



**Institute of Chartered Secretaries of Bangladesh**

A Statutory Body under an Act of Parliament

# **ICSB National Award for Corporate Governance Excellence**



## Index

1.	About the ICSB	3
2.	ICSB initiatives to promote good governance in corporate Bangladesh	4
3.	Secretarial Standard Board	4
4.	Main objectives for Awarding	5
5.	Jury Board	6
6.	Technical Committees	7
7.	Adjudication Process	8
	a. Evaluation & Assessment Tools	
8	Awards Categories & Eligibility	9
9	Score Card	10
10	Questionnaire	



## **Institute of Chartered Secretaries of Bangladesh**

A Statutory Body under an Act of Parliament

### About the ICSB:

Institute of Chartered Secretaries of Bangladesh (ICSB), established under an Act of Parliament i.e. Chartered Secretaries Act 2010, is the only recognized professional body in Bangladesh to develop, promote and regulated the profession of Chartered/ Company Secretaries in Bangladesh.

The affairs of the Institute of Chartered Secretaries of Bangladesh (ICSB) are managed by a Council consisting of thirteen elected members and five nominees of the Government.

The Institute has been taking various measures to promote and facilitate good governance in the corporate sector. These measures include recognition and awarding companies for their enduring contribution to governance. It has been bestowing National Awards for excellence in corporate governance. The awardees for ICSB National Awards for Excellence in Corporate Governance are selected through a very rigorous comprehensive evaluation process undertaken by an eminent jury.

## **ICSB initiatives to promote good governance in corporate Bangladesh**

- \* ICSB undertook various measures to promote and facilitate good governance in the corporate sector of Bangladesh
- \* ICSB identified the need for integration, harmonization and standardization of diverse secretarial practices, has constituted the Secretarial Standards Board with the objective of formulating Secretarial Standards,

## **Secretarial Standard Board**

- \* The Institute has issued two Secretarial Standards :
  - \* BSS-1 Secretarial Standard on Board of Directors Meeting
  - \* BSS-2 Secretarial Standard on General Meetings
- \* More Secretarial Standards are on the process to develop, like-
  - \* Secretarial Standard on Dividend
  - \* Secretarial Standard on Minutes

Recommendation has been made to include in the New Companies Act compulsory compliance of Secretarial Standard on Meeting of the Board of Directors and Secretarial Standard on General Meetings. Many companies today are voluntarily adopting Secretarial Standards in their functioning.

## **Main objectives for Awarding**

- \* Promoting governing excellence” is the main objective of our Institute. Globally, Chartered Secretaries Institute is called the Institute of Governance. ICSB is nurturing the profession of chartered secretary in the field of corporate management, specially emphasizing on the governance and compliance issues.
- \* The Institute is a member of Corporate Secretaries’ International Association (CSIA), Geneva, Switzerland, since 17 April, 2012. CISA is the global voice of Governance.
- \* The ICSB National Award for Corporate Governance Excellence will be conferred annually to public listed companies adjudged by the Jury as a front-runner in adhering to the Corporate Governance norms in reality. The main objectives are :
  - \* Recognizing leadership efforts of corporate board in practicing the CG principles in their functioning
  - \* Motivating the corporate in focusing CG practices in their functioning
  - \* Implementation of CG norms in true letter and spirit.

## JURY BOARD

The Jury to adjudge the awardees for the 1<sup>st</sup> ICSB National Awards for Corporate Governance Excellence, 2014 is as follows:

<b>Chairman</b>		
1.	Dr. A. B. Mirza Md. Azizul Islam	Former Advisor, Ministry of Finance, Planning, Caretaker Government of Bangladesh.
<b>Members</b>		
2.	Mr. Abdul Karim	Former Principal Secretary of the Office of honorable Prime Minister.
3.	Mr. Faruq Ahmad Siddiqi	Former Chairman Bangladesh Securities and Exchange Commission
4.	Mr. Suhel Ahmed Choudhury	Former Secretary, Ministry of Commerce, Government of Bangladesh.
5.	Mr. Feroz Ahmed	Former Secretary, Ministry of Commerce, Government of Bangladesh.
<b>Secretary to Jury Board</b>		
	Mr. Mohammad Nurul Alam FCS	Council Member of ICSB and Chairman, Corporate Governance Award Committee.

## **Technical Committees:**

Ten Technical Committees (TC) comprising three members in each committee would be responsible for independent appraisal and evaluation of the entities on the basis of annual report published in year 2014. The TCs members would be selected by the Corporate Governance Award Committee from the Fellow and Associate members of Institute of Chartered Secretaries of Bangladesh. The members who are working in any listed companies are not eligible for being a member in any TC. It is also notable that the members working in the industry would not be included in the TC of same category/industry. The ten TCs are as below:

1. **Technical Committee - 1:** Banking companies
2. **Technical Committee - 2:** Non-Banking Financial Institutions
3. **Technical Committee - 3:** Insurance companies
4. **Technical Committee - 4:** Pharmaceutical companies
5. **Technical Committee - 5:** Textiles and RMG companies
6. **Technical Committee - 6:** Food and Allied companies
7. **Technical Committee - 7:** IT and Telecommunication companies
8. **Technical Committee - 8:** Engineering & Mfg companies
9. **Technical Committee - 9:** General Manufacturing companies
10. **Technical Committee-10:** General Service companies

## Adjudication Process

Methodology: Evaluation and Assessment Approach

The method of adjudication involved reading through publicly available information, such as-

- Companies Annual Reports
- Audited Financial Reports
- Notices to call general meetings
- Investors information
- Website analyses
- Code of Conduct
- Other public information

## Evaluation & Assessment Tools

The ICSB Corporate Governance Scorecard was developed based on the:

- Corporate Governance Guideline issued by the BSEC
- Stock Exchange Listing Rules
- OECD principles on Corporate Governance
- Board practices (Global best practice)
- Global Corporate Governance Forum (GCGF)

## Evaluation Process:

**Primary selection:** By the Technical Committees

- i).Technical Committee - 1:** Banking companies
- ii).Technical Committee - 2:**Non-Banking Financial Institutions
- iii).Technical Committee - 3:** Insurance companies
- iv).Technical Committee - 4:** Pharmaceutical companies
- v).Technical Committee - 5:** Textiles and RMG companies
- vi).Technical Committee - 6:** Food and Allied companies
- vii).Technical Committee - 7:** IT and Telecommunication companies
- viii).Technical Committee - 8:** Engineering & Mfg companies
- ix).Technical Committee - 9:** General Manufacturing companies
- x).Technical Committee - 10:** General Service companies



**Final selection:** By the Jury Board

## **Awards Categories:**

Following 10 categories of eligible entities be bestowed under the ICSB National Awards for Corporate Governance Excellence, 2014. These 10 categories covered all the 18 categories of listed companies under the Dhaka Stock Exchanges.

1. Banking companies
2. Non-Banking Financial Institutions
3. Insurance companies
4. Pharmaceutical companies
5. Textiles and RMG companies
6. Food and Allied companies
7. IT and Telecommunication companies
8. Engineering & Mfg companies
9. General Manufacturing companies
10. General Service companies

## **Eligibility:**

The eligibility criteria for participation in the ICSB National Award for Corporate Governance Excellence are as under:

- Listed entities in Stock Exchanges in Bangladesh which send their nomination for the Award with 3 (three) copies of annual report of the entities published in the year 2014.

## **Required Documents:**

The following document will be required for evaluating the participating companies for the Awards:

- 3 (three) copies of Annual Report 2014

## **Award Selection:**

- 3(three) Entities of each category (10x3=30 Entities) will be awarded.

## Score Card

Section	Marks
Board Independence and Governance	15%
Board System and procedure	25%
Transparency and Disclosure	15%
Shareholder Value Enhancement	15%
Stakeholders Value Enhancement	15%
CSR	5%
Other good governance initiative and recognition	10%
<b>Total:</b>	<b>100%</b>

### Annexure A

Padma Life Tower (7<sup>th</sup> & 8<sup>th</sup> Floor), 115 Kazi Nazrul Islam Avenue, Bangla Motor, Dhaka-1000, Bangladesh  
Phone: 880 2 831 5338, 933 9957, 933 6901, 935 6972, 934 9578, E-mail: [icsb@icsb.edu.bd](mailto:icsb@icsb.edu.bd), [www.icsb.edu.bd](http://www.icsb.edu.bd),

## ICSB National Award for Corporate Governance Excellence 2013

### Questionnaires

Sl. No	Particulars	No. of Question	System
01	<p><b>Board Independence &amp; Governance: 15%</b></p> <p>(a) Chairman – Executive or Non-Executive (b) Office of the Chairman and CEO held by different person. (c) Discloser of criteria for appointment of Independent Directors in the Annual Report. (d) Written policy for induction of Directors. (e) Proportion of Independent Director to total member of Directors. (f) Role of Company Secretary &amp; his/her background.</p>	6	Binary Scale
02	<p><b>Board Systems and Procedures: 25%</b></p> <p>(a) Notice/Agenda in respect of Board/Committee Meetings. (b) Attendance in Board Meetings regarding Directors. (c) Board Committees in the Company. (d) Proportion of Independent directors in the Audit Committee. (e) Details of attendance in the Audit Committee meetings.</p>	5	Graphic Rating Scale
03	<p><b>Board Systems and Procedures:</b></p> <p>(a) Gap between two Board Meetings. (b) Written code of conduct for Directors &amp; Senior Management. (c) Particulars of whistle Blower policy (d) Information relating to compliance certificate (e) Policy of reviewing effectiveness of the Board of Director. (f) Independence of the Chairman of all Board Committees (g) Reporting of Internal Auditor to the Audit Committee (h) Presence of the Chairman of the AC at the AGM.</p>	11	Graphic Rating Scale

	<ul style="list-style-type: none"> <li>(i) Financial expert in the Audit Committee</li> <li>(j) Particulars of Remuneration Committee</li> <li>(k) Information applied to the Board</li> </ul>		
04	<p><b>Transparency &amp; Disclosure Compliances: 15%</b></p> <ul style="list-style-type: none"> <li>(a) Particulars of Purchase / Sale of goods/ materials/ or services by the Company to directors their relatives etc.</li> <li>(b) Disclosure in the Annual Report about related party transaction.</li> <li>(c) Disclosure regarding compliance of IFRS/ BFRS</li> <li>(d) Disclosure regarding compliance of ICSB Secretarial Standards.</li> <li>(e) Adverse remarks in the Auditors' Report</li> <li>(f) Certification of annual financial statements by the CEO &amp; CFO.</li> <li>(g) Presentation of FS on its website</li> <li>(h) To view the level of shareholders satisfaction and confidence toward the company.</li> </ul>	12	Binary Scale
05	<p><b>Transparency and Disclosures Compliances:</b></p> <ul style="list-style-type: none"> <li>(a) Disclosure made to the shareholders in the annual report.</li> <li>(b) Disclosure pertaining to the remuneration package of Directors in the Annual Report.</li> <li>(c) In function to shareholders regarding the appointment/ re-appointment of MD/ Director.</li> <li>(d) Means of Communication with the shareholders.</li> </ul>	4	Multiple Items Category
06	<p><b>Shareholders value Enhancement : 15%</b></p> <ul style="list-style-type: none"> <li>(a) Growth in net worth of the company during the last 5 years.</li> <li>(b) Percentage of dividend paid in previous 5 financial years.</li> <li>(c) EPS of the company for the last 5 years</li> <li>(d) Periodic reminders to shareholders who have not encashed their dividend.</li> </ul>	4	Graphic Rating Scale
07	<p><b>Stakeholders value Enhancement: 15%</b></p> <ul style="list-style-type: none"> <li>(a) To know the level of customer / consumers satisfaction</li> <li>(b) Policy to encourage employees participation in management.</li> <li>(c) Payment to vendors on time</li> <li>(d) Payment of Taxes to the Govt/Authorities</li> </ul>	6	Primary Scale

	<p>on time.</p> <p>(e) Dispute/default in respect of payment of govt. taxes</p> <p>(f) Policy of supply chain management</p>		
08	<p><b>Corporate Social Responsibility: 5%</b></p> <p>(a) Policy on CSR</p> <p>(b) Particulars about development of surrounding areas of its projects site by the company</p> <p>(c) Particulars of the forestation and plantation of trees.</p> <p>(d) Policy to prevent employment of child labour in company's plants.</p> <p>(e) Whether employees and their immediate family members take part in community welfare initiative of the company</p> <p>(f) Any scheme maintain under CSR programs.</p>	<b>6</b>	Binary Scale
09	<p><b>Other Good Corporate Governance initiatives / recognitions: 10%</b></p> <p>(a) Any award won by the company for Corporate Governance</p> <p>(b) Vision and Mission statement of the Company in the Annual Report</p> <p>(c) Corporate Governance Report in the Annual Report</p>	<b>3</b>	Open Ended Questions Category

**Total Weightage 100%**

**Judicators:**

- 1. Graphic Rating Scale:** In case of 15 questions, a 10 points scale ranging between 1 to 10 to be adapted.
- 2. Binary Scale:** In case of 30 questions where the answers can be provided as "yes" or "No" binary scale method to be used.
- 3. Multiple Item Category:** In case of 7 questions the value of each question to be calculated by dividing the total marks with the number of items in the question.
- 4. Opened ended questions Category:**