

Corporate Governance



- Our governance responsibilities are integral to our performance and long-term sustainability.
- Our corporate governance standards reflect emerging best practices and meet or exceed legal and regulatory requirements.

We strive to earn and retain the trust of our shareholders through our high standards of corporate governance. We have rigorous oversight and regulations in place, and we work to embed those practices in our culture.

Board of Directors

Composition of the Board

The Board consists of 12 highly accomplished directors, who are professionals in management, law and business. They possess the skills, experience and knowledge to set directions and oversee the overall activities of the bank.

Meetings

During the year, 13 (thirteen) board meetings were held to formulate policy, set goals and evaluate overall performance.

Board's Responsibilities

The main responsibilities of the Board are:

- Developing and implementing corporate strategies;
- formulating policy-guidelines and supervising business activities of the bank efficiently as well as ensuring good governance in the bank management;
- Monitoring and reviewing the corporate governance framework;
- Monitoring and reviewing the risk management process;
- Establishing effective and independent internal control system;
- Reviewing business results and monitoring budgetary control;
- Maintaining a direct, ongoing and healthy communication with regulatory bodies;
- Framing policies;
- Setting standards and monitoring compliance with our social responsibility policies and practices; and
- Recommending shareholders to appoint an external auditor.

Company Secretary

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

Training for New Directors

Presentations are made by the senior management to the Board from time to time on industry related matters.

Delegation of Power

The Board has delegated appropriate administrative, financial and business authority to the concerned committees and management as per Bangladesh Bank (BB) guidelines. The role of the Executive Committee is:

- To review the policies and guidelines issued by Bangladesh Bank (BB)
- To approve credit proposals as per approved board policy
- To perform according to the terms of reference time to time determined by the board

The Executive Committee is comprised of the following Directors:

Mr. Hedayetullah	Chairman
Mr. M. A. Rouf, JP	Member
Mr. Md. Abdul Malek	Member
Mr. Md. Wakiluddin	Member
Mr. Q. A. F. M. Serajul Islam	Member

Role of Chairman, Managing Director & CEO

Role of the Chairman

The Chairman is a non-executive director, elected by the Board, responsible for organizing the business of the board, ensuring its effectiveness and setting its agenda. The Chairman is not involved in the day-to-day business of the bank. He ensures that board members undertake appropriate induction, covering terms of appointment, duties and responsibilities.

Role of the Managing Director and CEO

The Managing Director & CEO is responsible for overall activities of the business and for formulating and implementing board strategy and policy. He has control of the bank on a day-to day basis and is accountable to the Board for its financial and operational performance.

Appointment to the Board

Directors Appointment

Appointment of a new director is made with the consent of all directors at the immediate Annual General Meeting (AGM). A detailed biography, a declaration of his or her non-engagement with other financial institutions and that he/ she is not a loan defaulter is required to be submitted to Bangladesh Bank. As per the Bank Companies Act, 1991 a person cannot be a director of more than one financial institution, and we adhere to this rule.

Independent Director

Two Independent Directors in the Board of Mutual Trust Bank Ltd. have been appointed in compliance with the Bank Companies Act 1991 (Amended 2013). While calculating the required number of Independent Director as per BSEC Notification.

Retirement and Re-election of the Directors

According to the Articles of Association of the bank and the Companies Act 1994, each Director other than MD & CEO, retires by rotation once every three years and is required to stand for re-election by shareholders at the Annual General Meeting.

Appraisal and Removal of the Managing Director & CEO

Appraisal of the Managing Director & CEO

The performance of the Managing Director & CEO is reviewed every year by the full Board aligned with the financial and non-financial targets, which are in line with the short, medium and long term objectives of the Bank.

Removal of the Managing Director & CEO

The Board is not authorized to remove the Managing Director & CEO without prior consent of the central bank.

Directors' Remuneration

The directors do not receive any type of remuneration or incentives. The board members only receive fees as prescribed by Bangladesh Bank for attending each Board and Committee meetings

The remuneration package of the Managing Director is determined by the Board and requires central bank's approval. He is entitled to get incentive bonus as per central bank's guidelines.

Disclosure of Directors' Remuneration

The law requires the disclosure of information related to the remuneration paid to the Managing Director and Directors.

Remuneration paid to the Managing Director is disclosed on page 203 of this report. The directors' fees during 2015 were as follows:

Sl. No.	Name of the Directors	Position	Remuneration (BDT)
1	Mr. M A Rouf, JP	Chairman (from February 26, 2016)	134,000.00
2	Mr. Hedayetullah	Vice Chairman (from February 26, 2016)	123,000.00
3	Mr. Syed Manzur Elahi	Founding Chairman & Director	133,000.00
4	Dr. Arif Dowla	Director	93,000.00
5	Mr. Rashed A. Chowdhury	Director (Former Chairman)	97,000.00
6	Mr. Md. Abdul Malek	Director	123,000.00
7	Mr. Md. Wakiluddin	Director	105,000.00
8	Mrs. Khwaja Nargis Hossain	Director	97,000.00
9	Mr. Anjan Chowdhury	Director	38,000.00
10	Mr. Q.A.F.M. Serajul Islam	Director	133,000.00
11	Mr. Anwarul Amin	Independent Director	82,000.00
12	Dr. Sultan Hafeez Rahman	Independent Director	80,000.00
TOTAL			12,38,000.00

Relations with Shareholders

Notice of the Annual General Meeting (AGM)

The annual report including financial statements and the notice of the meeting are sent to shareholders at least 14 clear days prior to the AGM.

Beneficial Use of the Annual General Meeting (AGM)

The primary means of communication between the bank and shareholders are the MTB annual report and the AGM. Required information is received by the shareholders prior to the AGM, which gives them an opportunity to exercise their prerogative to raise any business-related issues, either verbally or in writing at the AGM. The Directors remain present at the AGM to answer any queries of the shareholders.

Accountability

Financial Reporting, Statutory and Regulatory Reporting

In the preparation of quarterly and annual financial statements, MTB has complied with the requirements of the Companies Act 1994, Bank Companies Act 1991 (Amended in 2013), Bangladesh Bank, Dhaka Stock Exchange and Chittagong Stock Exchange.

- Report of the Board Audit Committee in the Annual Report

The report is given on pages 165 of the Annual Report

Declaration by the Board that the Business is a Going Concern

This is given in the Directors' Report on page 104 of the Annual Report.

Audit Committee and Audit

The Audit Committee provides direction to the audit and risk management functions in the bank and monitors the quality of internal audits and management audits. The responsibilities of the Audit Committee are:

- Ensure proper disclosure of the financial statements
- Recommend appointment/removal of external auditors and fixing their remunerations
- Review the financial statements before submission to the Board
- Review the adequacy of the internal control systems
- Review the findings of internal investigations
- Discuss the scope of audit with external auditors
- Looking into reasons of substantial defaulters, if any, of non-payment to stakeholders

The Audit Committee is comprised of the following Directors:

Mr. Anwarul Amin, Independent Director	Chairman
Mr. Syed Manzur Elahi, Founding Chairman & Director	Member
Dr. Arif Dowla, Director	Member
Mrs. Khwaja Nargis Hossain, Director	Member
Dr. Sultan Hafeez Rahman, Independent Director	Member

External Audit

M.J. Abedin & Co., Chartered Accountants is the statutory auditor of the bank. They do not provide any other accounting, taxation or advisory services to the bank except audit of cash incentives payable to exporters.

Audits by Bangladesh Bank

Bangladesh Bank also undertakes audit and inspection of MTB at regular intervals. The reports of the central bank are reviewed by the Board and its audit committee. The bank gives utmost importance to the inspection report and corrective actions are taken regarding the lapses mentioned in the report.

Internal Control

The internal control system is designed to manage rather than eliminate the risk of failure in achieving business objectives. Internal controls are aimed at providing reasonable and not absolute assurance against material misstatement or loss.

The internal Audit Division of the bank as well as the Board reviews the internal control system and its effectiveness.

Awards and Recognition

MTB was awarded as the best financial Institution of 2014 at the DHL-The Daily Star Bangladesh Business Award. MTB was also awarded as best SME Bank of the year, and Women Entrepreneurs' Friendly Bank of the year at SME Banking Award 2014 jointly organized by Bangladesh Bank and SME Foundation.

MTB received the Merit Certificate for consecutive 3 years under the Institute of Chartered Accountants of Bangladesh (ICAB) National Award 2012, 2013 & 2014 for its published accounts for the year 2011, 2012 and 2013 respectively in the banking category under the financial sector. **Contribution to National Exchequer**
At MTB, we recognize that we have certain responsibilities to the development of the society and the country as a whole. MTB has contributed significantly to the government exchequer during 2015. The details are:

BDT Million

Particulars	2015	2014
Income Tax from Bank Earning	474	743
Income Tax, VAT and Excise Duty deducted at source	1,341	1,307
Income Tax from Employee's earning	72	52
Total	1,887	2,102

Disciplinary Committee

At MTB, we have four (4) written guidelines which are: a) Mutual Trust Bank Ltd. Employees Service Rule, b) MTB Code of Conduct, c) MTB Winning and 4) MTB Compliance Manual. These guidelines are based on the following principles:

- **INTEGRITY:** This implies adherence to accepted moral principles of being honest, impartial and fair-minded.
- **CONFIDENTIALITY:** Among the basic tenets upon which the banking system is founded is confidentiality. This requires the utmost professional conduct in respecting and protecting the privacy and secrecy of the employer, the employer's customers, fellow employees and any other groups on the understanding that information acquired has been obtained in confidence and merits the same care as protection of funds.
- **LOYALTY:** Above the requirement of honesty and integrity, members owe their primary business loyalty to their employer and remain faithful to the employers' customers, the Bank and the profession

- **LEGALITY:** The ethical conduct of banking depends upon the propriety and behavior of those engaged as professionals in the banking industry. In this case, members should always avoid any form of dubious business practice in contradiction to the law and regulations of the country.

If an employee is accused of violating any of the above, the Disciplinary Action committee plays a crucial role in resolving the matter.

Risk Management

The Board Risk Management Committee has taken various steps to identify risks, which are related to the lending, trading and operating activities of the bank. The committee evaluates risk on a comprehensive basis including, among others, balance sheet management, capital adequacy, credit and operational risk. The committee assesses the risks arising from various activities of bank's operation; develops strategies and policies to mitigate and control those risks, ensures the effective implementation of these policies and strategies; and also reviews and amends the policies and strategies from time to time for ensuring effective control on risk management of the bank.

The Board Risk Management Committee is comprised of the following Directors:

Mr. Syed Manzur Elahi Director (Founding Chairman)	Chairman
Mr. M. A. Rouf, JP Vice Chairman	Member
Dr. Arif Dowla Director	Member
Mr. Anjan Chowdhury, Director	Member
Dr. Sultan Hafeez Rahman Independent Director	Member

Code of Conduct of Board Members

The code of conduct as prescribed from time to time by the Bangladesh Bank Guidelines is followed by the Board Members. The Directors have complied with such code of conduct during the year 2015.

Our Governance Structure

The Board and its committees act independently. Every board and committee meeting includes in-camera sessions without management present.

Compliance Report on BSEC's Notification

The Bangladesh Securities and Exchange Commission (BSEC) required all listed companies to report on the compliance of the conditions described in BSEC's notification dated August 07, 2012 on 'comply' basis.

The company shall obtain a certificate from a practicing professional Accountant / Chartered Accountant / Chartered Secretary / Cost and Management Accountant regarding compliance of corporate governance guidelines of the commission. The issuer company should not engage its External/Statutory Auditors to perform Audit/Certification Services on compliance of corporate governance as required under condition number 7. In compliance of the notification, we have appointed Khan Wahab Shafique Rahman & Co., Chartered Accountants for certification in this regard.

The Board of Directors of MTB has taken appropriate steps to comply with the conditions as detailed in Annexure-I, II & III below:

Annexure-I

13 (Thirteen), meetings of the Board of Directors were held from **January 01, 2015 to December 31, 2015**. Attendance of the Directors is given below:

Sl No	Name	Position	Meeting held	Attended	Remarks
1.	Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Chairman	13	12	Leave of absence was granted by the Board
2.	Mr. M. A. Rouf, JP	Vice Chairman	13	10	Leave of absence was granted by the Board
3.	Mr. Syed Manzur Elahi (Founding Chairman)	Director	13	12	Leave of absence was granted by the Board
4.	Dr. Arif Dowla (former Chairman) (Representing Advanced Chemical Industries Ltd.)	Director	13	9	Leave of absence was granted by the Board
5.	Mr. Md. Hedayetullah	Director	13	11	Leave of absence was granted by the Board
6.	Mr. Md. Abdul Malek	Director	13	13	
7.	Mr. Md. Wakiluddin	Director	13	11	Leave of absence was granted by the Board
8.	Mrs. Khwaja Nargis Hossain	Director	13	13	
9.	Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	13	7	Leave of absence was granted by the Board
10.	Mr. Q. A. F. M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	13	12	Leave of absence was granted by the Board
11.	Mr. Anwarul Amin	Independent Director	13	10	Leave of absence was granted by the Board
12.	Dr. Sultan Hafeez Rahman	Independent Director	13	10	Leave of absence was granted by the Board
13.	Mr. Anis A. Khan	Managing Director & CEO	13	13	Ex-Officio Director

Annexure-II

The pattern of shareholding of Mutual Trust Bank Limited as on December 31, 2015 as per BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated August 07, 2012.

a) Shareholding by Parent/Subsidiary/Associated Companies and other related parties Nil

b) Shareholding by:

i) Directors:

SL	Name	Designation	No. of Share	% of Share as on 31.12.2015
1.	Mr. Rashed Ahmed Chowdhury (Representing Associated Builders Corporation Ltd.)	Chairman	18,465,780	5.00%
2.	Mr. M. A. Rouf, JP	Vice Chairman	7,400,119	2.00%
3.	Mr. Syed Manzur Elahi (Founding Chairman)	Director	13,618,285	3.68%
4.	Dr. Arif Dowla (former Chairman) (Representing Advanced Chemical Industries Ltd.)	Director	12,310,506	3.33%
5.	Mr. Md. Hedayetullah	Director	7,390,563	2.00%
6.	Mr. Md. Abdul Malek	Director	7,456,899	2.02%
7.	Mr. Md. Wakiluddin	Director	7,393,060	2.00%
8.	Mrs. Khwaja Nargis Hossain	Director	7,386,541	2.00%
9.	Mr. Anjan Chowdhury (Representing ASTRAS Ltd.)	Director	9,232,861	2.50%
10.	Mr. Q. A. F. M Serajul Islam (Representing Pioneer Insurance Company Ltd.)	Director	25,979,110	7.03%
11.	Mr. Anwarul Amin	Independent Director	Nil	Nil
12.	Dr. Sultan Hafeez Rahman	Independent Director	Nil	Nil
TOTAL			116,633,724	31.56%

ii)	Managing Director & CEO	:	3,861	0.0010%
iii)	Company Secretary	:	Nil	Nil
iv)	Chief Financial Officer	:	Nil	Nil
v)	Head of Internal Control & Compliance	:	Nil	Nil
vi)	Spouses of above Executives	:	Mrs. Monowar Anis Khan	
			26,796	0.0073%

c)	<u>Shareholding by other Executives (Top 5)</u>	:		
	Additional Managing Director	:	21,224	0.0057%
d)	<u>Shareholders holding ten percent (10%) or more shares</u>	:	Nil	Nil

Compliance Status of BSEC Guidelines for Corporate Governance

Status of compliance by Mutual Trust Bank Limited with the Corporate Governance (CG) Guidelines issued by Bangladesh Securities and Exchange Commission (BSEC) through Notification No.SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012:

Annexure - III

Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Explanation for non compliance with the condition
		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 (i)	At least one fifth (1/5) of the total number of directors in the company's board	✓		
1.2 (ii) a)	Holds less than one percent (1%) shares of the total paid-up shares of the company	✓		
1.2 (ii) b)	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(ii)c)	Does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	✓		
1.2(ii)d)	Is not a member, director or officer of any stock exchange	✓		
1.2(ii)e)	Is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market	✓		
1.2(ii)f)	Is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of any statutory audit firm	✓		
1.2(ii)g)	Shall not be an independent director in more than 3 (three) listed companies	✓		
1.2(ii)h)	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(ii)i)	Has not been convicted for a criminal offence involving moral turpitude	✓		
1.2(iii)	Nominated by the board of directors and approved by the shareholders in the Annual General Meeting (AGM)	✓		
1.2(iv)	Post of independent director(s) not remain vacant for more than 90 (ninety) days			N/A



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Explanation for non compliance with the condition
		Complied	Not Complied	
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		
1.2(vi)	Tenure of office of an independent director to be for a period of 3 (three) years, which may be extended for 1 (one) term only	✓		
1.3	Qualification of Independent Director (ID)			
1.3(i)	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(ii)	Should be a Business Leader/Corporate Leader/Bureaucrat/ University Teacher with Economics or Business Studies or Law background/Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The independent director must have at least 12 (twelve) years of corporate management/ professional experiences	✓		
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of the Commission			N/A
1.4	Separate Chairman of the Board and Chief Executive and clearly defined roles and responsibilities	✓		
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	✓		
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			N/A
1.5(vi)	Basis for related party transactions- a statement of all related party transactions should be disclosed in the annual report	✓		
1.5(vii)	Utilization of proceeds from public issues, rights issues and/or through any others instruments			N/A
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.			N/A



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Explanation for non compliance with the condition
		Complied	Not Complied	
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements the management shall explain about the variance on their Annual Report	✓		
1.5(x)	Remuneration to directors including independent directors	✓		
1.5(xi)	Fair presentation of Financial Statements	✓		
1.5(xii)	Maintenance of proper books of accounts	✓		
1.5(xiii)	Consistent application of appropriate accounting policies and estimates	✓		
1.5(xiv)	Compliance with International Accounting Standards (IAS)/ Bangladesh Accounting Standards (BAS)/ International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh	✓		
1.5(xv)	Soundness of Internal Control System	✓		
1.5(xvi)	Ability to continue as a going concern	✓		
1.5(xvii)	Significant deviations in Operating results from last year			N/A
1.5(xviii)	Presentation of at least preceding 05 (five) years' Key operating and financial data	✓		
1.5(xix)	Reason for non declaration of dividend			N/A
1.5(xx)	Number of Board meeting and attendance of directors	✓		
1.5(xxi)	Shareholding pattern:-			
1.5(xxi) a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details)	✓		
1.5(xxi) b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and their spouses and minor children (name wise details)	✓		
1.5(xxi) c)	Executives;	✓		
1.5(xxi) d)	Shareholders holding ten percent (10%) or more votes interest in the company (name wise details).			N/A
1.5(xxii)	In case of the appointment/re-appointment of a directors,			
1.5(xxii) a)	a brief resume of the director;	✓		
1.5(xxii) b)	nature of his/her expertise in specific functional areas;	✓		
1.5(xxii) c)	Names of companies in which the person also holds the directorship and the membership of committees of the board.	✓		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Explanation for non compliance with the condition
		Complied	Not Complied	
2	CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT (INTERNAL CONTROL AND COMPLIANCE) AND COMPANY SECRETARY (CS):			
2.1	Appointment and clearly defined respective roles, responsibilities and duties	✓		
2.2	Attendance of CFO and Company Secretary in the Board of Directors meeting.	✓		
3	AUDIT COMMITTEE:			
3 (i)	A sub-committee of the Board of Directors	✓		
3 (ii)	Shall assist the Board of Directors 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(iii)	Shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing.	✓		
3.1	Constitution of the Audit Committee			
3.1 (i)	The Audit Committee shall be composed of at least 3 (three) members.	✓		
3.1 (ii)	The Board of Directors shall appoint members of the Audit Committee who shall be directors of the company and shall include at least 1 (one) independent director.	✓		
3.1 (iii)	All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management experience.	✓		
3.1 (iv)	Filling of casual vacancy			N/A
3.1 (v)	The company secretary shall act as the secretary of the Committee.	✓		
3.1 (vi)	Quorum of the Audit Committee	✓		
3.2	Chairman of the Audit Committee			
3.2 (i)	Who shall be an independent director	✓		
3.2 (ii)	Shall remain present in the Annual General Meeting (AGM).	✓		
3.3	Role of Audit Committee shall include the following:-			
3.3 (i)	Oversee the financial reporting process.	✓		
3.3 (ii)	Monitor choice of accounting policies and principles.	✓		
3.3 (iii)	Monitor Internal Control Risk management process.	✓		
3.3 (iv)	Oversee hiring and performance of external auditors.	✓		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Explanation for non compliance with the condition
		Complied	Not Complied	
3.3 (v)	Review along with the management, the annual financial statements before submission to the board for approval.	✓		
3.3 (vi)	Review along with the management, the quarterly and half yearly financial statements before submission to the board for approval.	✓		
3.3 (vii)	Review the adequacy of internal audit function.	✓		
3.3 (viii)	Review statement of significant related party transactions submitted by the management.	✓		
3.3 (ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors.	✓		
3.3 (x)	Disclosure of utilization of fund raised through Initial Public Offering (IPO)/Repeat Public Offering (RPO)/Rights Issue to the Audit Committee on a quarterly basis, as a part of their quarterly declaration of financial results.			N/A
3.4	Reporting of the Audit Committee			
3.4.1	Reporting to the Board of Directors			
3.4.1(i)	Audit Committee shall report on its activities to the Board of Directors.	✓		
3.4.1(ii)	Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
3.4.1(ii) a)	report on conflicts of interests;			No such events happened as per draft audit report, thus not reported
3.4.1(ii) b)	suspected or presumed fraud or irregularity or material defect in the internal control system;			
3.4.1(ii) c)	suspected infringement of laws, including securities related laws, rules and regulations;			
3.4.1(ii) d)	any other matter which shall be disclosed to the Board of Directors immediately.			
3.4.2	Reporting to the Authorities - (the Commission)			
3.5	Reporting to the Shareholders and General Investors			
4.	EXTERNAL/STATUTORY AUDITORS: Should not engage to perform the following services; namely:-			
4 (i)	Appraisal or valuation services or fairness opinions.	✓		
4 (ii)	Financial information systems design and implementation.	✓		
4 (iii)	Book-keeping or other services related to the accounting records or financial statements.	✓		



Condition No.	Title	Compliance status (Put ✓ in the appropriate column)		Explanation for non compliance with the condition
		Complied	Not Complied	
4 (iv)	Broker-dealer services.	✓		
4 (v)	Actuarial services.	✓		
4 (vi)	Internal audit services.	✓		
4 (vii)	Any other service that the Audit Committee determines.	✓		
4 (viii)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company.	✓		
4 (ix)	Audit /certification service on compliance of corporate governance	✓		
5.	SUBSIDIARY COMPANY:			
5 (i)	Composition of the Board of Directors	✓		
5 (ii)	Appointment of independent director	✓		
5 (iii)	Review of minutes of Board meeting by the holding company.	✓		
5 (iv)	Reviewed the affairs of the subsidiary company also.	✓		
5 (v)	Review the financial statements by the Audit Committee of the holding company	✓		
6.	DUTIES OF CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO): The CEO and CFO shall certify to the Board that:-			
6. (i)	They have reviewed financial statements for the year and that to the best of their knowledge and belief:	✓		
6 (i) a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;	✓		
6 (i) b)	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.	✓		
6 (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 violation of the company's code of conduct.	✓		
7.	REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE:			
7 (i)	Obtainment of certificate regarding compliance of conditions of Corporate Governance Guidelines	✓		
7 (ii)	Director's statement on compliance with these conditions.	✓		



Certificate on Compliance of Conditions of Corporate Governance Guidelines

A member firm of **mgj**
BUSINESS SOLUTIONS
REALITIES

Khan Wahab Shafique Rahman & Co.
Chartered Accountants

Partners:
S.M. Shafique FCA
Mujibur Rahman FCA
Md. Abu Sina FCA
Md. Anisur Rahman FCA



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Certificate on Compliance of Conditions of Corporate Governance **To The Shareholders of Mutual Trust Bank Limited**

We have examined the status of compliance of conditions of Corporate Governance issued by Bangladesh Securities & Exchange Commission (BSEC) vide its notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 in regard to Mutual Trust Bank Limited (the Bank) for the year ended December 31, 2015.

The compliance with the said conditions of Corporate Governance and reporting the status thereof is the responsibility of the management of the Bank. Our responsibility is to provide a certificate about whether the Bank is in compliance with the said conditions of Corporate Governance based on our examination.

Our examination has been made for the purpose of issuing this certificate was limited to the procedures including implementation thereof as adopted by the Bank for ensuring the compliance of the conditions of Corporate Governance and correct reporting of the status of the compliance on the attached statement on the basis of evidence gathered and representation received. It is neither an audit nor an expression of opinion on the financial statements of the Bank.

To the best of our information and according to the explanations given to us, we certify that Mutual Trust Bank Limited has complied with the conditions of Corporate Governance as enclosed stipulated in the above mentioned BSEC's notification dated 07 August, 2012.

Dhaka, Dated
March 24, 2016


Md. Anisur Rahman FCA
Partner

ICAB Enrollment No. 350
Khan Wahab Shafique Rahman & Co.
Chartered Accountants



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