

**Report to the Shareholders  
of  
Agni Systems Limited  
on  
Compliance on the Corporate Governance Code**

We have examined the compliance status to the Corporate Governance Code by Agni Systems Limited for the period from July 01, 2023 to June 30, 2024. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated June 03, 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 condition 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:

- (a) 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;
- (b) 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;
- (c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- (d) The governance of the company is satisfactory.

Place: Dhaka  
1 December 2024



Md Enayet Hossain, FCMA, FCA  
Partner  
**JU Ahmed & Co.**  
Chartered Accountants

## COMPLIANCE REPORT ON CORPORATE GOVERNANCE CODE

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

Condition No.	Title	Compliance Status	Remarks (if any)
<b>1.</b>	<b>Board of Directors</b>		
<b>1 (1)</b>	<b>Size of the Board of Directors</b> The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty).	Complied	The Board of Directors of ASL is comprised of 7 Directors.
<b>1 (2)</b>	<b>Independent Directors</b> All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following: -		
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);	Complied	There are 2 (Two) Independent Directors on the Board of Directors of ASL.
1 (2) (b)	<b>For the purpose of this clause "independent director" means a director</b>		
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;	Complied	The Independent Directors are not holding any share of the company.
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law	Complied	.



Condition No.	Title	Compliance Status	Remarks (if any)
	shall be considered as family members;		
1 (2) (b) (iii)	who has not been an executive of the company in immediately preceding 2(two) financial years;	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;	Complied	
1 (2) (b) (v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	Complied	
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	Complied	
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;	Complied	
1 (2) (b) (viii)	who is not independent director in more than 5 (five) listed companies;	Complied	
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	Complied	Do
1 (2) (b) (x)	who has not been convicted for a criminal offence involving moral turpitude;	Complied	Do
1 (2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	Complied	The appointment of Independent Directors was made by BSEC and duly approved by the Board of Directors
1 (2) (d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety)days; and	Complied	





Condition No.	Title	Compliance Status	Remarks (if any)
1 (2) (e)	<p>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: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, 1994 (1994 সনের ১৮নং আইন) Companies Act, 1994.</p>	Complied	
<b>1 (3)</b>	<b>Qualification of Independent Director</b>		
1 (3) (a)	<p>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;</p>	Complied	<p>The qualification and background of IDs justify their abilities as such.</p>
1 (3) (b)	<b>Independent director shall have following qualifications</b>		
1 (3) (b) (i)	<p>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</p>	Not Applicable	
1 (3) (b) (ii)	<p>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</p>	Not Applicable	

Condition No.	Title	Compliance Status	Remarks (if any)
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	Not Applicable	
1 (3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or	Complied	Both the Independent Director of ASL is University Teacher
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;	Not Applicable	
1 (3) (c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	Complied	
1 (3) (d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	Not Applicable	
<b>1 (4)</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>		
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;	Complied	The Chairman of the Board of Directors and the Managing Director are different individuals.
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;	Complied	The Managing Director is not holding the same position in any other listed company.
1 (4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	Complied	The Chairperson is elected from among the non-executive directors.
1 (4) (d)	The Board shall clearly define respective roles and responsibilities of	Complied	



