

Corporate Governance Code

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

Condition No.	Title	Compliance Status		Remarks
		Compiled	Not Compiled	
1	Board of Directors			
1.(1)	Board Size (minimum - 5 and maximum - 20)	√		The board of Bangladesh Hotels Limited is comprised of 5(Five) Directors.
1.(2)	Independent Director			
1.2.(a)	1/5th of total as Independent Director (ID)	√		BHL Board comprised of 5(five) Directors out them 01(one) independent Director.
1.2 (b) (i)	Does not hold any share of less than 1% shares in the Company	√		Independent Director has no holding any share of the company.
1.2(b) (ii)	Not a Sponsor of the Company	√		No Independent Director has any relationship with Sponsor or Director or shareholders.
1.2 (b)(iii)	Who has not been an executive of the company	√		He was never employed in this Company
1.2 (b)(iv)	Does not have other relationship	√		He is non-executive Director
1.2 (b)(v)	Not a Member or TREC, Director or Officer of any Stock Exchange	√		No relation
1.2 (b)(vi)	Not a Shareholder/Director/Officer of any Member/TREC holder of Stock Exch.	√		No relation with stock exchange or capital market.
1.2 (b)(vii)	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.	√		No one was the employee of this Company ever
1.2 (b)(viii)	Not an Independent Director in more than five listed Companies.	√		Not involved as independent director in any listed Companies
1.2 (b)(ix)	Not Convicted by a court of competent jurisdiction as a defaulter in payment of any loan/advance to a Bank or a Non-Bank Financial Institution.	√		No convicted by a court
1.2 (b)(x)	Not convicted for a Criminal Offence	√		No convicted for a criminal offence
1.2 (c)	Appointed by the Board and approved by the shareholders in AGM.	√		Re-appointed by the board of directors and approved by the shareholders in the AGM
1.2 (d)	Post cannot remain vacant more than 90 days.	√		There was no such vacancy has occurred during the period.
1.2 (e)	Tenure of the Independent Director.	√		Complied as per the CG Code
1.3	Qualification of Independent Director			
1.3(a)	Independent Director shall be a knowledgeable individual.	√		The qualification and background of Independent Director justify their ability as such.
1.3(b)(i)	Business Leader who is or was a promoter or director of an unlisted company.	√		Independent Director is Corporate Leader and have knowledge on Business, economics, finance etc.
1.3(b)(ii)	Should be a Corporate Leader/Business Leader.	√		Independent Director was corporate member of top Hotel business.
1(3)(b)(iii)	Former official of government.	√		Do
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law.	√		Do
1(3)(b)(v)	Professional Chartered Accountant/ Secretary or equivalent qualification.			N/A
1 (3) (c)	The independent director shall have at least 10(ten) years of experiences.	√		Independent director have more than 10 (ten) years of experience in hotel business
1 (3) (d)	Relaxation in special cases.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer.			
1(4)(a)	The posts of Chairperson of the board and CEO are different individuals.	√		Chairperson of the Board and MD / CEO are different individuals.

1(4)(b)	MD and/or CEO of a listed Company shall not hold the same position in another listed Company.	√		In Practice
1(4)(c)	The Chairperson shall be elected from among the non-executive directors.	√		In Practice
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or CEO.	√		In Practice
1(4)(e)	In absence of Chairperson of the Board etc.	√		In Practice
1(5)	The Directors' Report to Shareholders :			
1(5)(i)	Industry outlook and possible future developments in the industry	√		The Directors' Report complies with the CG code.
1(5)(ii)	Segment-wise or product-wise performance			N/A
1(5)(iii)	Risks and concerns including internal and external risk factor.	√		In Practice
1(5)(iv)	Discussion on Cost of Goods sold Gross profit Margin and Net Profit Margin.			N/A
1(5)(v)	Discussion on continuity of any extraordinary activities and implications.	√		
1(5)(vi)	Detailed discussion and statement on related party transactions.	√		Available in the Annual Report
1(5)(vii)	Utilization of proceeds from public/rights issues and/or through any others.	√		Completed the utilization Since ago.
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Offer, Direct Listing, etc.	√		No Such Case in present
1(5)(ix)	Explanation by the Management if significant variance occurs between Quarterly Financial Performance and Annual Financial Statements.	√		Detailed explanation has given in the directors report
1(5)(x)	Remuneration to Directors including Independent Director.	√		Detailed has given in the Annual report
1(5)(xi)	A Statement that financial statements prepared by the management of the issuer present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		Do
1(5)(xii)	Proper books of account of the issuer company have been maintained.	√		Do
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation to the financial statements and that the accounting estimates are based on reasonable and prudent judgment.	√		Do
1(5)(xiv)	International Accounting Statement (IAS) Bangladesh Accounting Standard (BAS) /International Financial Reporting standard (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there-from has been adequately disclosed.	√		Do
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored.	√		Do
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.	√		Do
1(5)(xviii)	Significant deviations from the last year's operation results of the issuer company shall be highlighted and	√		Do
1(5)(xix)	Key operating and financial data of at least preceding 5 (Five) years shall be summarized.	√		Stated in the Annexure – I of the Directors report
1(5)(xx)	If the issuer company has not declared dividend (cash or stock) for the year, the reasons there of shall be given.			80% cash & 80% Stock dividend has been recommended for the Ordinary shareholders

1(5)(xxi)	Board's statement to the effect that no bonus shares or stock dividend paid as interim dividend.	√		Stated in the Directors Report
1(5)(xxii)	The number of Board meetings held during the year and attendance by each Director shall be disclosed.	√		Stated in the Annexure – I of the Directors report
1(5)(xxiii)	A report on the pattern of shareholding disclosing the aggregate (name wise details).	√		Disclosed in the Directors Report
1(5)(xxiii)(a)	Parent/Subsidiary/Associated Companies and other related parties (name wise details).	√		Do
1(5)(xxiii)(b)	Directors, CEO, Company Secretary, CFO, HIAC and their spouses and minor children (name wise details).	√		Do
1(5)(xxiii)(c)	Executives.	√		Do
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name wise details).	√		Stated in the Directors Report
1(5)(xxiv)(a)	A brief resume of the director in case of appointment or reappointment.	√		Stated in the Directors Report
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas.	√		Do
1(5)(xxiv)(c)	Names of the companies in which the person also holds the directorship an.	√		Do
1(5)(xxv)	Management discussion and analysis signed by CEO/MD presenting detail analysis of the company's position and			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements.	√		Stated in the Directors Report
1(5)(xxv)(b)	Changes in accounting policies and estimation as well as cash flows on absolute figure for such changes.	√		Do
1(5)(xxv)(c)	Comparative analysis and financial position as well as cash flow for current financial year with immediate	√		Do
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario.	√		Do
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and	√		Do
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements.	√		Do
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation shall be explained to the shareholders in the next AGM.	√		Do
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(30) shall be disclosed as per Annexure-A	√		Inserted in the annual report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed	√		Stated in the Annual Report
1(6)	Meeting of the Board of Directors			
1(6)	Compliance under Bangladesh Secretarial Standards (BSS).	√		Relevant BSSs of ICSB are being followed by the company
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)	√		Stated in the Annexure – I of the Directors report
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among		√	
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 has no subsidiary right now
2(b)	Independent Director of holding company also in the subsidiary company.			Do
2(c)	Minutes of subsidiary to be placed in the meeting of holding company.			Do

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.			Do
2(e)	The Audit Committee of the holding company shall also review the financial statements in particular the investments made by the subsidiary company.			Do
3	Managing Director (MD) or Chief Executive Officer, Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC).			
3.1	Appointment			
3(1)(a)	Board shall appoint a MD or CEO, Company Secretary, CFO, and HIAC.	√		Complied with the condition fully
3(1)(b)	The positions of the MD,CEO,CS,CFO & HIAC shall be filled by different individuals.	√		Do
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.	√		Do
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS.	√		Do
3(1)(e)	MD or CEO, CS, CFO, and HIAC shall not be removed from their position without approval of the Board and be disseminated to the commission and exchange.			No such incident occurred
3.2	Requirement to attend Board of Directors' Meetings			
3 (2)	MD or CEO,CS,CFO and HIAC shall attend the meetings of the Board.	√		Complied
3.3	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3)(a)(i)	The statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.	√		Certified by the Managing Director and CFO & disclosed in the Annual Report
3(3)(a)(ii)	The statements together present a true and fair view of the company's affairs and are in compliance.	√		Do
3(3)(b)	The MD or CEO and CFO to certify on due diligence in the Report.	√		Do
3(3)(c)	The certification of the MD/CEO and CFO shall be disclosed in the Annual Report.	√		Disclosed in the annual report
4	Board of Directors' Committee			
4 (i)	Audit Committee	√		complied
4 (ii)	Nomination and Remuneration Committee	√		Do
5	Audit Committee			
5.1	Responsibility to the Board of Directors			
5(1) (a)	Company shall have an Audit Committee as a sub-committee of the Board.	√		The sub-committee of the Board is in place
5(1) (b)	Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the	√		In Practice
5(1) (c)	Audit Committee shall report on its activities to the Board of Directors.	√		Do
5.2	Constitution of the Audit committee			
5(2) (a)	The Audit Committee shall be composed of at least 3 (three) members.	√		The Audit Committee is composed with 3 (Three) members.
5(2) (b)	Board shall appoint members of the Audit Committee who shall be non-executive director.	√		The members of the Audit Committee are appointed by the Board which includes 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.	√		All members of the Committee has are more than 10 years' experience.
5(2) (d)	When the term of service of the Committee members expires or there is any circumstance causing any Committee member to be unable to hold.	√		In Practice

5(2) (e)	The Company Secretary shall act as the Secretary of the Audit Committee	√		Do
5(2)(f)	Quorum of Audit Committee meeting, at least One independent director.	√		Do
5.3	Chairperson of the Audit Committee			
5(3)(a)	The Board shall select Chairperson of the Audit Committee who will be ID.	√		Mr. Mohsin Uddin Ahmed, Independent Director is the Chairperson of the Audit Committee.
5(3)(b)	Absence of the Chairperson of the Audit Committee members to elect one.			In Practice
5(3)(c)	Chairperson of the Audit Committee shall remain present in the AGM.	√		In Practice
5.4	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least 4 meetings in a financial year.	√		5 (Five) meetings hold in this financial year
5(4)(b)	Quorum of Audit Committee, presence of 2 or 2/3 members whichever is higher.	√		In Practice
5.5	Role of Audit Committee			
5(5)(a)	Oversee the financial reporting process.	√		In Practice
5(5)(b)	Monitor choice of accounting policies and principles.	√		Do
5(5)(c)	Internal Audit and Compliance process to ensure that it is adequately resourced.	√		Do
5(5)(d)	Performance of external auditors.	√		Do
5(5)(e)	Hold meeting with the auditors, review the annual financial statements before submission to the Board for approval or adoption.	√		Do
5(5)(f)	Review with the management, the annual financial statements before submission to the Board for approval.	√		Do
5(5)(g)	Review with the management, the Quarterly and half yearly financial statements before submission to the Board for approval.	√		Do
5(5)(h)	The review adequacy of internal audit function.	√		Do
5(5)(i)	Review the management's discussion and analysis before disclosing in the Annual Report.	√		Do
5(5)(j)	Review statement of all related party transactions submitted by the Mgt.	√		Do
5(5)(k)	Review management letters or letter of Internal Control weakness issued by statutory auditors.	√		Do
5(5)(l)	Oversee determination of audit fees based on scope and magnitude.	√		Do
5(5)(m)	Oversee whether IPO proceeds utilized as per the published Prospectus.			Complete utilization since ago.
5.6	Reporting of the Audit Committee			
5.6 (a)	Reporting to the Board of Directors			
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board.	√		In Practice
5(6)(a)(ii)(a)	Report on conflicts of interests.	√		Do
5(6)(a)(ii)(b)	Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process.	√		No such event occurred
5(6)(a)(ii)(c)	Suspected infringement of laws, regulatory compliance including securities related laws, relies and regulation.	√		No such event occurred
5(6)(a)(ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately disclosed to the Board immediately.	√		No such event occurred
5.6 (b)	Reporting to the Authorities			No such event occurred
5.7	Reporting to the Shareholders and General Investors			
5(7)	Reporting to the Shareholders and General Investors	√		Discussed in the AC report
6	Nomination and Remuneration Committee (NRC)			
6.1	Responsibility to the Board of Directors			

6(1)(a)	The company shall have a NRC as a sub-committee of the Board.	√		The sub-committee of the Board is in place
6(1)(b)	NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications.			In Practice
6(1)(C)	The Terms of Reference of the NRC shall be clearly set	√		Do
6.2	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an ID.	√		The NRC composed with 3 members including an independent director.
6(2)(b)	All members of the Committee shall be non-executive directors.	√		All members of the NRC are non-executive Director.
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board.	√		In Practice
6(2)(d)	Board have authority to remove and appoint any member of the committee.	√		Do
6(2)(e)	Board shall fill the vacancy within 180 days of such vacancy in the Committee.	√		In practice (No such situation has occurred during this financial year)
6(2)(f)	The Chairperson of the Committee may appoint/co-opt any external expert.	√		In practice (No such situation has occurred)
6(2)(g)	The company secretary shall act as the secretary of the committee.	√		In Practice
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 of the NRC shall receive any remuneration/advisory, other at least an independent director.	√		In Practice
6.3	Chairperson of the NRC			
6(3)(a)	Board shall select 1 member of the NRC to be Chairperson of the Committee	√		Mr. Mohsin Uddin Ahmed, Independent Director is the Chairperson of the NRC Committee.
6(3)(b)	Absence of chairperson, the remaining members may elect one of them.	√		No such situation has occurred
6(3)(c)	Chairperson of the NRC shall attend the AGM.	√		In Practice
6.4	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year.	√		Complied
6(4)(b)	The Chairperson of the NRC, may convene any emergency meeting.	√		No such situation has occurred during this financial year
6(4)(c)	Quorum of NRC meeting, presence of 2 or 2/3 members whichever is higher.	√		In Practice
6(4)(d)	Proceedings of NRC meeting shall be recorded in the minutes and such minutes shall be confirmed in the next meeting minutes shall be confirmed in the next meeting.	√		Do
6.5	Role of NRC			
6(5)(a)	NRC shall be independent and responsible/accountable to the Board and to the shareholders.	√		In Practice
6(5)(b)(i)(a)	Level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully.	√		Do
6(5)(b)(i)(b)	Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.	√		Do
6(5)(b)(i)(c)	Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long term performance.	√		Do

6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, experience etc.	√		Do
6(5)(b)(iii)	Identifying persons who are qualified the criteria laid down and recommend their appointment and removal to the Board.	√		Do
6(5)(b)(iv)	Formulating criteria for evaluation of performance of independent	√		Do
6(5)(b)(v)	Identifying company's needs for employees at different levels and determine their selection, transfer or replacement.	√		Do
6(5)(b)(vi)	Developing recommending and reviewing annually the company's human resources and training policies.	√		Do
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC at a glance in its annual report.	√		Discussed in the NRC report
7	External or Statutory Auditors			
7(1)	Issuer company shall not engage its external auditors to perform the following:	√		No such service was undertaken by the external auditors
7(1)(i)	Appraisal or valuation services or fairness opinions.	√		In Practice
7(1)(ii)	Financial information systems design and implementation.	√		Do
7(1)(iii)	Book keeping or other service related to the account ion records.	√		Do
7(1)(iv)	Broker-dealer services	√		Do
7(1)(v)	Actuarial services	√		Do
7(1)(vi)	Internal/special audit services.	√		Do
7(1)(vii)	Any services that the Audit Committee may determine.	√		Do
7(1)(viii)	Certification services on compliance of corporate governance.	√		Do
7(1)(ix)	Any other service that may create conflict of interest.	√		Do
7(2)	No partner or employees of the External/Statutory Auditors audit firms shall possess any share of the company they audit at least during the tenure.	√		In Practice
7(3)	Representative of External Auditors shall remain present in the AGM.	√		In Practice
8	Maintaining a website by the company			
8(1)	The company shall have an official website linked with that of the stock exchange.	√		The Company's official website (www.bangladeshhotelsltd.com) linked with under process the stock exchange website.
8(2)	The company shall keep the website functional from the date of listing.	√		In Practice
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchanges.	√		Do
9	Reporting and Compliance of Corporate Governance			
9(1)	The company shall obtain a certificate from a practicing professional firm on yearly basis regarding compliance of conditions of Corporate.	√		Certificate has been obtained from M/S. Shiraz Khan Basak, Chartered Accountants in practice for the year ended on 30 June 2021 which published in the Annual Report.
9(2)	The professional who will provide the certificate on compliance of Corporate Governance shall be appointed by the Shareholders in the AGM.	√		In Practice

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.	√		The Directors report complied with the code
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