


Certificate on Corporate Governance

CHATTOGRAM OFFICE : National House (1 st Floor), 109, Agrabad Commercial Area, Chattogram -4100, Bangladesh. Phone : 880-31-711561 Pho/Fax : 880-31-723680 Web : www.shafiqbasak.com E-mail : basak_sbc@yahoo.com basak@shafiqbasak.com	 শফিক বসাক এন্ড কোং SHAFIQ BASAK & CO. CHARTERED ACCOUNTANTS Partners: Md. Shafiqul Islam, FCA Sampad Kumar Basak, FCA Sarwar Mahmood, FCA Sheikh Zahidul Islam, MBA, FCA	DHAKA OFFICE - (1) : Shatabdi Centre (4 th & 6 th Floor) 292, Inner Circular Road, Fakirapool, Motijheel, Dhaka. Phone/Fax : 880-2-7192098, Cell : +88 01730-080666 E-mail : skzislam86@gmail.com skz4sbc@gmail.com Web : www.shafiqbasak.com
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[Certificate as per condition No. 1(5) (xxvii)]

**REPORT TO THE SHAREHOLDERS OF MUTUAL TRUST BANK LIMITED ON COMPLIANCE
ON THE CORPORATE GOVERNANCE CODE**

[As per required under the Bangladesh Securities Exchange Commission (BSEC) Guideline]

We have examined the compliance status to the Corporate Governance Code by Mutual Trust Bank Limited for the period ended 31st December 2021. This Code relates to Notification No. BSEC/CMRRC/2006-158/207/admin/80 Dated on 03 June 2018 of the Bangladesh Securities and Exchange Commission.

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

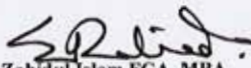
This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.


We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- The Bank has complied with the conditions of the Corporate Governance Code as stipulated in the above-mentioned Corporate Governance Code issued by the Commission;
- The Bank has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the Bank required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The governance of the bank is excellent.

Dated: May 10th, 2022
Place: Dhaka

Signed for and on behalf of
Shafiq Basak & Co.
Chartered Accountants


Sheikh Zahidul Islam FCA, MBA
Partner



INDEPENDENT MEMBER OF
A B A C U S
W O R L D W I D E

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Compliance Status of BSEC Guidelines for Corporate Governance

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

(Report under Condition No. 9)

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1.	BOARD OF DIRECTORS:			
1(1)	Board's size: Should not be less than 5 (five) and more than 20 (twenty)	✓		
1(2)	Independent Directors			
1(2)(a)	At least one fifth (1/5) of the total number of directors in the company's board As per letter no BRPD/(R1)717/2021/50/64 dated June 16, 2021, issued by Banking Regulation and Policy Department of Bangladesh Bank	✓		As per the Bank Company Act 1991 (amended) and instructions issued by Banking Regulation and Policy Department of off-site Supervision, Bangladesh Bank
1(2)(b)(i)	Holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1(2)(b)(ii)	Not connected with the company's any sponsor or director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship	✓		
1(2)(b)(iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years	✓		
1(2)(b)(iv)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1(2)(b)(v)	Is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	✓		
1(2)(b)(vi)	Is not a shareholder, director excepting independent director or officer of any member or TREC (Trading Right Entitlement Certificate) holder of stock exchange or an intermediary of the capital market	✓		
1(2)(b)(viii)	Shall not be an independent director in more than 5 (five) listed companies	✓		
1(2)(b)(ix)	Has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		
1(2)(b)(x)	Has not been convicted for a criminal offence involving moral turpitude	✓		
1(2)(c)	The independent director(s) shall be appointed by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days			No such event occurred
1(2)(e)	The office tenure shall be for a period of 3 years which may be extended for 1 tenure only. Reappointment for independent director after completion of six years after a gap of 3 years. It is to be noted that any partial term of tenure shall be deemed to be a full tenure.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(3)	Qualification of Independent Director (ID)			
1(3)(a)	Shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	✓		
1(3)(b)	Independent Director shall have the following qualifications-			
1(3)(b)(i)	Business Leader 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 business association; or	✓		
1(3)(b)(ii)	Corporate Leader who is or 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 or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		
1(3)(b)(iii)	Former official of govt. or statutory or autonomous or regulatory body in the position not below 5th grade of the national pay scale; or	✓		
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	✓		
1(3)(c)	The independent director shall have at least 10 (ten) years of corporate management /professional experiences	✓		
1(3)(d)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			No such event occurred
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer			
1(4)(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals	✓		
1(4)(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer	✓		
1(4)(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes	✓		
1(5)	The Directors' Report to Shareholders: shall include the following additional statements: -			
1(5)(i)	Industry outlook and possible future developments in the industry	✓		
1(5)(ii)	Segment-wise or product-wise performance	✓		
1(5)(iii)	Risks and concerns	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(iv)	A discussion on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin	✓		
1(5)(v)	Discussion on continuity of any Extra-Ordinary gain or loss			No such event occurred
1(5)(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	✓		
1(5)(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			Not applicable
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Offer, Direct Listing, etc.			Not applicable
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements			Not applicable
1(5)(x)	A statement of remuneration paid to the directors including independent directors	✓		
1(5)(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	✓		
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained	✓		
1(5)(xiii)	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	✓		
1(5)(xiv)	A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	✓		
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored	✓		
1(5)(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress	✓		
1(5)(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	✓		
1(5)(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained	✓		
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized	✓		
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year			Not applicable

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	✓		
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director)	✓		
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by	✓		
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties (name-wise details)	✓		
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details)	✓		
1(5)(xxiii)(c)	Executives	✓		
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details)			Not applicable
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders	✓		
1(5)(xxiv)(a)	A brief resume of the director;	✓		
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas;	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		
1(5)(xxv)	A Management's Discussion and Analysis signed by CEO or MD 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	✓		
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	✓		
1(5)(xxv)(b)	Changes in 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	✓		
1(5)(xxv)(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	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	✓		
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	✓		
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company	✓		
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	✓		
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board	✓		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions shall be disclosed	✓		
1(6)	Meetings of the Board of Directors- The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company			The Board laid down code of conduct. Regarding NRC, this is in line with the instructions of Banking Regulation and Policy Department and Department of off-site Supervision, Bangladesh Bank
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency			This is in line with the instructions of Banking Regulation and Policy Department and Department of off-site Supervision, Bangladesh Bank
2	Governance of Board of Directors of Subsidiary Company			
2(a)	Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company	✓		
2(b)	At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company	✓		
2(c)	The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company	✓		
2(d)	The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also	✓		
2(e)	The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company	✓		
3	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3(i)	Appointment			
3 (i)(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 and Compliance (HIAC)	✓		
3 (i)(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	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
3 (1)(c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	✓		
3 (1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	✓		
3(1)(e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)			No such event occurred
3(2)	Requirement to attend Board of Directors' Meetings- The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board unless the agenda are not related to their personal matters	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	✓		
3(3)(a)(i)	These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	✓		
3(3)(a)(ii)	These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws	✓		
3(3)(b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report	✓		
4	Board of Directors' Committee			
4(i)	Audit Committee	✓		
4(ii)	Nomination and Remuneration Committee			Not applicable
5	Audit Committee			
5(1)	Responsibility to the Board of Directors			
5(1)(a)	The company shall have an Audit Committee as a sub- committee of the Board	✓		
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	✓		
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	✓		
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members.	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director	✓		
5(2)(c)	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	✓		
5(2)(d)	The Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			No such event occurred
5(2)(e)	The company secretary shall act as the secretary of the Committee	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director	✓		
5(3)	Chairman of the Audit Committee			
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director	✓		
5(3)(b)	In the absence of the chairperson, the remaining members may elect one of themselves as chairperson for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes			No such event occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
5(4)(b)	The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must	✓		
5(5)	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	✓		
5(5)(b)	Monitor choice of accounting policies and principles	✓		
5(5)(c)	Monitor internal audit & compliance process, including internal audit, review of internal audit & compliance report	✓		
5(5)(d)	Oversee hiring and performance of external auditors	✓		
5(5)(e)	Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the board for approval	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval	✓		
5(5)(h)	Review the adequacy of internal audit function	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	✓		
5(5)(j)	Review statement of all related party transactions submitted by the management	✓		
5(5)(k)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	✓		
5(5)(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	✓		
5(5)(m)	Oversee whether the proceeds raised through IPO or RPO, management shall disclose to the audit committee about the uses or application of the proceeds by major category i.e. (Capital expenditure, sales & marketing) on a quarterly basis. Also 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.			Not applicable
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a)(i)	Audit Committee shall report on its activities to the Board of Directors	✓		
5(6)(a)(ii)	Audit Committee shall immediately report to the Board of Directors on the following findings, if any: -			
5(6)(a)(ii)(a)	Report on conflicts of interests;			No such event occurred
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;	✓		
5(6)(a)(i)(c)	Suspected infringement of laws, including securities related laws, rules and regulations;	✓		
5(6)(a)(i)(d)	Any other matter which shall be disclosed to the Board of Directors immediately.	✓		
5(6)(b)	Reporting to the Authorities. If the Audit Committee has reported to the Board about anything which has material impact on the financial condition 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.			No such event occurred
5(7)	Reporting to the Shareholders and General Investors- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company	✓		

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6	Nomination and Remuneration Committee (NRC)			
6(1)	Responsibility to the Board of Directors			
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board			This is in line with the instructions of Banking Regulation and Policy Department and Department of off-site Supervision, Bangladesh Bank
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive			Do
6(1)(c)	The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b)			Do
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director			Do
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board			Do
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee			Do
6(2)(e)	In case of vacancy in the committee, the board shall fill the vacancy within 180 days of occurring such vacancy			Do
6(2)(f)	The Chairperson 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 Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee			Do
6(2)(g)	The company secretary shall act as the secretary of the Committee			Do
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director			Do
6(2)(i)	No member shall receive any remuneration for any advisory or consultancy role other than director's fees or honorarium from the company			Do
6(3)	Chairperson of the NRC			
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director			Do
6(3)(b)	In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes			Do
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM)			Do
6(4)	Meeting of the NRC			

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(4)(a)	The NRC shall conduct at least one meeting in a financial year			Do
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC			Do
6(4)(c)	The quorum of the meeting shall be constituted in presence of either two members or two third of the members of the committee, whichever is higher, where presence of an independent director is a must			Do
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC			Do
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders			Do
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board			Do
6(5)(b)(i)	Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following			Do
6(5)(b)(i)(a)	Remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully			Do
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks			Do
6(5)(b)(i)(c)	Remuneration to Directors and top executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives			Do
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality			Do
6(5)(b)(iii)	Identifying persons who are qualified to become directors and who may be appointed in top level executive position			Do
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board			Do
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria			Do
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies			Do



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)(c)	Disclose the nomination and remuneration policy and evaluation criteria and activities of NRC in the annual report			Do
7	EXTERNAL/STATUTORY AUDITORS:			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely	✓		
7(1)(i)	Appraisal or valuation services or fairness opinions	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements	✓		
7(1)(iv)	Broker-dealer services	✓		
7(1)(v)	Actuarial services	✓		
7(1)(vi)	Internal audit services or special audit services	✓		
7(1)(vii)	Any other service that the Audit Committee determines	✓		
7(1)(viii)	Audit /certification service on compliance of corporate governance	✓		
7(1)(ix)	Any other service that creates conflict of interest	✓		
7(2)	No partner or employees or family members of the external audit firm shall process any share of the company they audit at least during the tenure of their audit engagement of the company	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	✓		
8	Maintaining a website by the Company			
8(1)	The company shall have an official website linked with the website of the stock exchange	✓		Web address is:www.mutualtrustbank.com
8(2)	The company shall keep the website functional from the date of listing	✓		
8(3)	The company shall make available the detailed disclosures on its website	✓		
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report	✓		
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting	✓		
9(3)	The directors of the company shall state, in accordance with the Annexure-C attached, in the directors' report whether the company has complied with these conditions or not	✓		

Compliance Status Of Bangladesh Bank Guidelines On Corporate Governance



Circular no. 11 dated 27.10.2013

PARTICULARS		COMPLIANCE STATUS
1	<p>FORMATION OF BOARD OF DIRECTORS</p> <p>The newly amended Section 15 of the Bank Company Act, 1991 (Amended up to 2013) includes provisions for prior approval of Bangladesh Bank before the appointment of new bank directors, as well as dismissal, termination or removal of any director from the post; director's fit & proper criteria; maximum number of directors; appointment of independent directors; appointment of maximum 4(four) members from a family as director; etc</p>	Complied
	<p>1.1 APPOINTMENT OF NEW DIRECTORS:</p> <p>Under section 15(4) of the Bank Company Act, 1991 (amended up to 2013), every banking company, other than specialized banks, at the time of taking prior approval from Bangladesh Bank for appointing/reappointing directors should furnish the following documents along with the application:</p>	Complied
	a. Personal information of the nominated person (Appendix-ka);	
	b. Nominated person's declaration(Appendix-kha);	
	c. 'Declaration for confidentiality' by the nominated person(Appendix-ga);	
	d. In case of Independent director, the approval letter from Security and Exchange commission;	
	e. In case of Independent director, a declaration of the directors concern as Appendix-gha (he will also submit declaration under Appendix-ka, kha & ga);	
	f. CIB report of the nominated person; g) Updated list of the directors.	
	g. Updated list of the directors	
	<p>1.2 VACATION OF OFFICE OF DIRECTOR:</p>	N/A
a.	The office of director shall be vacated according to the instructions specified in section 108(1) of the Companies Act, 1994. Besides, when a bank director becomes defaulter and does not repay the loan within two months after getting a notice under the section 17 of the Bank Company Act, 1991; provides false statement at the time of appointment; or fails to fulfil the minimum eligibility criteria, the office of the director will be vacated.	
b.	If the office of a director is vacated by a notice under the section 17 of BCA, the person will not be eligible to become a director of the bank or any other bank or any financial institution for one year from the date of repayment of the total amount due to the bank. It is mentionable here that the dues can be adjusted with the shares held by the director in that bank. When a director receives a notice under section 17 of BCA, 1991, he/she can't transfer his/her shares of that bank until he/she repays all the liabilities of the noticed bank or financial institution.	
c.	Besides, Bangladesh Bank can remove a director or chairman of a bank, except state owned banks, for conducting any kind of activities that is detrimental to the interest of the banks depositors or against the public interest under Section 46 and can supersede the board of a banking company under Section 47 of BCA, 1991.	
1.3	<p>REMOVAL OF DIRECTORS FROM OFFICE:</p> <p>According to section 108(2) of the Companies Act, 1994, with the prior approval of Bangladesh Bank, a bank director other than specialized banks can be removed from his office for the reason specified in its Articles of Association. For this purpose, the reason and grounds of the dismissal/removal and copy of the decision of the board and list of directors should be submitted to Bangladesh Bank. In this case, the removal will be effective from the date of Bangladesh Bank's approval.</p>	N/A
1.4	<p>APPOINTMENT OF ALTERNATE DIRECTOR</p> <p>Subject to compliance of section 101 of the Companies Act, 1994, an alternate director can be appointed to act for a director during his absence for a continuous period of not less than three months from Bangladesh. In this context, the following instructions should be followed:</p>	N/A



PARTICULARS		COMPLIANCE STATUS
	a. Bank has to collect and properly maintain the documentary evidences relating to departure and arrival of the original director. If there is any exception, the chief executive officer should immediately inform it to Bangladesh Bank.	N/A
	b. The copy of the decision of the board regarding appointment of alternate director, with original director's probable returning date from abroad should be sent to Bangladesh Bank within 7 days of taking the decision and the director's arrival date must be intimated to Bangladesh Bank immediately after his return.	
	c. Any loan defaulter or any person who is not eligible to become a director as per any rules & regulation will not be appointed as an alternate director.	
	d. As appointment of alternate director is a temporary measure; therefore, he/she will not be included in any kind of committee constituted by the board.	
	e. While in the office, an alternate director or his/her affiliated organization will not get any kind of loan facilities from his bank. In case of previous loan, enhancement of limit or extension of time period or any kind of exemption or interest waiver will not be allowed. Moreover, all restrictions applicable to directors according to rules & regulations will also be applicable to the alternate director.	
2	DEPOSITOR DIRECTOR As the previous provisions regarding appointment of Depositor Directors of the Bank Company Act, 1991 has been amended; appointment of director from depositors is no longer required. But, after complying regulation under sec 15(9) of the Bank Company Act, 1991 (amended up to 2013) bank can consider the tenure of existing depositor director or may appoint them as independent director.	N/A
3	INFORMATION REGARDING DIRECTORS Banks are advised to take the following steps regarding director information: Every bank should keep an updated list of bank directors	Complied
	a) Banks should send a directors' list to other banks or financial institutions immediately after the appointment or release of director.	
	b) Banks should display a list of directors in the website and update it on a regular basis.	
4	RESPONSIBILITIES OF THE BOARD OF DIRECTORS	
	4.1 Responsibilities and authorities of the board of directors:	
	a. WORK-PLANNING AND STRATEGIC MANAGEMENT	
	i. Shall determine the objectives and goals and to this end shall chalk out strategies and work-plans on annual basis. It shall specially engage itself in the affairs of making strategies consistent with the determined objectives and goals and in the issues relating to structural change and reorganization for enhancement of institutional efficiency and other relevant policy matters. It shall analyze/monitor at quarterly rests the development of implementation of the work-plans.	Complied
	ii. The board shall have its analytical review incorporated in the Annual Report as regard the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders of its opinions/recommendations on future plans and strategies. It shall set the Key Performance Indicators (KPIs) for the CEO and other senior executives and have it evaluated at times.	
	b). CREDIT AND RISK MANAGEMENT	
	i. The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the board's approval under the purview of the existing laws, rules and regulations. The board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, direct or indirect, into the process of loan approval	Complied
	ii. The board shall frame policies for risk management and get them complied with and shall monitor the compliance at quarterly rests and review the concerned report of the risk management team and shall compile in the minutes of the board meeting. The board shall monitor the compliance of the guidelines of Bangladesh Bank regarding key risk management	
	(c). INTERNAL CONTROL MANAGEMENT The board shall be vigilant on the internal control system of the bank in order to attain and maintain satisfactory qualitative standard of its loan/investment portfolio. The board will establish such an internal control system so that the internal audit process can be conducted independently from the management. It shall review the reports submitted by its audit committee at quarterly rests regarding compliance of recommendations made in internal and external audit reports and the Bangladesh Bank inspection reports	Complied

PARTICULARS		COMPLIANCE STATUS
	(d). HUMAN RESOURCES MANAGEMENT AND DEVELOPMENT	
	i. Policies relating to recruitment, promotion, transfer, disciplinary and punitive measures, human resources development etc. and service rules shall be framed and approved by the board. The chairman or the directors shall in no way involve themselves or interfere into or influence over any administrative affairs including recruitment, promotion, transfer and disciplinary measures as executed under the set service rules. No member of the board of directors shall be included in the selection committees for recruitment and promotion to different levels. Recruitment, promotion, transfer & punishment of the officers immediate two tiers below the CEO shall, however, rest upon the board. Such recruitment and promotion shall have to be carried out complying with the service rules i.e., policies for recruitment and promotion	Complied
	ii. The board shall focus its special attention to the development of skill of bank's staff in different fields of its business activities including prudent appraisal of loan/investment proposals, and to the adoption of modern electronic and information technologies and the introduction of effective Management Information System (MIS). The board shall get these programs incorporated in its annual work plan.	
	iii. The board will compose Code of Ethics for every tier and they will follow it properly.	
	e) FINANCIAL MANAGEMENT	
	i. The annual budget and the statutory financial statements shall be finalized with the approval of the board. It shall at quarterly rests review/monitor the positions in respect of bank's income, expenditure, liquidity, non-performing asset, capital base and adequacy, maintenance of loan loss provision and steps taken for recovery of defaulted loans including legal measures	Complied
	ii. The board shall frame the policies and procedures for bank's purchase and procurement activities and shall accordingly approve the distribution of power for making such expenditures. The maximum possible delegation of such power of expenditures shall rest on the CEO and his subordinates. The decision on matters relating to infrastructure development and purchase of land, building, vehicles etc. for the purpose of bank's business shall, however, be adopted with the approval of the board.	
	iii. The board will review whether an Asset-Liability Committee (ALCO) has been formed and it is working according to Bangladesh Bank guidelines.	
	(f). APPOINTMENT OF CHIEF EXECUTIVE OFFICER (CEO) In order to strengthen the financial base of the bank and obtain confidence of the depositors, one of the major responsibilities of the board of directors is to appoint an honest, efficient, experienced and suitable CEO or Managing Director. The Board of directors will appoint a suitable CEO with the approval of the Bangladesh Bank	Complied
	(g). OTHER RESPONSIBILITIES OF THE BOARD The board should follow and comply with the responsibilities assigned by Bangladesh Bank.	Complied
	4.2 MEETING OF BOARD Board of directors may meet once or more than once in a month if necessary. But Board of directors shall meet at least once in every three months. Excessive meetings are discouraged.	Complied
	4.3 RESPONSIBILITIES OF THE CHAIRMAN OF THE BOARD OF DIRECTORS	
	a. As the chairman of the board of directors or chairman of any committee formed by the board or any director does not personally possess the jurisdiction to apply policy making or executive authority, he/she shall not participate in or interfere into the administrative or operational and routine affairs of the bank.	Complied
	b. The chairman may conduct on-site inspection of any bank-branch or financing activities under the purview of the oversight responsibilities of the board. He may call for any information relating to bank's operation or ask for investigation into any such affairs; he may submit such information or investigation report to the meeting of the board or the executive committee and if deemed necessary, with the approval of the board, he shall effect necessary action thereon in accordance with the set rules through the CEO. However, any complaint against the CEO shall have to be apprised to Bangladesh Bank through the board along with the statement of the CEO.	Complied
	c. The chairman may be offered an office-room, a personal secretary/ assistant, one peon/MLSS, one telephone at the office, one mobile phone to use inside the country and a vehicle in the business interest of the bank subject to the approval of the board	
5	FORMATION OF COMMITTEES FROM THE BOARD OF DIRECTORS The adviser, whatever name called, shall advise the board of directors or the CEO on such issues only for which he is engaged in terms of the conditions of his appointment. He shall neither have access to the process of decision-making nor shall have the scope of effecting executive authority in any matters of the bank including financial, administrative or operational affairs.	Complied

PARTICULARS		COMPLIANCE STATUS
5.1	EXECUTIVE COMMITTEE Executive committee should be formed with the members of the board to continue the urgent and daily or routine works between the intervals of two board meetings. Executive committee will perform according to their terms of reference determined by the board of directors.	Complied
a.	ORGANIZATIONAL STRUCTURE:	Complied
i.	Members of the committee will be nominated by the board of directors from themselves;	
ii.	The executive committee will comprise of maximum 07 (seven) members	
iii.	Members may be appointed for a 03 (three)-year term of office;	
iv.	Chairman of the Board of Directors can be the chairman of executive committee;	
v.	Company secretary of the bank will be the secretary of the executive committee	
b.	QUALIFICATIONS OF THE MEMBERS	Complied
i.	Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
ii.	Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
iii.	To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
c.	ROLES AND RESPONSIBILITIES OF THE EXECUTIVE COMMITTEE:	Complied
i.	The executive committee can decide or can act in those cases as instructed by the Board of directors that are not specifically assigned on full board through the Bank Company Act, 1991 and other laws and regulations.	
ii.	The executive committee can take all necessary decision or can approve cases within power delegated by the board of directors.	
iii.	All decisions taken in the executive committee should be ratified in the next board meeting.	
d.	MEETINGS	
i.	The executive committee can sit any time as it may deem fit.	
ii.	The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
iii.	To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
5.2	AUDIT COMMITTEE The board will approve the objectives, strategies and overall business plans of the bank and the audit committee will assist the board in fulfilling its oversight responsibilities. The committee will review the financial reporting process, the system of internal control and management of financial risks, the audit process, and the bank's process for monitoring compliance with laws and regulations and its own code of business conduct.	Complied
a.	ORGANIZATIONAL STRUCTURE:	Complied
i.	Members of the committee will be nominated by the board of directors from the directors;	
ii.	The audit committee will comprise of maximum 05 (five) members, with minimum 2 (two) independent director;	
iii.	Audit committee will comprise with directors who are not executive committee members;	
iv.	Members may be appointed for a 03 (three) year term of office;	
v.	Company secretary of the bank will be the secretary of the audit committee.	
b.	QUALIFICATIONS OF THE MEMBERS	Complied
i.	Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
ii.	Each member should be capable of making valuable and effective contributions in the functioning of the committee;	
iii.	To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks	
iv.	Professionally Experienced persons in banking/financial institutions specially having educational qualification in Finance, Banking, Management, Economics, Accounting will get preference in forming the committee	

PARTICULARS		COMPLIANCE STATUS
c.	ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE	
i.	Internal Control:	
1.	Evaluate whether management is setting the appropriate compliance culture by communicating the importance of internal control and the management of risk and ensuring that all employees have clear understanding of their roles and responsibilities;	Complied
2.	Review management's actions in building computerization of the bank and its applications and bank's Management Information System (MIS);	
3.	Consider whether internal control strategies recommended by internal and external auditors have been implemented by the management;	
4.	Consider reports relating to fraud, forgery, deficiencies in internal control or other similar issues detected by internal and external auditors and inspectors of the regulatory authority and place it before the board after reviewing whether necessary corrective measures have been taken by the management	
ii.	Financial Reporting:	
1.	Audit committee will check whether the financial statements reflect the complete and concrete information and determine whether the statements are prepared according to existing rules & regulations and standards enforced in the country and as per relevant prescribed accounting standards set by Bangladesh Bank.	Complied
2.	Discuss with management and the external auditors to review the financial statements before its finalization.	
iii.	Internal Audit:	
1.	Audit committee will monitor whether internal audit working independently from the management	Complied
2.	Review the activities of the internal audit and the organizational structure and ensure that no unjustified restriction or limitation hinders the internal audit process	
3.	Examine the efficiency and effectiveness of internal audit function	
4.	Examine whether the findings and recommendations made by the internal auditors are duly considered by the management or not	
iv.	External Audit:	
1.	Review the performance of the external auditors and their audit reports	Complied
2.	Examine whether the findings and recommendations made by the external auditors are duly considered by the management or not	
3.	Make recommendations to the board regarding the appointment of the external auditors	
v.	Compliance with existing laws and Regulations:	
	Review whether the laws and regulations framed by the regulatory authorities (central bank and other bodies) and internal regulations approved by the board are being complied with.	Complied
vi.	Other Responsibilities:	
1.	Submit compliance report to the board on quarterly basis on regularization of the omission, fraud and forgeries and other irregularities detected by the internal and external auditors and inspectors of regulatory authorities;	Complied
2.	External and internal auditors will submit their related assessment report, if the committee solicit;	
3.	Perform other oversight functions as desired by the Board of Directors and evaluate the committee's own performance on a regular basis	
d.	MEETINGS	
1.	The audit committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	Complied
2.	The committee may invite Chief Executive Officer, Head of internal audit or any other Officer to its meetings, if it deems necessary;	
3.	To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	
4.	All decisions/observations of the committee should be noted in minutes	
5.3	RISK MANAGEMENT COMMITTEE	
	To play an effective role in mitigating impending risks arising out from strategies and policies formulated by the Board and to carry out the responsibilities efficiently, a risk management committee will be formed. After identifying and assessing several risk factors like credit risks, foreign exchange risks, internal control and compliance risks, money laundering risks, information and communication risks, management risks, interest risks, liquidity risks etc.; the risk management committee will scrutinize whether appropriate risk management measures are being put in place and applied and whether adequate capital and provision is being maintained against the risks identified	Complied

PARTICULARS		COMPLIANCE STATUS
a.	ORGANIZATIONAL STRUCTURE:	Complied
1.	Members of the committee will be nominated by the board of directors from themselves	
2.	The Risk Management Committee will comprise of maximum 05 (five) members	
3.	Members may be appointed for a 03 (three) year term of office;	
4.	Company secretary of the bank will be the secretary of the Risk Management Committee	Complied
b.	QUALIFICATIONS OF THE MEMBERS	
1.	Integrity, dedication, and opportunity to spare time in the functions of committee will have to be considered while nominating a director to the committee;	
2.	Each member should be capable of making valuable and effective contributions in the functioning of the committee;	Complied
3.	To perform his or her role effectively each committee member should have adequate understanding of the detailed responsibilities of the committee membership as well as the bank's business, operations and its risks.	
c.	ROLES AND RESPONSIBILITIES OF THE RISK MANAGEMENT COMMITTEE	Complied
1.	Risk identification & control policy:	
	Formulation and implementation of appropriate strategies for risk assessment and its control is the responsibility of Risk Management Committee. Risk Management Committee will monitor risk management policies & methods and amend it if necessary. The committee will review the risk management process to ensure effective prevention and control measures	Complied
ii.	Construction of organizational structure:	Complied
	The responsibility of Risk Management Committee is to ensure an adequate organizational structure for managing risk within the bank. The Risk Management Committee will supervise formation of separate management level committees and monitor their activities for the compliance of instructions of lending risk, foreign exchange transaction risk, internal control & compliance risk, money laundering risk, information & communication risk including other risk related guidelines	
iii.	Analysis and approval of Risk Management policy:	Complied
	Risk management policies & guidelines of the bank should be reviewed annually by the committee. The committee will propose amendments if necessary and send it to the Board of Directors for their approval. Besides, other limits including lending limit should be reviewed at least once annually and should be amended, if necessary.	
iv.	Storage of data & Reporting system:	Complied
	Adequate record keeping & reporting system developed by the bank management will be approved by the risk management committee. The committee will ensure proper use of the system. The committee will minute its proposal, suggestions & summary in a specific format & inform the Board of Directors.	
v.	Monitoring the implementation of overall Risk Management Policy:	Complied
	Risk Management Committee will monitor proper implementation of overall risk management policies. They will monitor whether proper steps have been taken to mitigate all risks including lending risk, market risk, and management risk	
vi.	Other responsibilities	Complied
1.	Committee's decision and suggestions should be submitted to the Board of Directors quarterly in short form;	
2.	Comply instructions issued time to time by the controlling body;	
3.	Internal & external auditor will submit respective evaluation report whenever required by the committee	Complied
d.	MEETINGS	
1.	The risk management committee should hold at least 4 meetings in a year and it can sit any time as it may deems fit;	
2.	The committee may invite Chief Executive Officer, Chief Risk Officer and any other Officer to its meetings, if it deems necessary;	
3.	To ensure active participation and contribution by the members, a detailed memorandum should be distributed to committee members well in advance before each meeting;	Complied
4.	All decisions/observations of the committee should be noted in minutes.	
6	TRAINING FOR THE DIRECTORS	Complied
	The directors shall make themselves fully aware of the banking laws and other related rules and regulations for performing his duties properly	
	Status of Compliance of Bangladesh Bank's guidelines for Corporate Governance (BRPD circular no. 18 dated 27.10.2013)	Complied
A	Rules and regulations for appointing CEO	

PARTICULARS		COMPLIANCE STATUS
1.	Moral Integrity: In case of appointment to the post of Chief Executive, satisfaction in respect of the concerned person should be ensured to the effects that-	Complied
a.	He has not been convicted by any Criminal Court of Law;	
b.	He has not been punished for violating any rules, regulations or procedures/norms set by any Controlling Authority;	
c.	He was not associated with any such company/organization, registration or license of which has been cancelled	
2.	Experience and Suitability: For appointment as chief executive, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 02 (two) years' experience in a post immediate below the chief executive of a bank.	Complied
b.	He must at least have a Master's degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person.	Complied
c.	In respect of service, the concerned person should have excellent record of performance.	
d.	Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/ official of any company;	
e.	Any director of any bank or financial institution or any person who has business interest in the bank concerned will not be eligible for appointment to the post of chief executive	
3.	Transparency and financial integrity: Before appointment as a CEO, satisfaction should be ensured to the effects that	Complied
a.	The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;	
b.	He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;	
c.	He is not a tax defaulter;	
d.	He has never been adjudicated an insolvent;	
4	Age Limit: No person crossing the age of 65 years shall hold the post of CEO of a Bank	Complied
5.	Tenure: The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for the shorter period	Complied
6.	Guidelines in fixing the salary and allowance: Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposals to Bangladesh Bank.	Complied
a.	In fixing the salary and allowances of the CEO, financial condition, scope of operation, business volume and earning capacity of the Bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration	
b.	Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g., provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g., car, fuel, driver etc), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.	
c.	Without improving the bank's major financial indicator like-CAMELS, annual salary increment will not be payable.	
d.	Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the job performance of the current Chief Executive	
e.	The CEO so appointed shall not get any other direct or indirect facilities (e.g., dividend, commission, club expenses, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above	
f.	The bank shall not pay any income tax for the CEO, i.e. the CEO so appointed shall have to pay it.	
7.	Incentive Bonus: Subject to the payment of incentive bonus to all staffs/employees, the CEO will be eligible to get such bonus. However, the amount of CEO's incentive bonus will not cross Taka 10.00 (ten) lacs per year	Complied

PARTICULARS		COMPLIANCE STATUS
8.	Honorarium for Board Meeting: As CEO is a salaried official of the bank, he will not get any honorarium for attending the Board meeting or the meeting of any committee formed by the Board.	Complied
9.	Evaluation Report: While reappointing CEO, and evaluation report approved the Board of Directors should be submitted to Bangladesh Bank by the chairman of the Board.	Complied
10.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (Amended up to 2013). For processing such approval, along with the proposal signed by the Chairman of the Board, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The selected person must also submit declarations as per Annexure-ka & Annexure-kha to Bangladesh Bank	Complied
ii.	Decision of Bangladesh Bank regarding appointment of CEO will be treated as final and such appointed CEO cannot be dismissed, released and removed from his office without prior approval from Bangladesh Bank	Complied
B.	Responsibilities and authorities of the CEO The CEO of the bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:	Complied
a.	In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management	
b.	The CEO shall ensure compliance of the Bank Company Act, 1991 and other relevant laws and regulations in discharging routine functions of the bank.	
c.	At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act 1991 and other relevant laws and regulations.	
d.	The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.	
e.	The recruitment and promotion of all staffs of the bank except those in the two tiers below him shall rest on the CEO. He shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.	
f.	The authority relating to transfer of and disciplinary measures against the staff, except those at two tiers below the CEO, shall rest on him, which he shall apply in accordance with the approved service rules. Besides, under the purview of the human resources policy as approved by the board, he shall nominate officers for training etc. Complied	
1.	BRPD Circular No.18 of 27th October 2013 and BRPD Circular Letter No. 20 dated 23rd December, 2014 and subsequent amendment regarding appointment and responsibilities of Chief Executive Officer (CEO)	
A.	RULES AND REGULATIONS FOR APPOINTING CEO	
1.	Moral Integrity: In case of appointment to the post of CEO, satisfaction in respect of the concerned person should be ensured to the effects that:	Complied
a.	He has not been convicted by any Criminal Court of Law;	
b.	He has not been punished for violating any rules, regulations or procedures / norms set by any regulatory authority;	
c.	He was not associated with any such company/organization registration or license of which has been cancelled.	
2.	Experience and Suitability: For appointment as a CEO, the concerned person must have experience in banking profession for at least 15 (fifteen) years as an active officer and at least 2 (two) years' experience in a post immediate below the CEO of a bank;	Complied
b.	He must at least have a Masters Degree from any recognized university. Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;	

PARTICULARS		COMPLIANCE STATUS
c.	In respect of service, the concerned person should have excellent record of performance;	Complied
d.	Satisfaction should be ensured that the concerned person was not dismissed from service when he was chairman/director/official of any company;	
e.	Any director of any bank or financial institution or any person who has business interest in the concerned bank will not be eligible for appointment to the post of CEO	
3.	Transparency and financial integrity:	Complied
	Before appointment as a CEO, satisfaction should be ensured to the effects that:	
	Before appointment as a CEO, satisfaction should be ensured to the effects that	
a.	The concerned person was not involved in any illegal activity while performing duties in his own or banking profession;	
b.	He has not suspended payment to creditors or has not compromised with his creditors to be relieved from debt or he is not a loan defaulter;	
c.	He is not a tax defaulter;	
d.	He has never been adjudicated an insolvent;	
4	Age Limit:	Complied
	No person crossing the age of 65 years shall hold the post of CEO of a Bank	
5.	Tenure:	Complied
	The tenure of the CEO shall not be more than 03 (three) years, which is renewable. If the candidate has less than 3 years left to attain 65 years, he/she can be appointed for the shorter period.	
6.	Guidelines in fixing the salary and allowance:	Complied
	Banks are required to follow the guidelines stated below while determining the salary and allowances of the CEO and submitting such proposals to Bangladesh Bank.	
a.	In fixing the salary and allowances of the CEO, financial condition, scope of operation, business volume and earning capacity of the Bank; qualifications, achievement of the candidate in the past, age and experience and the remuneration paid to the persons occupying same position in the peer banks shall have to be taken into consideration	
b.	Total salary shall be comprised of direct salary covering 'Basic Salary' and 'House Rent' and allowances as 'Others'. The allowances (e.g, provident fund, utility bill, leave-fare assistance) in 'Others' head should be specified in amount/ceiling. Besides, other facilities (e.g, car, fuel, driver etc), as far as possible, shall have to be converted in the monetary value and thus determining monthly total salary, it shall have to be mentioned in the proposal submitted to BB. In the proposal, Basic Salary, House Rent, Festival Allowance, other allowances and other facilities shall have to be specified in Taka amount.	
c.	Without improving the bank's major financial indicator like-CAMELS, annual salary increment will not be payable.	
d.	Terms of salary-allowances and other facilities as specified in the terms and conditions of appointment cannot be changed during the tenure. In case of renewal, proposal may be made for re-fixation of the salary considering the work performance of the current CEO	
e.	The CEO so appointed shall not get any other direct or indirect facilities (e.g, dividend, commission, club expenses, etc.) other than the salary-allowances and other facilities as enumerated in clause (b) above	
f.	The bank shall not pay any income tax for the CEO, i.e. the CEO so appointed shall have to pay it.	
7.	Incentive Bonus:	Complied
	The CEO will get incentive bonus subject to the paying incentive bonus to all executive/officers/workers of the bank and said bonus amount will not exceed BDT 1,000,000 in a year	
8.	Honorarium for Board Meeting:	Complied
	Being a salaried executive, CEO will not get any honorarium for attending the Board meeting or the meeting of any committee formed by the Board.	
9.	Evaluation Report:	Complied
	For reappointing of the CEO, the Chairman of the bank shall have to submit a Board approved evaluation report to Bangladesh Bank.	
10.	Prior approval from Bangladesh Bank:	Complied
	Prior approval from Bangladesh Bank is mandatory before appointing CEO as per section 15(4) & (5) of the Bank Company Act 1991 (amended up to 2018). For processing such approval, along with the proposal signed by the Chairman of the BOD, the selected person's complete resume, offer letter (mentioning the direct & indirect remuneration and facilities) and copy of Board's approval must be submitted to BB. The selected person must also submit declarations as per Annexure-A & Annexure-B to Bangladesh Bank.	

PARTICULARS		COMPLIANCE STATUS
ii.	Decision of Bangladesh Bank is final:	No such event
	The decision of BB for appointment of the CEO will be treated as final and the CEO so appointed cannot be terminated, released or removed from his/her office without prior approval from BB.	
a.	In case the CEO desires to terminate the contract before expiry or resign from his office voluntarily, he shall serve at least one-month notice upon the Chairman of the Board stating the actual reason for such resignation, and, at the same time forward a copy of such notice to Bangladesh Bank	
b.	In case the Board of the Bank desires to terminate the contract before expiry or asks the CEO to tender resignation from his post, the Board shall serve at least one-month notice stating the reasons for such action; at the same time forward a copy of such notice to Bangladesh Bank and obtain approval of Bangladesh Bank for such removal.	
c.	When the position of the CEO falls vacant due to resignation, expiry of contract, or any other reason, the bank shall immediately appoint a 'CEO In-charge' (for maximum 3 months) among the officials next to the CEO and notify Bangladesh Bank with details of such Officer-In-charge.	Complied
B.	DUTIES AND RESPONSIBILITIES OF CEO:	
	The CEO of the bank, by whatever name called, shall discharge the responsibilities and affect the authorities as follows:	
a.	In terms of the financial, business and administrative authorities vested upon him by the Board, the CEO shall discharge his own responsibilities. He shall remain accountable for achievement of financial and other business targets by means of business plan, efficient implementation thereof and prudent administrative and financial management.	
b.	The CEO shall ensure compliance of the Bank Company Act 1991 and other relevant laws and regulations in discharging routine functions of the bank.	
c.	At the time of presenting any memorandum in the Board Meeting or Board Committee Meeting, the CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws/regulations.	
d.	The CEO must point out if there is any deviation from the Bank Company Act, 1991 and other relevant laws and regulations. The CEO shall report to Bangladesh Bank any violation of the Bank Company Act, 1991 or of other laws/regulations.	
e.	The recruitment and promotion of all staffs of the bank except those in the two tiers below him/her shall rest on the CEO. He/she shall act in such cases in accordance with the approved service rules on the basis of the human resources policy and sanctioned strength of employees as approved by the board.	Complied
	BRPD Circular No.19 of 27th October 2013 and BRPD Circular Letter No.19 dated 23rd December, 2014 on contractual appointment of Advisor and Consultant	
A.	APPOINTMENT OF ADVISOR	N/A
1.	Experience and Suitability:	
	For appointment as advisor, the concerned person will have to fulfill the following requirements with regard to experience and qualifications	
a.	Experience in Banking or Administration for at least 15 (fifteen) years or have a long experience in social activities;	
b.	Higher academic education in the field of Economics, Banking and Finance or Business Administration will be treated as additional qualification for the concerned person;	
c.	Satisfaction should be ensured that the concerned person was not dismissed from his service when he was Chairman/Director/Official of any company;	N/A
d.	A person who is working in any bank or financial institution or who has business interest in that bank will not be considered eligible for appointment to the post of advisor;	
e.	Satisfaction should be ensured that the concerned person is not a loan defaulter or tax defaulter and has never been adjudicated an insolvent by the court	N/A
2.	Responsibilities:	
	The responsibilities or terms of reference of advisor should be specified. The Advisor can advise the Board of Directors or the Chief Executive only on those matters that are specified in the appointment letter. Routine works or general works will not be included in his term of reference. He can't exercise any kind of power or can't participate in the decision making process of financial, administrative, operational or any other activities of the bank.	N/A

PARTICULARS		COMPLIANCE STATUS
3.	Prior approval from Bangladesh Bank: Prior approval from Bangladesh Bank is mandatory before appointing advisor. For such appointment, the justifications of the post of advisor, responsibilities or terms of reference, complete resume of the concerned person, terms of appointment (mentioning remuneration and facilities) and copy of board's approval must be submitted to Bangladesh Bank. The nominated person has to make a declaration as per Annexure-ka. This declaration must be also submitted to Bangladesh Bank.	N/A
4.	Remuneration and other facilities: The post of advisor is not a fixed or substantive post in the bank's organization structure. Advisor will not be entitled to salaries and allowances as regular employee except gross amount of remuneration, transport and telephone facilities. Remunerations inconsistent with terms of reference of the advisor will not be considered as acceptable by Bangladesh Bank.	N/A
5.	Tenure: The tenure of the advisor shall be maximum 1(one) year, which is renewable. An evaluation report (by the chairman that is approved by the board of directors) of previous tenure should be submitted to Bangladesh Bank along with the re-appointment proposal.	N/A
6.	Appointment of Ex-officials: For good governance any former director, chief executive or any official will not be eligible to become an advisor in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as advisor.	N/A
A.	APPOINTMENT OF CONSULTANT	
1.	Terms of Reference: Consultant can be appointed for specialized tasks like tax, law & legal procedures, engineering & technical works, information technology, etc. Consultants' appointment should be avoided as much as possible for those works that could be done by regular employees of the bank.	Complied
2.	Responsibilities: The responsibilities or term of reference of consultant should be specified. He/she shouldn't be involved beyond his/her terms of references and he/she cannot exercise any kind of power in bank operation or cannot participate in the decision making process.	Complied
3.	Tenure: The tenure of consultant should be consistent with the terms of reference, but would not exceed 2(two) years. Generally, consultant's appointment will not be renewable, but to complete unfinished tasks, the contract can be extended up to maximum 1 year with the approval of Bangladesh Bank. An evaluation report (by the chairman that is approved by the board of directors) of previous period should be submitted to Bangladesh Bank.	Complied
4.	Remuneration/honorarium: The consultant's remuneration should be in the form of monthly or single lump-sum payment, he is not entitled to any other facilities.	Complied
5.	Appointment of Ex-officials: For ensuring good governance any former director, chief executive or any official will not be eligible to become a consultant in the same bank immediately after his/her retirement or resignation. But, after 1 year from such retirement or resignation he/she will be eligible for appointment as consultant.	Complied