

REPORT ON CORPORATE GOVERNANCE

Corporate governance is about commitment to values and ethical business conduct. It provides for a structure that works for the benefit of its stakeholders by ensuring that the enterprise adheres to accept ethical standards and best practices as well as to applicable laws, procedures and implicit rules. Good Corporate Governance principles encourage the Company to create value through innovations, development and exploration on one hand and on the other to provide accountability and control systems commensurate with the risks involved. The other important part of the Corporate Governance is disclosure of information regarding the financial position of the Company, its performance, ownership and governance in a timely and accurate way. These disclosures help in improving the public understanding of the structure, activities and policies of the organization.

Thus, Corporate Governance is about promoting corporate fairness, transparency and accountability. Corporate Governance guidelines developed over a period of time in Bangladesh, are protected through Bangladesh Securities & Exchange Commission's Notification No. BSEC/CMRRCO/2006 -158/207/Admin/80 dated June 03, 2018.

Corporate Governance at ATL

ATL's corporate governance policies recognize the importance of the transparency to all its constituents including employees, customers, investors, and the regulatory authorities demonstrating that the shareholders are the ultimate beneficiaries of the Company's economic activities.

In addition to the primary role of monitoring corporate performance, the function of the Board includes approving a business plan, reviewing and approving annual budgets and borrowing limits, fixing exposure limits and ensuring that our shareholders are kept informed about our plans, strategies and performance. To enable the Board of Directors to discharge these responsibilities effectively, the management provides detailed reports on performance to the Board on quarterly basis. The Board of Directors also functions through various committees such as the Audit Committee.

Ethics & Compliance

ATL's corporate governance philosophy encompasses not only regulatory and legal requirements, but also other practices aimed at a high level of business ethics, effective supervision and enhancement of value for all shareholders.

We are performing ethically and efficiently to generate long-term value and wealth for all its stakeholders. The Corporate Governance principles of the Company ensures that the Board remains informed, independent and involved in the Company and there are ongoing efforts towards better corporate governance to mitigate "non business" risks. The Board periodically reviews the compliance of all applicable laws and gives appropriate directions, wherever necessary.

Board of Directors

The basic responsibility of the Board is to provide effective governance over the Company's affairs exercising its reasonable business judgments on behalf of the Company. The Company's business is conducted by its employees under the direction of the Managing Director and the overall supervision of the Board. The Board members have collective experience in diverse fields of business.

In order to comply with the BSEC's notification dated June 03, 2018 on Corporate Governance, the Board of ATL has appointed one eminent personality as Independent Director of the Company. Thus, the Board of ATL comprises of 5 (Five) members of which three are Non Executive Directors, one Executive Director and one Independent Directors. The goal has been to form a Board, which is cohesive and has the expertise for quick and informed decision making.

Role of the Board

The Board of Directors is in full control of the Company's affairs and is also accountable to the shareholders. The Board is committed to achieve greater financial performances and long term prosperity, while meeting stakeholders' expectations of sound corporate governance practices.

Changes in the Board

As per the Articles of Association of the Company 1/3 Directors of the Company will retire by rotation each/every year. In this regard Syed Faruque Ahmed and Syed Farhad Ahmed are retired and recommended for re-election as director as they are eligible for the re-election.

Board Meetings

The Company holds at least four Board meetings in a year, one in each quarter inter-alia to review the financial results of the Company. The gap between the two Board Meetings does not exceed three months. Apart from the four scheduled Board Meetings, additional Board Meetings are also convened to address the specific requirements of the Company. Urgent matters are also approved by the Board by passing resolutions through circulation. During the year under review 17 meetings of the Board were held.

The following information has been given to the Board either as a part of the agenda of the meeting or by way of presentation during the meeting:

- * Annual operating plans, budgets and performances
- * Quarterly, half yearly and annual results of the Company
- * Minutes of the meeting of the Audit committee and Nomination and Remuneration Committee.
- * Significant regulatory matters
- * Detailed risk analysis and asset liability management report.
- * Details of investments
- * Compliance of statutory /regulatory/Listing Agreements.
- * Such other material and significant information

The Board performs following functions in addition to overseeing the overall business and management:

- * Review, monitor and approve major financial and business strategies and corporate actions.
- * Assess critical risks facing by the Company review options for their mitigations.
- * Ensures that the processes are in place for maintaining the integrity of :
 - The Company.
 - The financial statements.
 - Compliance with law.
 - Relationship with customers and shareholders.
 - Delegation of appropriate authority to the Senior Executives of the Company for effective management of operations.

Meeting Attendance & Directors Remuneration

The Board members receive only fees for attending Board/Committee meetings and they do not receive other remuneration or incentive except Managing Director & CEO.

Audit Committee

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations besides recommending appointment/ removal of statutory auditors and fixing their remuneration. A separate report on the activities of the Audit Committee is attached in the page no. 38 of this report.

Role of the Chairman

The Chairman serves as the primary link between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meetings. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

Chairman & Managing Director/CEO of the Company are different persons

Chairman of the Board and Managing Director of the Company are different persons with different roles and responsibilities, defined by the Board and thereby preventing unregulated powers of decision making on a single hand. The Chairman is a Non-executive Director while the Managing Director is an Executive Director.

Role of the Managing Director & CEO

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and executing the Company's operating plan that is necessary to achieve the Company's objectives. He has the overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company.

Role of the Company Secretary

Company Secretary is responsible for advising the Board through the Chairman on all governance matters. He is also responsible for ensuring proper information flow with the Board and its Committees and between the management and the non-executive directors. He is also acting as bridge between the regulators/stakeholders and the Company.

Role of the Head of Internal Control & Compliance

The head of Internal Control and Compliance is responsible for reporting to the Board Audit Committee regarding deviations from accounting and internal control system. He is also leading the internal audit team of the Company.

Internal Control and Compliance

The Company's internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and on-going audit. The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company's multi-level authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped implement linkage between goals and operations.

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee which looks after compliance with the organizational policies by different departments.

ATL made relevant mandatory disclosure in its financial statements under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports/statements regularly, which are required to submit to the regulators as well as the other stakeholders of the Company.

Risk Management

The Company always concentrates on delivering high value to its stakeholders through appropriate tradeoff between risk and return. A well-structured and proactive risk management system is in place within the Company to address the risks relating to market, liquidity and operations.

Related Party Transactions

Transactions with related parties are made on arm's length basis and are in the ordinary course of business. Detailed transactions with related parties are described at notes 29 of the Financial Statements in the page no. 91 of this annual report.

Auditors Certificate on Corporate Governance

The Company has complied with all mandatory requirements of Corporate Governance guidelines as enumerated in the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 of Bangladesh Securities and Exchange Commission. Malek Siddiqui Walli, Chartered Accountants in Practice have certified that the Company has complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines which is annexed in the page no. 45

Statement of CEO and the CFO regarding Financial Statements

A separate statement as to the fairness and presentation of the Financial Statements of the Company is given in page no. 40 of this report.

Observance of IAS and IFRS & Applicable Laws

The Directors confirm that the financial statements have been prepared in accordance with the International Accounting Standards and other applicable rules and regulations. A statement on implementations of the different accounting standards is set out at notes to the financial statements.

Employee Health & Safety

ATL maintains internal health and safety policies and procedures and national regulations to ensure a safe working environment. We are working with our employees to ensure that health and safety standards are maintained and improved. ATL provides adequate life and hospitalization insurance coverage to all its permanent employees.

Annual General Meeting (AGM)

ATL holds Annual General Meeting of shareholders once a year and the Company ensures effective interaction with the shareholders at the Annual General Meeting. The Directors pay special attention in answering the various queries raised by the shareholders at the Annual General Meeting.

Having reviewed the BSEC's Corporate Governance guideline as last amended on June 03, 2018, the Company's Board issued and signed their declaration of Compliance, a statement of which is given below: