



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

**Report to the Shareholders of  
Silva Pharmaceuticals Limited  
on Compliance on the Corporate Governance Code**

We have examined the compliance status to the **Corporate Governance Code** by **Silva Pharmaceuticals Limited** for the year ended on 30 June 2024. This Code relates to the Notification No. BSEC/CMRRRCD/2006-158/207/Ad-min/80 dated 03 June 2018 of the Bangladesh Securities and Exchange Commission (BSEC).

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.

Dated: December 1, 2024  
Place: Dhaka

Signed for and on behalf of  
Mollah Quadir Yusuf & Co.  
Chartered Accountants

Moinul Islam FCA  
Partner

ICAB Enrolment No-1785

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

(Report under condition No. 9)

| Condition No.  | Title   | Compliance Status |               | Remarks  |
|----------------|---|-------------------|---------------|--|
|                |   | Complie d         | Not Complie d |  |
| <b>1</b>       | <b>Board of Directors</b>   |                   |               |  |
| 1(1)           | Total number of Company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty);   | √                 |               | 08 Direcors including 02 Independent Directors |
| <b>1(2)</b>    | <b>Independent Director</b>   |                   |               |  |
| 1(2) (a)       | One-fifth (1/5) of the total number of directors in the company's Board be Independent Directors (ID);  | √                 |               | 02 Independent Directors                       |
| 1(2)(b) (i)    | ID does not hold any shares or holds less than one percent (1%) shares in the company;  | √                 |               |  |
| 1(2)(b) (ii)   | ID not a sponsor of the company nor connected with any sponsor/director/nominated director/ 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 by family relationship and his/ her family members also shall not hold above mentioned shares in the company; | √                 |               |  |
| 1(2)(b) (iii)  | who has not been an executive of the company in immediately preceding 2 (two) financial years;  | √                 |               |  |
| 1(2)(b) (iv)   | who does not have any other relationship, whether pecuniary or otherwise;   | √                 |               |  |
| 1(2)(b) (v)    | who is not a member or TREC holder, director or officer of any stock exchange;  | √                 |               |  |
| 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;   | √                 |               |  |
| 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;  | √                 |               |  |
| 1(2)(b) (viii) | Directorship in more than 5 listed companies  | √                 |               |  |
| 1(2)(b) (ix)   | who has not been convicted by a court of competent jurisdiction as a loan defaulter of Bank or NBF1);   | √                 |               |  |
| 1(2)(b) (x)    | who has not been convicted for a criminal offence involving moral turpitude;  | √                 |               |  |
| 1(2)(c)        | Approval of appointment of Independent Director in the AGM  | √                 |               |  |
| 1(2)(d)        | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days;  | √                 |               |  |



| Condition No. | Title  | Compliance Status |               | Remarks                |
|---------------|--|-------------------|---------------|------------------------|
|               |  | Complie d         | Not Complie d |                        |
| 1(2)(e)       | 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  | √                 |               |                        |
| <b>1(3)</b>   | <b>Qualifications of Independent Director</b>  |                   |               |                        |
| 1(3)(a)       | Independent director shall be a knowledgeable individual with integrity.   | √                 |               |                        |
| 1(3)(b) (i)   | ID is business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100 million or any listed company or a member of any national or international chamber of commerce or business association;                     |                   |               | Not Applicable         |
| 1(3)(b) (ii)  | who is or was a top level executive not lower than CEO/MD/DMD/CFO/Head of Finance or Accounts/CS/HIAC/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; | √                 |               |                        |
| 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;                     |                   |               | Not Applicable         |
| 1(3)(b) (iv)  | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or  |                   |               | Not Applicable         |
| 1(3)(b) (v)   | Professional who is or was an Advocate practicing at least in the High Court Division of Bangladesh Supreme Court or CA/CMA/ CFA/CCA/CPA/ Chartered Management Accountant/CS or equivalent qualification   | √                 |               |                        |
| 1(3)(c)       | Independent director shall have at least 10 (ten) years of experiences in any field as clause (b);   | √                 |               |                        |
| 1(3)(d)       | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission   |                   |               | No Such Event Occurred |
| <b>1(4)</b>   | <b>Duality of Chairperson</b>  |                   |               |                        |
| 1(4)(a)       | Chairperson of the Board and the MD and/or CEO of the company shall be filled by different individuals;  | √                 |               |                        |
| 1(4)(b)       | MD and/or CEO of a listed company shall not hold the same position in another listed company   | √                 |               |                        |
| 1(4)(c)       | Chairperson of the Board shall be elected from among the nonexecutive directors of the company;  | √                 |               |                        |
| 1(4)(d)       | Board shall clearly define respective roles and responsibilities of the Chairperson and the MD and/or CEO;   | √                 |               |                        |
| 1(4)(e)       | In the absence of the Chairperson of the Board the remaining members may elect one of themselves from non- executive directors as Chairperson for that particular Board's meeting;   | √                 |               |                        |
| <b>1(5)</b>   | <b>The Directors' report to Shareholders'</b>  |                   |               |                        |
| 1(5)(i)       | Industry outlook and possible future developments  | √                 |               |                        |



| Condition No. | Title  | Compliance Status |               | Remarks                |
|---------------|--|-------------------|---------------|------------------------|
|               |  | Complie d         | Not Complie d |                        |
| 1(5) (ii)     | Segment / Product wise performance   | √                 |               |                        |
| 1(5) (iii)    | Risks and concerns including internal and external risk factors, threat and negative impact on environment, if any;  | √                 |               |                        |
| 1(5) (iv)     | Discussion on Cost of goods sold, Gross profit and Net profit margin   | √                 |               |                        |
| 1(5) (v)      | Discussion on continuity of extraordinary activities   | √                 |               |                        |
| 1(5) (vi)     | Discussion on related party transactions   | √                 |               |                        |
| 1(5) (vii)    | Statement of utilization of proceeds from public issue   | √                 |               |                        |
| 1(5) (viii)   | An explanation if the financial results deteriorate after the company goes for IPO, RPO, Rights Share Offer, Direct Listing, etc.;   | -                 |               | No Such Event Occurred |
| 1(5) (ix)     | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual F/S;  | √                 |               |                        |
| 1(5) (x)      | Statement of remuneration to Directors   | √                 |               |                        |
| 1(5) (xi)     | A statement that the F/S prepared by the management of the issuer company present fairly its state of affairs  | √                 |               |                        |
| 1(5) (xii)    | A statement that proper books of account of the issuer company have been maintained;   | √                 |               |                        |
| 1(5) (xiii)   | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment;                               | √                 |               |                        |
| 1(5) (xiv)    | A statement that IAS or IFRS, as applicable in Bangladesh, have been followed in preparation of the FY and any departure there from has been adequately disclosed;   | √                 |               |                        |
| 1(5) (xv)     | Sound internal control designed and implementation thereof   | √                 |               |                        |
| 1(5) (xvi)    | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress;                            | √                 |               |                        |
| 1(5) (xvii)   | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | √                 |               |                        |
| 1(5) (xviii)  | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained;   | √                 |               |                        |
| 1(5) (xix)    | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;   | √                 |               |                        |
| 1(5) (xx)     | An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;  |                   |               | Not Applicable         |



| Condition No.      | Title   | Compliance Status |               | Remarks        |
|--------------------|---|-------------------|---------------|----------------|
|                    |   | Complie d         | Not Complie d |                |
| 1(5) (xxi)         | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;  | -                 |               | Not Applicable |
| 1(5) (xxii)        | Total number of Board meetings held during the year and attendance by each director;  | √                 |               |                |
| <b>1(5)(xxiii)</b> | <b>The Pattern of Shareholding</b>  |                   |               |                |
| 1(5) (xxiii) (a)   | Shareholding by Parent or Subsidiary/Associated companies   | √                 |               |                |
| 1(5) (xxiii) (b)   | Shareholding by Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance   | √                 |               |                |
| 1(5) (xxiii) (c)   | Shareholding by Executives  | √                 |               |                |
| 1(5) (xxiii) (d)   | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);  | √                 |               |                |
| <b>1(5) (xxiv)</b> | <b>Appointment or Re-Appointment of Director</b>  |                   |               |                |
| 1(5) (xxiv) (a)    | Brief resume of the director  | √                 |               |                |
| 1(5)(xxiv) (b)     | Nature of Director expertise  | √                 |               |                |
| 1(5) (xxiv) (c)    | Names of companies in which director holds directorship   | √                 |               |                |
| <b>1(5)(xxv)</b>   | <b>Management Discussion and analysis of Financial Statements</b>   |                   |               |                |
| 1(5)(xxv) (a)      | Accounting policies and estimation for preparation of financial statements  | √                 |               |                |
| 1(5)(xxv)(b)       | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;                        | √                 |               |                |
| 1(5)(xxv) (c)      | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | √                 |               |                |
| 1(5)(xxv)(d)       | Compare financial performance and position with peer industry   | √                 |               |                |
| 1(5)(xxv) (e)      | Financial and economic scenario of the country and the globe  | √                 |               |                |
| 1(5)(xxv) (f)      | Risk and concerns issues related to financial statements and mitigation plan  | √                 |               |                |
| 1(5)(xxv)(g)       | Future plan or projection of company's operation, performance and financial position  | √                 |               |                |
| 1(5)(xxvi)         | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A;   | √                 |               |                |
| 1(5)(xxvii)        | The Report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C.  | √                 |               |                |
| 1(6)               | Board meetings and record of minutes as per requirement   | √                 |               |                |
| 1(7) (a)           | Code of conduct for chairperson, Board members and Chief Executive Officer  | √                 |               |                |



| Condition No. | Title   | Compliance Status |              | Remarks        |
|---------------|---|-------------------|--------------|----------------|
|               |   | Complied          | Not Complied |                |
| 1(7) (b)      | The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency | √                 |              |                |
| <b>2</b>      | <b>Governance of Board of Directors of Subsidiary Company</b>   |                   |              |                |
| 2 (a)         | Provisions relating to the composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company;  | —                 | —            | Not Applicable |
| 2 (b)         | At least 1 (one) Independent director on the Board of the holding company shall be a director on the Board of the subsidiary company;   | —                 | —            | Not Applicable |
| 2 (c)         | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company;  | —                 | —            | Not Applicable |
| 2 (d)         | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also;  | —                 | —            | Not Applicable |
| 2 (e)         | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company.  | —                 | —            | Not Applicable |
| <b>3</b>      | <b>MD/CEO/CFO/HIAC and CS</b>   |                   |              |                |
| 3(1) (a)      | The Board shall appoint a MD or Chief Executive CEO, a CS, a CFO and a HIAC;  | √                 |              |                |
| 3(1) (b)      | The positions of the MD or Chief Executive Officer CEO, CS, CFO and HIAC shall be filled by different individuals;  | √                 |              |                |
| 3(1) (c)      | The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;  | √                 |              |                |
| 3(1) (d)      | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;   | √                 |              |                |
| 3(1) (e)      | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board;   | √                 |              |                |
| 3 (2)         | The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board:  | √                 |              |                |
| 3(3)(a)(i)    | These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and   | √                 |              |                |
| 3(3)(a)(ii)   | These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;   | √                 |              |                |





| Condition No. | Title   | Compliance Status |               | Remarks             |
|---------------|---|-------------------|---------------|---------------------|
|               |   | Complie d         | Not Complie d |                     |
| 3(3)(b)       | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;  | √                 |               |                     |
| 3(3)(c)       | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.   | √                 |               |                     |
| <b>4</b>      | <b>Board Directors Committee</b>  |                   |               |                     |
| 4 (i)         | Audit Committee   | √                 |               |                     |
| 4 (ii)        | Nomination and Remuneration committee   | √                 |               |                     |
| <b>5</b>      | <b>Audit Committee</b>  |                   |               |                     |
| 5(1) (a)      | The company shall have an Audit Committee as a sub- committee of the Board;   | √                 |               |                     |
| 5(1) (b)      | The Audit Committee shall assist the Board in ensuring that the FS reflect true and fair view of the state of affairs of the company;   | √                 |               |                     |
| 5(1) (c)      | The Audit Committee shall be responsible to the Board;  | √                 |               |                     |
| <b>5(2)</b>   | <b>Constitution of The Audit Committee</b>  |                   |               |                     |
| 5(2) (a)      | The Audit Committee shall be composed of at least 3 (three) members;  | √                 |               |                     |
| 5(2) (b)      | The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) Independent director;  | √                 |               |                     |
| 5(2) (c)      | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background and 10 (ten) years of such experience;   | √                 |               |                     |
| 5(2) (d)      | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | -                 |               | So far not required |
| 5(2) (e)      | The company secretary shall act as the secretary of the Committee;  | √                 |               |                     |
| 5(2) (f)      | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.   | √                 |               |                     |
| 5(3) (a)      | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;  | √                 |               |                     |



| Condition No.  | Title  | Compliance Status |              | Remarks                |
|----------------|--|-------------------|--------------|------------------------|
|                |  | Complied          | Not Complied |                        |
| 5(3) (b)       | In the absence of the Chairperson of the Audit Committee, under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes;              |                   |              | No Such Event Occurred |
| 5(3) (c)       | Chairperson of the Audit Committee shall remain present in the Annual General Meeting.   | √                 |              |                        |
| <b>5(4)</b>    | <b>Meeting of the Audit Committee</b>  |                   |              |                        |
| 5(4) (a)       | The Audit Committee shall conduct at least its four meetings in a financial year;  | √                 |              |                        |
| 5(4) (b)       | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members;   | √                 |              |                        |
| <b>5(5)</b>    | <b>Role of Audit Committee</b>   |                   |              |                        |
| 5(5) (a)       | Oversee the Financial reporting process  | √                 |              |                        |
| 5(5) (b)       | Monitor accounting policies and principles   | √                 |              |                        |
| 5(5) (c)       | Monitor Internal Audit and Compliance process and review of the Internal Audit and Compliance Report;  | √                 |              |                        |
| 5(5) (d)       | Oversee hiring and performance of external Auditors  | √                 |              |                        |
| 5(5) (e)       | Hold Meeting with external auditors  | √                 |              |                        |
| 5(5) (f)       | Review along with the management, the annual F/S before submission to the Board for approval;  | √                 |              |                        |
| 5(5) (g)       | Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;  | √                 |              |                        |
| 5(5) (h)       | Review the adequacy of internal audit function;  | √                 |              |                        |
| 5(5) (i)       | Review management discussion and analysis  | √                 |              |                        |
| 5(5) (j)       | Review related party transactions  | √                 |              |                        |
| 5(5) (k)       | Review management letters by statutory Auditors  | -                 |              | Not Applicable         |
| 5(5) (l)       | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | √                 |              |                        |
| 5(5) (m)       | Oversee whether the proceeds raised through IPO/RPO or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:   | √                 |              |                        |
| <b>5(6)</b>    | <b>Reporting of the Audit Committee</b>  |                   |              |                        |
| 5(6)(a) (i)    | The Audit Committee shall report on its activities to the Board.   | √                 |              |                        |
| 5(6)(a)(ii)(a) | Report on conflict of interest to the Board of Directors   | -                 |              | No such confictions    |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;   | -                 |              | No such incidence      |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and   | -                 |              | No such incidence      |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;  | -                 |              | No such matter         |





| Condition No. | Title  | Compliance Status |              | Remarks                |
|---------------|--|-------------------|--------------|------------------------|
|               |  | Complied          | Not Complied |                        |
| 5(6)(b)       | If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier | –                 |              | No such incidence      |
| 5(7)          | Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.   | √                 |              |                        |
| <b>6</b>      | <b>Nomination &amp; Remuneration Committee</b>   |                   |              |                        |
| 6(1)(a)       | NRC as a sub committee of the Board  | √                 |              |                        |
| 6(1)(b)       | Assist the Board in formulation of nomination criteria of directors and top level executive  | √                 |              |                        |
| 6(1)(c)       | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No.6(5)(b).   | √                 |              |                        |
| <b>6(2)</b>   | <b>Constitution of the NRC</b>   |                   |              |                        |
| 6(2)(a)       | The Committee shall comprise of at least three members including an independent director;  | √                 |              |                        |
| 6(2)(b)       | All members of the Committee shall be non-executive directors  | √                 |              |                        |
| 6(2)(c)       | Members of the Committee shall be nominated and appointed by the Board;  | √                 |              |                        |
| 6(2)(d)       | The Board shall have authority to remove and appoint any member of the Committee;  | √                 |              |                        |
| 6(2)(e)       | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;   |                   |              | No Such Event Occurred |
| 6(2)(f)       | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee;   | –                 |              | So far not required    |
| 6(2)(g)       | The company secretary shall act as the secretary of the Committee;   | √                 |              |                        |
| 6(2)(h)       | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;   | √                 |              |                        |
| 6(2)(i)       | No member of the NRC shall receive, either directly or indirectly, any remuneration or fees other than Director's fees or honorarium from the company  | √                 |              |                        |



| Condition No. | Title   | Compliance Status |               | Remarks                  |
|---------------|---|-------------------|---------------|--------------------------|
|               |   | Complie d         | Not Complie d |                          |
| <b>6(3)</b>   | <b>Chairperson of the NRC</b>   |                   |               |                          |
| 6(3)(a)       | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director;  | √                 |               |                          |
| 6(3)(b)       | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; |                   |               | So far not required      |
| 6(3)(c)       | Chairperson of the NRC shall attend the AGM to answer the queries of the shareholders;  | √                 |               |                          |
| <b>6(4)</b>   | <b>Meeting of the NRC</b>   |                   |               |                          |
| 6(4)(a)       | The NRC shall conduct at least one meeting in a financial year;   | √                 |               |                          |
| 6(4)(b)       | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC  | —                 |               | No such emergency arises |
| 6(4)(c)       | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee.   | √                 |               |                          |
| 6(4)(d)       | The proceedings of each meeting of the NRC shall duly be recorded in the minutes.   | √                 |               |                          |
| <b>6(5)</b>   | <b>Role of the NRC</b>  |                   |               |                          |
| 6(5)(a)       | NRC shall be independent and responsible or accountable to the Board and to the shareholders;   | √                 |               |                          |
| 6(5)(b)(i)(a) | The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;  | √                 |               |                          |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and  | √                 |               |                          |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;                    | √                 |               |                          |
| 6(5)(b)(ii)   | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;  | √                 |               |                          |
| 6(5)(b)(iii)  | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;             | √                 |               |                          |
| 6(5)(b)(iv)   | Formulating the criteria for evaluation of performance of independent directors and the Board;  | √                 |               |                          |
| 6(5)(b)(v)    | Identifying company's needs for appointment of employees and determination their selection, transfer and promotion criteria.  | √                 |               |                          |
| 6(5)(b)(vi)   | Developing, recommending and reviewing annually the company's human resources and training policies;  | √                 |               |                          |



| Condition No. | Title   | Compliance Status |               | Remarks |
|---------------|---|-------------------|---------------|---------|
|               |   | Complie d         | Not Complie d |         |
| 6(5)(c)       | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | √                 |               |         |
| <b>7</b>      | <b>External or Statutory Auditors</b>   |                   |               |         |
| 7(1)(i)       | Appraisal or valuation services or fairness opinions;   | √                 |               |         |
| 7(1)(ii)      | Financial information systems design and implementation;  | √                 |               |         |
| 7(1)(iii)     | Book-keeping or other services related to the accounting records or financial statements;   | √                 |               |         |
| 7(1)(iv)      | Broker-dealer services  | √                 |               |         |
| 7(1)(v)       | Actuarial services  | √                 |               |         |
| 7(1)(vi)      | Internal audit services   | √                 |               |         |
| 7(1)(vii)     | Any service that the Audit Committee determines;  | √                 |               |         |
| 7(1)(viii)    | Audit or certification services on compliance of corporate governance as required under condition no. 9(1)  | √                 |               |         |
| 7(1)(ix)      | Any other service that creates conflict of interest   | √                 |               |         |
| 7(2)          | Shareholding of partner or employees of external Audit firms  | √                 |               |         |
| 7(3)          | Presence of representative of external auditors in AGM/EGM  | √                 |               |         |
| <b>8</b>      | <b>Maintaining a website by the company</b>   |                   |               |         |
| 8(1)          | The company shall have an official website linked with the website of the stock exchange;   | √                 |               |         |
| 8(2)          | The company shall keep the website functional from the date of listing;   | √                 |               |         |
| 8(3)          | The company shall make available the detailed disclosures on its website as per listing regulations.  | √                 |               |         |
| <b>9</b>      | <b>Reporting &amp; Compliance of Corporate Governance</b>   |                   |               |         |
| 9(1)          | Certificate of compliance regarding Corporate Governance Guidelines   | √                 |               |         |
| 9(2)          | Compliance auditor shall be appointed by the shareholders in the AGM  | √                 |               |         |
| 9(3)          | Compliance of conditions as per Annexure-C  | √                 |               |         |

