

**Auditor's Report and Statement of Compliance on
the Corporate Governance Code
of
IPDC Finance Limited**

**For the year ended
31 December 2021**

Hoda Vasi Chowdhury & Co

Chartered Accountants

Annexure-B
[Certificate as per condition No. 1(5)(xxvii)]

Report to the Shareholders of IPDC Finance Limited on Compliance on the Corporate Governance Code

(Issued under Condition No. 9.00 of Corporate Governance Guidelines of "BSES" vide notification on SEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018)

We have examined the compliance status to the Corporate Governance Code by IPDC Finance Limited (the Company) for the year ended on 31st December 2021. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969; 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 condition 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:

- Finance Limited has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- IPDC Finance Limited 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 IPDC Finance Limited as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of IPDC Finance Limited is satisfactory.

Dhaka,
22 February 2022



Sk Md Tarikul Islam, FCA
Partner
Enrolment no: 1238
Hoda Vasi Chowdhury & Co
Chartered Accountants
DVC:2203061238CC963692

Statement of Compliance with Corporate Governance Guideline

Status of compliance with the conditions imposed by the Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 3 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

Condition No.	Title	Status		Remarks
		Complied	Not Complied	
1	Board of Directors			
1(1)	Size of the Board of Directors: The total number of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5 (five) and more than 20 (twenty);	√		
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 directors;	√		
1(2)(b)	Criteria of "Independent Director"			
1(2)(b) (i)	Who either does not hold share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√		The IDs provide declarations about their compliances
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;	√		Do
1(2)(b) (iii)	Who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		Do
1(2)(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies;	√		Do
1(2)(b) (v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	√		Do
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;	√		Do
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	√		Do
1(2)(b) (viii)	Who is not independent director in more than 5 (five) listed companies;	√		Do
1(2)(b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or any advance to a bank or a Non-Bank Financial Institution (NBFI);	√		Do