

Status of Compliance with the Corporate Governance Guidelines (CGG)

Status of Compliance with the conditions imposed by Bangladesh Securities and Exchange Commission (BSEC)'s notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated August 07, 2012, issued under section 2CC of the Securities and Exchange Ordinance, 1969, is presented below:

(Report under Condition No. 7.00)

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not Complied | |
| 1.1 | <p>Board's Size: (Number of board members - minimum 5 and Maximum 20)</p> <p>IDLC Finance Limited being a financial institution, such size of the Board shall be limited to 9 to 11, as per FID Circular No. 9, dated September 11, 2002.</p> | √ | | Refer to 'IDLC' Corporate Governance Report on page No. 140 of this Annual Report |
| 1.2 | Independent Directors | | | |
| 1.2(i) | At least one fifth (1/5) of the total number of Directors shall be Independent Directors | √ | | Refer to 'IDLC' Corporate Governance Report on page No. 141 of this Annual Report |
| 1.2(ii) | Independent Director means a Director: | | | |
| 1.2(ii)(a) | Who either does not hold share in the company or holds less than one (1%) shares of the total paid up shares of the company; | √ | | None of the Independent Directors holds any share of the company |
| 1.2(ii)(b) | Who is not sponsor of the Company and is not connected with any sponsor or director or shareholder who holds one percent or more shares of the Company; | √ | | None of the Independent Directors is not connected with any sponsor or director or such shareholder of the company |
| 1.2(ii)(c) | Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies; | √ | | Such declaration was given during appointment |
| 1.2(ii)(d) | Who is not a member, director or officer of any stock exchange; | √ | | |
| 1.2(ii)(e) | Who is not a shareholder, director or officer of any member of stock exchange or an intermediary of the capital market; | √ | | |
| 1.2(ii)(f) | Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm; | √ | | |
| 1.2(ii)(g) | Who shall not be an independent director in more than 3 (three) listed companies; | √ | | |
| 1.2(ii)(h) | Who 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) | Who has not been convicted for a criminal offence involving moral turpitude. | √ | | |
| 1.2(iii) | Independent Director(s) shall be appointed by the Board of Directors and approved by the Shareholders in the Annual General Meeting (AGM); | √ | | Refer to the AGM Notice on page no. 156 of this Annual Report |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|---|---|--------------|---|
| | | Complied | Not Complied | |
| 1.2(iv) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days. | √ | | No such vacancy created |
| 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. | √ | | The Board at its 251 st meeting held on December 19, 2016 recorded its annual compliance 2017 with the Code of Conduct of Board members. |
| 1.2(vi) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only. | √ | | All the existing independent directors are in first term of appointment |
| 1.3 | Qualification of Independent Director(ID) | | | |
| 1.3(i) | Independent Director 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. | √ | | Qualification requirement of respective Independent Director is disclosed in Director's Profile on page No. 32-36 of this Annual Report. |
| 1.3(ii) | The person 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. | | | No such deviation occurred |
| 1.4 | Chairman of the Board and Chief Executive Officer: | | | |
| | The positions of the Chairman of the Board and the Chief Executive Officer of the companies shall be filled by different individuals. The Chairman of the company shall be elected from among the directors of the company. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the Chief Executive Officer. | √ | | Reference to the page No. 142 of Corporate Governance Report of this Annual Report |
| 1.5 | Directors Report to Shareholders shall include following additional statements on: | | | |
| 1.5(i) | Industry outlook and possible future developments in the industry | √ | | Refer to the "Directors' Report" on page No. 164 of this Annual Report |
| 1.5(ii) | Segment-wise or product-wise performance | √ | | Refer to the "Directors' Report" on page No. 164 of this Annual Report |
| 1.5(iii) | Risks and concerns | √ | | Refer to the "Directors' Report" on page No. 164 of this Annual Report |
| 1.5(iv) | Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin | √ | | IDLC being a Financial Institution such formation of P&L is not followed rather format prescribed by Bangladesh Bank is followed |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not Complied | |
| 1.5(v) | Discussion on continuity of any Extra-Ordinary gain or loss | | | No such item exists |
| 1.5(vi) | Statement of all related party transactions | √ | | Refer to the "Directors' Report" on page No. 169 and subsequently elaborate to the note No. 39 of 'Audited Financial Statements' on page No. 251 of this Annual Report |
| 1.5(vii) | Utilization of proceeds from public issues, rights issues and/or through any others instruments | | | <p>Bangladesh Securities and Exchange Commission (BSEC) vide its letter Ref. No. BSEC/CI/RI-104/2015/668, dated November 22, 2016 approved IDLC's Rights issue application for raising of paid up capital through issuance of 125,683,593 Ordinary Shares of BDT 10 each issuing at BDT 20 each, including a premium of BDT 10 per share, amounting to BDT 2,513,671,860 offered on the basis of 1R:2 (i.e. one rights share against two existing shares held on the record date i.e. December 15, 2016).</p> <p>In compliance with Securities and Exchange Commission (Rights Issue) Rules, 2006 as well as consent letter, we have declared record date on December 15, 2016 and the subscriptions period from January 01, 2017 to January 19, 2017.</p> <p>As on December 31, 2016, no fund from Rights issue has been collected.</p> |
| 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 yet applicable. |
| 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. | √ | | Refer to the "Directors' Report" on page No. 165 of this Annual Report |
| 1.5(x) | Remuneration to directors including independent directors. | √ | | Refer to the Annexure-II of "Directors' Report" on page No. 171 of this Annual Report |
| 1.5(xi) | 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. | √ | | Refer to the page no.186 of this Annual Report |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|---|---|--------------|---|
| | | Complied | Not Complied | |
| 1.5(xii) | Proper books of account of the issuer company have been maintained. | √ | | Refer to page no.186 of this Annual Report |
| 1.5(xiii) | 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. | √ | | Refer to page no.186 of this Annual Report |
| 1.5(xiv) | International Accounting Standards (IAS)/Bangladesh Accounting Standards (BAS)/International Financial Reporting Standards (IFRS)/Bangladesh Financial Reporting Standards (BFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed. | √ | | Refer to page no.186 of this Annual Report |
| 1.5(xv) | The system of internal control is sound in design and has been effectively implemented and monitored. | √ | | Refer to page no.186 of this Annual Report |
| 1.5(xvi) | There are no significant doubts 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 thereof should be disclosed. | √ | | No such issue revised |
| 1.5(xvii) | Significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof should be explained. | √ | | Refer to the "Directors' Report" on page No. 167 of this Annual Report |
| 1.5(xviii) | Key operating and financial data of at least preceding 5 (five) years shall be summarized. | √ | | Refer to the "Directors' Report" on page No. 165 and table given on page no. 72-73 of this Annual Report |
| 1.5(xix) | If the issuer company has not declared dividend (cash or stock) for the year, the reasons thereof shall be given. | | | The Board of Directors at 253 rd meeting of the Board, held on February 20, 2017 declared cash dividend @30% for 2016. |
| 1.5(xx) | The number of Board meetings held during the year and attendance by each director shall be disclosed. | √ | | Refer to the "Directors' Report" on page no. 169 and Annexure-II on page no. 171 of this Annual Report |
| 1.5(xxi) | The pattern of shareholding shall be reported to disclose the aggregate number of shares (along with name wise details where stated below) held by:- | | | |
| 1.5(xxi)(a) | Parent/Subsidiary/Associated Companies and other related parties (name wise details); | √ | | Refer to the Annexure-I of the Directors' Report on page no. 170 of this Annual Report. |
| 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 voting interest in the company (name wise details). | √ | | |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not Complied | |
| 1.5(xxii) | In case of the appointment/re-appointment of a director the company shall disclose the following information to the shareholders:- | | | |
| 1.5(xxii)(a) | A brief resume of the director; | √ | | Information regarding the Directors' is disclosed in brief profile of the Directors' on page no. 32-36 of this Annual Report |
| 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. | √ | | |
| 2.0 | Chief Financial Officer (CFO), Head of Internal Audit and Company Secretary (CS) | | | |
| 2.1 | The company shall appoint a Chief Financial Officer (CFO), a Head of Internal Audit (Internal Control and Compliance) and a Company Secretary (CS). The Board of Directors should clearly define respective roles, responsibilities and duties of the CFO, the Head of Internal Audit and the CS. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 144 of this Annual Report |
| 2.2 | Requirement to attend the Board Meetings: The CFO and the Company Secretary of the companies shall attend the meetings of the Board of Directors, provided that the CFO and/or the Company Secretary shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item relating to their personal matters. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 143 of this Annual Report |
| 3.0 | AUDIT COMMITTEE: | | | |
| 3.0(i) | The company shall have an Audit Committee as a sub-committee of the Board of Directors. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 144 of this Annual Report |
| 3.0(ii) | The Audit Committee 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. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 144 of this Annual Report |
| 3.0(iii) | The Audit Committee shall be responsible to the Board of Directors. The duties of the Audit Committee shall be clearly set forth in writing. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 145 of this Annual Report |
| 3.1 | Constitution of the Audit Committee: | | | |
| 3.1(i) | The Audit Committee shall be composed of at least 3 (three) members. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 144 of this Annual Report |
| 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. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 144 of this Annual Report |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|---|---|--------------|--|
| | | Complied | Not Complied | |
| 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. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 145 of this Annual Report |
| 3.1(iv) | Filling of casual vacancy in the Audit Committee | √ | | Casual vacancies created during 2016 were immediately filled by the Board. Please refer to the Annexure-II of the Directors' Report on page no. 171 of this Annual Report. |
| 3.1(v) | The company secretary shall act as the secretary of the Committee | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 144 of this Annual Report |
| 3.1(vi) | The quorum of the Audit Committee meeting shall not constitute without Independent Director | √ | | Refer to 'IDLC' Corporate Governance Report on page no.146 of this Annual Report |
| 3.2 | Chairman of the Audit Committee | | | |
| 3.2(i) | The Board of Directors shall select 1 (one) member of the Audit Committee to be Chairman of the Audit Committee, who shall be an independent director. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 145 of this Annual Report |
| 3.2(ii) | Chairman of the audit committee shall remain present in the Annual General Meeting (AGM) | √ | | |
| 3.3 | Role of Audit Committee: | | | |
| 3.3(i) | Oversee the financial reporting process | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 145 of this Annual Report |
| 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 | √ | | |
| 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 | √ | | |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|-------------------|---|---|--------------|---|
| | | Complied | Not Complied | |
| 3.3(x) | Declaration to Audit Committee by the company regarding utilization of IPO/RPO, Right issue money. | √ | | <p>Bangladesh Securities and Exchange Commission (BSEC) vide its letter Ref. No. BSEC/CI/RI-104/2015/668, dated November 22, 2016 approved IDLC's Rights issue application for raising of paid up capital through issuance of 125,683,593 Ordinary Shares of BDT 10 each issuing at BDT 20 each, including a premium of BDT 10 per share, amounting to BDT 2,513,671,860 offered on the basis of 1R:2 (i.e. one rights share against two existing shares held on the record date i.e. December 15, 2016).</p> <p>In compliance with Securities and Exchange Commission (Rights Issue) Rules, 2006 as well as consent letter, we have declared record date on December 15, 2016 and the subscriptions period from January 01, 2017 to January 19, 2017.</p> <p>As on December 31, 2016, no fund from Rights issue has been collected</p> |
| 3.4 | Reporting of the Audit Committee: | | | |
| 3.4.1(i) | The Audit Committee shall report on its activities to the Board of Directors. | √ | | Refer to 'IDLC' Corporate Governance Report on page no. 146 of this Annual Report |
| 3.4.1 (ii) | The 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 event occurred |
| 3.4.1(ii)(b) | Suspected or presumed fraud or irregularity or material defect in the internal control system; | | | No such event occurred |
| 3.4.1(ii)(c) | Suspected infringement of laws, including securities related laws, rules and regulations; | | | No such event occurred |
| 3.4.1(ii)(d) | Any other matter which shall be disclosed to the Board of Directors immediately. | | | No such event occurred |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|--|---|--------------|---|
| | | Complied | Not Complied | |
| 3.4.2 | Reporting to the Authorities – Reported to the Board of Directors about anything which has material impact on the financial condition and results of operation | | | No such event occurred |
| 3.5 | Reporting to the Shareholders and General Investors – Report on the activities carried out by the Audit Committee, including any report made to the Board of Directors under condition 3.4.1 (ii) | | | No such event occurred |
| 4.0 | EXTERNAL / STATUTORY AUDITORS: The issuer company should not engage its external/statutory auditors to perform the following services of the company; namely:- | | | |
| 4.0(i) | Appraisal or valuation services or fairness opinions. | √ | | ACNABIN Chartered Accountants declared such independence during their appointment |
| 4.0(ii) | Financial information systems design and implementation. | √ | | |
| 4.0(iii) | Book-keeping or other services related to the accounting records or financial statements. | √ | | |
| 4.0(iv) | Broker-dealer services. | √ | | |
| 4.0(v) | Actuarial services. | √ | | |
| 4.0(vi) | Internal Audit service | √ | | |
| 4.0(vii) | Any other services that the Audit Committee determines | √ | | |
| 4.0(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. | √ | | |
| 5.0 | SUBSIDIARY COMPANY: | | | |
| 5.0(i) | Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company. | √ | | Refer to the "Directors' Report" by IDLC Securities Limited on page no. 263, the "Directors' Report" by IDLC Investments Limited on page no. 270 and the "Directors' Report" by IDLC Asset Management Limited on page no. 277 of this Annual Report |
| 5.0(ii) | At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company. | √ | | |
| 5.0(iii) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company. | √ | | |
| 5.0(iv) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also. | √ | | |
| 5.0(v) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | √ | | |

| Condition No. | Title | Compliance Status as on December 31, 2016 | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not Complied | |
| 6.0 | Duties of Chief Executive Officer (CEO) and Chief Financial Officer (CFO): The CEO and CFO shall certify to the Board that:- | | | |
| 6.0(i) | They have reviewed financial statements for the year and that to the best of their knowledge and belief: | √ | | Refer to the "Report of the CEO & MD and CFO" to the Board on page no. 186 of this Annual Report |
| 6.0(i)(a) | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; | √ | | |
| 6.0(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. | √ | | |
| 6.0(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. | √ | | |
| 7.0 | REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE: | | | |
| 7.0(i) | The company shall obtain a certificate from a practicing Professional Accountant/Secretary (Chartered Accountant/Cost and Management Accountant/Chartered Secretary) regarding compliance of conditions of Corporate Governance Guidelines of the Commission and shall send the same to the shareholders along with the Annual Report on a yearly basis. | √ | | The Certificate is enclosed with on page no. 172 of this Annual Report |
| 7.0(ii) | The directors of the company shall state, in accordance with the Annexure attached, in the directors' report whether the company has complied with these conditions. | √ | | Refer to the "Directors' Report" on page no. 169 of this Annual Report |

Annexure-IV

Statement of compliance with the good governance guideline issued by the Bangladesh Bank

Bangladesh Bank, vide DFIM Circular No. 7, dated 25 September 2007, issued a policy on the responsibility & accountability of the Board of Directors, Chairman & Chief Executive of financial institution. The Board of Directors of the Company has taken appropriate steps to comply with the guidelines.

A status report on compliance with those guidelines is stated below:

| Sl. No. | Particulars | Status of Compliance |
|---------|--|----------------------|
| 1. | Responsibilities and authorities of the Board of Directors: The Board of Directors should focus mainly on the policy matters and evaluation of the performance of the institution, such as: | |
| | (a) Work-planning and strategic management: | |
| | (i) The Board shall determine the Vision/ Mission of the institute. In order to enhance operational efficiency and to ensure business growth, they shall chalk out strategies and work-plans on annual basis. The Board shall review such strategies on quarterly rests and shall modify accordingly, if required. If any structural modification is required, shall bring those changes with consultation with the management. | Complied |
| | (ii) The Board shall have its analytical review incorporated in the Annual report as regard to the success/failure in achieving the business and other targets as set out in its annual work-plan and shall apprise the shareholders on future plans and strategies. | Complied |
| | (iii) The Board will set the Key Performance Indicator (KPI)s for the CEO and other senior executives and will appraise those on half yearly basis. | Complied |
| | (b) Formation of sub-committee: | |
| | Executive Committee may be formed in combination with directors of the Company for rapid settlement of the emergency matters (approval of loan/lease application, write-off, rescheduling etc.) arisen from the regular business activities. Except the Executive Committee and Audit Committee, no other committee or sub-committee can be formed, even in temporary basis. | Complied |
| | (c) Financial management: | |
| | (i) Annual budget and statutory financial statements shall be adopted finally with the approval of the Board. | Complied |
| | (ii) Board shall review and examine in quarterly basis various statutory financial statements such as statement of income-expenses, statement of loan/lease, statement of liquidity, adequacy of capital, maintenance of provision, legal affairs including actions taken to recover overdue loan/lease. | Complied |
| | (iii) Board shall approve the Company's policy on procurement and collection and shall also approve the expenditures according to policy. The Board to the maximum extent shall delegate the authority on the Managing Director and among other top executives for approval of expenditure within budget. | Complied |
| | (iv) The Board shall adopt the process of operation of bank accounts. To ensure transparency in financial matters, groups may be formed among the management to operate bank accounts under joint signatures. | Complied |
| | (d) Management of loan/lease/investments: | |
| | (i) Policy on evaluation of loan/lease/investment proposal, sanction and disbursement and its regular collection and monitoring shall be adopted and reviewed by the Board regularly based on prevailing laws and regulations. Board shall delegate the authority of loan/lease/investment specifically to management preferably on Managing Director and other top executives. | Complied |

| Sl. No. | Particulars | Status of Compliance |
|--|---|----------------------|
| | (ii) No director shall interfere on the approval of loan proposal associated with him. The director concerned shall not give any opinion on that loan proposal. | Complied |
| | (iii) Any large loan/lease/investment proposal must be approved by the Board. | Complied |
| (e) Risk management: | | |
| | Risk Management Guideline framed in the light of Core Risk Management Guideline shall be approved by the Board and reviewed by the Board regularly. | Complied |
| (f) Internal control and compliance management: | | |
| | An Audit Committee as approved by the Board shall be formed. Board shall evaluate the reports presented by the Audit Committee on compliance with the recommendation of internal auditors, external auditors and Bangladesh Bank Inspection team as well. | Complied |
| (g) Human resource management: | | |
| | Board shall approve the policy on Human Resources Management and Service Rule. The Chairman and directors of the Board shall not interfere on the administrative job in line with the approved Service Rule. Only the authority for the appointment and promotion of the Managing Director/ Deputy Managing Director/ General Manager and other equivalent position shall lie with the Board in compliance with the policy and Service Rule. No director shall be included in any Executive Committee formed for the purpose of appointment and promotion of others. | Complied |
| (h) Appointment of CEO: | | |
| | The Board shall appoint a competent CEO for the institution with the prior approval of the Bangladesh Bank and shall approve the proposal for increment of his salary and allowances. | Complied |
| (i) Benefits offer to the Chairman: | | |
| | For the interest of the business, the Chairman may be offered an office room, a personal secretary, a telephone at the office and a vehicle subject to the approval of the Board. | Complied |
| 2 Responsibilities of the Chairman of the Board of Directors: | | |
| | (a) Chairman shall not participate in or interfere into the administrative or operational and routine affairs of the Company as he has no jurisdiction to apply executive power; | Complied |
| | (b) The minutes of the Board meetings shall be signed by the Chairman; | Complied |
| | (c) The Chairman shall sign-off the proposal for appointment of Managing Director and increment of his salaries & allowances; | Complied |
| 3 Responsibilities of Managing Director: | | |
| | (a) Managing Director shall discharge his responsibilities on matters relating to financial, business and administration vested by the Board upon him. He is also accountable for achievement of financial and other business targets by means of business plan, efficient implementation of administration and financial management; | Complied |
| | (b) For day to day operations, Managing Director shall ensure compliance with the rules and regulation of the Financial Institutions Act, 1993 and other relevant circulars of Bangladesh Bank; | Complied |
| | (c) All recruitment/ promotion, except those of DMD, GM and equivalent positions shall be vested upon the Managing Director. He shall act such in accordance the approved HR Policy of the institution; | Complied |
| | (d) Managing Director may re-schedule job responsibilities of employees; | Complied |
| | (e) Except for the DMD, GM and equivalent positions, power to transfer and to take disciplinary action shall vested to the Managing Director. | Complied |
| | (f) Managing Director shall sign all the letters/statements relating to compliance of polices and guidelines. However, Departmental/Unit heads may sign daily letters/statements as set out in DFIM circular no. 2 dated 06 January 2009 if so authorized by MD. | Complied |