



CORPORATE GOVERNANCE REPORT

The Board of Directors (the Board) recognises the importance of good corporate governance and is committed to ensure the sustainability of the company's business and operations by integrating good governance ethics and business integrity into the strategies and operations of the company. The Board believes these practices are key to continue delivering long-term shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence.

CORPORATE GOVERNANCE FRAMEWORK

Being a manufacturing business entity, Meghna Cement Mills Ltd (MCML) emphasizes on transparency, accountability and compliance, which are the essence of corporate governance. High standards of corporate governance play an important part towards the Company's continued growth and success. The Company has always endeavored to maintain the highest standards of corporate governance and business conduct so as to generate and maintain sustainable shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence. The Company, at the same time, expects acts of honesty and integrity from its Board of Directors, employees and suppliers.

CORPORATE GOVERNANCE PRACTICES

MCML is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders while promoting integrity, transparency and accountability. The Board and the Management Team also put their best efforts to comply with all the laws of the country and all internal regulations, policies and procedures to build MCML a thoroughly transparent Company.

CORPORATE GOVERNANCE REPORT 2021

MCML is listed with the Dhaka Stock Exchange Ltd and Chittagong Stock Exchange Ltd. The Company has complied with all the applicable conditions set out in the Corporate Governance Code 2018 "the Code" issued by the Bangladesh Securities and Exchange Commission (BSEC). The Board continues to monitor and review the Company's Corporate Governance practices and makes necessary changes at an appropriate time. Our actions are always governed by our values and principles, which actually reason behind the key to ensure sustainable success of the Company. The disclosures in this report set out our corporate governance framework, practices and policies for FY2020-21 with reference to the Code.

BOARD MATTERS

- a) Role of the Board
The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and are accountable to the Shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate monitoring and control. The Board also ensures that MCML Policies & Procedures and Code of Conduct are understood, implemented and maintained at all levels and the Company adheres generally accepted principles of good governance and effective control of Company activities.
- b) Rules of Procedure for the Board
In addition to other regulatory guidelines, the Board has also adopted the ToR (Terms of Reference) for the Board of Directors' to ensure better governance in the work and administration of the Board.
- c) Salient features of the ToR for the Board
 - Providing entrepreneurial leadership • Setting up the strategy • Ensuring the human and financial resources are available to achieve objectives • Reviewing management performance • Setting up the company's values and standards • Ensuring that obligations to shareholders and other stakeholders are understood and met adequately.
- d) Key Features of the Board
 - Except Managing Director all Board Members are Non-Executive Directors;
 - Separate posts for the roles of Chair of the Board and the Managing Director;
 - No Independent Director has served more than six (6) years;
 - Chair of the Audit Committee and NRC is Independent Directors; and
 - Management do not sit on the Board;
 - Audit Committee comprised by two independent directors and one non-executive director including CS. NRC comprised by one independent directors and one non-executive director including CS.
- e) Board Composition
As at the date of this Annual Report, the Board of MCML is comprising of eight (8) Directors, with five (5) Non-Executive Directors, two (2) Independent Directors and one (1) Executive Director.



f) Board's Contribution

The Non-Executive Directors contribute diversified qualifications and experience to the Company by expressing their views in an independent, constructive and informed manner, and actively participating in Board and Committee meetings.

The Directors provide independent judgement and advice on issues relating to the Company's strategies, policies, performance, accountability, resources, key appointments, standards of conduct, conflicts of interests and management processes, with the shareholders' interests being the utmost important factor. The Company has also received from each Independent Director a confirmation annually of his/her independence taking into account the independence guidelines set out in BSEC Corporate Governance Code.

g) Board Meetings

The Companies Act 1994, BSEC rules and regulations, DSE/CSE Listing regulations and

Articles of Association ("AoA") of the Company requires the Board members to meet at least four times in a year or when duly called in writing by any Board member. The Board accordingly met Nine (09) times during the year FY 2021-22. The notice contains the detailed statement of business to be transacted at each meeting. By following Bangladesh Securities and Exchange Commission's order no. SEC/ SRMIC /0.4-231/ 932 the Board of Directors already start convening hybrid and virtual meetings along with physical conventional meetings to facilitate the decision making process. The attendance of the Board members in the meetings was as follows.

Name of the Directors	Designation	No. of Meetings held	No. of Meetings Attended
Mr. Ahmed Akbar Sobhan	Chairman	09	09
Mrs. Afroza Begum	Director	09	09
Mr. Sadat Sobhan	Director	09	06
Mr. Shafiat Sobhan	Director	09	09
Mr. Sayem Sobhan	Managing Director	09	09
Mr. Safwan Sobhan	Director	09	09
Mr. Md. Nurul Karim	Independent Director	09	07
Mr. Alhaj Rafiqul Islam	Independent Director	06	06

h) Board Activities

BOARD ACTIVITIES DURING THE FINANCIAL YEAR 2021-22	
Strategy	Performance
* Reviewed the performance whether Company is in line with mission and vision of the Company.	* Monitoring and reviewing un-audited financial statements of the Company. * Audited Financial Statements for the FY 2021-22 and final dividend. * Successfully Transferred unclaimed and undistributed dividend amount to the Capital Market Stabilization Fund (CMSF) till 30th June 2017.

RISK AND INTERNAL CONTROLS	GOVERNANCE
<ul style="list-style-type: none"> Identified principal risks and ensured appropriate internal controls and mitigation measures and their implementation; Reviewed the adequacy and integrity of the information provided by the Management and internal control systems; Reviewed enterprise risks on quarterly basis; and Reviewed Business operation activities. 	<ul style="list-style-type: none"> Approved contents of 2021's Annual Report of the Company; Approved the re-appointment of Board Members and Independent Directors; Approved appointment of audit firm for Corporate Governance Certification; Established and identified succession plan for leadership; Reviewed yearly report of Supply Chain Sustainability and Sales Report of the Company; Approved Internal Audit Plan and Compliance Plan; Reviewed internal Audit reports along with recommendations; Reviewed the outcome of the BSEC Corporate Governance Code for CG Audit and to be complied with; and Monitored, reviewed and implemented all recommendations and reports received from Board Committees of the Company.

i) The Chair and the Managing Director

The Chairperson of the Board is a Non-Executive Director. The day to day business headed by the Managing Director of the Company. The roles of the Chair and Managing Director (MD) are clearly established, set out in writing and agreed by the Board to ensure transparency and better governance. The Chairman leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the MD is the authoritative head for day-to-day management in the Company. He acts to reasonably ensure that MCML operates its business as per the Articles of Association. Decisions are made by the Board and Shareholders, as well as according to ToR(s) of MCML and applicable regulatory laws and legislations.

j) Delegation of authority

Responsibility or authority is assigned through the delegation of authority framework. The Board approves the Company's delegation of authority which ensures that delegated authority levels flow through the proper governance channels.

k) Code of Conduct

In compliance with the requirement of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission

(BSEC), the Company has framed and adopted the Code of Conduct for the Chair of the Board, other Board members Including Managing Director of the company to support objectives, vision and values of the Company.

l) Access to Information

The Board recognizes that the decision making process is highly dependent on the quality of information outfit.

m) Succession planning for Top Level Executive

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession in appointments in top level executives. The Company attempts to maintain an appropriate balance of skills and experience within the organization.

n) Board and Top Level Executives' Remuneration Policy

The objective of the MCML's Top Level Executives' remuneration policy is to secure that reward for Top Level Executive shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the MCML behavior.

o) Evaluation of the Board

To establish and improve the operating effectiveness of the Board, the Board shall carry



out an evaluation once a year of its work, functions, performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets.

FINANCIAL REPORTING

MCML pursuing strong financial reporting procedures. Financial statements are prepared in accordance with IFRS and IAS Applicable in Bangladesh, the Companies Act 1994, the Securities and Exchange Rules 1987, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2020 and other applicable laws in Bangladesh. All the financial transactions are recorded accurately to produce the financial statements. These financial statements, once prepared, are reviewed initially by CFO and Managing Director respectively and then by the Audit Committee and Board on a quarterly basis. The annual audit is conducted by the external auditors, who are appointed

by the Board of Directors followed by the Shareholders' approval in the Annual General Meeting.

BOARD COMMITTEES

For better, swift and enhanced flow of information and there by exercising effective governance, the Board has also mechanized three (3) committees, viz: Audit Committee; Nomination and Remuneration Committee and Steering Committee to assist the Board. The role of Board Committees is to review and appraise in the respective areas and then to advise and make recommendations to the Board. Each Committee operates in accordance with the Terms of Reference (ToR) approved by the Board. The Board reviews the ToR of the Committees time to time. The Board appoints the members and Chair of each Committee. A brief description of each Committee is presented below:

2 Independent Directors, 5 Non-Executive Directors and 1 Executive Director.	The Board of MCML	To create value, by adopting all the rules and regulations of BSEC and Stock Exchanges, and to ensure long-term success of the Company.
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COMMITTEES TO THE BOARD OF MCML

AUDIT COMMITTEE		NOMINATION AND REMUNERATION COMMITTEE	
To oversee the financial reporting process and to monitor the fairness of the financial statements of the Company including announcements relating to the financial performance of the Company and reviewing the financial statements and auditors report.		To assist the Board in developing and administering a fair and transparent procedure for setting policy on the and remuneration of Directors and Senior Management of the Company.	
Chairman Mr. Md. Nurul Karim	2 Independent Directors, and 1 Non-Executive Director"	Chairman Mr. Md. Nurul Karim	1 Independent Director, and 1 Non-Executive Director

STEERING COMMITTEE	
To run the day to day business operations effectively and efficiently and to assist the Board to achieve the Company's objectives, mission and vision as projection of the Board of Directors of the Company.	
Headed By Managing Director of the Co.	All Head of Departments are member of this committee and HoD, HR & Admin is acting as the Secretary of the same.

Transparency	Accountability	Compliance	Responsibility
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Role of Company Secretary, Chief Financial Officer and Head of Internal Audit and Control

Company Secretary (CS)

Appointed by- Board of Directors

Reporting to- The Board of Directors and Managing Director for day-to-day administration.

Responsible for- Corporate Affairs and Secretariat Division.

Role Purpose- To ensure corporate management and compliance issues of the Company and to deal with the regulatory matters of the company.

Core functions- Share management, Meeting management, Legal and Statutory Compliances, Communication and public relation, etc.

Prime duty of CS is to protect and safe guard the interests of MCML at all levels- legal, statutory administrative, arbitrational and in other policy matters. He will be responsible for ensuring that the company complies with standard corporate management, compliance and legal practices and maintains standards of corporate governance.

CHIEF FINANCIAL OFFICER (CFO)

Appointed by- Board of Directors

Reporting to- Board of Directors, Chairman of the Audit Committee and Managing Director for day-to-day administration.

Responsible for- Finance and Accounts Division.

Role Purpose- To ensure financial planning/design, management and reporting management and control environment within the Company and to continue it and to ensure the reporting in time.

Core functions- Strategic Financial matters relating to annual and periodic budget, financial management, cost benefit analysis, forecasting needs and the securing of new funding etc.

As required under “Bangladesh Secretarial Standard 2: Secretarial Standard on General Meetings” issued by the Institute of Chartered Secretaries of Bangladesh (ICSB), particulars of last three years General meetings are disclosed herewith:

Prime duty of CFO is to achieve the MCML's mission, objective and help execute financial growth plans. Oversee all fiscal reporting activities for the organization including; organizational revenue/expense and balance sheet reports, reports to funding agencies, development and monitoring of organizational and contract/grant budgets, oversee all payroll activity for staff and participants and monitor banking activities of the organization.

HEAD OF INTERNAL AUDIT AND CONTROL (HIAC)

Appointed by- Board of Directors

Reporting to- Board of Directors, Chairman of the Audit Committee and Managing Director for day-to-day administration.

RESPONSIBLE FOR- Internal Audit Team.

Role Purpose- To provide independent and objective assurance on the management of risk throughout the Company.

Core functions- The HIAC has to work in accordance with the internal audit guidelines and standards. He will provide assistance to the management in meeting regulatory requirements and to ensure that the final internal audit reports are issued with all recommendations made to the Board and to implement the equal opportunities policy in the internal audit activities.

Prime duty of HIAC develop annual internal audit plan, meeting with the Board, Management and trustees, develop internal audit team and to develop new methodologies to improve the entire internal audit process of the Company.

****As nature of MCML's Board and Senior Management is environmentally friendly and sustainable in business practices, MCML puts together its annual reports available online at the company's website. Printed copies of such are made available upon request.**



GENERAL MEETING NO.	DATE, TIME AND PLACE	PARTICIPANTS	APPROVED RESOLUTION
27th Annual General Meeting	Thursday, 19 December 2019; 10:30 a.m.; and "Gulnaksha", International Convention City, Bashundhara (ICCB Hall No. 01), Kuril Bishwa Road, Dhaka-1229	226 nos of Shareholders attended in person and by proxy	<ol style="list-style-type: none"> 1. To receive, consider and adopt the Directors and Auditors' Report and the Audited Accounts of the Company for the financial year ended 30 June 2017; 2. To declare Dividend for the financial ended 30 June 2019; 3. To elect the Directors; 4. To appoint Auditors for the Financial Year 2019-20 and to fix their remuneration. <p>SPECIAL RESOLUTION:</p> <p>"Resolved that the Shareholders approved the raising of the capital of the Company through the issuance of Preference Shares to the amount of BDT 100 Crore only. The proposed preference share will be fully redeemable, non-convertible and non-listed in nature. The eligible investors for this preference share will be local and foreign institutions; purpose of this issue of preference share is to maintain proper debt equity ratio and to strengthen equity base for this Company's further business expansion. The Board of Directors of the Company be and is hereby authorized to finalize the detail features of the issuance of the Preference shares in compliance with the regulatory directives in this project".</p>
28th Annual General Meeting	Monday, 07 December 2020; 11:30 a.m. through Digital Platform	182 shareholders attended in the 28th Annual General Meeting through digital platform (live) in person and by proxy.	<ol style="list-style-type: none"> 1. To receive, consider and adopt the Directors and Auditors' Report and the Audited Accounts of the Company for the financial year ended 30 June 2020; 2. To declare Dividend for the financial ended 30 June 2020; 3. To elect the Directors;

		*All shareholders obtained access to the meeting using their BO ID nos. at the user ID and stating the nos. of shares held by them.	<ol style="list-style-type: none"> To appoint Auditors for the Financial Year 2020-21 and to fix their remuneration. To confirm the appointment of CG (Certificate) Auditor for the Financial Year 2019-2020 and to appoint CG (Certificate) Auditor for the Financial Year 2020-2021 and to fix their remuneration.
29th Annual General Meeting	Thursday, 30th December 2021; 4:30 p.m. through Digital Platform	<p>29th Annual General Meeting through digital platform (live) in person and by proxy.</p> <p>*All shareholders obtained access to the meeting using their BO ID nos. at the user ID and stating the nos. of shares held by them.</p>	<ol style="list-style-type: none"> To receive, consider and adopt the Directors and Auditors' Report and the Audited Accounts of the Company for the financial year ended 30 June 2021 To approve the Dividends for the financial year ended 30 June 2021 To elect the Directors in place of those who shall retire by rotation in accordance with the provision of Articles of Association of the Company; To appoint Auditors for the Financial Year 2021-22 and to fix their remuneration. To re-appoint CG (Certificate) Auditor for the Financial Year 2021-2022 and to fix their remuneration. <p>Resolved that, "the shareholders approved to conduct inter-company transactions within the companies of the Bashundhara Group as stated below-</p> <p>The Company shall make any loan or give any guarantee or provide any security in connection with a loan made by a third party to-</p> <ol style="list-style-type: none"> any director(s)/shareholder(s) of the lending company; any firm in which any director(s)/shareholder(s) of the lending company is a partner; any private company of which any director(s)/shareholder(s) of the lending company is a director or member; or any public company, the managing agent, manager or director(s) and shareholder(s) where of is accustomed to act in accordance with the directions or instruction of any director of the lending company." <p>It was further resolved that, "In no case the total amount of the loan shall exceed 50% of the paid-up value of the shares held by such director(s)/shareholder(s) in his own name."</p>

WEBSITE

All financial results and key performance indicators as well as all Price Sensitive Information are posted on the Investor Relations section, about, social contribution and policy of the Company's website: <http://www.meghnacement.com/>

SHAREHOLDERS' QUERIES

Whilst the Company aims to provide sufficient information to Shareholders and Investors about the Company and its

activities, it also recognizes that Shareholders may have specific queries relating to their shareholding. These queries may be directed at +88 02 8431024 Ext. 6728 or email to Share Office at sohrab.hossain@bg.com.bd.

MCML believes in transparency and accountability to the society as a whole through establishment of an efficient and effective Corporate Governance regime.



REPORT OF THE AUDIT COMMITTEE

AUDIT COMMITTEE

The Audit Committee was constituted under the BSEC Guidelines. The Committee was comprised of four members, appointed by the Board of the Company. The Committee included two independent directors, one shareholder director and the Company Secretary.

The Audit Committee of Meghna Cement Mills Ltd as a sub-committee of the Board of Directors assisted the Board of Directors ensuring that the financial statements reflect true and fair view of the affairs of the company and in ensuring a good monitoring system of the business.

The principal functions of the Audit Committee, among others, were to oversee the financial reporting process, monitor internal control, risk management process and review the adequacy of internal audit function and regulatory compliance functions. The Audit Committee was accountable to the Board of the

Directors of the Company.

During the period under review the Independent Director of this Company- Mr. Md. Nurul Karim performed as the Chairman of the Audit Committee and Mr. Shahriar Molla ACS, Company Secretary performed as the Secretary of the Audit Committee as per the Guidelines of the BSEC in this respect.

QUALIFICATIONS OF MEMBERS OF THE AUDIT COMMITTEE

All members of the Audit Committee of Meghna Cement Mills Ltd. possessed adequate knowledge on business management and were financially literate as per the regulatory requirements and able to analyze, corporate laws, finance and could interpret the financial statements. The Committee was empowered to examine the matter related to financial and other affairs of the Company.

The Audit Committee of Meghna Cement Mills Ltd was constituted with the following persons as its members:

SL. NO	NAME OF MEMBERS OF AUDIT COMMITTEE	DESIGNATION
1.	Mr. Md. Nurul Karim, Independent Director	Chairman
2.	Mr. Safwan Sobhan, Shareholder Director	Member
3.	Mr. Alhaz Rafiqul Islam, Independent Director	Member
4.	Mr. Md. Asaduzzaman ACS, Company Secretary	Secretary

MEETING AND ATTENDANCE BY THE MEMBERS

During the Financial Year a total of 04 nos. of meetings were held and the Committee regularly communicated those findings and recommendations to the Board Directors of the Company. The number of the Audit Committee meetings held and attendance by each members during the FY 2021-2022 are mentioned below:

SL. NO	NAME OF MEMBERS	DESIGNATION	NOS. OF MEETING HELD	NOS. OF MEETING ATTENDANCE
1.	Mr. Md. Nurul Karim, Independent Director	Chairman	04	04
2.	Mr. Safwan Sobhan, Shareholder Director	Member	04	04
3.	Mr. Alhaz Rafiqul Islam, Independent Director	Member	04	04
4.	Mr. Md. Asaduzzaman ACS, Company Secretary	Secretary	04	03

ROLES AND RESPONSIBILITIES OF THE AUDIT COMMITTEE

The role of the Audit Committee of this Company is to monitor the integrity of the financial statements. The committee played an effective role in providing a bridge between the Board of Directors, Members and other Stakeholders. The roles and responsibilities of the Audit Committee had been clearly mentioned in the Terms of Reference of the Audit Committee. The Audit Committee in fulfilment of its responsibilities at in periodic meetings, at least once in a quarter and 04 nos. in the FY 2021-2022 and provided appropriate recommendations, observations and advised to the management and the Board. The Committee meetings usually transacted operational performance, financial results, capital expenditures, products lines, procurement, raw materials, plant and machinery, training and promotion of employees. The Audit Committee was responsible to the Board of Directors. During the period under review it had found that the overall internal control and management process of the company was satisfactory.

During the financial year ended on 30 June 2021 the role of the Audit Committee included the following:

- To oversee and review the quarterly, half-yearly and periodic financial statements, other financial results of the company and on the basis of its

review and commendation the Board of Directors considered those and given its approval.

- To monitor and recommend various issues pertaining the quarterly and annual financial statements;
- To submit reports to the Board of Directors on internal control issues and deviations on the basis of internal audit reports;
- To ensure and monitor compliance issues with laws, rules, regulations, directives, code of conducts etc., with a view to safeguard the interest of all stakeholders of this Company;
- To review the performance of the external auditors of the Company and assess their independence;
- To review the statements of significant related party transactions submitted by the management from time to time;
- To oversee the other issues within the terms of the code of conduct of the Audit Committee and also as directed by the Board, time to time;
- To recommend to the Board of Directors as to consider the appointment of the statutory auditors of the Company for the next FY 2020-2021 in place of the existing auditors considering the proposal of the stakeholders.



Activities of the Audit Committee during the year ended on 30 June 2022

The Audit Committee performed the activities during the year ended on 30 June 2022 and recommended thereon as and when it was necessary. The Audit Committee in course of discharging of the responsibilities monitored the following issues:

- Conflicts of interests and related party transactions of the Company;
- Suspected or presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities related laws, rules and regulations;
- Any other matter which it deemed appropriate and necessary.

THE AUDIT COMMITTEE REPORTS THE FOLLOWING:

i. Financial Reporting

The Audit Committee reviewed the annual financial statements, among other issues, the quarterly, half yearly statements before submission those to the board of the company for approval. It also recommended to the Board of Directors for adoption and circulation of those to the regulatory authorities as per the directives in this respect.

ii. Internal Control

In course of discharging of duties, the accounts also reviewed the Risk Management Framework adopted within the Company. It also reviewed the effectiveness of internal control, the audit objections and observations raised by the Internal Audit Department and action plans of the Internal Audit Department. The committee monitored the plans and ensured that adequate control have been developed prior to commencement of major changes of the Company. It also monitored that the system of internal control was soundly conceived and was in place, effectively administered and regularly monitored. In view of all, the Audit Committee was of the opinion that the internal control procedures were adequate to present a true and fair view of the activities and financial status of the Company.

Md. Asaduzzaman ACS

Member Secretary, Audit Committee

iii. Internal Audit

The Audit Committee was satisfied that the strategies, plans for internal auditing were communicated well in time within the company. The committee overseen and reviewed the procedure and tasks of the internal audit department. The Committee was satisfied that the Internal Audit Team had the competence and qualifications to complete its assignments and accomplish according to the approved audit plans. And reports that the Internal Audit had full, free and unrestricted access to all activities, records, property and other issues necessary to discharge its responsibilities. The Audit Committee also got the co-operation of the Internal Audit Team in carrying out its duties and responsibilities during the FY 2021-2022.

iv. External Audit

The Audit Committee evaluated the effectiveness of the external audit process. The committee had forwarded the draft financial statements (which were placed to it by the management earlier) to the external auditors after its review. The Board subsequently to approve the audited financial statements and to place it before the members of the Company for their discussion and consideration in the forthcoming 29th Annual General Meeting.

It also reviewed the matters concerning the appointment and re-appointment, fixation of audit fees of the external auditors and submitted the recommendations.

v. Related Party Transaction

The Audit Committee expressed that during the year under review the company had carried out considerable numbers of transactions in carrying out its operation and also with the related parties in its normal courses of business. The names of the related parties, the nature of the related parties relationships as well as information about the transactions, the amount of the transactions and the amount of outstanding balances at the financial year under report opined that the financial statements were prepared in accordance with the provisions of IAS regarding the "Related Party Disclosures".

Md. Nurul Karim

Chairman, Audit Committee
& Independent Director



REPORT OF THE NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee of Meghna Cement Mills Ltd was formed in compliance the directives of the Bangladesh Securities and Exchange Commission's Corporate Governance Guidelines under Notification No.BSEC/CMRRC-D/2006-158/207/Admin/80 dated 03/06/2018. The Nomination and Remuneration Committee (NRC) is comprised by three members, appointed by the Board of Directors of the Company. The Committee included an Independent Director, one Shareholder Director and

the Company Secretary.

It is functioned as a sub-committee of the Board of Directors and was responsible to the Board. It assisted the Board of Directors in formulation of the nomination, criteria/policy for determining qualifications, positive attributes, experiences and independence of the directors and top level executive as well as a policy for formal process of considering remuneration of directors and top level executives.

The Nomination and Remuneration Committee of the Company was constituted with the following persons:

SL.NO	NAME OF THE MEMBERS	POSITION IN COMPANY	POSITION IN COMMITTEE
1.	Mr. Md. Nurul Karim	Independent Director	Chairman
2.	Mr. Safwan Sobhan	Shareholder Director	Member
3.	Mr. Md. Asaduzzaman ACS	Company Secretary	Secretary

During the year under review the Independent Director, Mr. Md. Nurul Karim performed as the Chairman of the NRC and Mr. Shahriar Molla ACS, Company Secretary performed as the Secretary of the NRC as per the BSEC Guidelines.

QUALIFICATIONS OF THE NRC MEMBERS:

The NRC members possessed adequate knowledge on modern business management, corporate governance and professionals and being financially literate as per regulatory requirements were able to analyze, corporate

laws, finance and could interpret the financial statements as well.

ROLES AND RESPONSIBILITIES:

The NRC of this Company played effective roles in providing the bridge between the Board, Members and other Stakeholders. The NRC's responsibilities were clearly mentioned in the Terms of Reference of the Committee set by the Board of Directors of Meghna Cement Mills Ltd earlier.



The responsibilities of NRC included:

- Review of the structure, size and composition of the Board;
- Review of the succession plans for appointments to the Board and Senior Management of the Company and for making recommendations relating there to;
- Implement the board diversity policy and monitoring the progress towards the achievement of its objects and making recommendation thereon.

SUCCESSION PLANNING

The Committee reviewed the succession plan of this Company designed for the executive and non-executive appointments to the Board, taking into account of the objectives of the future retirement of directors. In this

process the Committee also considered the business skills, commitment and knowledge as to be required for operation of this Company. The Board's succession planning was the priority of this Committee.

APPOINTMENT/ROTATION OF NON EXECUTIVE DIRECTORS

During the year under review the Committee had evaluated the matter of appointment/reappointment of the non executive directors and made recommendations for 02 (two) non-executive directors- Mr. Ahmed Akbar Sobhan, and Mr. Safwan Sobhan who are to resign by rotation and eligible for their re-elections/appointments as per the provisions of the Articles of Association of the Company in the 30th AGM of the Company.

MEETING ATTENDANCE BY THE MEMBERS

During the FY ended on 30 June 2022 the NRC had sat in a meeting and the Committee had placed its report to the Board of Directors in due course. The information of the NRC Committee's meeting held and attendance by each members are mentioned below:

SL.NO	NAME OF THE MEMBERS	NOS. OF MEETING HELD	ATTENDANCE IN MEETING
1.	Mr. Md. Nurul Karim	01	01
2.	Mr. Safwan Sobhan	01	01
3	Mr. Md. Asaduzzaman ACS	01	01

During the FY 2021-2022 the NRC accomplished the following:

- Reviewed the level and composition of remuneration and observed that it was reasonable and sufficient to attract, retain and motivate suitable directors to run the Company successfully;
- Reviewed the status of the Board composition along with the experience of the Directors and their track record as well and made recommendation to the Board in this regard;
- Identified and nominated candidates for appointment/reappointment to the Board based on their knowledge, experience and aptitude for attainment of the goals and objectives of the company;
- Considered and accommodated various issues in connection with appointments/ reappointments,/ retirements and changes in the Board of Directors.

- Analyzed the issues including the company's requirement for senior employees as to be placed at different levels and determine their selection procedures and criteria;
- Reviewed the performance of the top-level executives of the Company and placed the recommendation on their findings;
- Evaluated the company's human resources status and the development and training policies of the Company aimed for the employees;
- Reviewed the scope and effectiveness of internal human resource functions and adequacy of it;
- Overseen other issues within the Terms of Reference of the NRC.

The Nomination and Remuneration Committee is expressing the view that the nomination, reelection and remuneration are adequate to present a true and fair view of the activities and financial and internal governance status of the Company.

Md. Asaduzzaman ACS

Member Secretary,
Nomination and Remuneration Committee

Md. Nurul Karim

Chairman,
Nomination and Remuneration Committee
& Independent Director