

# Corporate Governance Report

[In terms of the BSEC Notification no. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018 issued by Securities and Exchange Commission]

## Date of Report

The information provided in this Report on Corporate Governance for unanimity is as of June 30, 2025. This Report is updated as of the date of the Report wherever applicable.

## Company's Philosophy on Code of Governance

Esquire Knit Composite PLC's philosophy on the Code of Governance centers on maintaining transparency, accountability, fairness, and responsibility to all its stakeholders. The company views good governance as fundamental to strengthening its sustainability, organizational effectiveness, and long-term success.

Key aspects of their philosophy and framework include:

<b>Compliance with Regulations</b>	The company is fully guided by the Corporate Governance Principles stipulated by the Bangladesh Securities and Exchange Commission (BSEC) and complies with the Companies Act 1994, listing regulations of local stock exchanges (Dhaka and Chittagong), and all other applicable laws and regulations.
<b>Stakeholder Trust and Interest</b>	The Board operates with the conviction that it must protect the interests of all stakeholders, not just shareholders. Transparent policies and open communication are used to build and maintain the faith of investors, employees, customers, and the community.
<b>Effective Internal Controls and Risk Management</b>	The governance framework is designed to ensure a sound system of internal control is effectively implemented and monitored, which is crucial for managing risks and ensuring compliance with policies.
<b>Ethical Conduct and Integrity</b>	Integrity, respect, and professionalism are core values guiding the actions of all employees. The company is committed to operating ethically and holding individuals accountable for their behavior.
<b>Transparent Disclosure</b>	The company focuses on the timely and accurate disclosure of financial performance, governance practices, and operational results to enable informed decision-making by stakeholders.
<b>Board Oversight</b>	The Board of Directors is collectively responsible for the company's strategic direction, value system, and governance frameworks, ensuring leadership that meets business objectives responsibly.

The company continually reviews its corporate governance frameworks to ensure they remain relevant, effective, and capable of addressing future business challenges in a responsible manner.

## Board of Directors

The Board of Directors of the Company (the "Board") has an optimum combination of Executive and Non-Executive Directors and is duly constituted under the Chairmanship of a Non-Executive Director. The Board Members possess adequate qualifications, knowledge, expertise, and experience to provide strategic guidance to the Company. The BSEC (BSEC notification No. BSEC/CMMRRCD/2006-158/2007/admin/80 dated 3 June 2018) Regulations mandate that for a company with a Non-Executive Chairman, at least one-fifth of the Board should comprise Independent Directors.

As of June 30, 2025, the Board comprised 6 (six) directors, of which 5 (five) were Non-Executive Directors including the Chairman. Apart from this, there are 2 (two) Independent Directors among these five Non-Executive Directors. Two female Directors out of the total composition of the Board.

The composition of the Board as of June 30, 2025 the number of committees of which a director is a Member/Chairperson, and the attendance of each director at the Board Meeting's as follows:

Name of the Directors & Position of the Company	Position of the Board	No. on membership on Board committees	No. on Chairpersonship on Board committees	No. of Board Meetings attended during the 2024-2025 financial year
<b>Mrs. Piara Hossain</b> Non-Executive Directive Director	Chairman	N/A	N/A	8 out of 8
<b>Mr. Md. Ehsanul Habib</b> Managing Director	Director	N/A	N/A	8 out of 8
<b>Mr. Arifur Rahman</b> Non-Executive Director	Director	N/A	N/A	8 out of 8
<b>Mr. Md. Muddasar Hossain</b> Non-Executive Director	Director	4	N/A	8 out of 8
<b>Mr. A. K. M. Shamsul Areefin</b> Independent & Non-Executive Director	Director	4	3	8 out of 8
<b>Mr. Md. Mozammel Hossain, FCA</b> Independent & Non-Executive Director	Director	4	1	8 out of 8

The Committee positions are based on the latest disclosures received by the Company. The last AGM (24th) held on January 25, 2025 through Video Conferencing ("VC") or Other Audio-Visual Means ("OAVM") was attended by all the above-named directors excluding Mrs. Piara Hossain.

### Board Meetings and Attendance

The Board met 8th(eighth) time during the financial year that ended on June 30, 2025. At least one meeting of the Board was held in every quarter and the time gap between any two consecutive board meetings did not exceed 120 days during the financial year that ended on June 30, 2025. The details are as follows:

Meeting Number	Date of Board Meetings	Board Strength (No. of Directors)	No. of Directors Present	No. of Independent Directors Present
144th	Wednesday, July 3, 2024	6	6	2
145th	Saturday, October 26, 2024	6	6	2
146th	Wednesday, November 6, 2024	6	6	2
147th	Tuesday, November 12, 2024	6	6	2
148th	Thursday, January 30, 2025	6	6	2
149th	Wednesday, March 19, 2025	6	6	2
150th	Monday, April 28, 2025	6	6	2
151st	Monday, January 28, 2025	6	6	2

The Directors have access to the complete agenda for meetings along with all relevant annexures and other information on their respective e-mail through the secretarial department and offline modes as well as functionality to make private notes and comments ahead of the meetings and many other advanced features.

# Corporate Governance Report

## Board Committees

The Board has promulgated various committees and has delegated specific responsibilities to them. The Committees review items in great detail before they are placed at the Board meetings for consideration. The Committees follow the defined guidelines and establish the framework for their operations. The terms of reference of the committees comply with the Act (BSEC guidelines) and the Listing Regulations.

During the financial year ended June 30, 2025, the Board has constituted its committees and no terms of reference of the committees have been amended, as applicable, in compliance with the BSEC regulations dated 3 June 2018.

The committees are-

1. Audit Committee
2. Nomination and Remuneration Committee

## Structure of the Committee

The Board has delegated certain responsibilities to these committees to assist in the discharge of its duties.

### 1. Audit Committee

This committee oversees the company's financial reporting process, internal controls, and the audit process. The members are typically independent directors to ensure objectivity.

- **Chairman**  
An Independent Director typically chairs the Audit Committee.
- **Members**  
This committee also primarily consists of independent and non-executive directors, following the guidelines set by the Bangladesh Securities and Exchange Commission (BSEC).

### 2. Nomination and Remuneration Committee (NRC)

The NRC is responsible for formulating the criteria for determining qualifications, positive attributes, and independence of a director, as well as recommending the board structure and remuneration policies.

- **Chairman**  
An Independent Director typically chairs the Audit Committee.
- **Members**  
This committee also primarily consists of independent and non-executive directors, following the guidelines set by the Bangladesh Securities and Exchange Commission (BSEC).

The above two committees are regulatory requirements and the terms of reference of these committees are limited by BSEC's regulation dated 3 June 2018.

### 3. Corporate Governance Compliance Committee

### 4. Risk Management Committee

#### 3. Management Committee

The above three committees are constituted to ensure improvement, accountability and good governance in the Company and Management of the Company.

The Committees is provided, on a timely basis, with requisite information and detailed agenda papers, together with necessary supporting papers, as required.

### Role & Responsibilities of the Board

The Board of Directors of Esquire Knit Composite PLC is collectively responsible to the shareholders for the company's overall success, strategic direction, and governance. Its roles are defined by the Companies Act, 1994, BSEC Corporate Governance Code, Listing Regulations, and other applicable laws of Bangladesh.

#### Key roles and responsibilities include:

##### Strategic and Leadership Functions

<b>Determining Strategy</b>	Evaluating and developing the company's strategies, vision, mission, and work plan to enhance effectiveness and efficiency.
<b>Providing Leadership</b>	Offering the necessary leadership to ensure business objectives are met within the established framework of internal controls.
<b>Supervising Management</b>	Supervising the management of the business and leading and directing the company's affairs.

##### Governance and Compliance

<b>Ensuring Compliance</b>	Ensuring strict compliance with the Companies Act 1994, the BSEC Corporate Governance Code, Listing Regulations, labor laws, and all other applicable regulations.
<b>Risk Management &amp; Internal Control</b>	Reviewing the adequacy and integrity of the company's internal control and risk management systems.
<b>Ethical Standards</b>	Adhering to the highest ethical standards and promoting accountability and transparency in all operations.
<b>Forming Committees</b>	Constituting committees (e.g., Board Audit Committee, Nomination and Remuneration Committee) and delegating responsibilities to assist the Board in effective governance.

##### Financial and Reporting

Approving Financial Statements	Reviewing and approving the annual and quarterly financial statements, ensuring they present a true and fair view of the company's affairs and comply with International Financial Reporting Standards (IFRS), as applicable in Bangladesh.
Appropriating Profit and Declaring Dividends	Approving the appropriation of profit and recommending or declaring dividends for shareholders' approval at the Annual General Meeting (AGM).
Reporting to Shareholders	Reporting to shareholders on the company's stewardship and performance.

# Corporate Governance Report

## Stakeholder Relations

Protecting Shareholder Investment	Acting to protect the investment of investors and providing good dividends.
Maintaining Stakeholder Relationships	Understanding and taking into account the interests of all stakeholders, including employees, customers, suppliers, and government authorities.
Promoting Goodwill	Working to promote the goodwill and support of all stakeholders.

The Board maintains oversight but does not typically interfere with the day-to-day administration or operational affairs, which are the primary responsibilities of the Managing Director.

## Functioning of the Board

The Directors meet together for the dispatch of the business and regulate the meetings and proceedings according to the needs of the Company. Every Board Meeting is preceded by a service of notice well ahead of the scheduled time. Notice with agenda supported by working papers for every meeting of the Board is sent to all Directors well in advance so that they can come up with their considered views and can actively participate in the deliberations. During the meeting, the Board gets a thorough review of the performance of the Company by the Managing Director.

All pertinent matters are discussed in detail and decisions are taken based on thorough considerations. Questions arising at any meeting are decided by a majority of votes. However, there is a procedure supported by the Articles of Associations of the Company which allows taking care of any urgent matter through Resolution by Circulation. Such circular resolution is adopted by the Directors present in Bangladesh, without having to call a formal Board Meeting. To make it transparent, such resolutions passed by circulation are subsequently tabled immediately following the board meeting and included in the minutes accordingly.

## Separate Role of the Chairman and Managing Director

The roles of the Chairman and the Managing Director (MD) at Esquire Knit Composite PLC are distinctly separated, in compliance with the Bangladesh Securities and Exchange Commission (BSEC), Corporate Governance Code. This separation prevents a concentration of power and ensures a balance between board leadership and executive management.

### The Role and Responsibilities of the Chairman

The Chairman is a non-executive director focused on overall governance and compliance. Key responsibilities include presiding over Board and General Meetings, ensuring the company operates within legal and regulatory frameworks, and maintaining relations with stakeholders. The Chairman does not interfere in the company's daily operations.

### The Role and Responsibilities of the Managing Director (MD)

The Managing Director is an executive director who leads the management team and is responsible for running the organization and implementing the board's strategy. The MD is responsible for developing and executing long-term strategies, overseeing day-to-day management decisions, acting as the head of the business group, serving as the liaison between the Board and management, and communicating on behalf of the company.

Essentially, the Chairman focuses on setting governance standards and strategic direction, while the Managing Director manages daily operations and executes the approved strategy.

### Independent Director

To ensure the good governance of the Company, according to the guidelines of the Bangladesh Securities and Exchange Commission. Esquire Knit Composite PLC has two independent directors serving on its Board of Directors.

The independent directors are:

- » A.K.M Shamsul Areefin
- » Md. Mozammel Hossain, FCA (Relieved from July 1, 2025)
- » Ms. Masuda Sultana ACA, FCS (Appointed from July 1, 2025)

These directors are non-executive and do not hold more than 1% of the company's shares, ensuring their independence and ability to provide objective oversight and governance, in compliance with the BSEC Corporate Governance Code. They play a crucial role in safeguarding stakeholder interests and contributing to strategic guidance and risk management.

### Audit Committee

The Audit Committee of Esquire Knit Composite PLC is a sub-committee of the main Board of Directors, established to assist the Board in fulfilling its oversight responsibilities, particularly regarding reporting and internal controls.

### Composition

The committee is composed of at least three members, who must be non-executive directors. The Chairperson of the Audit Committee is an independent director.

The composition and attendance of the members of the Audit Committee are-

Meeting Number	Date of Meeting	Name of the Committee Members & Position of the Board	Position of the Committee	No. of meetings attended
33rd 34th 35th 36th	12-Oct-24 12-Nov-24 30-Jan-25 28-Apr-25	<b>Mr. Md. Mozammel Hossain, FCA</b> Independent & Non-Executive Director	Chairperson	4 out of 4
		<b>Mr. A. K. M. Shamsul Areefin</b> Independent & Non-Executive Director	Member	4 out of 4
		<b>Mr. Md. Muddasar Hossain</b> Non-Executive Director	Member	4 out of 4
		<b>Mr. Md. Monir Hossain</b> Company Secretary	Member Secretary	4 out of 4

The Company Secretary acts as the Member Secretary of the Audit Committee.

### Functioning and Responsibilities

The Audit Committee is responsible to the Board and operates based on clearly defined written duties. Key functions include:

<b>Financial Statement Review</b>	Assisting the Board in ensuring that the annual and quarterly financial statements reflect a “true and fair view” of the company’s state of affairs.
<b>Internal Control and Risk Management</b>	Reviewing the adequacy and effectiveness of the company’s internal control systems, internal audit functions, and risk management procedures to detect errors, frauds, and other deficiencies.
<b>Liaison with Auditors</b>	Coordinating with both internal and external auditors, reviewing their reports, and monitoring the integrity of the audit process.
<b>Compliance Oversight</b>	Monitoring compliance with all applicable laws, rules, regulations, and the BSEC Corporate Governance Code.
<b>Ethical Conduct</b>	Preventing conflict of interest issues between the company and its directors, officials, customers, and suppliers.
<b>Meetings</b>	The committee is required to conduct at least four meetings in a financial year. The Chairperson of the Audit Committee must also be present at the Annual General Meeting (AGM) to answer shareholder queries.

## Corporate Governance Report

### Nomination and Remuneration Committee (NRC)

The Nomination and Remuneration Committee (NRC) of Esquire Knit Composite PLC is a Board sub-committee responsible for establishing a formal and transparent process for the appointment, re-appointment, and remuneration of the company's directors and key management personnel.

### Composition

The NRC is comprised of at least three non-executive directors, with a majority required to be independent directors. The Chairperson of the committee must be an independent director.

The composition and attendance of the members of the Audit Committee are-

Meeting Number	Date of Meeting	Name of the Committee Members & Position of the Board	Position of the Committee	No. of meetings attended
27th 28th 29th	11-Nov-24 29-Jan-25 28-Jun-25	<b>Mr. A.K.M. Shamsul Areefin</b> Independent & Non-Executive Director	Chairperson	3 out of 3
		<b>Mr. Md. Mozammel Hossain, FCA</b> Independent & Non-Executive Director	Member	3 out of 3
		<b>Mrs. Piara Hossain</b> Non-Executive Director	Member	3 out of 3
		<b>Mr. Md. Monir Hossain</b> Company Secretary	Member Secretary	3 out of 3

The Company Secretary typically acts as the Member Secretary of the Committee.

### Key Responsibilities

The committee functions according to a Nomination and Remuneration Policy and its key responsibilities include:

<b>Formulating Policy</b>	Developing and recommending to the Board a policy on the nomination and remuneration of directors and key executives.
<b>Identifying Candidates</b>	Identifying individuals qualified to become directors and who may be appointed to top management positions, and recommending their appointment or removal to the Board.
<b>Determining Remuneration</b>	Recommending the remuneration structure for executive and non-executive directors, including the Managing Director, ensuring it is competitive, fair, and reflects performance and legal requirements.
<b>Board Evaluation</b>	Assisting the Board in the evaluation of its own performance and the performance of individual directors and committees.
<b>Ensuring Compliance</b>	Ensuring that the appointment and remuneration processes comply with all relevant regulations, including the Companies Act 1994 and the BSEC Corporate Governance Code.

### Corporate Governance Compliance Committee

The Board has constituted a Corporate Governance Compliance Committee to ensure improvement, accountability, and good governance in the Company and Management of the Company.

### Composition, Meetings, and Attendance

The Committee met two (2) time during the financial year 2024-2025. The Corporate Governance Compliance Committee is comprised of 3 (three) Non-Executive Directors including 2 (two) Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The details of the composition, meetings, and attendance of the members of the corporate governance compliance committee are as follows:

Name of the Committee Members	Position of the Board	Position of the Committee	Number of meetings attended
Mr. A.K.M. Shamsul Areefin	Independent & Non-Executive Director	Chairperson	2 out of 2
Mr. Md. Mozammel Hossain, FCA	Independent & Non-Executive Director	Member	2 out of 2
Mr. Md. Muddasar Hossain	Non-Executive Director	Member	2 out of 2
Mr. Monir Hossain	Company Secretary	Member Secretary	2 out of 2

### Risk Management Committee

Risk Management is the process of identifying, assessing and controlling financial, legal, strategic and security risks to the Company's capital and earnings. The Board has constituted a Risk Management Committee to ensure improvement, accountability and minimize risk in the Company and Management of the Company.

### Composition, Meetings and Attendance

The Committee met two (2) time during the financial year 2043-2025. The Corporate Governance Compliance Committee is comprised of 3 (three) Non-Executive Directors, where 2 (two) Independent Directors. The Company Secretary acts as the Secretary to the Committee.

The details of the composition, meetings, and attendance of the members of the risk management committee are as follows:

Name of the Committee Members	Position of the Board	Position of the Committee	Number of meetings attended
Mr. A.K.M. Shamsul Areefin	Independent & Non-Executive Director	Chairperson	2 out of 2
Mr. Md. Mozammel Hossain, FCA	Independent & Non-Executive Director	Member	2 out of 2
Mr. Md. Muddasar Hossain	Non-Executive Director	Member	2 out of 2
Mr. Monir Hossain	Company Secretary	Member Secretary	2 out of 2

### Management Committee

The Management Committee is led by the Managing Director, Mr. Md. Ehsanul Habib, who is appointed by the Board of Directors for a term of five years (renewable) with the approval of shareholders in the Annual General Meeting. The Management Committee comprises senior executive members of the Company. Within the limits of delegated authority and responsibility by the Board of Directors, Executive Management operates through further delegation of authority at every echelon of the line management.

The Management Committee operates within the framework; policy & planning strategies set by the Top management with periodic performance reporting for guidance.

The Management Committee is responsible for the preparation of segment plans/sub-segment plans for every profit center with budgetary targets for every item of goods & services and is held accountable for deficiencies, with an appreciation for outstanding performance. These operations are continuously carried out by the Management Committee through a series of Committees, Sub-Committees, Adhoc Committees & Standing Committees assisting the line Management.

### Relationship

Relationship with shareholders & Public

The Shareholders as owners are required to be provided the material information on the company's operation every quarter and annually, the latter at the Annual General Meeting. They are also provided with routine services by the Company affairs division in matters of their various queries, share transfer, dematerialization, rematerialization of shares, payment of dividends, etc.

The Board is however responsible to the public for the publication of any price-sensitive information as per BSEC regulation. A qualified Secretary is in charge of all these responsibilities as a Company Secretary.



# Corporate Governance Report

## Relationship with Government

In its role of accountability to the government, the Board of Directors ensures payment of all dues to the government in the form of import duty, custom duty and port charges, VAT, corporate Taxes, and other levels as and when they became due based on actual operations and make sure to avoid corruption. This has enabled the Company to enhance its contribution to the National Exchequer at a progressive rate year after year.

## Relationship with Financier/Bankers

The Board oversees the financial transactions to the lenders without default. This has resulted in securing lower interest rates from them.

## Relationship with Suppliers

As the Company has to import plant, machinery and spare parts and almost all the raw materials from abroad, it maintains cordial and mutually beneficial interests with its international as well as local suppliers. This has enabled the Company to avoid any legal disputes in international/local courts and enhanced the Company's image as a good customer.

## Corporate Social Responsibilities (CSR)

The Board of Directors is also aware of the Corporate Social Responsibilities (CSR), especially in the areas of gender equality, race-religion, regional equality, non-employment of child labor, human rights, environmental pollution, social-marketing, social activities (promotion of sports & culture, health care and participation in charitable activities, etc.)

## Chief Financial Officer, Company Secretary, and Head of Internal Audit and Compliance

The Company has appointed the following persons as Chief Financial Officer, Company Secretary and Internal Audit and Compliance of the Company as per the requirement of the Corporate Governance Code of Bangladesh Securities and Exchange Commission:

Mr. Md. Mustafizur Rahman	- Chief Financial Officer
Mr. Md. Monir Hossain	- Company Secretary
Mr. Md. Rakibur Rahman	- Head of Internal Audit and Compliance

## Separate Roles

Esquire Knit Composite PLC assigns distinct and separate roles to the Chief Financial Officer (CFO), Company Secretary, and Head of Internal Audit and Compliance to ensure proper governance, accountability, and financial integrity, as required by the BSEC Corporate Governance Code.

## Chief Financial Officer (CFO)

The CFO is the top financial executive, accountable for the company's financial and accounting operations and fund management.

<b>Financial Management</b>	Oversees all financial planning, budgeting, control, and cash flow management to achieve the highest service advantage with minimum cost impact.
<b>Reporting</b>	Presents monthly, quarterly, and annual financial statements, ensuring they are accurate, compliant with IFRS/IAS (International Financial Reporting Standards/International Accounting Standards), and provide a "true and fair view" of the company's affairs.
<b>Compliance &amp; Tax</b>	Ensures record-keeping meets auditor and government requirements, managing aspects of income tax, VAT, customs, and international trade (LC, import/export).
<b>Liaison</b>	Acts as a key liaison for banking partners, external auditors, and government agencies, and is required to attend Board meetings and certify the financial reports with the Managing Director.

### Company Secretary (CS)

The Company Secretary (CS) is key personnel responsible for ensuring the company's compliance with statutory and regulatory requirements, as well as managing administrative aspects of governance.

<b>Governance &amp; Compliance</b>	Coordinates and implements timely corporate compliance for all group companies, including maintaining statutory registers and annual compliance filings.
<b>Board Administration</b>	Manages the board process, including preparing agendas, circulating board materials, and taking detailed minutes of Board, Audit Committee, and shareholder meetings.
<b>Shareholder Communication</b>	Manages communication with shareholders and handles processes related to dividend disbursement (cash/stock), right shares, and other corporate actions.
<b>Advisory Role</b>	Advises the board of directors on legal and corporate governance issues.

### Head of Internal Audit and Compliance (HIAC)

The Head of Internal Audit and Compliance is responsible for evaluating and improving the effectiveness of the company's governance, risk management, and internal control processes.

<b>Internal Controls</b>	Reviews and verifies accounting documents and financial records for accuracy and adherence to accounting standards, and evaluates the efficiency of business processes.
<b>Audit and Investigation</b>	Conducts specialized audits (e.g., physical verification of assets and stock) and special investigations into suspected fraud or misconduct as directed by senior management or the Audit Committee.
<b>Regulatory Adherence</b>	Assesses compliance with the Bangladesh Labor Act, tax laws, corporate governance requirements, and other relevant statutory regulations.
<b>Reporting</b>	Reports directly to the Audit Committee, providing feedback on the progress and results of audits, and ensuring corrective actions are implemented for any non-compliance issues.

The clear separation of these roles ensures checks and balances within the organization's financial and operational management

### Subsidiary Company

#### Composition, Board Meetings and Attendance of the Board of Subsidiary Company

The Board is comprised of 4 (four) Directors, of which 2 (two) are representatives of Esquire Knit Composite PLC. During the financial year 2024-2025, the Board of Directors of L' Esquire Limited met 5 (five) times.

The details of the composition, meetings and attendance of the members of the board of the subsidiary company named L' Esquire Limited. are as follows:

Meeting Number	Date of Meeting	Name of Directors	Position of the Board	Meeting Attendance
23rd 24th 25th 26th 27th	July 3, 2024 October 24, 2024 November 11, 2024 January 29, 2025 April 28, 2025	Mr. Md. Ehsanul Habib	Chairman	5 out of 5
		Mr. Arifur Rahman	Director	5 out of 5
		Mr. Md. Muddasar Hossain	Director	5 out of 5
		Mr. Md. Ehsanul Habib (Representative of EKCPLC)	Director	5 out of 5
		Mr. A.K.M. Shamsul Areefin (Representative of EKCPLC)	Director	5 out of 5

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## Activities of Subsidiary Company during the Year

Esquire Knit Composite PLC has one subsidiary company and according to the corporate governance guidelines, activities are also followed in the subsidiary company relating to: -

- » Composition of the Board of Directors of Esquire Knit Composite PLC should be composed including the requirement to appoint independent directors.
- » Independent Director of Esquire Knit Composite PLC is also appointed in the Subsidiary company.
- » Minutes of Subsidiary company are also placed in the Board Meeting of Esquire Knit Composite PLC for review.
- » Reviewing the Financial Statements of the Subsidiary company in the Audit Committee Meeting of Esquire Knit Composite PLC.

## Other Governance Apparatus

The company, in its efforts for Corporate Good Governance Practices, uses a series of top-ranking professional service providers including Legal experts, bankers, Insurers and Technical experts who continuously assist the Board of Directors and the Executive management in properly discharging their duties to all the shareholders, stakeholders, the Government and the Public as highlighted below:

### Legal Advisor

To avail the best legal service for Good Corporate Governance, the company has empaneled the following top-ranking legal professionals:

Mr. Md. Sameer Sattar, Bar-at-Law	- Legal Advisor
Mr. Md. Mesbah Uddin, FCA	- Advisor-Vat & Tax

The two advisors take care of long-term basic/fundamental support for the good governance of the company.

### Statutory Auditors

The role of the Statutory Auditors in the certification of the financial statement is the most significant aspect of Corporate Governance and the protection of the interest of investors. As evident from the Annual Reports, the company rigidly follows the code of International Accounting Standards (IAS) and International Auditing (ISA) with legally required disclosures of Accounts and Financial Statements. This has been possible due to the high-level capability and integrity of Pinaki & Company, Chartered Accountants whose unchallenging performance has played a very trustworthy role in the protection of the interest of the investors.

### Internal Audit and Control

Esquire Knit Composite PLC considers that internal audit is one of the important regular functions of the company. The company has an independent internal audit department under the control of the Audit Committee of the Board. This department makes an effort to bring a methodical and disciplined approach to evaluate and improve the effectiveness of the organizations risk management process, the system of internal control and governance.

### Compliance Auditors

The Compliance Auditors are responsible for the certificate of Compliance of Conditions of Corporate Governance Code 2018 of Bangladesh Securities and Exchange Commission as well as the provisions of relevant Bangladesh Secretarial Standards of the Institute of Chartered Secretaries of Bangladesh.

M/S. Chowdhury Bhattacharjee & Co., Chartered Accountants is the Compliance Auditors of Esquire Knit Composite Limited appointed by its Shareholders in the Annual General Meeting.

### Compliances

EKCPCLC has established procedures to ensure compliance with all applicable statutory and regulatory requirements. Respective officers are responsible for ensuring proper compliance with applicable laws and regulations.

### Dividend Distribution Policy

In accordance with the requirement of Bangladesh Securities and Exchange Commission Notification No. BSEC/CMRRD/2006-158/207/Admin/80, dated 3 June 2018, is provided in Annexure – XI.

## Shareholders' Relationship

Esquire Knit Composite PLC prioritizes an effective and transparent relationship with its shareholders, founded on clear communication, regulatory compliance, and accountability. The company's approach to shareholder relations involves several key activities and policies:

### Key Principles

Accountability	The Board of Directors is directly accountable to the shareholders for the company's overall success and strategic direction.
Transparency and Disclosure	The company maintains a culture of robust disclosure, ensuring shareholders are fully informed about relevant information in a timely manner. This includes regular dissemination of price-sensitive information, quarterly accounts, and annual reports.
Protection of Investment	A core objective is to protect the investment of investors and provide good dividends.
Ethical Standards	The company is committed to adhering to high ethical standards and promoting accountability and transparency in all operations.

### Modes of Communication and Engagement

#### » Annual General Meetings (AGM)

The AGM is a primary platform for shareholder engagement. Shareholders receive reports on company performance, future plans, and strategies, and participate in voting on key resolutions like director re-elections and dividend declarations. The company facilitates both physical and virtual meetings to ensure broad access, allowing electronic voting and question submission.

#### » Dividend Policy

The company has a formal, disclosed Dividing Distribution Policy to provide transparency regarding the circumstances and factors that influence dividend payout decisions, aiming for a consistent approach to rewarding shareholders while retaining funds for growth.

#### » Website and Investor Information

A dedicated "Investors Information" section on the company website provides easy access to all important documents, including annual reports, quarterly accounts, financial spread sheets, prospectuses, and notices of AGMs/EGMs.

#### » Contact Points

The company maintains specific contact information, including a dedicated email address and phone number for the Company Secretary, to handle shareholder queries and IT-related guidelines.

#### » Regulatory Compliance

The company strictly follows the regulations set by the Bangladesh Securities and Exchange Commission (BSEC) and the stock exchanges (DSE and CSE) regarding information disclosure and communication to ensure regulatory adherence and investor confidence.

The Board actively monitors relations with shareholders and stakeholders to ensure their interests are understood and taken into account, fostering goodwill and support for the company.

## Segment Report

The Company's operations are carried out on an aggregate basis and are managed as a single operating segment. Accordingly, the Company operates in one segment of developing, manufacturing and marketing of different types RMG for humans.

### Nature of Business

Esquire Knit Composite PLC is a cent per cent export-oriented Company. It produces different types of Knit Garments through its six units namely knitting units, fabric dyeing units, printing units, embroidery units, industrial laundry and garments units and sells the same to foreign buyers.

### Risk Perception

The Company management perceives investment risk within the national and international economic perspectives about legal and moral

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requirements involving inter alia, intellectual property rights, scientific invention, WTO Regulation, MFA, etc. and monetary and fiscal investment policies and has prepared its production & marketing strategies to meet the challenges from these risks.

### Secretarial Standard

Esquire Knit tries its best to maintain the Secretarial Standard in the meetings of the Board of Directors, Members (shareholders), Minutes and dividends issued by the Institute of Chartered Secretariates of Bangladesh.

### Listing of Equity Shares on the Stock Exchanges with Scrip Code

The Equity Shares of the Company are listed on the following Stock Exchanges

Stock Exchange Name	Address	Trading Code	Scrip Code	Sector
Dhaka Stock Exchange Limited	Stock Exchange Building 9/F, Motijheel Commercial Area Dhaka-1000, Bangladesh.	ESQUIRENIT	17481	Textile
Chittagong Stock Exchange PLC.	<b>Head Office</b> CSE Building, 1080, Sk. Mujib Road Agrabad, Chittagong, Bangladesh.  <b>Dhaka Office</b> 52-53, Dilkusha C/A, (level-15), Dhaka-1000, Bangladesh.	ESQUIRENIT	12069	Textiles and Clothing

### Corporate Socialization

To play a model role for Good Governance characteristics in the corporate sector, the Company has become a member of the country's leading Bangladesh Garments Manufacturers & Exporters Association (BGMEA), Bangladesh Knitwear Manufacturers & Exporters Association (BKMEA), Bangladesh German Chamber of Commerce & Industry (BGCCI), Spain Bangladesh Chamber of Commerce and Industry, Bangladesh Association of Publicly Listed Companies (BAPLC), Central Depository Bangladesh Limited (CDBL), Dhaka Stock Exchange Limited (DSE) and Chittagong Stock Exchange Limited (CSE). These memberships have provided scope to the Company for improvement of Corporate Governance Practices for the benefit of the shareholders/Stakeholders.

