

LETTER REGARDING CORPORATE GOVERNANCE ON BEHALF OF THE BOARD OF DIRECTORS

Dear respected Shareholders/Stakeholders/Regulators,

I, the undersigned do hereby pleased to present the corporate governance report for the year ended December 31,2019.

This report represents how this company have been directed and governed by the corporate governance activities during the year of reporting.

This report also shows overall duties and responsibilities of the Board, its Committees and Key Management along with company's strategy for running day to day business.

The Company always try its level best to follow the corporate governance rules of Corporate Governance Code (CGC) issued by Bangladesh Securities and Exchange Commission (BSEC) and Bangladesh Bank and the global best practices applicable in FIs in Bangladesh and therefore, the compliances of above said Code are vetted and certified as "highly satisfactory" by the independent auditor M/S K. M. Hasan & Co., Chartered Accountants. The report along with the compliance status are enclosed herewith from page no. 135 and 137 to 151.

Besides Corporate Governance Code, all the Acts, Rules and Regulations issued by different regulatory bodies as was applicable for the Company has also complied and it has been assured that the effort will continue to put our best effort to remain compliant with all the regulations.

Yours faithfully

On behalf of the board



Md. Jakir Hossain FCA
DMD & Company Secretary

REPORT ON CORPORATE GOVERNANCE

Independent Director

The securities and Exchange Commission vide its circular no, SEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 2018 directed that at least one fifth of total number of Directors of the Board should be Independent Director and also given some criterion about Independent Director. The Board taking into consideration of the above said circular, pleased to appoint four Independent Directors. All independent Directors are qualified as per condition number 3 of Corporate Governance code of Bangladesh Securities and Exchange Commission. Details of qualification are given in page no. 50 and 51

Name of Directors	Shares	%	Position in the Board	Position in Executive Committee	Position in Board Audit Committee
Rashidul Hasan	233,873	0.187	Chairman	-	-
Matiur Rahman	809,031	0.646	Vice Chairman	-	-
Mujibur Rahman	2,603	0.002	Member	Chairman	Member
Mehdadur Rahman	2,507,115	2.002	Member	Member	Member
Kazi Imdad Hossain	5,082	0.004	Member	Member	Member
Zakia Rahman	2,507,115	2.002	Member	-	-
Tahmina Rahman (Tina)	2,507,115	2.002	Member	Member	-
Nayeemur Rahman	375,659	0.300	Member	Member	Member
A. S. Jahir Muhammad	-	-	Independent Director	-	Chairman
Maya Rani Roy	-	-	Independent Director	-	-
S. M. Shamsul Arefin, M. Com., MBA	-	-	Managing Director	-	-

Directors' attendance in the meetings

During the year 2019 the Board of Directors met 6 times, the Board Audit Committee and the Executive Committee met 5 times each. Most of the Directors were present in all the meetings. The Company Secretary and Chief Financial Officer were also present in all the meetings. Each honourable Member of the Board of Directors and Executive Committee are entitled to receive Tk. 8,000.00 (Taka eight thousand) only for attending each meeting. Other than meeting attendance fee the non- Executive Member of the Board has not received any amount as remuneration, allowances, honorarium etc. from the Company.

Chairman of the Board

The Chairman is the key person of the Board of Uttara Finance and Investments Limited appointed by the Members of the Board each year for a period of one year. The key responsibility of the Chairman is directing and organizing the business of the Board, setting Board meeting's agendas, signing papers like minutes, Board of Directors report, Chief Executive Officer's appointment letter etc. on behalf of the Board. The Chairman of the Company has no engagement and does not interfere in the day-to-day business of the Company.

Executive Committee of the Board

The Chairman of the Executive Committee plays very

Members of the Board and its Committees

There are two Committees formed by the Board namely Executive Committee and Board Audit Committee. Two separate persons are Chairman of these two Committees and responsible for different types of activities with different scopes and terms of references. Both the Committees are responsible for reporting to the Board. All the Members of both the Committees are non Executive Director. The Board and its Committees' Members name and position are given hereunder:

important role since he is the key person of the Committee formed by the Board to assist the Board of Directors including one Independent Director and Managing Director there are seven Members in the Committee. Key responsibility of the Committee Chairman is setting meeting's agendas, directing and organizing the business of the Committee meeting. The Committee works within the Board's given area and the Chairman of the Committee has no engagement and does not interfere in the day-to-day business of the Company.

Board Audit Committee

The Board Audit Committee including its Chairman is a five Members Committee where one Independent Director A. S. Jahir Muhammad, Ex. Member of NBR of the Government is the Chairman. The Committee is mainly responsible for internal control activities, recommendations to approve the quarterly, half yearly and annual financial statements by the Board, looking after the activities of internal and external auditors, recommendation to the Board about appointment of external auditor, appointment of the chief of internal auditor, etc. The Terms of Reference (ToR) of the Audit committee of the Company is fixed as per DFIM Circular no. 13, dated October 26, 2010. The Committee is responsible to report to the Board and to the regulatory bodies, if needed.

Managing Director

The Chief Executive Officer of the Company known to all as Managing Director (MD) is the leader of the Management and is responsible to look after Company's day-to-day affairs to implement the Board of Directors' policy and strategy, setting financial targets and to give effort to achieve the same. The Managing Director is the controlling authority of the Management and accountable to the Board.

Chairman and Managing Director of the Company are separate persons

The Chairman of the Company Rashidul Hasan is a non-Executive Director and the Managing Director S. M. Shamsul Arefin is the Chief Executive of the Company appointed by the Board of Directors after having approval from central bank.

Directors' Independence

The Board of Directors and Managing Director of the Company have been working for Uttara Finance and Investments Limited with vast experience in financial sectors. All the Directors of the Company are independent in mind to take any decision and pass judgment.

Company Secretary and CFO

The Company Secretary and Chief Financial Officer (CFO) of the Company are separate persons. The Company Secretary Mr. Jakir Hossain is a fellow Chartered Accountant appointed by the Board of Directors responsible for arranging meetings of the Board and its Committees and to ensure submission of papers relating with respective meetings after collecting the same from the senior management. The Secretary is also responsible to inform the Board of different governance related matters.

Role and Duties of Company Secretary

Company Secretary of Uttara Finance and Investments Limited is responsible along with the Directors for certain tasks for the efficient administration of the Company, particularly with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented.

The Company Secretary ensures that Uttara Finance and Investments Limited complies with relevant legislation and regulation and keeps board members informed of their legal responsibilities. The Company Secretary is the named representative on legal documents, and responsible to ensure that Uttara Finance and Investments Limited and its Directors operate within the law. The Company Secretary of Uttara Finance and Investments Limited is also responsible to register and communicate with Shareholders, to ensure that dividends are paid and to maintain company's records, such as lists of Directors and Shareholders and Annual Accounts.

The Company Secretary have power to enter into certain contracts on the Company's behalf, and may also have additional duties defined in contract of employment.

Functions of Company Secretary of Uttara Finance and Investments Limited are as given below:

(1) Secretarial functions:

- To ensure compliance of the provisions of Companies Law and rules made there-under and other statutes and bye-laws.

- To ensure that business of the Company is conducted in accordance with its objects as contained in its Memorandum of Association.
- To ensure that affairs of the Company are managed in accordance with its objects contained in the Articles of Association and the provisions of the Companies Law.
- To prepare the agenda in consultation with the Chairman and the other documents for all the meetings of the Board of Directors.
- To arrange with and to call and hold meetings of the Board and to prepare a correct record of proceedings.
- To attend the Broad meetings in order to ensure that the legal requirements are fulfilled, and provide such information as are necessary.
- To prepare, in consultation with the Chairman, the agenda and other documents for the general meetings.
- To arrange with the consultation of Chairman the Annual and Extraordinary General Meetings of the Company and to attend such meetings in order to ensure compliance with the legal requirements and to make correct record thereof.
- To carry out all matters concerned with the allotment of shares, and issuance of share certificates including maintenance of statutory Share Register and conducting the appropriate activities connected with share transfers.
- To prepare, approve, sign and seal agreements leases, legal forms, and other official documents on the Company's behalf, when authorized by the Broad of the Directors or the executive responsible.
- To advise, in conjunctions with the company's solicitors, the chief executive or other executive, in respect of the legal matters, as required.
- To engage legal advisors and defend the rights of the Company in Courts of Law.
- To have custody of the seal of the company.

(2) Legal obligations of Secretary:

- Filling of various documents/returns as required under the provisions of the Companies Law.
- Proper maintenance of books and registers of the Company as required under the provisions of the Companies Law.
- To see whether legal requirements of the allotment, issuance and transfer of share certificates, mortgages and charges, have been complied with.
- To convene/arrange the meetings of Directors, on their advise.
- To issue notice and agenda of Board meetings to every director of the Company.
- To carry on correspondence with the Directors of the Company on various matters.
- To record the minutes of the proceedings of the meetings of the Directors.
- To implement the policies formulated by the directors.
- To deal with all correspondence between the Company and the Shareholders.

- To issues notice and agenda of the general meetings to the shareholders.
- To keep the record of the proceedings of all general meetings.
- To make arrangement for the payment of the dividend within prescribed period as provided under the provisions of the Companies Law.

(3) To maintain the following statutory books:

- the register of transfer of shares;
- the register of mortgages, charges etc.;
- the register of Members and index thereof;
- the register of debenture-holders;
- the register of Directors and other officers;
- the register of contracts;
- the register of Directors' shareholdings and debentures;
- Minute books;
- Proxy register;
- Register of beneficial ownership;
- Register of deposits;
- Register of Director's shareholding; and
- Register of contracts, arrangements and appointments in which Directors etc. are interested.

(4) Other duties:

- Ensuring that statutory forms are filed promptly.
- Providing Members and Auditors with notice of meeting.
- Filing of copy of special resolutions on prescribed form within the specified time period.

(5) Supplying, as when required, a copy of the accounts to every member of the company, every debenture holder and every person who is entitled to receive notice of general meetings.

(6) Keeping of minutes of Directors' meetings and General meetings. Apart from monitoring the Directors and Members minutes books, copies of the minutes of Board meetings should also be provided to every Director.

(7) Ensuring that people who entitled to do so can inspect company records.

(8) Custody and use of the common seal.

(9) Must send annual audited accounts as where required.

Chief Financial Officer

The CFO of the Company mainly responsible for record keeping and preparing financial report to submit to the Board Audit Committee.

Function and activities of CFO

A chief financial officer (CFO) is the senior executive responsible for managing the financial actions of the company. The CFO's duties include tracking cash flow and financial planning as well as analyzing the Company's financial strengths and weaknesses and proposing corrective actions.



The CFO is similar to a treasurer or controller because they are responsible for managing the finance and accounting divisions and for ensuring that the company's financial reports are accurate and completed in a timely manner.

The responsibilities of CFO includes the followings:

- To optimize the financial performance of a company;
- To prepare report/professional papers for all stakeholders like shareholders, employees, lenders, research Analyst, governments, and regulatory bodies etc. in an accurate and timely manner;
- To ensure the company is able to meet its financial commitments and manage cash flow in the most efficient way so that the company's cash balance and working capital, such as accounts payable, accounts receivable and inventory managed in efficient way;
- To carry out the issuing of any debt, managing investments, and handle other liquidity-related decisions;
- To help to earn the highest possible risk-adjusted return on asset and return on capital;
- To forecast future cash flow of the business and then compare actual results to what was budgeted;
- To help the financial plan and analyst team for analysis and decision making in the business;
- To help the corporate development team in creating optimal investment returns for the business;
- To communication with the board, negotiating with suppliers and vendors, and supporting the company's mission, vision, values, and culture.

Function and activities of Head of Internal Audit and Compliance

The Head of Internal Audit is responsible for internal audit plan and managing the internal audit function in accordance with regulatory bodies internal audit charter and the professional standards for internal auditing.

Responsibilities include providing reasonable assurance on the effectiveness of the organization's risk management and the strength of internal controls. The position assesses organization-wide compliance with internal policies and procedures, laws and regulations, contractual terms and conditions, regulatory bodies assistance and acquisition regulations/requirements, efficiency of operations, and accuracy of programmatic and financial reporting.

The Head of Internal Audit reports directly to the Audit Committee of the Board with administrative oversight from the CFO.

Essential Functions:

- Develop annually a risk-based internal audit plan for Audit Committee review and approval.
- Oversee the implementation of the approved plan, ensure proper resourcing for implementation of the plan, and adjust the plan as needed in response to changes of UFIL's business risks, operations, programs, systems and controls.
- Keep senior management and Audit Committee apprised of any changes needed to the internal audit plan.
- Ensure methodical documentation of work plans, testing results, conclusions and recommendations. Ensure follow up on findings and corrective actions.
- Provide technical assistance with investigations, special audits, and provide subject-matter expertise as needed.
- Remain current on audit and regulatory oversight trends and develop a risk based approach incorporated into the annual audit plan.
- Perform organization-wide risk assessments to identify significant risks or exposure related to internal controls or compliance with UFIL's policies and procedures, laws and regulations, sponsored contract and regulatory requirements, efficiency of operations, and accuracy of programmatic and financial reporting.
- Provide feedback and recommendations on business risks and improving operational efficiencies and processes where appropriate.
- Direct the work of external auditors on select audits, as directed by the Audit Committee and senior management, to ensure the audit work remains within the prescribed guidelines.
- Coordinate and assist with the preparation of Audit Committee materials.
- Participate in quarterly or more frequent Audit Committee meetings
- Investigate and report to the Audit Committee on regular activity.
- Recommend organization-wide training based on gaps identified to ensure adherence to practices and policies.
- Stay abreast of emerging trends and successful practices in internal audit.
- Establish and assign departmental goals to team members and evaluate their performance.
- Responsible for coaching, mentoring, and developing career paths for direct reports.

Attendance in Board Meeting

Both Company Secretary and CFO are used to be present in all meetings of Board of Directors, Executive Committee and Board Audit Committee.

Minutes of the Board of Directors, Executive Committee and

Board Audit Committee submission to Bangladesh Bank

As per Bangladesh Bank DFIM circular Letter no. 07, dated 14 February 2014 and DFIM circular number 13 dated 26 October 2011 the minutes of Board of Directors meeting, Executive Committee meeting and Board Audit Committee are required to be submitted to Bangladesh Bank within five working days of the meeting held.

Price Sensitive Information disclosure

The Board of Directors and Management are always aware about the price sensitive information of the Company. As per regulatory requirement the company disseminates all of its price sensitive information within 30 minutes of having every decision/information to the Securities and Exchange Commission and Stock Exchanges through fax and thereafter by sending the hard copy by special messenger or by courier service. At the same time the Company publishes the same sensitive information in widely circulated one Bangla and one English daily newspapers.

Shareholders information in the 24th Annual General Meeting

The 24th Annual General Meeting of Uttara Finance and Investments Limited was held on Sunday, June 30, 2019 in Hall # 03 (Rajdarshon), International Convention City Bashundhara (Next to 300 ft.), Purbachal Express Highway, Dhaka-1229, Bangladesh at 10:30 am. Due notice having been given and a quorum being present the meeting was duly convened and constituted. The meeting was called to order by Mr. Rashidul Hasan, Chairman of the Board of Directors of the Company. The company is grateful and taking the opportunity to pass heartiest thanks to 104 number of Shareholders for their kind presence in the meeting.

Disclosure of Financial Statements

The Company, as per requirement of the regulatory bodies, gives high priority to circulate and publish financial statements, financial data etc. in time. In the year 2019 one annual report were circulated to the shareholders and one half yearly statement and two quarterly statements had been published in one bangla and one english daily newspapers. The Balance Sheet as on December 2019 was also published in newspapers. All of the above were also available in the web site of the company www.uttarafinance.biz.

Related party disclosure

The Company made its related party transactions on arm's length basis. The company entered into transaction with other related entities in normal course of business that fall within the definition of related party as per Bangladesh Accounting Standard (BAS) 24; "Related Party Disclosures". Transactions with related parties are executed on the same terms, including interest rate and collateral, as those prevailing at the time for comparable transactions with other customers of similar credentials do not involve more than a normal risk.

Report from Management and annual budget

Each year a report of Management is placed before the Board of Directors meeting. The report contains last year's business targets, achievement and business plan for the coming year. Considering the achieved target, socio economic condition

and other related aspects the Board finalizes new business targets. Besides a detailed budget of income and expenditure is placed before the Executive Committee and the committee considering the last year's budget, variations and coming year targets approve a new budget for the coming year.

Nomination and Remuneration Committee

As per Bangladesh Bank guidelines, Uttara Finance being a Financial Institution can only form two subcommittees of the Board: Audit Committee (AC) and Executive Committee (EC). However, to comply with this clause of CGC of BSEC, decision from Bangladesh Bank yet to receive.

Securities and Exchange Commission vide its Notification no. SEC/CMMRRCD/2006-158/207/Admin/80 dated June 03, 2018 and Bangladesh Bank vide DFIM Circular no. 7 dated September 25, 2007 have issued guidance for corporate governance practice. Uttara Finance and Investments Limited has been operating its activities with full compliance of BSEC notification and Bangladesh Bank circular. The compliance status of BSEC notification including auditors report thereon and Bangladesh Bank circular is given hereafter.

PROFESSIONAL CERTIFICATE ON COMPLIANCE OF CONDITIONS ON CORPORATE GOVERNANCE UTTARA FINANCE AND INVESTMENTS LIMITED



কে. এম. হাসান এন্ড কোং
K. M. HASAN & CO.
Chartered Accountants

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Report to the Shareholders of Uttara Finance and Investments Limited on compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Uttara Finance and Investments Limited for the year ended on 31st December 2019. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the 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 conditions 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 company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The company 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 company as required under the Companies Act, 1994, the Securities Laws and other relevant laws;
- The governance of the company is satisfactory.

Place: Dhaka
Dated: 9 September 2020

For K. M. HASAN & CO.
Chartered Accountants



K. M. Hasan & Co.
Md. Shahidul Islam ACA
Partner

REPORT OF THE MANAGING DIRECTOR & CEO AND THE CHIEF FINANCIAL OFFICER TO THE BOARD OF DIRECTORS

Annexure-A

[As per condition No. 1(5)(xxvi)]
Uttara Finance and Investments Limited
Declaration by CEO and CFO

Date: 23 August 2020

The Board of Directors
Uttara Finance and Investments Limited
Head Office (Ext.)
Uttara Centre (11th Floor)
102 Shahid Tajuddin Ahmed Sarani
Tejgaon, Dhaka – 1208

Subject: Declaration on Consolidated and Separated Financial Statements for the year ended on 31 December 2019

Dear Sirs,

Pursuant to the condition No. 1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 Dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Uttara Finance and Investments Limited for the year ended on 31 December 2019 have been prepared in compliance with or International Financial Reporting Standards (IFRSs), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that: -

- (i) We have reviewed the Consolidated and Separated financial statements for the year ended on 31 December 2019 and that to the best of our knowledge and belief:
 - (a) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) These statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,

Sd/-
Chief Executive Officer (CEO)
Date: 23 August 2020

Sd/-
Chief Financial Officer (CFO)
Date: 23 August 2020

ANNEXURE-C

[As per condition No. 1(5)(xxvii)]

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3 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)	Size of the Board of Directors. The total number of members of a company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty).	✓		Number of Board members of Uttara Finance is 10 (ten) including 2 (two) Independent Directors. Refer to page no 37 of this report.
1(2)	Independent Directors.			
1(2) (a)	At least one-fifth (1/5) of the total number of directors in the company's Board shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s).	✓		Out of total 10 (ten) nos. Directors of Uttara Finance there are 2 (two) Independent Directors. Refer to page no 37 of this report.
1(2)(b)	For the purpose of this clause "independent director" means a director.			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	✓		None of the Independent Directors hold more than 1% shares of the Company. Refer to page no 18 & 86 of this report.
1(2)(b)(ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		There are no such kind of connection of the Independent Directors with Uttara Finance.
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		None of the Independent Directors is ex-employee of Uttara Finance.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		None of the Independent Directors have such relationship.
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		All these conditions have been confirmed by declaration of Independent Directors during appointment.
1(2)(b)(vi)	who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market;	✓		
1(2)(b)(vii)	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 or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2)(b)(x)	who has not been convicted for a criminal offence involving moral turpitude;	✓		
1(2)(c)	The independent director(s) shall be appointed by the Board 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; and			No such vacancy created.
1(2)(e)	The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	✓		Refer to page no. 86 of this Annual Report.
1(3)	Qualification of Independent Director.			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		Qualification of respective Independent Director is disclosed in Director's Profile on page no. 50 and 51 of this Annual Report.
1(3)(b)	Independent director shall have following qualifications.			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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			Not applicable
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			Refer to page no. 50 & 51 of this Annual Report.
1(3)(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or law; or	✓		Refer to page no. 50 & 51 of this Annual Report.
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			Not applicable
1(3)(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	✓		Refer to page no. 50 & 51 of this Annual Report.
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b).	✓		Refer to page no. 50 & 51 of this Annual Report.
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.			Not applicable
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.	✓		Reference to the Corporate Governance Report on page no. 130 & 131 of this Annual Report
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.	✓		Refer to Directors profile page no. 51 of this Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company	✓		Reference to the Corporate Governance Report page no. 130 of this Annual Report
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		Reference to the Corporate Governance Report page no. 42 of this Annual Report
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.			In the year 2019 no such situation was occurred to execute such option.
1(5)	The Directors' Report to Shareholders.			
1(5)(i)	An industry outlook and possible future developments in the industry;	✓		Refer to Board of Directors Report page no. 83 of this Annual Report.
1(5)(ii)	The segment-wise or product-wise performance;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Refer to Board of Directors Report page no. 87 of this Annual Report.
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss) ;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.
1(5)(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share 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;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Refer to Board of Directors Report page no. 86 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 84 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	✓		In the year 2019 no such situation was occurred.
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;	✓		Refer to Board of Directors Report page no. 85 of this Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Refer to Board of Directors Report page no. 86 of this Annual Report.
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) ;	✓		Refer to Board of Directors Report page no. 85 & 217 of this Annual Report.
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) ;	✓		Refer to Board of Directors Report page no. 86 of this Annual Report.
1(5)(xxiii)(c)	Executives;	✓		Refer to Board of Directors Report page no. 86 of this Annual Report.
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details) ;	✓		Refer to Board of Directors Report page no. 86 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 45 & 51 of this Annual Report.
1(5)(xxiv)(b)	nature of his or her expertise in specific functional areas; and	✓		Refer to Board of Directors Report page no. 45 & 51 of this Annual Report.
1(5)(xxiv)(c)	names of companies in which the person also holds the directorship and the membership of committees of the Board;	✓		Refer to Board of Directors Report page no. 45 & 51 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 27 to 33 of this Annual Report.
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;	✓		Refer to Board of Directors Report page no. 27 to 33 of this Annual Report.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		Refer to Board of Directors Report page no. 27 to 33 of this Annual Report.
1(5)(xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		Refer to Board of Directors Report page no. 27 to 33 of this Annual Report.
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		Refer to Board of Directors Report page no. 78 & 79 of this Annual Report.
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		Refer to Board of Directors Report page no. 87 of this Annual Report.
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 as required under condition No. 3(3) shall be disclosed as per Annexure-A ;	✓		Refer to Board of Directors Report page no. 136 of this 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 as per Annexure-B and Annexure-C ;	✓		Refer to Board of Directors Report page no. 135 of this Annual Report.
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.	✓		Complied.
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;		✓	NRC not yet form since positive consent yet to receive from Bangladesh Bank to form another committee of the Board of Directors.
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.		✓	

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		Complied.
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(1)	Appointment			
3(1)(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);	✓		Refer to the Corporate Governance Report on page no. 131 of this Annual Report.
3(1)(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;	✓		Refer to the Corporate Governance Report on page no. 131 of this Annual Report.
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;	✓		Refer to the Corporate Governance Report on page no. 131 of this Annual Report.
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		Refer to the Corporate Governance Report on page no. 131 to 133 of this Annual Report.
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 situation occurred during the year 2019
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:	✓		Refer to Board of Directors Report page no. 86 of this Annual Report

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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; and	✓		Refer to Board of Directors Report page no. 136 of this Annual Report
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; and			
4(ii)	Nomination and Remuneration Committee.		✓	As per Bangladesh Bank guidelines, Uttara Finance being a Financial Institution can only form two subcommittees of the Board: Audit Committee (AC) and Executive Committee (EC). However, to comply with this clause of CGC of BSEC, decision from Bangladesh Bank yet to receive.
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;	✓		Refer to page no. 43 of this Annual Report.
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;	✓		Refer to page no. 90 of this Annual Report.
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(2)	Constitution of the Audit Committee			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	✓		Refer to Corporate Governance Report on page no. 43, 90 & 130 of this Annual Report
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be nonexecutive 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)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	✓		
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)	Chairperson 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	✓		Refer to Corporate Governance Report on page no. 43, 90 & 130 of this Annual Report.
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
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.	✓		Refer to Corporate Governance Report on page no. 90 of this Annual Report.
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	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5)	Role of Audit Committee The Audit Committee shall			
5(5)(a)	Oversee the financial reporting process	✓		Refer to Corporate Governance Report on page no. 90 of this Annual Report.
5(5)(b)	monitor choice of accounting policies and principles	✓		
5(5)(c)	monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	✓		
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	✓		
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 or 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; and	✓		
5(5)(m)	oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		
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	✓		Refer to Audit Committee Report on page no. 90 of this Annual Report.
5(6)(a)(ii)	The Audit Committee shall immediately report to the Board on the following findings, if any	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(6)(a)(ii)(a)	report on conflicts of interests.	✓		
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)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	Reporting to the Authorities.			
5(7)	Reporting to the Shareholders and General Investors.			
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 subcommittee of the Board;		✓	
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;		✓	
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).		✓	
6(2)	Constitution of the NRC.		✓	
6(2)(a)	The Committee shall comprise of at least three members including an independent director;		✓	
6(2)(b)	All members of the Committee shall be non-executive directors;		✓	
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;		✓	
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;		✓	
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;		✓	
6(2)(f)	The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;		✓	
				As per Bangladesh Bank guidelines, Uttara Finance being a Financial Institution can only form two subcommittees of the Board: Audit Committee (AC) and Executive Committee (EC). However, to comply with this clause of CGC of BSEC, decision from Bangladesh Bank yet to receive.

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)(g)	The company secretary shall act as the secretary of the Committee;		✓	As per Bangladesh Bank guidelines, Uttara Finance being a Financial Institution can only form two subcommittees of the Board: Audit Committee (AC) and Executive Committee (EC). However, to comply with this clause of CGC of BSEC, decision from Bangladesh Bank yet to receive.
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;		✓	
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company.		✓	
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;		✓	
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;		✓	
6(3)(c)	The Chairperson of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders:		✓	
6(4)	Meeting of the NRC			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;		✓	
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;		✓	
6(4)(c)	The quorum of the meeting of the NRC 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 must as required under condition No. 6(2)(h);		✓	
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.		✓	
6(5)	Role of the NRC			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;		✓	
6(5)(b)	NRC shall oversee, among others, the following matters and make report with recommendation to the Board:			

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 objectives appropriate to the working of the company and its goals;		✓	As per Bangladesh Bank guidelines, Uttara Finance being a Financial Institution can only form two subcommittees of the Board: Audit Committee (AC) and Executive Committee (EC). However, to comply with this clause of CGC of BSEC, decision from Bangladesh Bank yet to receive.
6(5)(b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;		✓	
6(5)(b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;		✓	
6(5)(b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;		✓	
6(5)(b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and		✓	
6(5)(b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;		✓	
6(5)(c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.		✓	
7	External or 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;	✓		S. F. Ahmed Co., Chartered Accountants have declared such independence during their appointment.
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer service;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determine;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
7(2)	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; his or her family members also shall not hold any shares in the said 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 of Uttara Finance is www.uttarafinance.biz
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 as required under the listing regulations of the concerned stock exchange(s).	✓		Disclosure as per requirement of stock exchanges are available in the web site www.uttarafinance.biz
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.	✓		The Certificate is available on page no. 135 of this 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.	✓		An agenda will be placed in the 25 th AGM. Refer to the notice of the AGM on page no. 6-7 of this Annual Report.
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.	✓		Refer to the notice of the AGM on page no. 87 of this Annual Report.

ANNEXURE- II

Compliance report on good governance guideline issued by Bangladesh Bank

For good governance Bangladesh Bank vide DFIM Circular no. 7 dated September 25, 2007 issued guidelines for financial institutions. Uttara Finance and Investments Limited has taken necessary steps in compliance of the guidelines. A compliance report on said guidelines is given below.

Sl. No.	Particulars	Compliance
1.	a. Responsibility and Scope of Directors:	Complied
	i. Vision /mission will be set by directors. For expanding business and for achieving quality and efficiency directors will set goals and will set tactics and plan for achieving the goals. They will change, modify even deduct the tactics and plan in specific interval. But for any change or replacement of organization it is necessary to discuss with management.	
	ii. For future success, Directors will make analysis of success/failure and will include this comparative analysis in the annual report. Based on this they will set future activities and tactics and will inform it to shareholders in AGM.	
	iii. The Board of Directors will determine key performance indicators of Chief Executor and other employees of higher level and will evaluate it in 6 month interval.	Complied
	b. Establishment of Associated Committee:	Complied
	For taking urgent decision executive committee can be established jointly by directors and management. But there will not be any alternative directors in such kind of committee.	
	c. Financial Management:	Complied
	i. According to Director's own decision, the annual budget and related report will be finalized.	
	ii. Different related statements ₳ income-expenditure, loan/lease statement, liquidity management, adequacy of capital, preservation of provision, law related works and directors will judge steps that will be taken if default occurs in collecting loan/lease.	Complied
	iii. The rules of purchase and procurement will be determined by Directors and based on this, they will determine the expenditure. For contraction of budget within different scope, the execution power of expenditure will be vested on Directors & related higher authority.	Complied
	iv. The execution of bank account will be determined by Director. For transparency a group will be formed based on combined effort of Director and management and they will execute the account according to their joint signature.	Complied
	d. Loan/Lease/Investment Management:	Complied
	i. According to Directors discretion, the evaluation of the proposal of loan / lease/investment, disbursement of loan / lease/ investment, regular collection and monitoring related rules will be set. Director will distribute this power efficiently and distribution of similar power will be held upon Chief Executor and concerned employees.	
	ii. No Director will interfere directly or indirectly in granting loan; especially in times of related party transaction they will not give any opinion.	
iii. Director will give decision about syndicated loan / lease / investment.	Complied	
e. Risk Management:	Complied	
Risk Management Guideline based on 'Core Risk Management Guideline' will be permitted and checked by the audit committee		

Sl. No.	Particulars	Compliance
	<p>f. Internal Audit & Compliance Management: For achieving quality and efficiency and to establish internal control as well as compliance, a regular audit committee to build up and will be permitted by the board. Internal audit report, External report and BB inspection report will be submitted to the board through Audit Committee.</p>	Complied
	<p>g. Human Resource Management: Principles & Service Rule regarding Human Resource Management of financial institution (Such as: Appointment, promotion, training, transfer, discipline, punishment system etc.) would be approved by the board. As per service rule, the board of directors cannot be involved in case of the appointment, promotion, transfer and punishment etc. The board can only involve based on service rule in the recruitment, provision of Managing Director, Deputy Managing Director and GM or Equivalent position to GM. No one of the board directors can involve in the selection committee of other personnel of the organization appointment and promotion except the above.</p>	Complied
	<p>h. Appointment of CEO & MD and his remuneration as well as increasing allowance: An efficient CEO will be recruited and his remuneration & increase of allowances will be approved by board through permitted by Bangladesh Bank.</p>	Complied
	<p>i. Various facilities provided to the Chairman: An office room, P.A, a telephone and vehicle facilities can be provided to the chairman for the interest of the company. Thus, the board will be approved regarding this.</p>	Complied
2.	<p>Responsibilities and Scope of Chairman: i. As the chairman of the board would not take the executive capacity so he can not involve the administrative and operational activities.</p>	Complied
	ii. The chairman will sign and approved the minutes of board meeting.	Complied
	iii. Appointing CEO and the increase of allowances approval related activities and papers will be signed by chairman.	Complied
3.	<p>Responsibilities and Scope of CEO: i. The CEO will perform the responsibilities regarding financial, business and administrative. The CEO will report to the board for achieving the goal of business and to enhance of business through business plan and implementation of the plan.</p>	Complied
	ii. He will ensure that the Financial Institution act.1993 and its related circular, rules & regulation will comply duly in the daily activities of the financial institution.	Complied
	iii. All employees' appointment and promotion except DMD and GM or equivalent position will be decided by the CEO. Thus, approval of the board of written HR policy and service rule must be followed.	Complied
	iv. The activities and job responsibilities of the employees will be restructured.	Complied
	v. All employees' transfer and punishment except DMD and GM or equivalent to GM' will be controlled by the CEO.	Complied
	vi. He will sign all papers and report which is sent to Bangladesh Bank	Complied