বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন

বিজ্ঞপ্তি

তারিখ ১৪ মে ২০২৬

সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ অর্ডিন্যান্স, ১৯৬৯ এর ধারা ৩৩ এর উপ-ধারা (১) এ প্রদত্ত ক্ষমতাবলে বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন এতদ্বারা **"Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026"** এর খসড়ার উপর সংশ্লিষ্ট সকলের মতামত, পরামর্শ বা আপত্তি আহবান করিতেছে।

খসড়া বিধিমালার উপর মতামত, পরামর্শ বা আপত্তি উক্ত বিধিমালা কমিশনের ওয়েবসাইট/সংবাদপত্রে প্রকাশিত হইবার ২(দুই) সপ্তাহের মধ্যে নিম্ন ঠিকানায় প্রেরণ করিবার জন্য অনুরোধ করা হইলো। উল্লেখ্য যে, উক্ত খসড়া বিধিমালা নিম্নোক্ত ওয়েব লিংক এবং QR code স্ক্যান করিবার মাধ্যমে পাওয়া যাইবেঃ

* খসড়া বিধিমালা ডাউনলোড করিবার ওয়েব লিংক:

https://sec.gov.bd/crequest/Bangladesh_Securities_and_Exchange_Commission_(Corporate_Governance)_Rules,_2026_14.05.2026.pdf

* খসড়া বিধিমালা প্রাপ্তির QR code:

মতামত, পরামর্শ বা আপত্তি প্রেরণের ঠিকানা:

চেয়ারম্যান

বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন
সিকিউরিটিজ কমিশন ভবন
ই-৬/সি, আগারগাঁও
শের-ই-বাংলা নগর প্রশাসনিক এলাকা
ঢাকা-১২০৭
ই-মেইল: chairman@sec.gov.bd এবং প্রতিলিপি: farzana.yeasmin@sec.gov.bd

Securities Commission Bhaban, E-6/C, Agargaon, Sher-e-Bangla Nagar Administrative Area, Dhaka-1207, Bangladesh.
Phone: +880-2-55007131, +880-2-55007132, Fax: +880-2-55007106, E-mail: info@sec.gov.bd, Web: www.sec.gov.bd

Bangladesh Securities Commission Bhaban
E-6/C Agargaon
Sher-E-Bangla Nagar Administrative Area
Dhaka-1207, Bangladesh.

Notification
Dated:

No. 53.02.0000.000.201.22.0158.06…….272……... Whereas for orderly development of the securities market, and strengthening corporate governance practices in the listed companies, it is expedient to introduce a comprehensive corporate governance rules to enhance transparency and accountability in the listed companies, protect the interests of shareholders alongwith other stakeholders, and also to promote market confidence;

Now, therefore, in exercise of the powers conferred by sub-section (1) of section 33 of the Securities and Exchange Ordinance, 1969, the Bangladesh Securities and Exchange Commission (hereinafter referred to as "the Commission") hereby proposes the following Rules, namely: —

CHAPTER-1
PRELIMINARY

1. **Short title, Commencement and Applicability. –** (1) These rules may be called the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026";

   (2) These rules shall be applicable for all the issuers/companies of ordinary shares that are listed in the main board of the stock exchange(s);

   (3) These rules may be applicable for the issuers/companies of ordinary shares that are listed in the SME board or alternative trading board (ATB) and for any public interest entity, as and when the commission may, by order in writing, require it comply;

   (4) These rules shall have immediate effect.

2. Definitions. – (1) In these rules, unless there is anything repugnant in the context or subject-

(a) "alternative trading board (ATB)" means the trading platform or board of a stock exchange established for listing and trading of securities as per respective regulations of Stock Exchange;

(b) “Board” means the Board of Directors of a company listed with any stock exchange;

(c) “family” means spouse, son, daughter, father, mother, brother, sister, son-in-law, daughter-in-law, father-in-law, mother-in-law, step-father, step-mother, step-brother, step-sister, adopted son, adopted daughter shall be considered as family members;

(d) “family relationship” means all members of family including uncle, aunt, nephew, niece, dependent and also includes person(s) under in-laws’ relationship;

(e) “executive director” means a director who performs as an executive of the company;

(f) “independent director” means an eligible person who represents as a member of the Board as per rule 5 as a non-executive director in order to protect the interest of minority shareholders or general shareholders and also to provide unbiased oversight of the company;

(g) “main board” means the principal trading platform of a stock exchange on which any type of securities is listed and traded in accordance with the applicable listing regulations of the stock exchange;

(h) “non-executive director” means a director who is not an executive of the company;

(i) “Rules” means these rules;

(j) “SME platform” means the trading platform of a stock exchange established for listing and trading of securities of small and medium enterprises in accordance with the applicable listing regulations of the stock exchange;

(k) “top-level executive” means any executive two-tier down to the Managing Director/ Chief Executive Officer of the company;

(2) Unless otherwise repugnant for any purpose, words and expressions used herein and not defined, but defined in the Trust Act, 1882 (Act No. II of 1882), the Registration Act, 1908 (Act No. XVI of 1908), the Securities and Exchange Ordinance, 1969 (Ordinance No. XVII of 1969 ব্যাংক কোম্পানী আইন, ১৯৯১ (১৯৯১ সনের ১৪ নং আইন), বাংলাদেশ সিকিউরিটিজ অ্যান্ড এক্সচেঞ্জ কমিশন আইন, ১৯৯৩ (১৯৯৩ সনের ১৫ নং আইন), কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন), ডিপজিটরি আইন, ১৯৯৯ (১৯৯৯ সনের ৬ নং আইন), বীমা আইন, ২০১০ (২০১০ সনের ১৩ নং আইন), এক্সচেঞ্জেস ডিমিউচ্যুয়ালাইজেশন আইন, ২০১৩, ফাইন্যান্স কোম্পানী আইন, ২০২৩ (২০২৩ সনের ৫৯ নং আইন) and Rules and Regulations made under the above Acts and Ordinances shall have the same meanings respectively assigned to them in the said Acts and Ordinances.

CHAPTER-2
COMPOSITION OF BOARD, QUALIFICATION OF DIRECTOR, APPOINTMENT OF INDEPENDENT DIRECTOR etc.

3. **Composition of Board: -** (1) The Board shall comprise of members having appropriate mix of core competencies, diversity, requisite skills, knowledge, experience and fulfilling any other criteria as deem relevant in the context of the company's operations;

   (2) The total number of members of a company's Board shall not be less than 5 (five) and more than 20 (twenty):

   Provided that the Board size shall not be more than 10 (ten) for any issuer company under SME platform;

   (3) Board shall have at least one female director from any of the category of director;

   (4) All sponsors or promoters and directors of the company except independent director(s) shall all time jointly hold a minimum 30% (thirty percent) of shares of the paid - up capital of the company;

   (5) Each director, other than independent director and executive director, shall hold a minimum 2% (two percent) of shares of the paid-up capital of the company;

   (6) In case of nomination of director in the Board, nominating shareholder, who may be an institution or government, shall hold at least 5% (five percent) shares of the paid-up capital of the company for nominating each director;

   (7) At least 03 (three) directors or 1/3 (one-third) of the total number of directors in the company's Board, whichever is higher, shall be independent directors. Any fraction shall be considered to the next integer/whole number for calculating number of independent director(s);

   (8) Any director of the stock exchange, depository, central counterparty, stock broker, stock dealer or merchant banker, except independent director representing holding company, shall not be eligible to serve as a director of any listed company;

   (9) The Managing Director shall be considered as an executive director of the company.

4. **Provisions to be fulfilled as a director: -** A person shall fulfill the following criteria to be a director including independent director; and he/she: —

   (1) has qualification and eligibility requirements as prescribed under the Companies Act, 1994 and in the company's Memorandum of Association (M/A) and Articles of Association (A/A), except independent director:

Provided that in the event of any inconsistency between these rules and the provisions of the Memorandum of Association (M/A) or Articles of Association (A/A) of the company, the provisions of these rules shall prevail;

(3) has not been convicted by any competent court of law for any criminal offence or financial offence:

Provided that, in the case of a foreign national, he or she shall submit a no objection certificate (NOC) issued by the concerned embassy of origin certifying that he or she has not been convicted of any criminal offence or financial fraud duly countersigned by the Ministry of Foreign Affairs of Bangladesh;

(4) is not a loan defaulter of any bank or financial institution as per latest CIB report of the Bangladesh Bank or not a bond defaulter as per report from the Bangladesh Securities and Exchange Commission;

(5) is not serving as a statutory auditor or valuer of the same issuer company;

(6) has not been subjected to any punitive action, sanction, or penalty imposed by the Commission or by any other regulatory authority of the financial sector;

(7) is not declared as fugitive or absconder by any appropriate authority or court of law;

(8) is not declared to be of unsound mind by a competent court;

(9) is not declared insolvent by a competent court;

(10) is otherwise not considered fit and proper by the Government for any other reasonable cause;

5. Qualification, Disqualification & Appointment of Independent Director. –

(1) 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 contribution to the business;

(2) Independent director should have competence relevant to the sector in which the company operates;

(3) The fit and proper criteria of an independent director shall be as per **Annexure–C;**

(4) The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM):

Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;

(5) The Nomination and Remuneration Committee (NRC) shall review the credentials of the selected candidate(s) for independent director(s) and make recommendation to the Board for taking clearance from the Commission;

(6) The Commission may make a pool/panel of eligible persons for independent directors as per guidelines made from time to time in this behalf;

(7) Honorarium/remuneration of an independent director shall be, as per the approved policy of the Board, and specified in the formal letter of appointment of independent director.

6. Remuneration of Independent Director. -

(1) The Board shall have a formal policy and transparent procedure for fixing the honorarium/remuneration of independent directors for attending in the meeting of the Board and its committee;

(2) The honorarium/remuneration policy of independent director shall be recommended by Nomination and Remuneration Committee (NRC) and approved by the Board in its meeting:

Provided that the Board shall inform such policy to the Commission at the time of taking consent for appointment of independent director;

(3) The policy adopted for determination of director's honorarium/remuneration shall be complied with the provisions of the Companies Act, 1994 and the company's Articles of Association (A/A).

7. Tenure of Independent Director: -

(1) The tenure of office of an independent director shall be for a term of 3 (three) years, which may be extended for another 01 (one) term only:

Provided that a former independent director may be re-considered for re-appointment for another 01(one) term [i.e., 3 (three) years] after a time gap (cooling of period) of 01 (one) term [i.e. 3 (three) years] from his completion of consecutive 2 (two) terms [i.e. cumulatively 06 (six) years]:

(2) The post of independent director(s) cannot remain vacant for more than 90 (ninety) days:

Provided that the independent director shall not be subject to retirement by rotation as per the Companies Act, 1994.

[Explanation: For the purpose of counting tenure or term of independent director, any partial term of a term shall be deemed to be a full term.]

(3) An Independent Director shall resign from his/her office where he or she ceases to meet the eligibility, independence, or fit and proper criteria, or where continuation in office would result in a conflict of interest or impairment of independence, and any such resignation shall be subject to conduct of an exit interview with the Commission, supported by valid and documented reasons for resignation**.**

8. Governance Program for Director including Independent Director. -

(1) All companies shall make appropriate arrangements to carry out governance program for their directors within one year of effective of these rules to acquaint them with these rules, and other relevant rules, regulations, applicable laws, their duties and responsibilities to enable them to effectively govern the affairs of the company;

(2) The Board shall make a plan of governance program as mentioned under sub-rule (1) within three (03) months of effective of these rules;

(3) A newly appointed director including independent director on the Board may qualify the directors' certification program from any recognized institution of the Commission as and when the Commission may, by order in writing, require.

9. Removal of Independent Director: -

(1) An independent director shall be removed or disqualified from his/her office, if he or she has, or is found to have, any conflict of interest or violates the fit and proper criteria of these rules:

Provided that any such removal shall be subject to consent of the Commission, supported by valid and documented reasons for removal:

Provided further that such removal shall not be effective without giving an opportunity of being heard to the independent director;

(2) For the interest of capital market and for protection of the investors, the Commission may, after conducting due enquiry, and where necessary, remove any independent director from his/her office, if such person is deemed to pose a risk to the future of the company, and such removal shall remain in force until the conclusion of the enforcement action against him or her.

10. Code of Conduct of the Board: - (1) Each Board shall prepare the code of conduct with the recommendation of the NRC covering different issues, among others, the followings:

(a) Prudent Conduct and Behavior;
(b) Confidentiality;
(c) Conflict of interest;
(d) Norms of Board meeting procedures for physical, online or hybrid;
(e) Compliance with laws, rules and regulations;
(f) Protection and proper use of company's assets/properties;
(g) Prohibition of insider trading, fraudulent activities and market manipulation;
(h) Encouraging the reporting of any illegal or unethical behavior;
(i) Competition;
(j) Corruption and bribery;
(k) Entertainment and gifts;
(l) Involvement in Political activity;
(m) Intellectual property;
(n) Private interest and activities or private business opportunities;
(o) Relationship with environment, employees, customers and suppliers;
(p) Information, communication and media;
(q) Independency; and
(r) Any other issue as specified by the Board.

11. Roles and Responsibilities of the Chairman of the Board: - (1) The Chairman shall be responsible for ensuring the effectiveness and performance of the Board and each of its members;

(2) The Chairman shall establish the Board's goals and programs, chair its meetings, organize and coordinate its agenda, coordinate and supervise the activities of the other Directors, assign responsibilities and deadlines, and monitor the evaluation process of the Board, according to principles of the corporate governance;

(3) The Chairman shall ensure that Directors are receiving complete and timely information for the exercise of their functions;

(4) The positions of the Chairman of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;

(5) The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;

(6) The Chairman of the company shall be elected from among the non-executive directors of the company;

(7) The Board shall clearly define respective roles and responsibilities of the Chairman and the Managing Director and/or Chief Executive Officer:

Provided that in the absence of the Chairman of the Board, the remaining members may elect one of themselves as Chairman for that particular Board meeting. The reason of absence of the regular Chairman shall be duly recorded in the minutes.

12. Governance of Board of the Subsidiary Company. -

(a) The composition of the Board of the subsidiary Company shall be in the same ratio of independent director of the holding company and other director with core competencies, diversity, requisite skills, knowledge, experience and fulfillment of any other criteria as deem relevant in the context of the company's operations;

(b) At least 1 (one) independent director, preferably Chairman of Audit Committee, on the Board of Directors of the holding company shall be a nominated director on the Board of Directors of the subsidiary company, if any.;

(c) The minutes of the Board meeting of the subsidiary companyshall be placed for review at the following Board meeting of the holding company;

(d) The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of thesubsidiary company;

(e) The Audit Committee of the holding company shall review the financial statements, in particular the investments made by the subsidiary company, inter-company transaction or any transfer pricing issues.

CHAPTER-3

Board and Shareholders Meeting

13. Meeting of the Board. – (1) 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 as outlined in Annexure – A;

(2) The company secretary shall be secretary to the Board;

(3) The meeting notice shall be served with due approval;

(4) The meeting proceedings and attendance (both physical or online) along with time of attendance shall be duly recorded and preserved;

(5) Where a director of a company is of the view that his dissenting note has not been satisfactorily recorded in the minutes of a meeting, the matter may be referred to the company secretary for appending such note to the minutes and where the company secretary fails to do so, the director may file an objection with the Commission in the form of a statement to that effect within 30 (thirty) days of the date of confirmation of the minutes of the meeting;

(6) The Chief Financial Officer and Company Secretary or in their absence, the nominee appointed by the Board, shall attend all meetings of the Board:

Provided that the chief financial officer and company secretary shall not attend such part of the Board meeting wherein agenda item relates to consideration of their performance or terms and provisions of their service or when, in the opinion of the Board, their presence in the meeting on any agenda item is likely or may tend to impair the organizational discipline and harmony of the company.

14. Minutes of the Board and Board's Committee Meeting: The minutes of the Board and Board's Committee meeting shall include, among others, the following:

(a) The names of officers in attendance and invitees for specific items;
(b) The names of directors who sought and were granted leave of absence;
(c) If any director has participated only for a part of the Meeting, the agenda items in which he had participated;
(d) In case of a director joining through video or tele conference the place from and the agenda items in which he participated;
(e) The appointment of officers made by the Board;
(f) The resolutions sent for passing by circulation along with the decisions thereon;

(g) The fact that an interested director did not participate in the discussion or vote;
(h) The fact of the dissent and the name of the director who dissented or abstained from the decision; and
(i) Noting about confirmation of the Minutes of the last Meeting.

15. Minutes of Shareholders' Meeting: (1) The minutes of the meeting of the members/shareholders' shall include, among others, the following:

(a) The name of the Chairman of the Meeting;

(b) A Statement regarding constitution of Quorum;

(c) The number of members present in person or online including representatives;

(d) The number of proxies and the number of shares represented by them;

(e) The presence of the Chairman of the Audit Committee at the Annual General Meeting;

(f) The presence if any, of the Auditors, the Practicing Chartered Secretary who issued the Compliance Certificate, and the observers;

(g) A Statement regarding reading or placement of the notice of the meeting;

(h) Summary of the opening remarks of the Chairman;

(i) Summary of the clarifications provided;

(j) In respect of each resolution, the type of the resolution, the names of the persons who proposed and who seconded and the unanimity or majority (simple or absolute) with which such resolution was passed;

(k) In respect of modification of a proposed resolution, the result of voting on such motion and the details of voting for such modified resolution; and

(l) In the case of a poll, the number of votes cast in favour and against.

(2) If the Chairman is interested in respect of any specific item and if he vacates the Chair during the transaction of such item, the Minutes should contain the fact that he/she did so and the name of the other director or member who took the Chair in his place;

(3) Meetings of members/shareholders [Annual General Meeting (AGM), Extraordinary General Meeting (EGM) or any other meeting)] shall be conducted as per **Annexure-B;**

(4) The process of outline or hybrid meeting of members/shareholders shall be outlined by the Commission by order in writing from time to time.

16. Preservation of Meeting Minutes: -

(a) Minutes of all Meetings should be preserved permanently;
(b) Office copies of Notices, Agenda, Notes on Agenda and other related papers should be preserved in good order for as long as they remain current or for ten years, whichever is later, and may be destroyed thereafter under the authority of the Board;
(c) Where, under a scheme of arrangement, a company has been merged or amalgamated with another company, Minutes of all Meetings of the transferor company should be preserved permanently by the transferee company, notwithstanding the fact that the transferor company might have been dissolved;
(d) Office copies of Notices, Agenda, Notes on Agenda and other related papers of the transferor company should be preserved in good order for as long as they remain current or for ten years, whichever is later, and may be destroyed thereafter under the authority of the Board of the transferee company;
(e) Minutes Books should be kept in the custody of the Secretary of the company or any Director duly authorized for the purpose by the Board.

CHAPTER-4
GOVERNANCE OF THE TOP MANAGEMENT

17. Appointment & Removal: -

(a) The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit andCompliance (HIAC);
(b) The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;
(c) The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company atthe same time

Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission:

Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;

(d) The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;

(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).

18. Requirement to attend the Board Meeting: -

The MD or CEO, CS, CFO and HIAC of the company shall attendthe meetings of the Board:

Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.

19. Certificate/Declaration of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO) on the financial statements: - The MD or CEO and CFO shall make a certificate/declaration to the Board as per Annexure-F and such certificate shall be disclosed in the annual report.

CHAPTER-5

DISCLOSURES TO THE SHAREHOLDERS

20. Directors' Report to the Shareholders. -

The board of directors of the company shall include the additional statements in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) as per **Annexure-D.**

21. Related Party Transactions. –

The details of all related party transactions shall be placed periodically before the audit committee of the company and upon recommendations of the audit committee, the same shall be placed before the Board for review and approval:

Provided that where majority of the directors are interested in such transactions, the matter shall be placed before the general meeting for shareholders' approval as per direction made by the Commission from time to time.

22. Management's Discussion and Analysis (MD&A): -

A Management's Discussion and Analysis (MD&A) signed by the Chief Executive Officer or Managing Director presenting narrative disclosures on financial results, liquidity, capital resources, and future prospects along with detailed analysis of the company's position and operations sideways a line-by-line discussion of changes in the financial positions and performances as per **Annexure-E**;

23. Corporate Governance Compliance Certificate. – The report on Corporate Governance Compliance certified by a firm of Chartered Secretary as required under Rule No 37(1) shall be disclosed as per **Annexure-G**.

CHAPTER-6
BOARD COMMITTEES

24. Board Level Committee. -

For ensuring good governance in the company, the Board shall have at least the following sub-committees: -

(a) **Audit Committee**;

(b) **Nomination and Remuneration Committee**:

Provided that in the case of a Bank or Financial Institution, the Audit Committee may perform the roles and responsibilities of the Nomination and Remuneration Committee.

(c) **Risk Management Committee**:

Provided that in case of cost reduction, the audit committee may perform the roles and responsibilities of Risk Management Committee.

25. Audit Committee: -

(1) The company shall have an Audit Committee as a sub-committee of the Board;

(2) 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;

(3) The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.

26. Constitution of the Audit Committee: -

(1) The Audit Committee shall be composed of at least 3 (three) members;

(2) The Board shall appoint members of the Audit Committee who shall be a non-executive directors of the company excepting Chairman of the Board and shall include at least 1 (one) independent director;

(3) All members of the audit 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;

Explanation: The term "financially literate" means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and cash flows statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.

(4) When the term of service of any Committee member 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 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;

(5) The company secretary shall act as the secretary of the Committee;

(6) The quorum of the Audit Committee meeting shall not be constituted without at least 1 (one) independent director;

(7) No member of the audit committee shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium as per remuneration policy of the company.

27. Chairman of the Audit Committee: -

(1) The Board shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director;

(2) In the absence of the Chairman of the Audit Committee, the remaining members may elect one of themselves as Chairman for that particular meeting, in that case there shall be no problem of constituting a quorum as required under provision No 28(2) and the reason of absence of the regular Chairman shall be duly recorded in the minutes;

(3) Chairman of the Audit Committee shall remain present in the Annual General Meeting (AGM):

Provided that in absence of Chairman of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairman of the Audit Committee shall be recorded in the minutes of the AGM.

28. Meeting of the Audit Committee: -

(1) The Audit Committee shall conduct at least its four meetings in a financial year:

Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;

(2) 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.

29. Role of Audit Committee: - (1) The Audit Committee shall-

(a) oversee the financial reporting process;

(b) monitor choice of accounting policies and principles;

(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;

(d) oversee hiring and performance of external auditors;

(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;

(f) review along with the management, the annual financial statements before submission to the Board for approval;

(g) review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;

(h) review the adequacy of internal audit function;

(i) review the Management's Discussion and Analysis before disclosing in the Annual Report;

(j) review statement of all related party transactions submitted by the management;
(k) review Management Letters or Letter of Internal Control weakness issued by statutory auditors;
(l) oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and
(m) oversee 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:

Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results:

Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.

(2) The Audit Committee shall also ensure or take initiative for reporting on Environmental, Social, and Governance (ESG) matters in accordance with Annexure-H.

30. Reporting of the Audit Committee: -

(1) Reporting to the Board: The Audit Committee shall immediately report to the Board on the following findings, if any:

(a) report on conflicts of interests;

(b) suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;

(c) suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and

(d) any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;

(2) Reporting to the Authorities:

If the Audit Committee has reported to the Board about anything which has material impact on the financial provision and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit

Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier.

(3) Reporting to the Shareholders and General Investors:

Report on activities carried out by the Audit Committee, including any report made to the Board under sub-rule (1) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the company.

31. Nomination and Remuneration Committee (NRC). -

(1) Responsibility to the Board: -

(a) The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;

(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 executives;

(c) The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the rule No. 31(5)

(2) Constitution of the NRC: -

(a) The Committee shall comprise of at least three members including an independent director;

(b) At least 02 (two) members of the Committee shall be non-executive directors;

(c) Members of the Committee shall be nominated and appointed by the Board;

(d) The Board shall have authority to remove and appoint any member of the Committee;

(e) In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the Board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;

(f) The Chairman 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 non-voting member, if the Chairman feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;

(g) The company secretary shall act as the secretary of the Committee;

(h) The quorum of the NRC meeting shall not be constituted without attendance of at least an independent director;

(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 as per remuneration policy of the company.

(3) Chairman of the NRC: -

(a) The Board shall select 1 (one) member of the NRC to be Chairman of the Committee, who shall be an independent director;

(b) In the absence of the Chairman of the NRC, the remaining members may elect one of themselves as Chairman for that particular meeting, the reason of absence of the regular Chairman shall be duly recorded in the minutes;

(c)The Chairman of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:

Provided that in absence of Chairman of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairman of the NRC shall be recorded in the minutes of the AGM.

(4) Meeting of the NRC

(a) The NRC shall conduct at least one meeting in a financial year;

(b) The Chairman of the NRC may convene any emergency meeting upon request by any member of the NRC;

(c) The quorum of the meeting of the NRC shall be constituted in presence of either two members or two thirds of the members of the Committee, whichever is higher, where presence of an independent director is must as required under rule No. 31(2)(h);

(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.

(5) Role of the NRC

(A) NRC shall be independent and responsible or accountable to the Board and to the shareholders;

(B) NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

(a) 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:

(i) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

(ii) the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

(iii) 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;

(b) devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

(c) identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;

(d) formulating the criteria for evaluation of performance of independent directors and the Board;

(e) identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

(f) developing, recommending and reviewing annually the company's human resources and training policies;

(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.

32. Risk Management Committee:

(1) Responsibility to the Board: -

(1) The Risk Management Committee (RMC) shall be a sub-committee of the Board;

(2) The Board shall be responsible for the overall process of risk management, such as framing, implementing and monitoring the risk management plan, including the related system of internal control of the company;

(3) The RMC shall be constituted to assist the Board in discharge of its duties and responsibilities for the total process of risk management of the company;

(4) The Board shall define the roles and responsibilities of the RMC delegating the total process of risk management functions of the company to the RMC as well as such other functions as it may deem fit;

(5) The duties and responsibilities of the members of the RMC shall be in addition to those as a member of the Board; and

(6) The RMC shall report directly to the Board of Directors.

(2) Composition of the RMC: -

(1) The RMC shall consist of at least three members who are appointed by the Board of Directors from its non-executive directors together with the MD/CEO:

Provided that at least one member of the RMC shall be from the member of the Audit Committee:

Provided further that Chief Risk Officer (CRO) of the company may also be the member of the Committee;

(2) The Chairman of the RMC shall be selected by the Board from the members of the Committee who shall be non-executive director:

Provided that in absence of the Chairman the members present may nominate and elect one of them to Chair the meeting;

(3) The quorum of the meeting of the RMC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher;

(4) Meetings of the RMC shall be held at least 04 (four) times in a financial year:

Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;

(5) The Chairman of the RMC shall report from time to time to the Board as well as the Audit Committee on the deliberations of the Committee;

(6) The company secretary shall be the secretary of the RMC;

(7) The executives, who are responsible for the day-to-day management of risk, shall attend all the meetings of the RMC to provide it with relevant input and reporting;

(8) The Head of Internal Audit and Compliance, as well as representatives of the external auditors, may be invited to attend the meetings to assist the RMC to make effective decisions;

(3) Role and Responsibilities of the RMC: -

(1) To assist the Board as well as Audit Committee in execution of its responsibility for governance of risk, the RMC shall be charged with the following general responsibilities:

(a) to assist the Board as well as Audit Committee in framing risk strategy policies, including annually agreeing risk tolerance and appetite levels, in liaison with management and in the discharge of its duties relating to corporate accountability and associated risk in terms of management assurance and integrated reporting;

(b) to ensure that an appropriate policy and plan for a system of risk management is developed by management, approved by the Board and distributed throughout the Company;

(c) to annually review, assess the quality, integrity and effectiveness of the risk management plan and systems and ensure that the risk management policies and strategies are effectively administered by the management and that risks taken are within the agreed tolerance and appetite limit;

(d) to review and assess the nature, role, responsibility and authority of the risk management function within the Company and outline the scope of risk management work;

(e) to ensure that the Company has implemented an effective ongoing process to identify risk, to measure its potential impact against a broad set of assumptions and then to activate what is necessary to pro-actively manage these risks, and to decide the company's appetite or tolerance for risk. A framework and process to anticipate unpredictable risks should also be implemented;

(f) to ensure that a systematic, documented assessment of the processes and outcomes surrounding key risks is undertaken at least annually. This assessment should as a minimum cover risks affecting the income streams of the Company, IT risks, the critical dependence of the business, the sustainability and the legitimate interest and expectations of shareholders; A framework and process to anticipate unpredictable;

(g) to oversee formal reviews of activities associated with the effectiveness of risk management and internal control processes. A comprehensive system of control should be established to ensure that risks are mitigated and that the Company's objectives are attained;

(h) to review processes and procedures to ensure the effectiveness of internal systems of control so that decision-making capability and accuracy of reporting and financial results are always maintained at an optimal level;

(i) to monitor external developments relating to the practice of corporate accountability and the reporting of specifically associated risk, including emerging and prospective impacts; and

(j) to provide an independent and objective oversight and view of the information presented by management on corporate accountability and specifically associated risk, also taking account of reports by management and the Audit Committee to the Board of Directors on all categories of identified risks facing by the Company.

(2) The RMC shall in particular be charged with the following responsibilities:

(a) to review the risk philosophy, strategy, policies and risk tolerance and appetite recommended by management. The RMC shall ensure compliance with such policies in accordance with the overall risk profile of the company. Risk in the widest sense, i.e. enterprise-wide risk, shall be considered by the Committee;

(b) to review management reports detailing the adequacy and overall effectiveness of risk management, its implementation by management, reports on internal control and any recommendations and confirm that appropriate action has been taken;

(c) to review key risk areas and key performance indicators of the company, and monitor these factors as part of a regular review of processes and procedures to ensure the effectiveness of its internal systems of control;

(d) to review the risk bearing capacity of the company in light of its reserves, insurance coverage, guarantee funds or other such financial structures; and

(e) to assist the Board in its responsibility for disclosure in relation to risk management in the annual report, and acknowledgement that it is accountable for the risk management function.

(4) Risk Management Report:

The Board shall disclose the company's risk management report in the Annual Report including, among others, the following matters/issues in addition to the disclosure requirements of the company's primary regulators, such as Bangladesh Bank for Banks and Financial Institutions, Insurance Development and Regulatory Authority (IDRA) for Insurance Companies, etc:

(1) Risk Management Policy;

(2) Risk Management Committee;

(3) Risk Factors and Management's perceptions about the Risks:

(a) All risk factors and management's perception about how to address the risks are to be clearly stated. All risk factors which are specific to the project and internal to the issuer and those which are external and beyond the control of the issuer and all qualitative or quantitative risks those may not be material at present but may have a material impact in future shall be included;

(b) Risk factors shall be disclosed in descending order of materiality. Wherever risks about material impact are stated, the financial and other implications of the same shall be disclosed. If it cannot be quantified, a statement shall be furnished about the fact that the implications cannot be quantified;

(c) Perceptions to address risks shall not contain any speculative statement on the positive outcome of any litigation, etc. and shall not be given for any matter that is sub-judice before any Court/Tribunal;

(d) The disclosures of Risk factors (**as per Annexure-J**) shall include, where applicable, the following:
(i) Internal risk factors; and
(ii) External risk factors.

CHAPTER-7
MISCELLANEOUS

33. Maintenance of Website: -

(1) The company shall have an official website linked with the website of the Stock Exchange. The issuer shall keep the website functional from the date of listing.

(2) The website of the company shall contain the basic information from the date of listing, as specified in Annexure-K.

34. External or Statutory Auditors. –

(1) The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:–

(i) appraisal or valuation services or fairness opinions;
(ii) financial information systems design and implementation;
(iii) book-keeping or other services related to the accounting records or financial statements;
(iv) broker-dealer services;
(v) actuarial services;
(vi) internal audit services or special audit services;
(vii) any service as determined by the Audit Committee;
(viii) certification services on compliance of corporate governance as required under rule 37; and
(ix) any other service that creates conflict of interest.

(2) No partner or employee of the external audit firm shall hold any share of the company audited by such firm during the tenure of the audit assignment. The family members of such partner or employee shall also not hold any share 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.

(3) A representative of the external or statutory auditors shall remain present at the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.

35. Formation of Shareholders' Affairs Department: -

(1) The company shall maintain a dedicated Shareholders Affairs Department to handle all complaints, communications, and other relevant matters relating to shareholders/investors;

(2) The company shall disclose on its website the name, designation, and contact details of the responsible official(s) to whom the shareholders may communicate or lodge complaints.

36. Roles of the Stock Exchange in Review of Compliance of Corporate Governance: -

(1) The Stock Exchange shall also review the annual reports and the reports on compliance of corporate governance of the listed companies within thirty days of receiving such reports;

(2) Without prejudice to the provisions of sub-rule (1), every issuer of listed companies and its directors, officers, auditors or authorized persons thereof shall furnish such documents, information, clarification or explanation relating to its annual report and report on corporate governance as the Stock Exchange may require with intimation to the Commission, at any time, by request in writing:

Provided that the issuer of listed companies and its directors, officers, auditors or authorized persons shall be allowed at least seven days' time for furnishing such documents, information, clarification or explanation to the Stock Exchange.

(3) The Stock Exchange shall submit a report in each month to the Commission within tenth day of next month of the reporting month of the Gregorian Calendar incorporating its findings or recommendations on anomalies/non-compliances that observed from the annual reports and compliance reports on corporate governance of listed companies:

Provided that the Stock Exchange shall make such report/finding/recommendation after due consideration of the issuer's and its directors, officers, auditors' or authorized person's information, documents, clarification or explanation on such anomalies or non-compliances.

37. Certification on Compliance of Corporate Governance:

(1) The company shall obtain a certificate **(as prescribed at Annexure-G)** from a firm of Chartered Secretary enlisted with the Institute of Chartered Secretaries of Bangladesh on yearly basis regarding compliance of these rules and such certificate shall be disclosed in the Annual Report:

Provided that the Chartered Secretary who provides such compliance certificate shall remain present in the annual general meeting (AGM) to answer the queries of the shareholders.

Explanation: Chartered Secretary means Chartered Secretary as defined in the চার্টার্ড সেক্রেটারীজ আইন, ২০১০, (২০১০ সনের ২৫ নং আইন) ।

(2) The Chartered Secretary who will provide the certificate on corporate governance compliance shall be appointed by the shareholders in the annual general meeting.
(3) The directors of the company shall state, in accordance with the **Annexure-I** attached, in the directors' report whether the company has complied with these rules.
(4) The Chartered Secretary shall give opinion in its certificate with regard to performance and governance of the Board & its Sub-committees, Independent Director, Board of Subsidiary Company (if any), internal audit and roles of Managing Director/Chief Executive Officer, Chief Financial Officer and Company Secretary regarding compliance of Corporate Governance.

38. Inspection: -

(1) The Commission may authorize any person or any Stock Exchange to inspect, at any time, if it is necessary to conduct an inspection for the interest of the investors as well as governance of the company.

(2) Without prejudice to the provisions of sub-rule (1), the company or its director, officers, auditors or authorized persons thereof shall furnish such documents, information or explanations relating to the affairs or compliance with these rules as the Commission or the inspection officer may require, at any time.

ANNEXURE-A
MEETING PROCEDEEINGS OF BOARD OF DIRECTORS
[See Rule 13(1)]

1. Maintenance of Meeting Minutes: -

1.1 Minutes of Meetings should be recorded in the Books maintained for that purpose.

1.2 A separate Minutes Book should be maintained for each type of Meeting.

1.3 The pages of the Minutes Book should be numbered consecutively.

1.4 Minutes should not be loosely pasted or loosely attached to the Minutes Book.

1.5 Minutes Books should be kept at the Registered Office of the company.

1.6 Minutes of Board Meetings should be kept in bound form. Minutes of other meetings, if maintained in loose-leaf form, should be bound at reasonable intervals. The Minutes Books should be kept under proper lock and key system to ensure security and control.

2. Contents:-

2.1 Minutes should contain the name of the Company and the number of the particular Meeting, type of the Meeting, and day, date, venue, time of commencement and conclusion of the Meeting. In respect of a Meeting convened but adjourned for want of quorum that fact should be recorded in the Minutes of such adjourned meeting.

2.2 Minutes should record the names of the Directors, Members, Company Secretary and other participants attending the Meeting. The names of the Directors should be listed in alphabetical order or in order of seniority, but in either case starting with the name of the person in the Chair and the Vice-Chairman, if any.

2.3 Minutes should mention the brief background of the proposal, summarize the deliberations and the rationale for taking the decisions. The agenda items discussed should be recorded and numbered appropriately. The decisions should be recorded in the form of resolutions, where it is statutorily or otherwise required. In other cases, the decisions can be recorded in a narrative form.

Where a resolution was passed pursuant to the Chairman of the Meeting exercising his second or casting vote, the Minutes should record the same and also refer to the Article(s) which empowers the Chairman to exercise the second or casting vote.

3. Recording:-

3.1 Minutes should contain a fair summary of the proceedings of the Meeting in unambiguous terms and should be clear, concise and in plain language.

3.2 Minutes should be written in third person and past tense.

3.3 In Minutes, Resolutions should be written in the present tense.

3.4 Each item of business transacted at the Meeting should be appropriately numbered. For ease of reference, topic-wise index and cross- reference may be separately maintained.

3.5 Minutes of the Meetings of all Committees held after a Meeting of the Board should be placed and reviewed at a subsequent Meeting of the Board.

4. Alteration / Modification: -

4.1 If a resolution or decision supersedes or modifies any previous resolution or decision, the reference of the previous resolution or decision should be mentioned.

4.2 Minutes, once entered in the Minutes Book, should not be altered.

Any modification in the Minutes entered, should be affected only by way of approval in the subsequent Meeting in which such Minutes are sought to be modified.

5. Finalization & Signing of Meeting Minutes: -

5.1 Minutes should be finalized within seven working days from the date of conclusion of the Meeting, or earlier to meet any regulatory requirements.

5.2 Minutes of the Meeting of Directors should be signed by the Chairman of the Meeting or the Chairman of the next Meeting.

5.3 Minutes of a General Meeting should be signed and dated by the Chairman of the meeting or in the event of death or inability of the Chairman, by any director duly authorized by the Board for the purpose.

5.4 The Chairman or the authorized director should initial each page and sign the last page of the Minutes.

ANNEXURE B

(Members/Shareholders' Meeting)

[See Rule 15(3)]

Shareholders' Meeting (AGM, EGM or any other meeting): - (1) The company shall hold their annual general meeting in each year of the Gregorian Calendar and the issuer shall hold discussions in its annual general meeting strictly in conformity with the provisions of the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন):

Provided that no benefit in cash or kind, other than in the form of cash dividend or stock dividend, shall be paid to the holders of equity securities.

(2) Annual general meeting (AGM) shall be held by the company within 45 (forty five) working days from the record date or commencement of book closure period, as the case may be.

(3) The company shall send all notices of Annual General Meeting (AGM)/Extraordinary General Meeting (EGM) to the Stock Exchange and simultaneously to the shareholders at 21 (twenty-one) days prior to the AGM/EGM:

Provided that the company shall also publish such notice & agenda of such meeting in two widely circulated national dailies (one in Bangla and other in English) and simultaneously publish the same in the website of the issuer linked the stock exchange.

Provided further that the company shall also send such notice & agenda of such general meeting to the e-mail addresses of the shareholders available in their BO accounts with the depository:

(4) The Annual General Meeting (AGM) shall be held within the city, town or locality in which the registered office of the company situated:

Provided that the Commission may, in special circumstances, upon application of the company, permit for holding of such AGM at any other place.

(5) The company shall make continuous and uninterrupted audio visual recording of the entire proceedings of its general meeting (AGM/EGM) or any meeting called by the Board of Trustee for fund with the unit holders and shall furnish a copy of the same in unedited form within the shortest possible time but not later than three working days from the date of holding of the said general meeting (AGM/EGM) to the Commission and to the Stock Exchange:

Provided further that any resolutions taken therein shall be sent to the Commission and the Stock Exchange(s) within 02 (two) hours if such resolutions contain any price sensitive information.

(6) The company shall furnish copies of attendance of shareholders/unit holders and minutes of its general meeting (AGM/EGM) to the Stock Exchange and to the Commission within 14 days of holding of such general meeting.

(7) The company shall follow the dividend distribution guidelines as specified in **Attachment-I**.

(8) The company shall, among others, specifically and clearly mention the following in its resolutions of every annual general meeting regarding dividend distribution:

(i) the reasons, if any, for partial or non-distribution of profit, as the case may be, to the shareholders as dividend; and

(ii) the issuer's plan (with schedule) for utilization of the undistributed profits, if there be any:

Provided that the Board shall submit a detailed report on utilization position of clause (ii) above in the next annual general meeting of the company for shareholders' consideration:

Provided further that the aforesaid provision shall not apply in respect of a company which would recommend at least 10% dividend on the face value/paid-up capital for the relevant financial year.

ANNEXURE-C
[Fit & Proper Criteria for Independent Director]
[See Rule 5(3)]

(1) Independent director shall be a Bangladeshi national:

Provided that any foreign national may be allowed as independent director (ID) for any issuer company having joint venture with foreign stakes or multinational company:

Provided further that in such case a No Objection Certificate (NOC) issued by the concerned embassy (i.e., country of origin) shall be required in lieu of a Credit Information Bureau (CIB) report;

(2) Independent director shall be selected/appointed by fulfilling the criteria from any of the following areas:

(i) **Business Person** who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce; or

(ii) **Corporate Executive** who is/was a top-level executive not lower than Chief Executive Officer or managing director or deputy managing director or chief financial officer or head of finance/accounts or company secretary or head of internal audit & compliance or head of information and communication technology of a public limited company having minimum paid up capital of Tk. 100.00 million or of a listed company; or

(iii) **Former or existing official of government or statutory or autonomous or regulatory body, who is** in the position not below 3rd Grade of the national pay scale having minimum graduate or post graduate degree in business studies or law or economics or commerce:
Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or

(iv) **Academician of any recognized University by UGC** who has educational background in Economics or Commerce or Business Studies or Law or any technical subject;
Provided that in case of appointment of existing professor as independent director, it requires clearance from the university where he or she is in service; or

(v) **Professional** who is or was an advocate or Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Certified Public Accountant or Chartered

Management Accountant or Chartered Secretary or Certified Islamic Public Accountant or Certified professional from any recognized professional institute or certified professionals from any globally recognized body or equivalent qualification:
Provided that the advocate shall be a practicing lawyer at least in the High Court Division of the Bangladesh Supreme Court.

(3) The independent director shall have at least 12 (twelve) years of cumulative experience in any category mentioned above at clause (2):

Provided that, in the case of a female independent Director, the required cumulative experience in any of the categories mentioned in clause (2) shall be at least 8 (eight) years.

(4) The independent director shall have to complete a certification program related to corporate governance and corporate & securities laws from any institute as recognized by the Commission:

Provided that the above provision shall be complied with within six (06) months of effective of these rules;

(5) The independent director shall be the person of sound body and mind;

(6) An independent director shall be disqualified if she or he: -

(a) is a promoter or sponsor or nominated director of the company;

(b) is related to the company's promoter or sponsor or director or person occupying position at the Board level or at management level including Managing Director (MD)/Chief Executive Officer, Chief Financial Officer, Company Secretary (CS), Head of Internal Audit and Compliance (HIAC) and Head of Information and Communication Technology (HICT) on the basis of family relationship;

(c) is an executive of the company in immediately preceding 03 (three) financial years;

(d) has/have any relationship, whether pecuniary or otherwise;

(e) is related to any supplier, service provider, lender, borrower, lessor or lessee of the company;

(f) holds any shares of the company, except holding of qualifying shares as per Article of Association;

(g) is associated with any entity that received significant contributions or donations from the company and its holding company, subsidiaries, associates and sister concerns or with any entity that contributed or donated significant amount to the company and its holding company, subsidiaries, associates and sister concerns;

(h) is a shareholder, director or officer of any stock exchange, depository, central counter party or any capital market intermediary registered with the Commission:

Provided that such provision is not applicable for such person, who is an independent director of the subsidiary company representing from its holding company.

(i) is a partner or an executive or a partner or an executive during the preceding 03 (three) years of the company's statutory audit firm or audit firm engaged in statutory audit or internal audit services or special audit or certifying compliance of corporate governance;

(j) is an independent director in more than **03 (three)** listed companies at a time;

(k) is convicted by a court of competent jurisdiction as a defaulter in payment of any loan or debt obligation or any advances or any margin loan obligation;

(l) is convicted by any competent Court for any criminal offence including moral turpitude, forgery and monetary offence as well as convicted for any capital market manipulation and any other non-compliance of securities laws;

(m) is reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank or willful defaulter for non-payment of any loan or advance or obligation to a bank or a financial institution;

(n) is a director of any company or institution that has control, joint control, or significant influence over the bank or financial institution, from where such issuer company has taken loan or investment;

(o) is disqualified as a director as per section 94 or any other provisions of the Companies Act,1994, except shareholding criteria;

(p) any other disqualifications as specified by the Commission by order in writing from time to time.

ANNEXURE–D
[Contents of Directors' Report]
[See Rule 20]

(i) An industry outlook and possible future developments in the industry.
(ii) The segment-wise or product-wise performances.
(iii) A discussion on Cost of Goods sold/Cost of Operation, Gross Profit Margin and Net Profit Margin.
(iv) A discussion on continuity of any extra-ordinary activities and their implications (gain or loss).
(v) A discussion on discontinued operational activities, if any.
(vi) A detailed discussion on related party transactions- a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions;
(vii) A statement of utilization of proceeds from public issues (IPO/RPO), rights issues, private placement and/or through any others instruments.
(viii) An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer (RO), Private Placement, Direct Listing, etc. along with a comparative statement of financial results.
(ix) An explanation as well as a comparative report on financial results between actual results after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer (RO), Private Placement (PP), Direct Listing (DL), etc. and results estimated/projected in the prospectus, information memorandum, information document or rights share offer document before going for such IPO, RPO, RO, PP or DL.
(x) An explanation if significant variance occurs on the financial results/performances between the quarterly financial statements and annual financial statements.
(xi) A statement of remuneration paid to the directors including independent directors.
(xii) A statement that 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.
(xiii) A statement that proper books of account of the company have been maintained.
(xiv) A statement that 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.
(xv) A statement that 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.

(xvi) A statement that the system of internal control, i.e., internal control and its compliance is sound in design and has been effectively implemented and monitored.

(xvii) A statement that there are no significant doubts upon the company's ability to continue as a going concern. If the company is not considered to be a going concern, the fact along with reasons thereof should be disclosed.

(xviii) An explanation on significant deviations from the last year’s operating results of the company highlighting operating results and the reasons thereof.

(xix) A summarized statement of key operating and financial data of at least preceding 5 (five) years including the ratios.

(xx) If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given.

(xxi) The company shall disclose its dividend policy, among others, focusing the following:

(a) Ordinary shareholders’ rights including minority shareholders’ rights;
(b) Equitable rights in dividend on Ordinary Shares;
(c) Employees’ Stock Option, if any;
(d) Dividend on Preference Shares, if any;

(xxii) Board of Directors’ statement to the effect that no divided has been/shall be paid other than out of profits of the year or any other undistributed profits;

(xxiii) Board of directors’ statement to the effect that no dividend has been/shall be paid from any un-realized gain, any other comprehensive income or through reduction in capital; and

(xxiv) Board of directors’ statement to the effect that no bonus share or stock dividend has been /shall be declared as interim dividend.

(xxv) The company shall, among others, disclose the following:

(a) the reasons, if any, for partial distribution or non-distribution of profit, as the case may be, to the shareholders as dividend; and

(b) the company’s plan (with schedule) for utilization of the undistributed profits, if there is any:

Provided that the Board shall disclose a detailed report on utilization position above in its report for the annual general meeting of the company for shareholders’ consideration:

Provided further that the aforesaid provision shall not apply in respect of an issuer which would recommend at least 10% cash dividend on the face value/paid-up capital for the relevant financial year.

(xxvi) If the company declares stock dividend or bonus share for the year, the company shall also explain the reason for declaring stock dividend or bonus share and utilization of such retained amount as capital (stock dividend or bonus share) shall be disclosed;

(xxvii) Board of Directors' statement to the effect that any member of the Board or member of the Board's sub-committee or member of the senior management and their family members do/did not involve in any insider trading as well as not violated the provision with regard to insider trading;

(xxviii) The number of Board meetings held during the year and attendance by each director shall be disclosed.

(xxix) The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name-wise details were stated below) held by: -

(a) Parent/Subsidiary/Associated Companies and other related parties (name-wise details);
(b) Top-twenty shareholders containing name, number of shares held, number of shares buy/sell during the year, percentage of shareholdings, percentage of locked in shares and date of locked in;

(c) Directors and senior management such as Chief Executive Officer, MD, CS, Chief Financial Officer, HIAC, HICT;
(d) Executives;
(e) Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).

Explanation: For the purpose of this clause, the expression "Executive" means top 5 (five) salaried employees of the company, other than the Directors and senior management such as Chief Executive Officer, MD, CS, Chief Financial Officer, HIAC, HICT.

(xxx) In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders: -

(a) a brief resume of the director;
(b) nature of his/her expertise in specific functional areas;
(c) names of companies in which the person also holds the directorship and the membership of committees of the Board.

(xxxi) A list of senior management (Top level executives including Chief Executive Officer, MD, CS, Chief Financial Officer, HIAC, HICT, etc.) and the Board stating names, address, age, category of directorship, profession, educational & professional qualification, experience including number and percentage of female participations in the senior management and the Board;

ANNEXURE-E

A Management's Discussion and Analysis signed by Chief Executive Officer or Managing Director

[See Rule 22]

A Management's Discussion and Analysis signed by Chief Executive Officer or Managing Director presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:

(a) accounting policies and estimation for preparation of financial statements;
(b) changes in the accounting policies and 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;
(c) comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;
(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;
(e) briefly explain the financial and economic scenario of the country and the globe;
(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and
(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;

(Name and Signature with date)

Chief Executive Officer (CEO)/Managing Director (MD)

ANNEXURE-F

Name of the company
Declaration by Chief Executive Officer and Chief Financial Officer

[See Rule 19]

Date: ……………………….

The Board of Directors
………………….. Limited/PLC
…………………………
…………………
………..

Subject: Declaration on the Financial Statements of ……….. [Company Name] for the year ended on….

Dear Sirs,

Pursuant to the rule No. 19 of the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026", we do hereby declare that:

(1) The Financial Statements of …………………… [Company Name] for the year ended on …………………… have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
(2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
(3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;

(4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
(5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
(6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or provisions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

(i) We have reviewed the financial statements for the year ended on …………….and that to the best of our knowledge and belief:

(a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
(b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.

(ii) 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.

Sincerely yours,

(Name and Signature with date)
Chief Executive Officer (CEO)/Managing Director (MD)

(Name and Signature with date)
Chief Financial Officer (CFO)

ANNEXURE-G

[See Rule 23 and 37(1)]

[(Certificate as per Rule No. 40(1) of the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026"

Report/Certificate on Corporate Governance Compliance to the Shareholders of [Company's name] for the year ended on………..

We have examined the compliance status of corporate governance of **[**Company's name] for the year ended on………..

Such compliance with the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026" 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 provisions of the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026".

This is a scrutiny and verification and an independent audit on compliance of the provisions of the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026".

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 provisions of the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026" except those are mentioned in the statement of compliance status;
b) Proper books and records have been kept by the company as required under the Companies Act, 1994, the Securities Laws and other relevant laws [to be specifically mentioned in case of any special Company like Bank, FI, Insurance Company etc.]; and
c) The governance of the company is [satisfactory/satisfactory with emphasis of matters (ref to the statement of compliance status)/not satisfactory].

[Name of the Chartered Secretary Firm]

[Authorized Signature]
[Enrollment No. ___]
Place & Date:

ANNEXURE-H

[See Rule 29(2)]

Environmental, Social and Governance (ESG) Reporting:

(A) Responsibilities for Environmental Issues (REI)

(1) The Audit Committee shall be responsible for making policy implementation report of Environmental Issues in line with the provisions /directives/ notifications/ requirements as per respective government authority as applicable for the respective industry/service sector as well as the implementation and monitoring of REI policy, is in compliance with the regulatory requirements.

(2) The Audit Committee shall also make a statement that the implementation and monitoring of REI policy is in duly compliance with the regulatory requirements, which shall also disclose in the Directors' Report as annexed in the Annual Report of the company.

(B) CORPORATE SOCIAL RESPONSIBILITIES (CSR):

(1) The company, which is holding its AGM regularly, paying dividend at least @ 10% or more, having no accumulated/retained loss, paying cash incentives to its employees/making fund for workers profit participation from its profits and complying with the provisions with regard to the CSR in force from time to time by the Government, is encouraged to make a fund for CSR from its profits.

(2) The fund for CSR shall not be utilized other than the following purposes:
- (a) stipends or scholarships program for promoting education for the poor or distressed families' children/students;
- (b) contribution to the people in national natural calamities as well as contribution to the Prime Minister's Relief Fund or any other fund set up by the Government for socio-economic development & relief & welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities & women;
- (c) ensuring green environment or pollution free environment/society, environmental sustainability, ecological balance, protection of flora & fauna, animal welfare, agro forestry, conservation of natural resources & maintaining quality of soil, air & water; and
- (d) contribution to any program/project/fund recognized by the government for improving medical support facilities of hospitals, e.g., medical equipment for kidney dialysis, heart surgery, etc.:

Provided that contribution of any fund/amount directly or indirectly to any political party or political purpose or in the purpose of the company's promoters, sponsors, shareholders, directors, employees and their family members shall not be considered as CSR activity;

(3) The Audit Committee shall formulate a CSR Policy and recommend particular CSR activities, set forth a budget, describe how the company will implement the project, and establish a transparent means to monitor progress ensuring end-use of CSR fund and recommend it to the Board;

(4) The tax treatment of CSR spent shall be in accordance with the আয়কর আইন, ২০২৩ as may be notified by the Tax Authority.

(5) The Board shall, among others, disclose the followings in the Annual Report:

(a) A brief outline of the company's CSR policy, including overview of the projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs;
(b) Average net profit of the company for last three financial years;
(c) Dividend paid during the last three financial years;
(d) Cash incentive/workers profit participation paid/made during last three financial years;
(e) CSR expenditure budgeted (showing % of net profit) on the basis of net profit for the last 3 financial years;
(f) Details of CSR spent during the financial year, mentioning the implementing agency;
(g) In case the company has failed to spend the prescribed/budgeted percentage of the average net profit of the last three financial year, reasons thereof; and

(i) A responsibility statement of the audit committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives/purposes as mentioned in the policy of the company.

ANNEXURE-I

Status of compliance with the Rules

[See Rule 37(3)]

Status of compliance, as per the following table format, as required under the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026":

Status of compliance with the "Bangladesh Securities and Exchange Commission (Corporate Governance) Rules, 2026"

Rule No.		Compliance Status (Put √ in the appropriate column)		Remarks (if any)
		Complied	Not complied	

ANNEXURE-J
Disclosure of Risk Factors
[See Rule 32(4)(3)(d)]

Internal risk factors may include, among others;

(a) Credit Risk;
(b) Liquidity Risk;
(c) Risk associated with the issuer's interest in subsidiaries, joint ventures and associated;
(d) Significant revenue generated from limited number of customers, losing any one or more of which would have a material adverse effect on the issuer;
(e) Dependency on a single or few suppliers of raw materials, failure of which may affect production adversely;
(f) More than 20% revenue of the issuer comes from sister concern or associate or subsidiary;
(g) Negative earnings, negative cash flows from operating activities, declining turnover or profitability, during last five years, if any;
(h) Loss making associate/subsidiary/group companies of the issuer;
(i) Financial weakness and poor performance of the issuer or any of its subsidiary or associates;
(j) Decline in value of any investment;
(k) Risk associated with useful economic life of plant and machinery, if purchased in second hand or reconditioned;
(l) Adverse effect on future cash flow if interest free loan given to related party or such loans taken from directors may recalled;
(m) Potential conflict of interest, if the sponsors or directors of the issuer are involved with one or more ventures which are in the same line of activity or business as that of the issuer and if any supplier of raw materials or major customer is related to the same sponsors or directors;
(n) Related party transaction entered into by the company those may adversely affect competitive edge;
(o) Any restrictive covenants in any shareholder's agreement, sponsors' agreement or any agreement for debt or preference shares or any restrictive covenants of banks in respect of the loan/credit limit and other banking facilities;
(p) Business operations may be adversely affected by strikes, work stoppages or increase in wage demands by employees;
(q) Seasonality of the business of the issuer;
(r) Expiry of any revenue generating contract that may adversely affect the business;
(s) Excessive dependence on debt financing which may adversely affect the cash flow;
(t) Excessive dependence on any management personnel absence of whom may have adverse effect on the issuer's business performance;

(u) Enforcement of contingent liabilities which may adversely affect financial condition;
(v) Insurance coverage not adequately protect against certain risks of damages;
(w) Absence of assurance that directors will continue its engagement with Company after expiry of lock in period;
(x) Ability to pay any dividends in future will depend upon future earnings, financial condition, cash flows, working capital requirements and capital expenditure;
(y) History of non-operation, if any and short operational history of the issuer and lack of adequate background and experience of the sponsors;
(z) Risks related to engagement in new type of business, if any;
(aa) Risk in investing the securities being offered with comparison to other available investment option;
(bb) Any penalty or action taken by any regulatory authorities for non-compliance with provisions of any law;
(cc) Litigations against the issuer for Tax and VAT related matters and other government claims, along with the disclosures of amount, period for which such demands or claims are outstanding, financial implications and the status of the case;
(dd) Registered office or factory building or place of operation is not owned by the issuer;
(ee) Lack of renewal of existing regulatory permissions/licenses;
(ff) Failure in holding AGM or declaring dividend or payment of interest by any listed securities of the issuer or any its subsidiaries;

External risk factors may include among others:

(a) Interest rate risks;
(b) Exchange rate risks;
(c) Industry risks;
(d) Economic and political risks;
(e) Market and technology –related risks;
(f) Potential or existing government regulation;
(g) Potential or existing changes in global or national policies;
(h) Statutory clearances and approvals those are yet to be received by the issuer;
(i) Competitive condition of business;
(j) Complementary and supplementary products/services which may have an impact on business of the issuer.

ANNEXURE-K
Contents of Website
[See Rule 33(2)]

The website of the company shall contain, among others, the following basic information from the date of listing:

(a) Affairs of the company along with details of its business;

(b) Profile along with the photographs of Board of Directors and senior management (Managing Director/Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance, Head of Information and Communication Technology, etc.) of the issuer;

(c) List/composition of sub-committees of Board of Directors (Audit Committee, Nomination and Remuneration Committee and Risk Management Committee, etc) and Executive Committee (if any) along with short profile of the Committee Members;

(d) Terms and Provisions for appointment of independent directors;

(e) Code of conduct for Board of Directors and Senior Management;

(f) Details of whistleblower policy, if any;

(g) Remuneration criteria/policy for non-executive directors including independent directors;

(h) The latest Annual Report;

(i) Notice of Board meeting to consider/adopt quarterly/annual financial results or financial statements;

(j) Quarterly/annual financial results or financial statements approved in the Board meeting;

(k) Detailed information on quarterly financial statements (at least last six quarterly financial statements) and annual audited financial statements (at least recent five years annual audited financial statements);

(l) Policy on disclosure of material information and price sensitive information;

(m) Corporate Social Responsibility Policy;

(n) All material information and price sensitive information as per respective Rules;

(o) Notice and agenda of AGM/EGM;

(p) Related party transactions policy;

(q) Financial statements of parent/subsidiary/associates;

(r) Information Memorandum/documents relating to substantial acquisition, takeovers, merger and other reconstructions;

(s) Prospectus/Documents relating to public offering/Rights issue;

(t) Dividend policy;

(u) List of shareholders in case dividend remains unpaid;

(v) Details of resignation of directors and senior management personnel;

(w) Details with status regarding any litigation, conviction, violation of securities laws, non-compliance of regulators requirement, loan defaulter, etc., by the company, its directors and top management;

(x) Details of shareholding (segregate with Sponsors/directors, Institutions and General Shareholders and percentage of holding);

(y) Details of shareholdings position of sponsors/directors, trading of shares, declaration and status report of buy/sale by them;

(z) Status of compliance with the corporate governance Rules;

(z1) Name & contact address and number (Fax, e-mail & telephone) of the officials of Department;

(z2) Name & contact address and number (Fax, e-mail & telephone) of the Focal Point Official assigned for the Corporate Governance issue; and

(z3) A separate page on complaint redressal system (along with contact details of complaint redressal team)

(z4) Utilization status of fund raised through IPO/RPO/Rights issue/Private Offer in prescribed format.

Attachment- I
Dividend Distribution Guidelines
[See Clause (7) of Annexure B]

(1) The issuer shall formulate a dividend distribution policy which shall be disclosed in its annual report and official website;

(2) The issuer shall pay off the annual or final dividend to the entitled shareholder, within 30 (thirty) days of approval:

Provided that interim dividend shall be paid off to the entitled shareholder, within 30 (thirty) days of record date.

(3) Cash dividend shall be distributed in the following manner and procedures, namely:-

(i) (a) In the event of declaration of annual or final cash dividend in a financial year, the Board of an issuer shall ensure that the total amount declared as cash dividend (declared amount) is transferred and kept in a separate bank account (dividend account), maintained solely for the purpose of payment/disbursement of dividend. This transfer must be completed at least 01 (one) day prior to the date of the Annual General Meeting (AGM):

Provided that if the dividend amount subsequently approved (approved amount) at the AGM is less than the declared amount, the issuer may withdraw the difference between the declared amount and the approved amount from the dividend account and transfer the amount so withdrawn to other accounts of the issuer maintained in accordance with applicable laws and internal financial controls:

Provided further that the issuer shall obtain a certificate confirming the transfer of the declared amount to the dividend account from the concerned bank. The said certificate shall be attested by the Managing Director, Chief Financial Officer and Company Secretary of the issuer, presented at the AGM and submitted to the relevant stock exchange(s).

(b) In the event of declaration of interim cash dividend, the BOD of the issuer shall ensure that the amount declared as interim cash dividend is transferred and kept in the dividend account. Such transfer shall be made within 15 (fifteen) days from the record date of the interim cash dividend as declared by the BOD of the issuer.

(c) In cases where the issuer is a banking company, the dividend account shall be maintained with a different bank, distinct from the issuer itself:

Provided that 'A' category bank listed with any stock exchange may maintain such dividend account with its own bank.

(d) The issuer shall not maintain the dividend account with any bank wherein a common director exists between the issuer and the said bank.

(ii) The issuer shall pay off cash dividend directly to the bank account of the entitled shareholder or unit holder as available in the BO account maintained with the depository participant (DP), or the bank account as provided by the shareholder or unit holder in paper form, through Bangladesh Electronic Funds Transfer Network (BEFTN):
Provided that the issuer may pay off such cash dividend through bank transfer or any electronic payment system as recognized by the Bangladesh Bank, if not possible to pay off through BEFTN;

(iii) The issuer, upon receiving the claim on cash dividend from a stock broker or a merchant banker or a portfolio manager for the margin client or customer who has debit balance or margin loan, or as per intention of the client of stock broker or merchant banker or portfolio manager, shall pay off such cash dividend to the Consolidated Customers' Bank Account (CCBA) of the stock broker or to the separate bank account of the merchant banker or portfolio manager through BEFTN**:**

Provided that upon receiving the cash dividend, the stock broker or merchant banker or portfolio manager shall immediately account for such dividend in the individual client's portfolio account:

Provided further that the stock broker or merchant banker or portfolio manager shall provide detailed information (e.g., BO account number, code number, bank account number, intention, etc. of the client or customer including CCBA of stock broker or separate bank account of merchant banker or portfolio manager) to the issuer for such claim.

(iv) The issuer, in case of non-availability of bank account information or not possible to distribute cash dividend through BEFTN or any electronic payment system, shall issue cash dividend warrant and shall send it by post to the shareholder or unit holder;

(v) The issuer shall pay off cash dividend to non-resident sponsor, director, shareholder, unit holder or foreign portfolio investor (FPI) through the security custodian in compliance with the rules or regulations in this regard;

(vi) The issuer, immediately after disbursement of cash dividend and issuance a certificate of tax deducted at source, if applicable, shall intimate to the shareholder or unit holder through a short message service (SMS) to the mobile number or email address as provided in the BO account or as provided by the shareholder or unit holder;

(vii) The issuer shall maintain detailed information of unpaid or unclaimed dividend and rationale thereof, as per BO account number-wise or name-wise or folio number-wise of the shareholder or unit holder; and shall also disclose the summary of aforesaid information in the annual report and shall also report in the statements of financial position (Quarterly/annually) as a separate line item ‘Unclaimed Dividend Account’:

Provided that the issuer shall publish the year-wise summary of its unpaid or unclaimed dividend in the website:

Provided further that any unpaid or unclaimed cash dividend including accrued interest (after adjustment of bank charge, if any) thereon, if remains, shall be transferred to a separate bank account of the issuer as maintained for this purpose, within 1 (one) year from the date of declaration or approval or record date, as the case may be.

(4) The issuer shall credit stock dividend directly to the BO account or issue the bonus share certificate of the entitled shareholder, as applicable, within 30 (thirty) days of declaration or approval or record date, as the case may be, subject to clearance of the exchange(s) and the Central Depository Bangladesh Limited **(CDBL)**;

(5) The issuer, the CDBL and the exchange(s) shall follow the provisions of প্রবিধান ৪৬ of the ডিপজিটরি (ব্যবহারিক) প্রবিধানমালা, ২০০৩ for issuance of bonus shares:

Provided that the issuer shall maintain a Suspense BO Account for undistributed or unclaimed stock dividend or bonus shares and shall also follow the under mentioned procedures for ensuring the rightful ownership:

i. The issuer shall send at least 3 (three) reminders to the entitled shareholder;

ii. The Suspense BO Account shall be held under Block Module and such undistributed or unclaimed stock dividend or bonus shares shall not be transferred in any manner except for the purpose of allotting the bonus shares as and when the allottee approaches to the issuer:

Provided that any corporate benefit in terms of shares accrued on such undistributed or unclaimed stock dividend or bonus shares shall be credited to the Suspense BO Account.

iii. The issuer shall, upon receiving application from the allottee and after proper verification of identity and his entitlement, credit the bonus shares lying with the Suspense BO Account to the BO account of the allottee, or issue bonus shares to the allottee, as applicable, within 15 (fifteen) days of receiving application with an intimation to the Commission and the exchange(s);

iv. Any voting rights on such undistributed or unclaimed stock dividend or bonus shares shall remain suspended till the rightful ownership claim of the shareholder is established.

(6) The issuer shall submit a compliance report to the Commission and the exchange(s) in a specified format at **Attachment-II** in respect of the provisions of clause (2), (3), (4) and (5) above, within 7 (seven) working days of completion of dividend distribution:

Provided that the issuer shall publish the compliance report in its website.

(7) The Stock Exchange shall notify the fact of dividend payment default and the name of defaulting company by notice or through online news of the Stock Exchange.

(8) If the Board of the company recommends dividend for the securities holders, excluding the sponsors and/or directors, the Board, in its same meeting, shall also declare, as price sensitive information, the quantity of securities held by the said sponsors and/or directors who will not be entitled to such recommended dividend and the amount payable to the general securities holders as dividend.

(9) The said sponsors and/or directors who will not be entitled to the recommended dividend, as mentioned at clause (8) above, shall be barred from disposing of their securities through the Stock Exchange during the period from the date of holding concerned board of directors' meeting to the date of holding of concerned general meeting.

(10) The issuer shall not forfeit any unclaimed cash dividend or stock dividend till the claim becomes barred by the law of the land in force.

(11) If any cash dividend remains unpaid or unclaimed or unsettled including accrued interest (after adjustment of bank charge, if any) thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred by the issuer to the Capital Market Stabilization Fund (hereinafter referred as "Fund") as directed or prescribed by the Commission:

Provided that the issuer shall provide detailed information to the chief of operation of the Fund during transfer of cash dividend as directed or prescribed by the Commission:

Provided further that if any shareholder or unit holder claims his cash dividend after transfer of such dividend to the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay such dividend from the Fund and the chief of operation of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the Commission.

(12) If any stock dividend or bonus shares remains unclaimed or unsettled including corporate benefit in terms of bonus shares thereon for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be, shall be transferred in dematerialized form to the BO Account of the Fund as mentioned at clause (8):

Provided that the issuer shall provide detailed information to the manager of the Fund during transfer of stock dividend or bonus shares as directed or prescribed by the Commission:

Provided further that if any shareholder claims his stock dividend or bonus shares after transfer of such dividend or bonus shares to the BO Account of the Fund, within 15 (fifteen) days of receiving such claim, the issuer shall, after proper verification of the claim, recommend to the manager of the Fund to pay off or transfer such stock dividend or bonus shares from the BO Account of the Fund and the manager of the Fund shall pay off or transfer such stock dividend or bonus shares to the claimant's BO Account in accordance with the provisions and procedures as directed or prescribed by the Commission.

(13) The issuer, by itself or by appointing an agent, shall maintain detailed information of BO account, bank account, mobile phone number, email and address of the shareholder or unit holder for the purpose of proper distribution of cash dividend or stock dividend:

Provided that the issuer or its agent or the CDBL or its DP shall keep confidentiality of information.

(14) The CDBL or its DP shall update the information of BO account, bank account, mobile number, email address and contact address of shareholder at least once in a year, and the CDBL shall provide such information to the issuer for the purpose of proper distribution of cash dividend or stock dividend and other compliances:

Provided that in case of holding of paper share, the issuer shall update the information as above.

Attachment-II

[See clause (6) of Attachment I]

Dividend Distribution Compliance Report				
Under Clause (6)				
1	Name of the Issuer/Securities/Mutual Fund			
2	Particulars of Issuer DP			
3	Type of Dividend (Annual /Interim)	a) Annual		b) Interim
	(Put tick mark (a) on the recommended option)			
4	Whether audited or not for Interim Dividend	a) Audited		b) Unaudited
	(Put tick mark (a) on the recommended option)			
5	Date of recommendation of Dividend by the Board of Directors (Enclose copy of PSI)			
6	Whether Dividend recommended other than directors or sponsors or any other classes	a) Yes	b) No	
	(Put tick mark (a) on the recommended option)			
7	Record date for entitlement			
8	Rate of Dividend recommended by the Board of Directors			
9	Dividend recommended -Type	a) Cash		b) Stock
	(Put tick mark (a) on the recommended option)			
10	Securities/mutual fund traded under which categories	(a) A (b) B (c) G (d) N (e) Z		
	(Put tick mark (a) on the recommended option)			
11	Date of transfer to a separate bank account (Please mention bank details) or provisional credit of shares/units by CDBL			
12	Date of approval of Dividend at AGM			
13	Rate of Dividend approved at AGM- details at Annexure, (if any change)			

14	Date of commencement of disbursement of Cash and Stock Dividend			
15	Mode of disbursement of Cash Dividend	a) BEFTN b) Bank Transfer c) MFS		
	(Put tick mark (a) on the recommended option)	d) Dividend Warrant e) Any other mode		
16	Date of completion of disbursement of Cash Dividend and Stock Dividend [Enclose Bank statements and Corporate Action Processing Report (DP 70)]			
17	Paid-up-capital of the issuer- before corporate action/entitlement	TK-		
18	Numbers of securities/shares outstanding-before corporate action/entitlement:			
19	Total cash in taka or stock (nos. shares) dividend as per corporate declaration			
20	Distribution/Disbursement details of Cash & Stock Dividend:	Cash (Tk)	Stock (nos)	Annexures
	A. Mode of Dividend payment/credit for the concerned year:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer other than entitled BO-Margin loan			
	c) through Bank Transfer			
	d) through Mobile Financial Service (MFS)			
	e) through any other mode as approved by Bangladesh Bank			
	f) through transfer to Suspense Account for dematerialized Shares (BO wise detailed with reason should be maintained and submitted)			
	g) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities			
21	Total Dividend paid/credited for the concerned year			
22	Total unpaid/undistributed Dividend /accrued during the period (20-21)			

23	Total unpaid/undistributed Dividend /accrued as on 1st day of Accounting year (as per Audited Accounts)

24	Transfer to Suspense Account for Demate Shares or any other reasons during the concerned year			
	A. Mode of Dividend Receipts/payment/credit for the previous years:			
	a) through BEFTN or directly credited to respective BO			
	b) through Bank Transfer			
	c) through Mobile Financial Service (MFS)			
	d) through any other mode as approved by Bangladesh Bank			
	e) through transfer to/from Suspense Account for Demate Shares or any other reasons			
	f) through issuance of Dividend Warrant or issue of shares to Suspense Account for non-dematerialized securities/shares/units			
	g) transfer of cash or stocks to the Fund as prescribed or directed by Commission after 3 years or forfeit of share to Suspense Account for non-dematerialized securities			
25	Total Dividend paid/credited for previous years:			
26	Total unpaid/undistributed Dividend for previous years (23+24-25) Taka/Nos			
27	Grand Total of unpaid/undistributed Dividend (22+26)			
28	Aging of grand Total of unpaid/undistributed Dividend for previous years:			
	More than 3 years; balance			
	More than 4 years; balance			
	More than 5 years & above; balance			
	Total of unpaid/undistributed Dividend for previous years			
	(Supporting bank statements and balances of securities with the Depository)			

Note: Issuer shall maintain BO wise detailed information for all transfers/credit to suspended Accounts with reasons and submit along with bank statements and other supporting documents. The issuer shall fill up all the applicable fields.

By the order of Bangladesh Securities and Exchange Commission

Khondoker Rashed Maqsood
Chairman.