted upon.
12. Ensure effective communication between the company and its executive e management, committees and shareholders.
13. Ensure that the meeting is conducted in accordance with the requirements of the Act, Regulatory Acts and regulations, company's Articles of Association and any applicable special and common law and rules, and has an overriding duty to act in good faith in the best interests of the company and is responsible for the proper conduct of the meeting, the preservation of order, ensuring that all shades of opinion are given a fair hearing and ensuring that the sense of the meeting is properly ascertained and recorded.
14. Ensure that the meeting starts on time and that all the business on the agenda is transacted. The start of meeting can be delayed in certain circumstances obviously where there is no quorum. The Chairman can legitimately delay the meeting to allow members who arrived on time to register and get admittance. As a rule of thumb, it is not advisable to delay the meeting for any longer than 15 to 20 minutes. Problems that take longer time than this to fix should be dealt with by proposing an adjournment immediately after opening the meeting.
15. Rule on any question raised from the floor relating to the conduct of the meeting. If his decision is challenged, the matter should be put to the meeting and decided by the majority of those present. In addition to making rules on points of order, the Chairman will usually have the power to adjourn the meeting, to demand a poll, to rule on validity of votes at general meetings and to rule of the validity of an amendment of motions / resolutions.



16. Cannot close the meeting without its consent until all the business has been dealt with.
17. Minutes signed by the Chairman of the Meeting are prima-facie evidence of the proceedings therefore the Chairman has a special duty to produce and keep minutes of all proceedings of General Meetings, Meetings of the Directors and its Committees.
18. Deemed to have been given authority by the meeting to regulate its proceedings still there are many matters relating to the conduct of a meeting which entirely are in the hands of those persons who are present and constitute the meeting. Thus it rests with the meeting to decide whether notices, resolutions, minutes, accounts and such like shall be read to the meeting or be taken as read, whether representatives of the Press or any other persons not qualified to be summoned to the meeting, shall be permitted to be present, or if present, shall be permitted to remain, whether and when discussion shall be terminated and a vote taken, whether the meeting shall be adjourned. In all these matters, which are only instances, the meeting decides, and if necessary a vote must be taken to ascertain the wishes of the majority. If no objection is taken by any constituent of the meeting, the meeting must be taken to be assenting to the course adopted.
19. Support and advice the CEO in the development strategy and establish a harmonious and open relationship with him.
20. Meet regularly with the CEO to review issues, opportunities and problems.
21. Promote effective relationship and communications between non-executive directors and members of the Committees.
22. Maintain access to senior management as is necessary and useful but not intrudes on the responsibilities of the CEO.
23. The Chairman shall not act beyond Articles of Association of the Company.



CHIEF EXECUTIVE OFFICER / MANAGING DIRECTOR

The **Chief Executive Officer (which is equivalent to more commonly known term of ‘Managing Director’)** of the Company shall be in total charge of managing the business of the company, who shall develop business strategies and translate them into functional objectives and manage himself or through functional managers the following major functions independently:

- (a) Financial planning and sourcing, record keeping and analytical management reporting to the Board of Directors;
- (b) Managing the marketing channels and sales force, market research, developing new products, marketing communications, public relations, pricing decisions and customer service;
- (c) Managing day to day operations including training and guiding employees using available resources productivity, monitoring performance levels and ensuring the availability of required skill sets;
- (d) Assessing the human resource requirements, employee records maintenance, employee skills management programs and disciplinary matters;
- (e) Complying with the various regulatory requirements as applicable to the Company, and ensuring that the employees are aware of and comply with these typically by developing policies and practices that result in compliance and communicating these to employees and monitoring their adherence; and
- (f) Tap the potential of information technology for improving company’s functioning and monitor technology developments and help develop meaningful roles for the company in the emerging technological scenarios.
- (g) And in particular, the CEO / MD shall:
 - (i) have the vision of the company in sight and work based on that and will be responsible for creating a desired image about the company among the public, customers, government and other external entities and shall make sure that the company is able to ensure business continuity in the face of different kinds of crises and changes in environment.
 - (ii) motivate the chief officers to function in a coordinated manner and develop the business into a cohesive organization.
 - (iii) evaluate the performance of the company, review with the operations head and finance head and steer the company ahead.
 - (iv) make sure the business is done legally within the framework provided and ensuring that the processes are all in place. Major decisions with regard among others to what other businesses to enter or if ties with any existing client should be severed etc shall however be made by the CEO / MD in consultation with and within the authorities delegated by the Board of Directors.



- (v) be accountable to the Board of Directors of the Company for the performance of the business consistent with agreed plans, strategies and policies.
- (vi) develop annual plans for presentation to the Board for support.
- (vii) plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.
- (viii) develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps are taken to manage the risks.
- (ix) develop and maintain an effective framework of internal controls over risk in relation to all business activities.
- (x) ensure that the flow of information to the Board is accurate, timely and clear.
- (xi) ensure an effective dialogue between the executives and the Board and in particular ensure that the Chairman and the Board are regularly up-dated on matters affecting the Company's performance, competitive position and risk profile.
- (xii) establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate, and
- (xiii) meet regularly with the Chairman to review issues, opportunities and problems.
- (xiv) meet regularly with investors and media.
- (xv) The CEO/MD and the CFO shall jointly certify to the Board that –
 - (a) They have reviewed financial statements for the year and to the best of their knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.
 - (b) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
 - (c) The Certification of the MD or CEO shall be disclosed in the Annual Report.
 - (d) The Managing Director shall not act beyond Articles of Association of the Company.



CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors of the Company defines the roles, responsibilities and duties of the **Chief Financial Officer (CFO)** as follows:

Shall perform several tasks inclusive of preparing accounts, preparing budgets, operational reporting and interpreting, evaluating operating results, preparing income tax returns, establishing internal control procedures to safe-guard the company's assets.

- i) Shall furnish necessary and classified information to the Board of Directors along with his analysis and suggestions as the CFO attends the Board Meetings. In order to strengthen and formalize corporate decision-making process, significant issues including those listed hereunder are required to be placed by the CFO for the information, consideration and decision of the Board of Directors:
 - a) Annual business plans, cash flow projection, forecasts and long term plans;
 - b) Budgets including capital, manpower and overhead budgets along with variance analysis;
 - c) Quarterly operating results of the company as a whole and in terms of its operating divisions or business segments;
 - d) Details of joint venture or collaboration agreements or agreements with distributors, agents, suppliers etc;
 - e) Default in payment of principal and / or interest including penalties on late payments and other dues, to a creditor, bank or financial institutions or default in payment of public deposit;
 - f) Failure to recover material amounts of loans, advances and deposits made by the company including trade debts and inter-corporate finances; and
 - g) Significant public or product liability claims likely to be made against the company including any adverse judgment or order made on the conduct of the company.
- ii) The CFO shall process and furnish all the information required for decision-making by the Board of Directors and the Chief Executive Officer / MD.
- iii) The CFO shall provide all the necessary data to be presented in the 'Directors' Report' prepared under section 184 of the Companies Act 1994, and shall ensure the following:
 - (a) The financial statement, prepared by the management of the company, present fairly its states of affairs, the result of its operation, cash flows and changes in equities;
 - (b) Proper books of accounts of the company have been maintained;



- (c) Appropriate accounting policies have been consistently applied in preparation of financial statements and accounting estimates are based on reasonable and prudent judgment;
 - (d) International accounting standards, as applicable in Bangladesh, have been followed in preparation of financial statements and any departure there from has been adequately disclosed;
 - (e) The system of internal control is sound in design and has been effectively implemented and monitored;
 - (f) There are no significant doubts upon the company's ability to continue as going concern; and
 - (g) There has been no material departure from the best practice of corporate governance as detailed in the Listing Regulations.
- iv) In addition thereto the CFO shall also provide necessary data on the following additional statements to be presented in the said Directors' Report:
- a) Industry outlook and possible future development in the industry.
 - b) Segment-wise or product-wise performance.
 - c) Risks and concerns.
 - d) A discussion of Cost of Goods sold, Gross Profit Margin and Net Profit Margin;
 - e) Discussion on continuity of any extra-Ordinary gain or loss;
 - f) Basis for related party transactions – a statement of all related party transactions should be disclosed in the annual report;
 - g) Utilization of proceeds from public issues, right issues and / or through any other instruments;
 - h) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Right Offer, Direct Listing etc;
 - i) If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual report;
 - j) Remuneration to directors including Independent directors;
 - k) The financial statements prepared by the management of the company present fairly its state of affairs, the result of its operations, cash flows and changes in equity;
 - l) Proper books of accounts of the company have been maintained;
 - m) 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;
 - n) International Accounting standards (IAS) / Bangladesh Accounting Standards (BAS) / International Financial Reporting Standards (IFRS) / Bangladesh Financial Reporting standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.



- o) The system of internal control is sound in design and has been effectively implemented and monitored;
 - p) There is no significant doubts upon the company's ability to continue as a going concern, and if the company is not considered to be a going concern, the fact along with reasons thereof should be given;
 - q) Significant deviations from the last year's operating results of the company shall be highlighted and the reasons thereof should be explained;
 - r) Key operating and financial data of at least preceding five years shall be summarized;
 - s) Reasons shall be given if the company has not declared dividend (cash or stock) for the year;
 - t) Number of Board Meetings held during the year and attendance by each director shall be disclosed;
 - u) The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name-wise details) held by:
 - i) Parent / Subsidiary / Associated Companies and other related parties (name-wise details);
 - ii) Directors, Chief Executive Officer, Company secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name-wise details);
 - iii) Top five salaried employees of the company other than the Directors, Chief executive Officer, Company secretary, Chief financial Officer and head of Internal Audit; and
 - iv) Shareholders holding ten per cent or more voting interest in the company (name-wise details);
 - v) In case of the appointment / re-appointment of a director, the company shall disclose the following information to the shareholders:
 - i) A brief resume of the director;
 - ii) Nature of his / her expertise in specific functional areas; and
 - iii) Names of companies in which the person also holds the directorship and the membership of committees of the Board.
- v) The CFO of the company shall attend the meetings of the Board of Directors provided that the CFO shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to his personal matters.
- vi) The CEO/MD and the CFO shall jointly certify to the Board that –
- a) They have reviewed financial statements for the year and to the best of their knowledge and belief:
 - i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;



- ii) These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws.

- b) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.

- c) The Certification of the MD or CEO shall be disclosed in the Annual Report.

**HEAD OF INTERNAL AUDIT and COMPLIANCE (HIAC)**

The **Head of Internal Audit & Compliance (HIAC)** is to management Audit unit of the Company therefore should suitably be qualified and possess wide experience in internal audit and its management. The Board of Directors of the Company defines the roles, responsibilities and duties of the **Head of Internal Audit (Internal Control and Compliance)** as follows:

- i) Shall plan, direct, control and motivate the resources available to ensure that the responsibilities of the internal audit are met.
- ii) Shall participate in the recruitment and selection of his staff. (New entrants to internal audit work should have time to familiarize themselves with the activities of the internal audit unit and the company and to demonstrate their suitability for audit work;
- iii) Shall promote and maintain adequate quality standards, establish methods or evaluating the work of his staff to ensure that the internal audit unit fulfils its responsibilities;
- iv) Shall prepare the internal audit plan and arrange the timing of internal audit assignments in consultation with the management concerned, except on those rare occasions where an unannounced visit is a necessary part of the audit approach;
- v) Shall establish arrangements:
 - a. to allocate internal audit assignments according to the level of and proficiency of internal audit staff;
 - b. to ensure that internal auditors clearly understand the responsibilities and internal audit objectives;
 - c. to communicate the scope of work to be performed and agree the program of work with each internal auditor;
 - d. to provide and document evidence of adequate supervision, review and guidance during the internal audit assignment;
 - e. to ensure that adequate working papers are prepared to support internal audit findings and conclusions; and
 - f. to ensure that internal audit's performance is in accordance with the internal audit plan or that any significant variations have been explained;
- vi) shall establish arrangements to evaluate the performance of the internal audit unit in which he gives an assessment of how effectively the objectives of the function have been met;
- vii) shall carry out independent appraisal of the effectiveness of the policies, procedures and standards by which the company's financial, physical and information resources are managed;
- viii) shall act as facilitator in business risk management;
- ix) shall manage regulatory risks and controls for the assigned regulation, law or line of business to ensure compliance with applicable laws and regulations;



- x) shall work with management to ensure a system is in place which ensures that all major risks of the company are identified and analyzed;
- xi) shall plan, organize and carry out the internal audit function including preparation of audit plan, scheduling, assigning work and estimating resource needs;
- xii) shall report to both the Audit Committee and the management on the policies, programs and activities of internal audit department;
- xiii) shall co-ordinate coverage with the external auditors and ensure that each party is not only aware of the other's work but also well briefed on areas of concern;
- xiv) shall make recommendations on the systems and procedures being reviewed, report on the findings and recommendations and monitor management's response and implementation;
- xv) shall review and report on the accuracy, timeliness and relevance of the financial and other information that is provided for management;
- xvi) shall conduct any reviews or tasks requested by the audit committee and management provided that such reviews and tasks do not compromise the independence or objectivity of the internal audit function;
- xvii) shall provide both the management and the audit committee with an opinion on the internal controls in the company; and
- xviii) shall monitor and evaluate operations, programs, processes and / or practices for quality and effectiveness and to make recommendations for improvement.

REPORTING AND FOLLOW-UP:

Internal audit reports provide a formal means of communicating to management the results arising from audit undertaken. Such reports should include audit findings, recommendations and conclusions relating to the adequacy of and compliance with the system of internal control and the efficiency, effectiveness and economy of operations in the area covered by the audit. The aim of every internal audit report should be:

- a) to prompt management action to implement recommendations for change leading to improvement in performance and control; and
- b) to provide a formal record of points arising from the internal audit assignment and, where applicable, of agreements reached with management.

The Head of Internal Audit and Compliance should produce clear, constructive and concise written reports based on sufficient, relevant and reliable evidence, which should:



- a) state the scope, purpose, extent and conclusions of the internal audit assignment;
- b) make recommendations which are appropriate and relevant, and which flow from the conclusions; and
- c) acknowledge the action taken, or proposed, by management.

Internal audit evidence is information obtained by an internal auditor which enables conclusions to be formed on which recommendations can be based. The Internal auditor shall determine what evidence will be necessary by exercising judgment in the light of the objectives of the internal audit assignment. This judgment will be influenced by the scope of the assignment, the significance of the matters under review, the relevance and the reliability of available evidence and the cost and time involved in obtaining it. The collection and assessment of internal audit evidence shall be recorded and reviewed to provide reasonable assurance that conclusions are soundly based and internal audit objectives achieved.

While the Head of Internal Audit and Compliance may clear minor matters which do not indicate a consistent or systematic weakness with members of staff directly involved, matters of consequence should be reported formally in writing to management and the Audit Committee.

The Head of Internal Audit and Compliance should ensure that reports are sent to the Audit Committee as well as to the managers who have a direct responsibility for the unit or function being audited and who have the authority to take action on the internal audit recommendations.

It is management's responsibility to ensure that proper consideration is given to internal audit reports. The Head of Internal Audit should ensure that appropriate arrangements are made to determine whether action has been taken on internal audit recommendations or that management has understood and assumed the risk of not taking action. The status of implementation, in respect of matter of consequence, so determined should be reported to the appropriate levels of management and to the Audit Committee to enhance internal audit effectiveness.

**COMPANY SECRETARY**

The **Company Secretary** acts as a mediator between the company, its Board of Directors, stakeholders, Government and Regulatory authorities. The Company Secretary therefore should be a person who has expertise in corporate laws, security laws and corporate governance. Although the Company Secretary's role can be very diverse, the typical roles, responsibilities and duties of the Company Secretary are legal obligations as well as which results from best practice. With a view to meet with the requirements of the Corporate Governance Guidelines of the Commission, the Board of Directors of the company defines as under the typical role, responsibilities and duties of the Company Secretary which are legal obligations and those which results from best practice:

- 1) To act in good faith in the interests of the company;
- 2) Not to act for any collateral purpose;
- 3) To avoid conflicts of interest;
- 4) Not to make secret profits from dealings for and on behalf of the company;
- 5) To ensure that the procedure for the appointment of directors is properly carried out and assist in the proper induction of directors;
- 6) To facilitate acquisition of information by all Board and Committee members so that they can maximize their ability to contribute to Board / Committee Meetings, discussions etc.
- 7) To organize Board / Committee meetings formulating meeting agenda the Chairman and / or Managing Director and advise the management on contents for organization of Memoranda or Presentations for the Meeting;
- 8) To assist the Chairman and directors in the conduct of the meetings and their directorial and governance obligations and responsibilities;
- 9) To raise in the meeting matters which may warrant attention of the Board;
- 10) To ensure compliance with all relevant statutory and regulatory requirements;
- 11) To communicate with the shareholders as appropriate and to ensure that due regard is paid to their interest;
- 12) To ensure that Annual General Meeting is held in accordance with the requirements of the Companies Act, Security laws and the company's Articles of Association, prepare and issue notices of Meeting, obtain internal and external documents, data and information from the management for incorporation in the Annual Report, distribute Proxy Forms, prepare the Chairman's agenda for conducting the Meeting, and at meetings to ensure that proxy forms are correctly processed and that voting is carried out accurately and record minutes of the meetings;
- 13) To make sure that the company complies with requirements of security laws, to maintain relations with Stock Exchange and to relay and disseminate information regarding the company to the market.



- 14) To maintain statutory registers regarding the members, charges, directors and managers, debentures, debenture holders etc as per requirements of the Companies Act.
- 15) To prepare and submit Annual Report, amended Memorandum & Articles of Association, Returns in respect of allotments, of appointments, removal and resignation of directors and the managers, of removal or resignation of the auditors, of change of registered office, of Mortgage & Charges and of Satisfaction thereof etc in compliance with the requirements of the Companies Act with the Registrar of Joint Stock Companies, Government of Bangladesh;
- 16) To cause publication of Annual Report and Accounts;
- 17) To maintain the company's register of members and deal with questions of the shareholders and transfer of share-holding etc;
- 18) To communicate with shareholders, both individual and institutional, through circulars and notices and to ensure payment of dividends;
- 19) To keep an eye on both the register of members maintained by the company and that maintained by the Depository to see if any stakeholder is aiming at taking over the company; and
- 20) To attend the meetings of the Board of Directors provided that the Company Secretary shall not attend such part of a meeting of the Board of Directors that involves consideration of an agenda item relating to his personal matters.