

Generation Unstoppable

Annual Report 2021



Generation Unstoppable

The advent of coronavirus put the world on hold. People were advised to maintain distance and that brought an end to our everyday routine. Or so it seemed, until technology stepped up and made us truly unstoppable. With the highest number of 4G towers in the country, Grameenphone empowered people from every corner through the internet. We overcame obstacles, worked from home, learned from home, communicated from home, and made life possible again. In the face of a great pandemic, we showed the world that nothing can stop us from achieving everything we ever wanted. We are Generation Unstoppable.

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WHO WE ARE

Grameenphone is a trusted digital connectivity and services company, empowering societies and keeping customers connected to what matters most.

OUR PURPOSE

Connecting Customers to What Matters Most Empowering Societies

Connecting customers to what matters most has been the core of our business. Today internet connectivity impacts nearly every part of our lives, and we believe in making it personalised and relevant for our customers. It's about more than good business; it's empowering societies.

OUR BEHAVIOURS

We have four behaviours that guide the way we work:



Always Explore

We believe growth comes from learning every day. We are curious and we dare to challenge, test, fail fast and pivot.



Create Together

We believe diverse teams find better solutions. We seek different perspectives, share, involve, and help each other succeed.



Keep Promises

We believe that trust is key in all our relationships. We take ownership and pride in delivering with precision and integrity.



Be Respectful

We believe in the unique human ability to understand what matters for people. We meet everyone at eye level, listen and show that we care.



By scanning this QR code with your smart device, you may access the digital version and download the Annual Report

Chair's Message



Dear Shareholders,

We entered 2021 with the hope of overcoming the grave consequences of the pandemic. However, new waves of Covid-19 variant surges posed a speedbump to business recovery and further disruption to our socio-economic lives.

I am pleased to report that throughout the year our team has been agile and resilient to tackle all new challenges and has been able to deliver on the increased demand for connectivity solutions from our customers. As a technology service provider and digital connectivity partner to Bangladesh, we have remained true to our purpose during this challenging time and stood by the country with our increased investment, innovations in products / services and with our support to communities in need.

Our learnings have been immense in 2021. We have witnessed radically changing customer behaviour during this time, more digital centric interaction and usage patterns. In order to sustain ourselves, and keep pace with our customers' changing demands, we have acquired advanced capabilities, pivoted on our operating model, and built a partnership based eco-system to understand our customers' needs and serve them better.

I am happy to see the leadership team minutely review its strategy and action plans to deliver on keeping promises to customers and maintaining shareholder value. We look forward to the expected growth momentum as we have significantly invested in network, spectrum and onboarded network operating partners with advanced and future-fit capabilities. In the meantime, we have also focused on upskilling our workforce to stay relevant. It is also an honour for us that Grameenphone has been able to consistently partner with the Government and significant Non-Governmental Organisations on multiple projects to assist the community at large, to considerable effect.

Responsible business conduct is deeply encoded into each individual serving at Grameenphone. In turn, the Board places due importance on health and safety, social impact, strategy, environment, governance, and human capital to ensure and encourage a healthy corporate culture.

Telecommunication has a bigger role to play in Bangladesh for it to become a digitally connected society. We look forward to continuing collaborative and consultative work with the regulators to address prevailing industry challenges. Through such consultations, we hope to ensure that our customers get the optimal benefit of 4G, innovative products & services and advanced technologies like 5G.

To conclude, I would like to thank our customers for making us the preferred mobile brand in the country and for inspiring us to innovate solutions for them. My gratitude also goes to our partners for enabling us every day; and our employees for their demonstrated commitment to the Company and to the communities we serve in the market.

Together we make things possible.

Jørgen C. Arentz Rostrup
Chair

Chief Executive's Message



Dear Shareholders,

Our commitment to empower Bangladesh with new product and services, and at the same time continue our investment into building a stronger network with enhanced spectrum portfolio continues. The year 2021 has been full of uncertainties as we faced challenges from the Covid-19 pandemic and associated restrictions, which had an impact on our operational and financial performance to an extent. Despite the many challenges, significant effort has been made towards expanding coverage and improving customer experience. These efforts combined with modernisation initiatives has resulted in an increased growth momentum throughout the year.

We have further minimised the digital divide; achieved 80 million subscriber milestone in early 2021; acquired 10.4 MHz of additional spectrum; and upgraded all of our towers located around the country to 4G on 26 March 2021. All these had helped us to reach even the last-mile customers with the advanced connectivity marking the Golden Jubilee of Independence of Bangladesh. In 2021, we acquired future-ready capabilities from leading network partners to enhance capacity, coverage, and experience to live up to the customers' expectations adding 39.7% more 4G customers over last year.

We ended 2021 with 83.3 million subscribers, a 5.3% growth from the previous year. The total numbers of internet subscribers were 44.6 million (8.0% increase from the previous year), of which 62% were 4G subscribers. The Company saw a 53.3% increase in data usage from 2020 volumes. Data revenues for the year increased by 2.3% in comparison to revenues in 2020.

The year 2021 saw a renewed push toward digitalisation as majority of the population was confined to their homes until the middle half of the year. To increase traffic revenue and make life easier for customers, we introduced affordable voice and data bundles, as well as revised data-only and voice-only packages. The Company diligently followed its business continuity plan with key focus on ensuring the health and safety of our people and those with whom we work, while at the same time delivering value to our customers and shareholders.

We delivered a good set of financial results with improved growth momentum in 2021, driven by increased users and usage as a result of network and experience enhancements, reporting a 2.5% annual growth in total revenues of BDT 143.1 billion for the year. Net Profit After Tax was BDT 34.1 billion in 2021, however, it was 8.2% higher in 2020 due to favourable one-time adjustments to finance costs and tax expenses. Earnings Per Share (EPS) for 2021 were BDT 25.28, compared to BDT 27.54 the previous year.

In 2021, in collaboration with regulators and stakeholders, we were able to resolve 22 out of 30 financial disputes with Large Taxpayers Unit VAT through alternative dispute resolution and bilateral discussions; earning us recognition from LTU VAT for our resolution-oriented efforts. We will continue this path to amicably solve the remaining disputes between NBR and Grameenphone.

Grameenphone as a corporate citizen, has been proactively involved in empowering societies through meaningful social impact initiatives directed towards ensuring digital inclusion and embalmment throughout the year. While expanding our 4G network and increasing the number of 4G users, "Online Safety" program remains a crucial priority. We started training and sensitisation sessions on safe internet use among adolescents in partnership with UNICEF. We signed an agreement with UNDP to implement "FutureNation" project in alliance with private, public and development sectors to accelerate future economic growth by enhancing skills and potential of Bangladeshi youth. For many years, "GP Accelerator" has played a pivotal role in patronising entrepreneurship and starter

ecosystem in Bangladesh. As recognition for our efforts and contribution to the ICT sector, we recently received the prestigious national Digital Bangladesh Award 2021 in the institutional category from our Honourable Prime Minister of Bangladesh.

The year has set a foundation for expediting our future growth, building future-fit capabilities & operational models, and catalysing meaningful social impacts to support Bangladesh's ambition to become a self-sustained digital economy. We hope to deliver on our commitments as a digital connectivity partner for the greater good of society in the years to come while creating value in our customers' life, towards our stakeholders and shareholders.



Yasir Azman
Chief Executive Officer (CEO)

Our Performance 2021

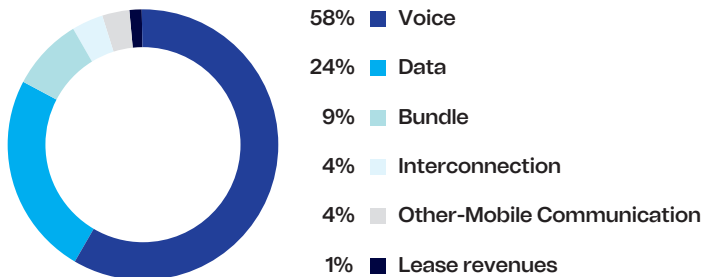


	FY 2021	FY 2020	Percentage (%) change
REVENUE	BDT 143,066m	BDT 139,606m	2.5%
OPERATING PROFIT	BDT 63,336m	BDT 63,440m	-0.2%
PROFIT BEFORE TAX	BDT 60,821m	BDT 62,801m	-3.2%
NET PROFIT AFTER TAX	BDT 34,129m	BDT 37,187m	-8.2%
EARNINGS PER SHARE	BDT 25.28	BDT 27.54	-8.2%
NAV* PER SHARE	BDT 36.94	BDT 38.59	-4.3%
NOCF** PER SHARE	BDT 42.82	BDT 24.86	72.2%

*NAV- Net Asset Value; **NOCF- Net Operating Cash Flow

REVENUE

Contribution by Product and Service



SHAREHOLDER PAYOUT

Dividend Per Share (BDT)



How We Create Value

Financial Performance

+2.5%	+0.85%	+72.2%	+170%
143,066 million	86,352 million	57,814 million	37,173 million
Revenue	EBITDA	Net cash from operations	Capital Expenditure

For our customers

<p>Expanding our network coverage and breadth</p> <p>Population coverage in Bangladesh</p> <p>3G 95.5%</p> <p>4G 96.8%</p> <p>In our operations we have</p> <p>4G sites – 17,230 3G sites – 16,044</p>	<p>We have invested</p> <p>BDT 416.6 billion since inception</p> <p>BDT 37.2 billion in 2021</p> <p>83.3 million subscribers</p>	<p>10.1 million monthly users on MyGP App</p> <p>44.6 million Mobile data users</p>
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For the society

<p>We have contributed</p> <p>BDT 956.5 billion to the National Exchequer since inception</p> <p>BDT 102.8 billion in 2021</p>	<p>Supported 33,300 families through emergency relief in 2021</p> <p>Partnered with UNDP and BIDA for FutureNation project with an ambition to impact 1 million youth through active programmatic initiatives over 5 years</p>	<p>Conducted 10,186 man-hours of capacity building of suppliers in 2021</p>	<p>Trained over 250,000 adolescent girls and boys on online safety in 2021</p>
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For our investors

<p>250% Dividend (including Interim Dividend 2021)</p> <p>BDT 25 per share</p>	<p>98.91% dividend payout ratio</p> <p>Over 29,900 Shareholders</p>	<p>Last 5-years total shareholder return 87.25%</p> <p><small>*As of 30 December 2021</small></p>	<p>ACCOLADES</p> <ul style="list-style-type: none"> Best Telecom Brand awarded by Bangladesh Brand forum Best Presented Annual Report 2020 by SAFA, ICAB and ICMAB Best Corporate Governance Excellence Award 2020 by ICSB
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For our employees

<p> GWR</p> <p>1,011 Learners from GP completed Growth Mindset</p> <p>Employees spent 111,000+ Hours of total learning</p>	<p>60+ Average learning hours</p> <p>Diverse workforce 15.9% of our employees are female</p>	<p> A mentorship platform to mentor and develop future female talents</p> <p>15 female mentees secured a 6-month mentorship opportunity and graduated</p>	<p>Evolving process through robotics process automation</p> <p>86 RPA experts developed in-house (RoboGen)</p>
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Our Business

Making Things Possible With Technology

We make things possible with technology by securing access to spectrum, investing in mobile networks, developing and distributing a wide range of products and services tailored to our market segments, and running a strong customer care and brand programme.

These activities enable us to ensure revenue growth and high levels of cash generation, used to reinvest in the resources and relationships that we rely on to do business and to deliver on our core purpose: 'Empowering societies. Connecting you to what matters most'.

Sales and distribution

Our many robust sales and distribution channels, as well as our after-sales value chain, has positioned us as market leader. Our traditional distribution channels have evolved and include many digital channels including online, USSD and the MyGP App.

Product and service development

We are continually developing new products, services and pricing models, informed by our segmented customer approach. Our products and services are evolving into new streams including digital and financial services. We place a strong emphasis on protecting customer privacy, and are implementing the 'Agile' methodology across various departments to ensure we respond faster in a constantly changing environment. We harness the power of Big Data to deliver personalised offers to our customers.

Customer service

Providing the best customer experience is a strategic priority and an essential source of market differentiation. We are constantly deepening our understanding of customers and their needs to provide targeted products and service offerings. Our ambition is to provide exceptional customer service through a seamless, personalised, omni-channel, digital customer experience.

Managing our brand and reputation

We build a brand with purpose, developing and maintaining a reputation as a company that is 'to empower societies by connecting you to what matters most', and that shows leadership in promoting inclusive and environmentally responsible socioeconomic transformation.

Procurement activities

We leverage the global purchasing power and responsible procurement practices of the Telenor Procurement Company, enabling the purchase of responsibly manufactured network equipment, handsets and other services on favourable terms. We balance the benefits of global purchasing with our commitment to promoting economic opportunities in our host countries and driving economic empowerment.

Spectrum, network and IT infrastructure

Most of our communication services depend ultimately on having access to spectrum. We strive to secure this access at a competitive price through proactive engagement with government and regulators.





Our Strategy

Grameenphone will continue to capitalise on the data revolution through customer experience and providing users more reasons to use. We will continue to invest in technological capabilities which will enable us to provide the best and future fit experience to our customers. Also, our focus is to grow responsibly with our partners, developing the ecosystem of our value chain while making an impact in enabling Digital Bangladesh.

These ambitions in our strategy are broken down into the following four key Value Drivers:

Growth

We will continue to be a customer focused brand that empowers people with superior connectivity. This means increased focus on data and digital services made accessible through our growing digital channels and explore new areas to fast track the evolution of the industry.

Differentiate Data Network Experience

We will maintain our positioning of Grameenphone as the best voice and data experience provider. This will be achieved through focused site rollout and supporting activities. Readiness for new services such as 5G would enable us to sustain this perception for the future.

Drive Modernisation

To support our growth and network ambitions, we will continue to drive initiatives focusing on the areas of organisational leadership and competence development along with modernisation in Technology and Commercial areas.

Responsible Business

Grameenphone's responsible business strategy will be focused on further strengthening its social impact contribution while facilitating constructive dialogue on relevant issues. We would drive this with an ambition to be recognised as a socially responsible, caring, modern technology services leader.

The key value drivers outlined above will be driven with a strong emphasis on developing a culture and mindset across the value chain to establish health and safety as an integral part of the business.

Telecom Industry and Regulatory Environment

The Bangladesh telecom industry continues to be geared towards growth due to the increasing demand for digitalisation. At the end of 2021, there were 180 million mobile subscriptions (representing 91 million unique subscribers and a connection penetration of more than 106%), of which 126 million were mobile internet connections. The data market has seen a steady growth of around 13% and there is still strong potential for further growth. It is evident that digitalisation is set to be a major enabler for the Bangladesh economy in the years ahead; for a conducive Business environment Grameenphone has been closely working with the Regulators and the Industry to address prevailing industry challenges and it is committed to continue the collaborative and consultative approach going forward.

Telecom Regulatory Environment

The Telecom regulatory environment in Bangladesh has been challenging, however, the Bangladesh Telecommunication & Regulatory Commission (BTRC) had initiated consultation in various areas throughout the year but the time-window for the consultation were not sufficient to address the issues properly. There has been limited rationalisation of the tax structure requested Mobile Network Operators (MNO) even though mobile internet has served as a lifeline for many economic and essential services through the Covid-19 pandemic. It was believed that both the industry and the subscribers might have benefited from withdrawal of the supplementary duty on mobile usage and withdrawal of supplementary duty and surcharge from mobile wallet usage.

To cater increased data usage, all the MNOs acquired additional spectrum from the 1800 and 2100 MHz band in 2021 to expand the 4G network across the country; Grameenphone acquired the maximum allowable spectrum at that time. Another spectrum auction is going to take place in late March 2022 in the 2300 & 2600 MHz band which will contribute to further enhancing 4G experience and eventually facilitate 5G readiness. Government initiated discussion with all MNOs regarding a 5G test launch in 2021, however, only the state-run MNO, Teletalk, was allowed to do it in few selected locations.

There had been complaints regarding Quality of Service (QoS) of MNOs for which the High Court issued a show-cause to both BTRC and MNOs, leading the BTRC to impose certain directives, including one compelling MNOs to increase minimum 4G DL speed from 7 Mbps to 15 Mbps. In turn the industry pursued the BTRC for consultation on the new minimum 4G speed while keeping BTRC informed of the initiatives being taken to improve network QoS. In the same tune to ensure QoS, the BTRC has taken conservative approach on the release of new numbers from 013 series as well as tightening the release of recycled numbers to Grameenphone. Grameenphone is closely working with BTRC and Telecom Ministry to resolve this matter while strengthening network leadership and resolving challenges.

In 2021 BTRC initiated consultation on many other regulatory issues. It kicked off consultations for SMP regulations in the Tower Co market, however, it is yet to be concluded. Despite efforts from the MNOs and several rounds of discussion with the BTRC, NTTN operators and the Ministry, issues related to NTTN regime (QoS for NTTN, pricing, and modality etc.) remain unresolved. As a result, the NTTN regime continues to pose a network QoS challenge for MNOs. The BTRC on its part issued a directive in mid-November 2021 that limits the numbers of data products/offers to 85 from 16th March 2022, in the hopes of bringing market discipline and improving QoS. BTRC has also initiated consultations on the amendments in the telecom licenses and potential capping on local financing and long-term investment in foreign currency - The Industry has provided a joint response in both these regards under the AMTOB banner to invite collaborative dialogue and ensure the mutual interest of both MNOs and the Government.

The industry has provided joint inputs on Bangladesh Telecom Regulatory Act (BTRA) amendment for rationalizing the act itself and the framework which remains unpredictable, however, there has not been any movement in this regard.



Stakeholder Engagement

We identify stakeholders as individuals, communities and organisations that may be affected by and/or may influence our business.

The Company's business sustainability and long-term value depends on our understanding and responding to the needs of valued stakeholders. As a part of our business process, we maintain relationships with key stakeholder groups and engage in dialogue to learn from them; constructive dialogue helps shape our strategic priorities and refine our approach in the market. The following chart presents a summary of our main stakeholders and some examples of how we engage with them.

Our Goal	Who we engage with	How we engage
Long term value creation	Customers Investing in online tools, products and services designed to give our customers a greater level of control in their interactions with us	<ul style="list-style-type: none"> Call centres, retail outlets, MyGP app, Website, messaging and USSD channels Social Media platform: Facebook and Grameenphone website Our continuous effort is on to enable 100% self-service for customers through apps
	Communities Engaging in sustainable development initiatives that strengthen the socio-economic lives of people in the communities in which we operate	<ul style="list-style-type: none"> Partnering with communities in sustainable initiatives Investing in social sustainability projects as part of our corporate social responsibility Investing in public participation projects and initiatives that give back to society, e.g. the FutureNation programme with UNDP Partnering on key areas including education and gender-based programmes
	Governments and Regulators Providing value against access to spectrum and operating licences. Engaging in dialogue to seek best balance in regulatory measures that pose potential cost implications	<ul style="list-style-type: none"> Participation in consultations and public forums Submission and engagement on draft regulations and bills Engagement through industry consultative bodies
	Investors & Shareholders Providing sustainable financial capital required to grow, presenting operational feedback to management, and improving reporting practices	<ul style="list-style-type: none"> Dedicated investor relations office as the focal point for investor updates Investor engagements that include roadshows, conferences and meetings Annual and interim results announcements Annual General Meetings with shareholders to update them on business strategy Investor Relations page(s) on website
	Employees Engaging and upskilling employees to drive their ability towards adopting Grameenphone's purpose of 'transforming lives' into their work	<ul style="list-style-type: none"> Internal website, Newsletters, and intranet communication Employee surveys and Employee hotline Leadership coaching and mentorship forums
	Suppliers Working in close conjunction with suppliers to improve our ability to offer cost-effective, quality products and services through cutting-edge technology	<ul style="list-style-type: none"> Supplier engagement forums and ongoing site visits Inspections and Audits
	Business partners Collaborating closely with business partners, a key interface with our customers and custodians of our brand and reputation, to ensure our strategy of delivering the best customer experience	<ul style="list-style-type: none"> One-on-one and virtual business meetings Training sessions on new products and services Market visits
	Media Keeping media abreast of operational facts, developments, and new products and services, as they are a critical contact point for our external stakeholders	<ul style="list-style-type: none"> Media session & press release Media advocacy & thought leadership Product launches & events Media query, crisis & change management Reputation drives & initiatives

Value Added Statement 2021

in '000 BDT

Value Added

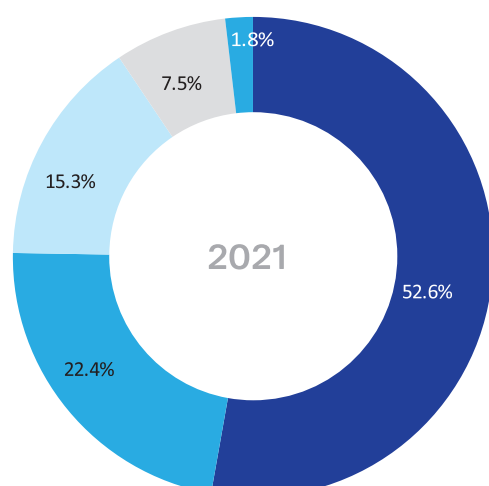
Revenue	143,065,872
Other income including interest income	148,262
Indirect taxes	41,671,993
	<u>184,886,127</u>
Less: Cost of network and services	34,231,076
Available for distribution	<u>150,655,051</u>

Distributions

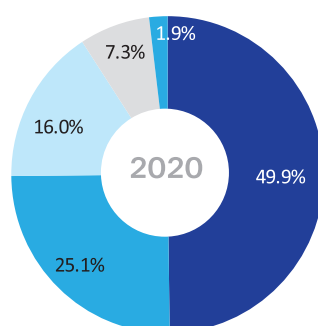
Employees	11,340,925	7.5%	10,810,306	7.3%
Government	79,285,579	52.6%	73,793,883	49.9%
Providers of finance:				
Financial institutions	2,783,326	1.8%	2,819,281	1.9%
Shareholders	33,757,501	22.4%	37,133,250	25.1%
	<u>127,167,331</u>	<u>84.3%</u>	<u>124,556,721</u>	<u>84.3%</u>

Value reinvested and retained

Depreciation and amortisation	23,016,177	15.3%	23,649,950	16.0%
Retained profit	471,543	0.3%	(416,061)	-0.3%
	<u>23,487,720</u>	<u>15.6%</u>	<u>23,233,889</u>	<u>15.7%</u>
	<u>150,655,051</u>	<u>100%</u>	<u>147,790,610</u>	<u>100.0%</u>



Distribution of Value Added



Government



Shareholders



Depreciation & Amortisation



Employees

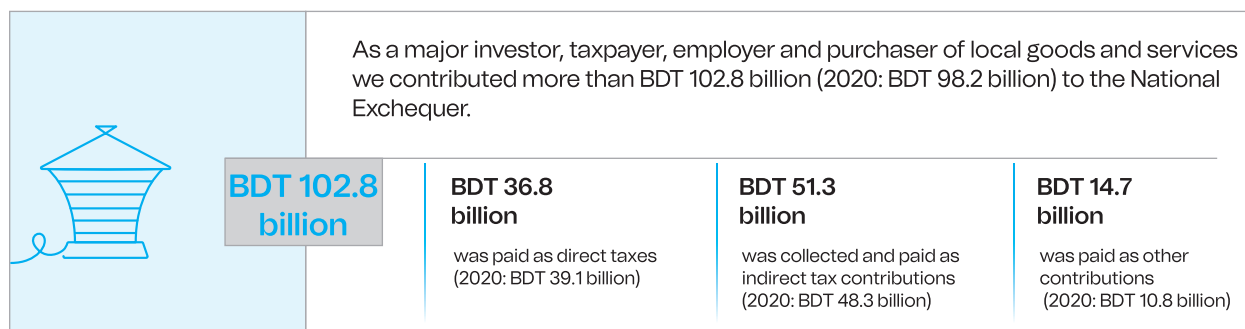


Financial institutions



Contribution to National Exchequer

As one of the largest contributors to the National Exchequer for the last several consecutive years, we take our responsibilities to contribute to the social and economic development of the countries in which we operate, and we remain committed to acting with integrity, honesty and transparency in the creation and execution of our tax strategy, policies, and practices.



The major tax types included in the above are:

We paid BDT 26.0 billion (2020: 30.4 billion) corporate taxes on profit before tax of **BDT 60.8 billion** (2020: BDT 62.8 billion).

Thus, we paid BDT 0.43 as corporate tax for every BDT 1 we generated in profit before tax.

We collected from our customers and deposited **BDT 41.7 billion** (2020: BDT 37.6 billion) in output value-added tax, supplementary duty, surcharge, and other forms.

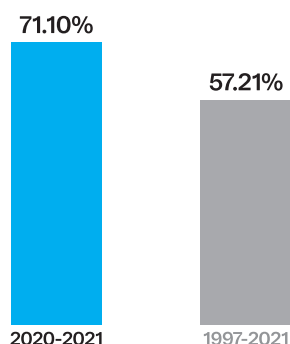
Thus, we contributed BDT 0.29 as output taxes for every BDT 1 we generated in revenue.

We withheld BDT 12.7 billion (2020: BDT 11.3 billion) as withholding tax and value-added-tax from payment to suppliers, employees and shareholders and paid it to the relevant tax authorities on their behalf.

We paid BDT 7.7 billion in customs and import duties (2020: BDT 8.01 billion).

We paid BDT 14.7 billion (2020: BDT 10.8 billion) to BTRC as revenue share, contribution to social obligation fund, spectrum usage charges, spectrum assignment fees and for purchase of spectrum.

Average Contribution to the National Exchequer as a % of average revenue





Our Key Risks and Risk Mitigation

While operating in a dynamic industry and highly competitive market, Grameenphone is exposed to a wide range of risks that may affect its business. The Company aims to earn competitive returns at acceptable risk levels. Risk management is a continuous process and an integrated part of business throughout the entity. All managers are required to assume responsibility for risk management within their areas of responsibility and ensure that risk management is embedded in day-to-day business processes. The Risk Management Forum established within the Company ensures active participation from different functional areas to increase its effectiveness.

During the financial year under review, the significant risks in the Company's business were reviewed, monitored and reported through the Risk Management Forum and mitigating measures were evaluated by the Board and Management on a regular basis. This is to ensure that the Company's risk management framework continues to effectively promote and enable the identification, management and monitoring of risks across the organisation.

Below are some key risk areas identified at Grameenphone:

Financial	Regulatory	Modernisation	Operational	Supply Chain Sustainability
Key Risk Area	Risk Description			Risk Response
Financial Risk	<p>Financial risk includes credit risks, liquidity risks, currency risks and interest rate risks.</p> <p>Company's principal financial assets include trade receivables and others, cash and short-term deposits that arise directly from its operations. Company's financial liabilities mainly include trade payables and others, lease obligation and loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations.</p>			<p>Company's financial risk management is governed by Treasury Policy as approved by the Board of Directors.</p> <p>Company is exposed to credit risk, liquidity risk and market risk in relation to its financial instruments. GP's exposure and responses to the mentioned financial risks are disclosed under note 39 to the financial statements.</p>
Regulatory Risk	<p>Grameenphone's operations are subject to requirements through sector specific laws, regulations and national licences. Regulatory developments and regulatory uncertainty could affect the Company's results and business prospects. The introduction of, or increase in, sector specific taxes and levies may impact the business.</p> <p>The Company depends on licences, access to spectrum, and numbering resources in order to provide telecommunications services. If the Company is not successful in acquiring/renewing spectrum licences or is required to pay higher rates than expected, this might impact our business strategy. Further, unforeseen events may cause disruption in roll-out plans, resulting in risks of deterioration of network quality. In a nutshell, every change in regulations may affect growth and sustainability of the Company as well as the industry either positively or negatively.</p> <p>The risk is particularly high with issues related to high spectrum prices, regulatory and tax disputes, renewal of licences and general unpredictability in the business environment. Grameenphone still faces regulatory scrutiny of its operations and has several unresolved regulatory and legal cases pending.</p>			<p>We have taken a consultative approach with the regulators to address different issues to serve our customers best in the most challenging times. We look forward to continuing collaborative and consultative work with the regulators to address prevailing industry challenges while strengthening network leadership.</p> <p>Regarding updates on Telecom Industry and Regulatory Environment, please see page 9 of the Annual Report.</p> <p>For further information on tax, legal and regulatory contingencies please see note 45 to the financial statements.</p>

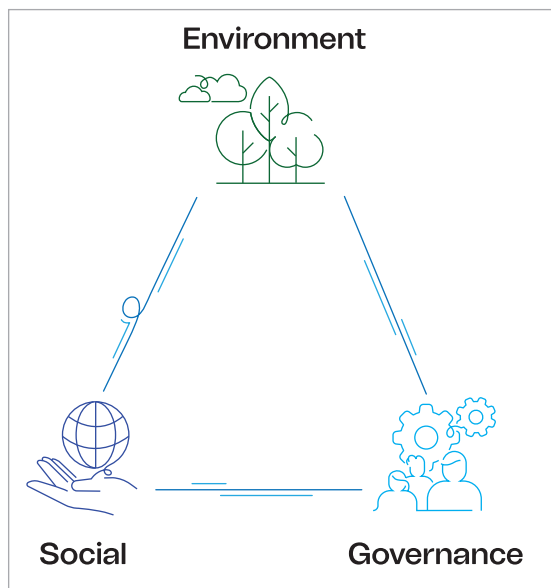
Key Risk Area	Risk Description	Risk Response
Modernisation Risk	<p>The introduction of new technologies, digitalisation and changing consumer behaviours open up new business models in the telecom sector, leading to structural changes and new industry dynamics. Grameenphone has started embarking on a vital transformation agenda to adapt accordingly. Failure to respond to the changed dynamics, and to drive a change agenda to meet mature and developing demands in the marketplace, will impact the Company's position in the value chain, service offerings and customer relationships.</p> <p>The transformation agenda also includes risk of not being able to sufficiently acquire; upskill and retain competencies and talents needed for the evolving business dynamics.</p>	<p>We have undertaken initiatives such as the modernisation of our operating models and integration of automation, developing competent skills for the future, and building partnerships for advanced network capabilities.</p> <p>We believe the right mix of competency, capabilities and tools will contribute to our growth ambition, reinforce our position as a reliable connectivity partner, and help move Bangladesh forward.</p>
Operational Risk	<p>The quality and reliability of Grameenphone's telecommunications services depend on the stability of its network and the networks of other service providers with which it interconnects. These networks are vulnerable to damage or service interruptions, including interruptions or data breaches coming from targeted cyber-attacks. Repeated, prolonged or catastrophic network or IT system failures could damage the Company's reputation and financial performance, including its ability to attract and retain subscribers. Grameenphone depends on key suppliers and third-party providers for supply and maintenance of equipment and services. Problems that manifest in relation to the supply chain may adversely affect the Company's business and results of operations.</p> <p>Cyber-attacks may cause disruption in services and damage critical infrastructure. This may have a severe impact on the Company's reputation and financial performance. Technological development and complexity continue to drive the risk of cyber-attacks, and especially of advanced cyber threats.</p> <p>Grameenphone handles substantial volumes of confidential information. Loss, alteration or unauthorised disclosure of such information, may adversely affect the Company's business and reputation.</p> <p>Political instability and violence, including social unrest, terrorist attacks etc., may prevent the Company from operating its business effectively.</p>	<p>We have witnessed changing customer behaviour during this time, more digital centric interaction and usage patterns. In order to sustain ourselves, and keep pace with our customers' changing demands, we have acquired advanced capabilities, pivoted on our operating model, and built a partnership based eco-system to understand our customers' needs and serve them better.</p> <p>We look forward to the expected growth momentum as we have significantly invested in network, spectrum and onboarded network operating partners with advanced and future-fit capabilities.</p> <p>Grameenphone's updated security strategy focused on safeguarding customer data, critical infrastructure and business information. Our Business Security vision is that we always protect society and people in their digital life, and that security is the foundation of everything we do. For more information, please refer to Cyber Security part of the Annual Report (page 21).</p> <p>For other operational risks, we have implemented necessary controls and monitoring system where needed.</p>

Key Risk Area	Risk Description	Risk Response
Supply Chain Sustainability	<p>A responsible and sustainable supply chain is a foundational element of Grameenphone's long-term value creation. Grameenphone believes that partnership and cooperation with suppliers and industry peers is vital to achieving its ambitions within supply chain sustainability.</p> <p>Supply Chain Sustainability continues to be one of Grameenphone's strategic priorities and a key for long-term business success through the Agreement on responsible Business Conduct (ABC), Grameenphone's Supplier Conduct Principles (SCP) are applicable for most supplier categories and contracts (based on risk assessments). The Supplier Conduct Principles are based on internationally recognised standards, including requirements on the respect for human rights, health and safety, labour rights, working conditions, conflict and other unsustainably mined minerals, environment, privacy and freedom of expression and prohibited business practices.</p> <p>Challenges in supply chain sustainability may impact the progress of Grameenphone's long term value creation.</p>	<p>Effective risk management in Grameenphone's supply chain will remain a priority in 2022.</p> <p>Grameenphone will continue to strive for its supply chain sustainability efforts to have a positive impact on the business as a whole, and in the societies in which it operates and is committed to maintaining responsible business practices throughout its entire supply chain, ensuring that its partners maintain the same standards.</p> <p>For more information, please refer to Supply Chain Sustainability part of the Annual Report (page 18).</p>





Environment, Social and Governance (ESG) Report



Grameenphone's operations have always focused towards ensuring sustainable and fair business practices. Throughout 2021, the company engaged with critical stakeholders and the greater community to battle climate change, conserve water and manage waste.

The Company's focus has been to reduce CO₂ emissions from its own operations, by converting a number of its sites to a grid-solar hybrid network from the existing generator – solar system; reducing carbon emission. Furthermore, Grameenphone has modernised and switched lead acid batteries with lithium-ion batteries, reducing carbon emissions by 600 tonnes.

People are a big part of how the Company has been able to deliver on these promises. 2021 was spent engaged with the development and upskilling of our people; due focus has been placed on inclusion and improving diversity in the workplace. As a responsible corporate citizen, the 'Child Online Safety' programme, run in association with UNICEF, has been further expanded to reach more than 250,000 children among the marginalised groups, in addition to their parents and guardians. Grameenphone continued to uphold the same high regard towards ethics, transparency, and corporate governance. At the same time to reinforce Grameenphone's commitment to respect human rights, the organisation also initiated human rights due diligence. One of the top priorities through the year has been building on and reinforcing existing governing processes for privacy and the handling of authority requests in order to maintain and manage data privacy and information security.

Throughout 2021, the Company had engaged heavily to broaden its ESG outlook towards meeting bigger environment, social, and governance ambitions. Moreover, the Company has reprioritised its efforts in order to balance business development with the expectations of stakeholders.



Environment

Our Mission

Grameenphone is committed to protecting the environment and contributing to the prevention of climate change.

Material topics



Climate change

Grameenphone aims to make the planet greener and more liveable for the generations to come by optimising energy consumption and increasing the use of renewable energy. Grameenphone's priority is to minimise its own CO₂ emissions from its operations (emission from fossil fuel and grid electricity).

Ambition

Grameenphone has set a target to reduce 50% carbon emissions (CO₂) by 2030, taking 2019 emissions as the baseline.

The Company is committed to the continuous deployment of enhanced sustainable solutions for an energy-efficient and environment-friendly network. In Grameenphone, we are continuously striving to minimise the environmental impact of our operations. Our ongoing programme focuses on four areas – i) reduction of carbon emissions, ii) creation of employee awareness, iii) adoption of green practices, and iv) societal advocacy to create awareness.

The Company adopted an EMS in 2010 in accordance with ISO 14001. Our EMS policy provides the framework for setting and reviewing our environmental objectives and targets.

Key Highlights 2021

- In 2021, Grameenphone had converted 36 tower sites with Generator+Solar to Commercial Power/ Grid electricity +Solar Hybrid sites. These Hybrid sites will provide additional savings of 197,100 litres of fuel reducing 263 tons of CO₂ emission annually.
- Upgraded 2,500 sites with Li-ion batteries in 2021. These sites are now running on battery back-up instead of generator power during grid unavailability. This Li-ion battery solution will help the Company reduce 291 tons of CO₂ emission.

- Initiated several programmes to reduce CO₂ emission through energy efficiency, limiting the use of valuable resources, reducing travel requirement for operations, and lastly creating greater environmental awareness among employees and stakeholders.



Water

Reduce our water footprint and enhance water availability in the communities where we operate.

Ambition

Maintaining 100% wastewater recycling every year.

Key Highlights 2021

In 2021, Grameenphone was able to reduce 6% water usage compared to 2020.



Waste

Reduce, Reuse and Recycle (The 3R's) policy helps to reduce e-waste as well as general waste and conserve natural resources.

Ambition

- Prioritising efficient waste management and supporting a circular economy

Key Highlights 2021

- As of 31st December 2021, more than 91 tons of e-waste (GSM, microwave antennas, and other electronic accessories) has been recycled through our recycling partner. Recycling is completed in Bangladesh and abroad in accordance with ISO 14000, OSHAS 18000, and R2 standards.
- Recycling of 100% used lead acid batteries has been set as our internal key performance indicator (KPI). In 2021, Grameenphone has recycled more than 80,000 old lead acid batteries.



Social

Our Mission

Grameenphone is committed to reducing inequalities and empowering societies by ensuring access to connectivity, digital and technological inclusion, as well as timely addressing social responses and environmental challenges. The ambition is to empower societies by reducing inequalities (SDG10), empowering women and girls (SDG5), and helping enable quality education (SDG4) through our services, social impact initiatives, and responsible business practices. Grameenphone is committed to maintaining responsible business practices throughout its entire supply chain, ensuring that its partners maintain the same standards and respect human rights

Material topics



Health, Safety & Security Performance

Grameenphone promotes high standard within Health, Safety and Security (HS&S) in order to ensure a healthy, safe and secure workplace. Securing sustainable business practices is crucial to maintain HS&S for our employees and for society. Ensuring well-being and a sustainable work-life balance will empower employees to perform in their roles and make Grameenphone an attractive employer.

Ambition

Grameenphone's ambition is zero fatalities in our operations and supply chain across the value chain. To reach our long-term objective, we are continuously seeking to improve and define relevant measures to improve our health and safety performance. Focus on quality reporting is key for Grameenphone and we have implemented a revised set of key performance indicators (KPIs) to ensure quality reporting both internally and in our supply chain for fatalities and serious incidents.

The Company is focused on continuous improvement of HS&S parameters in order to establish a safe and healthy work environment by demonstrating its strong leadership commitment towards peoples' safety across the value chain. With an aim towards zero fatalities, special emphasis has been placed on HS&S competence and capacity building, systematic HS&S risk analysis, control and proactive reporting. 13,692 hours of HS&S training and awareness were carried out for employees and partners.

The HS&S strategy outlines programmes for major initiatives and projects to create an Advanced HS&S culture and SCS ecosystem mindset across the value chain to establish safety as an integral part of the business by 2024.

Key highlights 2021

- Heightened precautionary measures have been taken to prevent the Covid-19 spread by reducing exposure. In order to control the pandemic, Grameenphone continued work from home and implemented digital ways to collaborate and work. The business operations have been resumed by adopting to the strict hygiene and health precautions while ensuring rigorous awareness across the value chain to serve customers in the best possible ways.
- Proactive initiatives like HS&S advisory, 24/7 doctor consultation, Covid-control guidelines, including use of PPE, have been enforced. As a duty of care, Covid-19 vaccination awareness for employees and partners were carried out.

- Road traffic accidents, including motorbike accidents, are accountable for 78% of the total incidents. Among all the road traffic accidents, 41% of the accidents are related to motorbikes. Road traffic accidents have traditionally been a contributor to serious incidents among our employees and value chain.
- The functional hazard identification-risk assessment and risk control (HI-RA-RC) process is being carried-out. Outcome from the process shall be taken as further improvement areas. Periodic training on road safety for the field forces has been initiated from Q2'21 which will continue every quarter. Safety briefing in 'Toolbox Talk' has been introduced and being practiced at every morning meetings.
- Serious incident close out rate (SICOR) for the organisation was set at 80% where Grameenphone scored 85%.

HS&S Incidents Reported	Year to Date (number of cases)		
	Employee	Supplier	Total
Near-Miss	11	3	14
First-Aid	3	18	21
Medical Treatment	2	5	7
Lost Time Injury	0	23	23
Fatality	0	1	1
Fire	4	1	5
Security	0	1	1
Any others	7	6	13
Unsafe Act/Unsafe Condition	296	25	321



Supply Chain Sustainability

A responsible and sustainable supply chain is a foundational element of Grameenphone's long-term value creation. Grameenphone believes that partnership and cooperation with suppliers and industry peers is vital to achieve its ambition within supply chain sustainability.

Ambition

Supply Chain Sustainability continues to be one of Grameenphone's strategic priorities and a key for long-term business success. Through the Agreement on responsible Business Conduct (ABC), Grameenphone's Supplier Conduct Principles (SCP) are applicable for most supplier categories and contracts (based on risk assessments). The Supplier Conduct Principles are based on internationally recognised standards, including requirements on the respect for human rights, health and safety, labour rights, working conditions, conflict and other unsustainably mined minerals, environment, privacy and freedom of expression, and prohibited business practices.

Effective risk management in Grameenphone's supply chain will remain a priority in 2022. Grameenphone will continue to strive for its supply chain sustainability efforts to have a positive impact on the business as a whole, and in the societies in which it operates.

Key highlights 2021

- All suppliers and partners of Grameenphone have endorsed the Supplier Conduct Principles (SCP) and Agreement on responsible Business Conduct (ABC).
- Carried out 801 supplier inspections where 77 percent was Covid-19 virtual checks and 23 percent unannounced inspections.
- The inspections resulted in 11 major and 142 minor non-conformities, which were followed up with mitigation plans and further monitoring. The Non-conformity (NC) close out rate was 100 percent.
- Conducted 10,186 man-hours of capacity building to enhance the supply chains competence and capabilities.



Youth Upskilling

Grameenphone has a strong focus on youth upskilling as a core enabler to create economic opportunities for the youth of Bangladesh. Bangladesh has a massive youth population dividend, and it is imperative to upskill this population with job-ready skills to realise our national ambition to become a high-income country by 2041.

Ambitions

Grameenphone has ambition to enable and scale the initiatives of Grameenphone and relevant partners connected to nationwide youth upskilling with a more inclusive approach. We will further ramp up our commitment in this area with multi-stakeholder programmes to accelerate the journey of building our future generation.

Key highlights 2021

- GP Accelerator 'Growth X' Programme was launched to enable start-ups for growth. Five regional bootcamps were successfully held nationwide and six start-ups have been selected to grow beyond local boundaries. An online GPA Curriculum platform is being designed to allow free nationwide enablement for innovation for all.
- The GP Explorers Academy, an inhouse professional skill building initiative for tertiary level students, delivered its second cohort with 300+ participation nationwide. The cohort successfully completed the learning journey in Communication Skills, Entrepreneurship Mindset and Digital Marketing through a unique learning model. A

one-of-a-kind Master Class series was also arranged with the country's top leaders for the students of the GP Explorer Academy.

- Grameenphone has partnered on a multi-stake programme with UNDP to directly connect with the national agenda to enable youth for economic opportunities. Grameenphone has signed the partnership as the private sector lead to the coalition "FutureNation" with UNDP, Bangladesh. The FutureNation alliance between the government, private, and development sector has an ambition to impact 1 million youth through active programmatic initiatives.



Diversity, Equality, and Inclusion

Grameenphone is an equal opportunity employer with diversity and inclusion being an imperative approach to the way we do business. It is about creating services and solutions together that include the different perspectives of our employees, customers, stakeholders and partners. We continue to work systematically on diversity and inclusion, with a broadened agenda that includes gender, skills and competence.

Ambition

Over the last years Grameenphone has been working to bring the female representation towards a better balance through a focused project approach. With the commitment from leaders and the management team, year-on-year we have seen a strong positive movement in the curve since 2018. In 2021, we set a steep target of almost 3.5% YoY growth in the female: male ratio. This target was met and the female ratio at now stands at 15.9% as of 31 December 2021.

We will continue to drive this journey in full momentum to reach our ambition of 20% by 2023 and further to set the standards of Gender Diversity & Inclusion in Grameenphone as a benchmark in the local market and beyond.

Key highlights 2021

We took a structured approach with sprint based agile planning on focused activities such as:

- 87% female talent recruitment, including 21 Next Business Leaders in 2021.
- Introducing structured learning paths to guide females towards critical skill building with 40% participants completing the learning path.
- Using Grameenphone's top management champions of inclusive mindset in the organisation, to lead through dialogue and discussions.
- Female talents have been given special exposure through role mobility, mentorship and project work.

With these efforts and more, now, Grameenphone is at the highest female ratio over the last 10 years of 15.9%.





Child Online Safety

Children are increasingly exposed to an open and collaborative online culture, which allows them to access information, maintain friendships and strengthen relationships with family, create and share content. Therefore, it is more important to help children become online savvy and resilient and create an ecosystem where learning can thrive. Grameenphone works to stimulate a supportive ecosystem where children online are aware and safer, and parents and teachers have the much-needed resources that equip them to address online complexities.

Ambitions

Our efforts will continue to focus on creating a safer online experience for children through close collaboration with our sustainability partners, policy makers and relevant experts. This includes making available resources relevant to the communities, enable discussions for knowledge and awareness, facilitate trainings across the country irrespective of gender or economic backgrounds, as well as maintaining conversations with policy makers and opinion leaders.

Key highlights 2021

- Directly trained 250,000 adolescent girls and boys from marginalised communities.
- Continued online education and awareness through radio, parliament TV and social platforms to reach over 27 million people.
- Conducted two policy dialogues with policy makers, opinion leaders and experts to create awareness and commitment at the national level.



Disaster Response Initiatives

Ambitions

We will continue our commitment to stand beside the nation in times of natural disasters and calamities. We will do our best in terms of helping affected communities and restoring their conditions.

Key highlights 2021

In continuation of the effort to support the families who lost their livelihood due to the Covid-19 lockdowns, Grameenphone provided food assistance support to over 33,300 families across Bangladesh. The work was completed in partnership with BRAC under the initiative named "Dakche Amar Desh". Under this initiative, each family received BDT 1,500 cash support (to provide for two weeks of basic food requirements for a family of four). Grameenphone employees also participated to this effort and contributed to support over 1,160 additional families.



Human Rights

Grameenphone is committed to respecting human rights. To adhere with this commitment Grameenphone conducts regular human rights due diligence. In 2021, a due diligence exercise was conducted, engaging various internal stakeholders as well as employees from different suppliers.

Ambition

Grameenphone's ambition is to conduct continuous human rights due diligence within the organisation. This will be facilitated by generating greater human rights awareness throughout the organisation, with the aim of holistically mitigating prioritised impacts on human rights as far as possible.

Key Highlights 2021

- Conducted human rights due diligence in 2021.



Governance

Our Mission

Create and maintain sustainable shareholders' value, safeguard stakeholders' interest and investor's trust by maintaining the highest standards of governance and business conduct.

Material topics



Corporate governance

Grameenphone's principles and practices for Corporate Governance define a framework of rules and procedures for the way business is governed and controlled.

Ambitions

- Bringing the interests of all stakeholders to the fore through our empowered, diverse and inclusive Board.
- Building sustainable and responsible supply chains.
- Ensuring robust compliance and integrity practices.
- Engaging with stakeholders through various channels and earning trust through transparent communication.

Detailed information on the corporate governance is provided in the "Corporate Governance in Grameenphone" section of the Annual Report on page 23.



Data Privacy

As a provider of mobile and internet connectivity, respect for the rights to privacy and freedom of expression is central to Grameenphone's core business. Customers, government and other stakeholders demonstrate increasing concern and knowledge about privacy. If we cannot protect the data of our customers, our customers will not be willing to share it which will limit our ability to deliver data-driven services.

Ambitions

We strive to build a strong and trusted brand with high focus on our customers' privacy and security. We invest in knowledge, technology and services to ensure safe and secure connectivity for our customers and the societies they live in. These topics are prioritised at all levels of the organisation, and we continuously train ourselves to understand new threats and concerns. It remains a priority for Grameenphone to strengthen the link between risks, controls, mitigating actions and strategic choices and improve the privacy control framework.

Key highlights 2021

- We have improved oversight of data flows and personal data management across the organisation.
- In 2021, Grameenphone successfully completed the Privacy Programme, which resulted in a higher level of compliance with internal policy requirements on privacy.
- Provided training to all new employees on the importance of privacy and data protection.
- Conducted trainings on internal privacy processes, vendor management, data subject rights, authority requests and data breach handling.
- Updated Privacy Notice for customers to explain how their personal data is being collected and used.
- Revised governing documents for privacy and authority requests to align with the changes in circumstances, applicable laws and regulations.



Cyber Security

The nature of Grameenphone's business and its role as a provider of critical infrastructure means that it is at constant risk of basic and advanced cyber threats; with cyber-attacks being one of Telenor's top enterprise risks. Telenor faces a rapidly changing threat landscape with new technological risks and geopolitical instability. Repeated, prolonged or complex network or IT system failures could damage our services and consequently weaken the trust our customers place on us as a reliable communications provider.

Ambitions

In 2021, Grameenphone's updated its security strategy focusing on safeguarding customer data, critical infrastructure and business information. Our Business Security vision is that we always protect society and people in their digital life, and that security is the foundation of everything we do. By 2021, the aim is to professionally manage security risks and cyber

security threats according to industry best practices and local laws and regulations. By 2023, the ambition is to have security in all aspects of our business and all technology domains following a risk-based approach, with defendable architecture implemented for all critical assets.

Key highlights 2021

- In 2021, Grameenphone launched its security awareness programme "We are Security" to promote a security-first culture, measured and followed up as one of our strategic KPIs.
- During 2021, 98 percent of all Grameenphone employees completed security trainings, including on job tool security and work from home scenarios. In addition, we have introduced targeted awareness for top management teams as well as exposed functions and vendors.
- During 2021, it was observed critical cyber security alerts were reduced by 89 percent, indicating that our efforts to improve basic cyber security hygiene had successfully reduced basic security risks.
- Grameenphone have reached the global target of professionally managing security risks and cyber security threats according to industry best practices and local laws and regulations.



ESG Key Figures

Take a look at Grameenphone's latest social and environmental performance figures.

ESG Metrics	Q1'2021	Q2'2021	Q3'2021	Q4'2021
People & Organisation				
Women in total workforce (%)	13.3	13.8	14.1	15.9
Women in Board (%)	20.0	20.0	20.0	20.0
Women in new recruits (%)	71.4	100.0	85.0	87.5
Women in Extended Management positions (%)	14.0	15.1	12.5	30.0
Supply Chain Sustainability				
Capacity building of suppliers (man-hours)	2,571	3,508	7,656	10,186
Findings of Child Labour (below 15 years)	0	0	0	0
Percentage of Suppliers signed ABC	100%	100%	100%	100%
Direct Suppliers in scope for ABC	1,002	1,031	947	993
Sustainability inspections and audits carried out	231	485	662	801
Climate Change				
Total GHG emissions (thousand tonnes CO ₂ e) (market-based factors)	44	47	48	45
Direct GHG emissions/ Scope 1 (thousand tonnes CO ₂ e)	2	2.1	1.9	1.6
Indirect GHG emissions/ Scope 2 (thousand tonnes CO ₂ e)	42	45	46	43
Asia Scope 1+2 GHG emissions level in relevant year compared to emissions in base year 2019 (%)	102.8	96.4	97.8	96.8
Total energy use (GWh)	95.0	99.9	100.3	93.3
Number of solar base stations	1,194	1,194	1,194	1,194
Environment				
Municipal waste recycled (%)	100%	100%	100%	100%
Digital Inclusion				
Mobile Internet users (% of active data users)	52%	53%	55%	54%

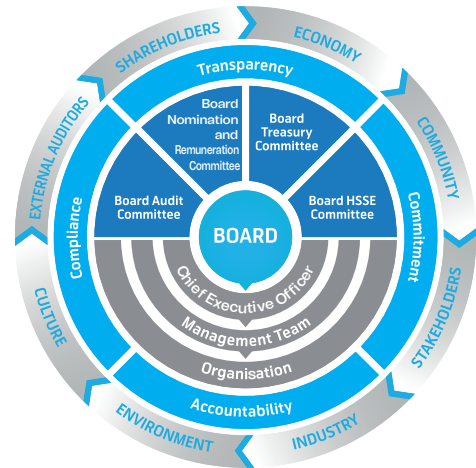


Corporate Governance in Grameenphone

The Board of Directors (the Board) recognises the importance of good corporate governance and is committed to ensure the sustainability of the Company's business and operations by integrating good governance ethics and business integrity into the strategies and operations of the Company. The Board believes these practices are key to continue deliver long-term shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence.

Corporate Governance Framework

As a technology-oriented business entity, Grameenphone emphasises on transparency, accountability and compliance, which are the essence of corporate governance. Grameenphone's high standards of corporate governance plays an important part towards the Company's continued growth and success. The Company has always strived to maintain the highest standards of corporate governance and business conduct so as to create and maintain sustainable shareholders' value, safeguard stakeholders' interest and maintain investors' trust and confidence. Ethical business practices go hand in hand with strong corporate governance, and we believe that running our businesses in an ethical manner creates trust with the public and ultimately create shareholders' value for the Company. The Company, at the same time, expects acts of honesty and integrity from its Board of Directors, employees and suppliers.



Corporate Governance Report 2021

Grameenphone is listed on the Dhaka Stock Exchange Ltd. and Chittagong Stock Exchange Ltd. The Board is of the view that throughout the year ended 31 December 2021, the Company has complied with all the applicable conditions set out in the Corporate Governance Code 2018 "the Code" issued by the Bangladesh Securities and Exchange Commission (BSEC). The Board continues to monitor and review the Company's Corporate Governance practices and makes necessary changes at an appropriate time. At Grameenphone, our actions are always governed by our values and principles, which are reinforced at all levels within the Company to ensure sustainable success. The disclosures in this report set out our corporate governance framework, practices and policies for FY2021 with reference to the Code.

Board Matters

a) Board Composition

As at the date of this Annual Report, the Grameenphone Board is comprised of ten (10) Directors, with eight (8) Non-Executive Directors and two (2) Independent Directors. The Non-Executive Directors contribute diversified qualifications and experience to the Company by expressing their views in an independent, constructive and informed manner, and actively participating in Board and Committee meetings. The Directors provide independent judgement and advice on issues relating to the Company's strategies, policies, performance, accountability, resources, key appointments, standards of conduct, conflicts of interests and management processes, with the shareholders' interests being the utmost important factor. The Company has also received from each Independent Director a confirmation annually of his/her independence taking into account the independence guidelines set out in BSEC Corporate Governance Code.

Board composition		Board diversity		Tenure of Non-Executive Director	
Composition		Gender			
Non-Executive	80%	Male	80%	Up to 3 years	50%
Independent	20%	Female	20%	3-6 years	20%
				Over 6 years	30%

Our business is led by our Board of Directors. They bring years of experience with them. Their breadth of knowledge guides our decisions and actions. The profiles of the Board members are provided below:



Jørgen C. Arentz Rostrup

Non-Executive Director
and Chair

Age: 56

Gender: Male

Nationality: Norwegian

Appointed: 9 June 2020

Committee Membership: None

Skills and experience

Jørgen Rostrup has wide management and finance experience across four continents across the telecom, energy, and chemical sectors.

Jørgen is the Chair of Grameenphone Board. Currently he is Executive Vice President and Member of the Executive Board of Telenor Group and Head of Telenor Asia. With 30 years of business experience in an international context, he previously served as CFO in Telenor Group, a position he has held since November 2016. Prior to joining Telenor, he served as President of Yara North America, Inc. He has also served as CEO of Yara Ghana Ltd., CFO in Norsk Hydro ASA, Executive Vice President Energy in Hydro and CFO for Hydro's Norwegian oil and gas activity. Jørgen is the Vice Chair of Total Access Communications PCL (dtac), Thailand and has also been on several Boards, including in the private equity and investment banking areas.

Jørgen holds a Master's Degree in Economics and Business Administration from the Norwegian School of Economics (NHH).



M Shahjahan

Non-Executive Director

Age: 66

Gender: Male

Nationality: Bangladeshi

Appointed: 26 June 2006

Re-elected: 21 April 2020

Committee Membership:

Audit Committee, Treasury Committee, and HSSE Committee

Skills and experience

Mr. M Shahjahan brings decades of experience in finance and operations in the development sector.

He serves as the Chair of the Grameenphone's Treasury Committee. He is the former Managing Director of Grameen Bank. Currently he is the Managing Director of Grameen Telecom Trust. Previous experience includes serving as the Deputy Managing Director; the General Manager and Head of the Accounts, Finance, Planning, Monitoring and Evaluation Division; Chief of the Audit Department; and the Zonal Manager of Grameen Bank. Mr. Shahjahan is a member of the Board of Directors of several companies that work in the fields of health, education, agriculture, welfare, renewable energy and telecommunications.

Mr. Shahjahan holds a Master's degree in Accounting and a Master's degree in Finance from the University of Dhaka. He was awarded ICAB Medal (Silver) for passing the 'C.A. Intermediate' examination at the earliest eligible chance.



Håkon Bruaset Kjøl

Non-Executive Director

Age: 50

Gender: Male

Nationality: Norwegian

Appointed: 14 September 2011

Re-elected: 19 April 2021

Committee Membership: NRC

Skills and experience

Mr. Håkon is a senior corporate and public affairs professional with extensive experience in the telecom and digital industries in Europe and Asia.

He is currently the Senior Vice President and Head of External Relations for Telenor in Asia. Prior to this, Mr. Håkon served as Chief Strategy and Transformation Officer at dtac, Telenor Group's mobile operations in Thailand. Mr. Håkon serves on the Board of Directors of several Telenor Group companies in Singapore, dtac in Thailand and Digi in Malaysia where he also serves as the Chair of the Board. He is also a non-executive Director of the internationally renowned architect and design company Snohetta AS headquartered in Oslo.

Mr. Håkon holds a Master of Business Administration degree from BI Norwegian Business School in Oslo, where he also studied public relations.



Md. Ashraful Hassan
Non-Executive Director

Age: 60
Gender: Male
Nationality: Bangladeshi
Appointed: 20 January 2010
Re-elected: 19 April 2021
Committee Membership: NRC

Skills and experience

Mr. Md. Ashraful Hassan has extensive and diversified knowledge in various business & industrial sectors. He has profound knowledge in projects & business development, industry setup & management, wide exposure in local & international market.

Currently he is serving as Executive Vice Chairman of Grameen Telecom and is engaged in promoting and providing easy access to GSM cellular services in rural Bangladesh. Mr. Ashraf also serves as Executive Vice Chairman of Grameen distribution Ltd., Grameen Shamogree, Grameen Knitwear Ltd., and Grameen Fabrics & Fashions Ltd. Managing Director of Ononyo Construction & developments Ltd. and CEO of Grameen Telecom Trust. He serves as a member of the Board of Directors of several enterprises in the fields of renewable energy, technology, education, health care, food & nutrition, construction, employment generation, information & communication technology etc.

Mr. Ashraf holds a Bachelor of Science degree in Engineering from Khulna University of Engineering and Technology (KUET), Bangladesh.



Nurjahan Begum
Non-Executive Director

Age: 69
Gender: Female
Nationality: Bangladeshi
Appointed: 15 December 2021
Committee Membership: None

Skills and experience

Ms. Nurjahan Begum has extensive experience in SME and microcredit, human development, training and education, both locally and internationally.

She is currently working as Advisor to Professor Yunus besides serving several Grameen organisations as Chairperson, Director or Trustee. Ms. Nurjahan is one of the earliest associates of Nobel Laureate Professor Muhammad Yunus during the establishment of Grameen Bank. She has served as Acting Managing Director and Deputy Managing Director of Grameen Bank; Principal of Grameen Bank Central Training Institute; Managing Director of Grameen Shakti and Grameen Shikkha; and a Director in Grameen Foundation, USA. Currently she also serves as Director of Grameen Italia Foundation, Italy and Centre for Mass Education in Science (CMES), Bangladesh, and also on the Council of Advisors of DSK (Dushta Shasthya Kendra), Bangladesh. She has been presented many awards, including the Susan M. Davis Lifetime Achievement Award, the World Summit Millennium Development Goals Award, the Outstanding Contribution to Education Award at Ed Leadership 7th International Roundtable, and the Yunus Social Business Summit Award.

Ms. Nurjahan holds a Master of Arts degree in Bangla from the University of Chittagong.



Tone Ripel
Non-Executive Director

Age: 51
Gender: Female
Nationality: Norwegian
Appointed: 18 October 2020
Committee Membership: None

Skills and experience

Ms. Tone Ripel brings broad legal experience, corporate governance and business ethics, in addition to board of director experience in the telecom industry.

She currently holds the position as Attorney at Law in the Group Legal of Telenor ASA. She has been working in Telenor since 2013 and also serves as Director of Total Access Communications Public Company Limited (dtac), Thailand. She started her career as Higher Executive Officer, advisor and senior advisor in Norwegian Competition Authority. In 1999, Ms. Tone joined Wiersholm Law firm in Norway as an Associated Attorney and Senior Attorney working primarily with corporate issues hereunder competition law, corruption issues and regulated markets, which included project management of high-profile investigations, crises management and contact with relevant authorities. She has served as Director of Digi Telecommunications Sdn Bhd, Malaysia and Telenor Norge AS, Norway.

Ms. Tone holds a Master's degree in Law from University of Oslo.





Lars Erik Tellmann
Non-Executive Director

Age: 50
Gender: Male
Nationality: Norwegian
Appointed: 11 December 2019
Re-elected: 21 April 2020
Committee Membership: HSSE Committee

Skills and experience

Mr. Lars Erik Tellmann brings senior operational and leadership experience from the telecom industry of Europe and Asia, as well as expertise in finance and fintech.

Mr. Tellmann is Senior Vice President and Head of Telenor Financial Services, Telenor Group, and Chair of the Grameenphone's HSSE Committee. He served as Chief Financial Officer of Telenor Myanmar Limited, and Chief Executive Officer of Telenor Myanmar Limited. Before joining Telenor Group in 2001, Mr. Tellmann worked in the software industry with Agresso Group ASA. Currently, he is also a Board member of Digi Telecommunications Sdn Bhd, Malaysia, Telenor Pakistan Ltd., Wave Money Ltd. in Myanmar, Telenor Microfinance Bank Ltd. in Pakistan and Carousell Pte. Ltd. in Singapore.

Mr. Tellmann holds a Master of Science in Business (M.Sc./Siviløkonom) degree from NORD University in Norway, and a Master of Business Administration (MBA) from Heriot-Watt University, Edinburgh in Scotland.



Øivind Burdal
Non-Executive Director

Age: 52
Gender: Male
Nationality: Norwegian
Appointed: 18 May 2016
Re-elected: 21 April 2020
Committee Membership: Audit Committee

Skills and experience

Mr. Øivind Burdal has deep knowledge in legal affairs with operational and management experience in Europe and Asia.

He joined the Legal Department of Telenor ASA in 2004 where he has practiced and held managerial positions in several areas. In August 2017, he was appointed Vice President, Head of Group Legal Asia in Telenor ASA after having served as Senior Vice President, Head of Legal in Telenor Myanmar Limited since July 2015. After obtaining his law degree, he joined Thommessen Krefting Greve Lund, one of the major law firms in Norway, focusing on M&A and TMT.

Mr. Burdal obtained his Law degree (Cand. Jur.) from the University of Oslo, Norway, a degree in Business Administration (Bedriftsøkonom BI) from BI Norwegian Business School Oslo, Norway, and a Master's degree (LLM, Master of Corporate and Commercial Law) from London School of Economics and Political Science in London, England.



Dr. Salehuddin Ahmed
Independent Director

Age: 73
Gender: Male
Nationality: Bangladeshi
Appointed: 12 December 2018
Tenure: 2nd Tenure
Committee Membership: Audit Committee

Skills and experience

Dr. Salehuddin Ahmed was a civil servant of the erstwhile Civil Service of Pakistan (CSP) with extensive experience in administration working with the Government of Bangladesh.

He is Chair of the Grameenphone's Audit Committee; a Professor at the BRAC Business School, BRAC University, Bangladesh; and a non-executive Independent Director of ASA International Group plc. He started his career as a lecturer in Economics at Dhaka University. Dr. Ahmed was appointed as the Governor of the Bangladesh Bank (Central Bank) in May 2005, for a term of four years up to 30 April 2009. He has also served in leadership roles with intergovernmental and micro-credit organisations in Bangladesh. Dr. Ahmed was awarded Nawab Sir Salimullah Foundation Gold Medal for contributions in Economics. He also received the Distinguished Alumni Award from McMaster University, Canada.

Dr. Ahmed holds Master's degrees in Economics from Dhaka University and McMaster University and attained his Ph.D. in Economics from McMaster University, Canada in 1978.



Abdul-Muyeed Chowdhury

Independent Director

Age: 78

Gender: Male

Nationality: Bangladeshi

Appointed: 14 September 2020

Tenure: 1st Tenure

Committee Membership: NRC

Skills and experience

Mr. Abdul-Muyeed Chowdhury was a civil servant belonging to the erstwhile Civil Service of Pakistan (CSP) cadre which he joined in October, 1967. He has extensive experience in administration working with the Government of Bangladesh in field level assignments as Deputy Commissioner and Divisional Commissioner as well as at policy level as Secretary in several Ministries.

He serves as Chair of the Grameenphone's Nomination and Remuneration Committee (NRC) and is currently serving as the Managing Director & CEO of Tiger Tours Limited. He served as an Adviser to the non-party Caretaker Government of Bangladesh in 2001. He has spent more than three decades in the civil service of Bangladesh, including as Secretary to the Government of Bangladesh in charge of various ministries, including holding leadership roles as Secretary of Internal Resources Division (IRD) of the Ministry of Finance and ex-officio Chairman of National Board of Revenue (NBR). Among other roles headed the Jamuna Multipurpose Bridge Authority and ex-officio Secretary of Jamuna Bridge Division. In this role he successfully managed and completed the largest ever development project of the country "The Jamuna Multipurpose Bridge". He was made a Fellow of the Institution of Civil Engineers (FICE), UK, for this accomplishment. He was the founder Chair of the SME Foundation and also Board Member of several other public institutions. Mr. Chowdhury is a nominated member of the Board of Directors of several listed companies, and Independent Director of four listed companies including Grameenphone.

Mr. Chowdhury holds a Bachelor of Arts Degree with honors in General History from Dhaka University and a Master of Arts (1st Class) in Modern History from the same University. He also attended certificate course in Public Administration at the University of Tennessee, Knoxville, USA as a Fulbright Awardee.

b) Key Features of our Board

- All Board Members are Non-Executive Directors;
- Chair of the Board is Non-Executive Director;
- Separation of the roles of Chair of the Board and the CEO;
- No Independent Directors have served more than six (6) years;
- Chair of the Audit Committee and NRC Committee are Independent Directors;

c) Role of the Board

The Directors of the Board are appointed by the Shareholders at the Annual General Meeting (AGM) and are accountable to the Shareholders. The Board is responsible for ensuring that the business activities are soundly administered and effectively controlled. The Directors keep themselves informed about the Company's financial position and ensure that its activities, accounts and asset management are subject to adequate monitoring and control. The Board also ensures that Grameenphone Policies & Procedures and Codes of Conduct are understood, implemented and maintained at all levels and the Company adheres to the generally accepted principles for good governance and effective control of Company activities.

d) Rules of Procedure for the Board

In addition to other regulatory guidelines, the Board has also adopted the 'Rules of Procedure for the Board of Directors' for ensuring better governance in the work and administration of the Board. The Board is also guided by a Delegation of Authority that spells out the practices and processes in discharging its responsibilities.

e) Board Diversity

The Board recognises the importance of diversity in deliberations and decision-making and has established its efforts to establish a diverse Board. We believe that our Board has optimum knowledge, composure and technical understanding about the Company's business, which, combined with its diversity of culture and background, stands as the perfect platform to perform and deliver. Grameenphone Board has approved a policy namely "Local Guidelines Board Diversity" in this aspect.



f) Appointment of new Directors and Top-Level Executives

The Board is responsible for the appointment of new Directors and top-level executives. The Board delegates the screening and selection process to Nomination and Remuneration Committee. The Committee makes its recommendation to the Board for appointment of new Directors and top-level executives.

g) Training of Board members

All new non-executive directors and independent directors are introduced to our Company culture through orientation sessions. The Management Team and senior management provide an overview of operations, and familiarise the new non-executive directors and independent directors on matters related to our values and commitments. They are also introduced to the organisation structure, services, constitution, Board procedures, and matters reserved for the Board etc.

h) Board Meetings

The Articles of Association ("AoA") of the Company requires the Board to meet at least four (4) times in a year or when duly called in writing by any Board member. Board meetings for the upcoming financial year are scheduled in advance before the end of the current financial year to enable Directors to plan ahead and attend the meetings according to the respective meeting schedules. The notice of each Board Meeting is served in writing well ahead of the meeting. The notice contains the detailed statement of business to be transacted at each meeting. The Board meets for both scheduled meetings and on other occasions to deal with urgent and important matters that require attention. Grameenphone's AoA allows Board meetings to be held via audio and video conferencing to facilitate the decision-making process. The Board met seven (7) times during the year 2021 and attendance of the Board members in the meetings was as follows.

Board meeting and AGM Attendance of Directors during 2021

Name of the Director	AGM 19 April 2021	Board meeting number							Held during tenure	Attended	% of attendance
		1	2	3	4	5	6	7			
Mr. M Shahjahan**			×						7	6	86%
Mr. Md. Ashraful Hassan									7	7	100%
Mr. Håkon Bruaset Kjøl**		×						×	7	5	71%
Mr. Øivind Burdal									7	7	100%
Dr. Salehuddin Ahmed									7	7	100%
Mr. Lars Erik Tellmann**							×		7	6	86%
Mr. Jørgen C. Arentz Rostrup									7	7	100%
Mr. Abdul-Muyeed Chowdhury									7	7	100%
Ms. Tone Ripel			×						7	6	86%
Ms. Nurjahan Begum	—	—	—	—	—	—	—	—	—	—	—
Ms. Parveen Mahmud*		×		×			×	×	7	3	43%

Attended in Person Attended through video conference Attended through audio conference Leave of absence Was not a member

* Ms. Parveen Mahmud retired from the Board on 15 December 2021

** In compliance with the law, the Board granted leave of absence to the members who were unable to attend Board meetings

i) Board Activities

Among other things, the Board's Activities in 2021	
Strategy	Performance
<ul style="list-style-type: none"> Approved Grameenphone's annual strategy action plan and annual target Approved Grameenphone's capital investment 	<ul style="list-style-type: none"> Grameenphone's Performance - monthly and quarterly Audited Financial Statements for FY 2020 and Final Dividend Approved Interim Dividend
Risk and Internal Controls	Governance
<ul style="list-style-type: none"> Identified principal risks and ensured appropriate internal controls and mitigation measures and their implementation 	<ul style="list-style-type: none"> Approved 2020 Annual Report Contents Approved the appointment of Board members Established and identified succession plan for leadership

Risk and Internal Controls	Governance
<ul style="list-style-type: none"> Reviewed the adequacy and integrity of the information provided by the Management and internal control systems Reviewed enterprise risks on quarterly basis Reviewed Business Security risks and mitigation activities 	<ul style="list-style-type: none"> Reviewed yearly report of Supply Chain Sustainability, Competition Compliance Programme, Internal HS&S Management, and Anti-Corruption Programme Approved revision to the Company Governing Documents Approved Internal Audit Plan and Compliance Plan Review Internal Audit Reports Approved related party transactions Approved 2020 Short Term Incentive (STI) Achievement and 2021 STI plan for the CEO Reviewed the outcome of the BSEC Corporate Governance Code Compliance Audit Reviewed the update from Board Sub-Committees

j) The Chair and the Chief Executive Officer (CEO)

The Chair of the Board is a Non-Executive Director. The Chair and the CEO of Grameenphone are separate persons. The roles of the Chair and Chief Executive Officer are clearly established, set out in writing and agreed by the Board to ensure transparency and better governance. To that end, Grameenphone has also adopted 'Rules of Procedure for Chief Executive Officer'. The Chair leads the Board and is responsible for ensuring the effectiveness of the Board and its governance processes, while the CEO is the authoritative head for day-to-day management in the Company. He acts to reasonably ensure that Grameenphone operates its business as per the Articles of Association. Decisions are made by the Board and Shareholders, as well as according to Grameenphone Policies and Procedures and applicable regulatory laws and legislations.

k) Delegation of Authority

Responsibility or authority is assigned through the delegation of authority framework. The Board approves the Company's delegation of authority which ensures that delegated authority levels flow through the proper governance channels. The delegation of authority framework for the Company is continuously reviewed and updated as circumstances change to ensure relevance and applicability. Amendments to these documents are reviewed and approved by the Board.

l) Code of Conduct

In compliance with the requirement of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission (BSEC), the Company has framed and adopted the Code of Conduct for the Chair of the Board, other Board members and the Chief Executive Officer of Grameenphone to support the Company's objectives, vision and values. The Code is available on the Company's website at www.grameenphone.com

m) Access to Information

The Board recognises that the decision-making process is highly dependent on the quality of information furnished. In furtherance to this, every Director has access to all information within the Company. Throughout their tenure in office, the Directors are continually updated on the Company's business and the regulatory and industry specific environment in which it operates. These updates are transmitted to them by way of written briefs and meetings with Senior Executives, and where appropriate, external sources.

n) Succession planning for Top-Level Executive

The Nomination and Remuneration Committee works with the Board on the leadership succession plan to ensure orderly succession of appointments in top level executives. The Company strives to maintain an appropriate balance of skills and experience within the organisation.

o) Board and Top-Level-Executive Remuneration Policy

The objective of the Grameenphone's Top-Level Executive remuneration policy is to secure that reward for Top Level Executive shall contribute to attracting, engaging and retaining the right employees to deliver sustainable value for shareholders in accordance with the Grameenphone behaviour.

Each Director shall receive reasonable remuneration from the Company for every meeting attended, which includes travelling expenses from and to usual place of residence and an allowance per day for the number of meeting days. The amounts will be determined by the Shareholders at the General Meeting.



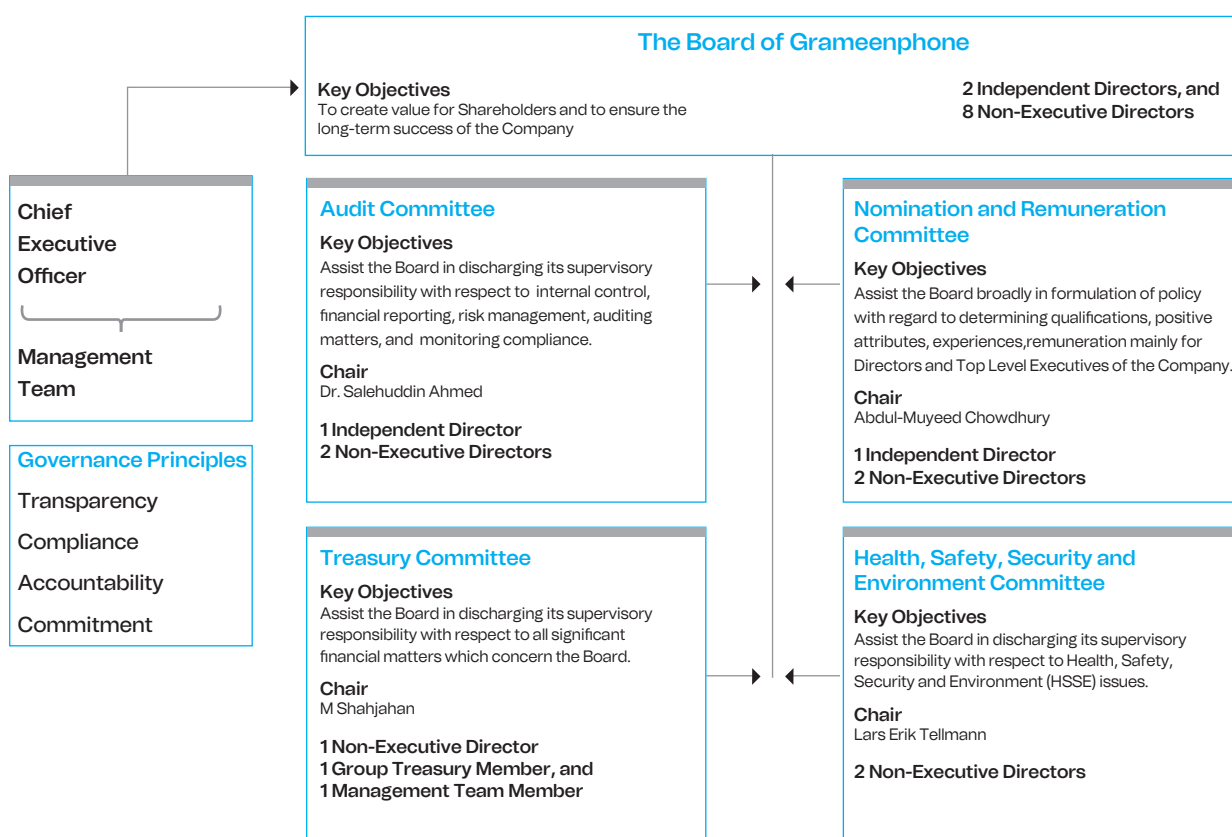
p) Evaluation of the Board

To establish and improve the operating effectiveness of the Board, the Board shall carry out an evaluation once a year of its work, functions, and performance as well as monitoring of internal control over financial reporting for the preparation of external financial statements and the safeguarding of assets. The Nomination and Remuneration Committee has approved the criteria for evaluation of performance of the Board and the CEO.

The Board evaluation was performed in January 2021 and the result was dealt by the Board at its Board Meeting on 27 January 2021.

Board Committees

For better, quicker and furnished flow of information and thereby exercising effective governance, the Board has also constituted four (4) sub-committees, viz: Audit Committee; Nomination and Remuneration Committee; Treasury Committee; and Health, Safety, Security & Environment Committee and has delegated certain responsibilities to the Committees to assist the Board in the discharge of its responsibilities. The role of Board Committees is to review and appraise in the respective areas and then to advise and make recommendations to the Board. Each Committee operates in accordance with the Charter/Terms of Reference (ToR) approved by the Board. The Board reviews the ToR of the Committees from time to time. The Board appoints the members and Chair of each Committee. A brief description of each Committee is presented below:



Audit Committee Report 2021

Dear Shareholders,

This report provides an overview of how the Committee operated, an insight into the Committee's activities and its role in ensuring the integrity of the Company's published financial information and ensuring the effectiveness of its risk management, controls, and related processes.

Composition and Meetings

The Audit Committee of Grameenphone comprises of two (2) Non-Executive Directors and one (1) Independent Director. All members possess adequate qualifications as determined in the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC). The Committee includes :

1. Dr. Salehuddin Ahmed, Chair
2. Mr. M Shahjahan, Member
3. Mr. Øivind Burdal, Member



The Independent Director, Dr. Salehuddin Ahmed acts as Chair of the Committee. As per the regulatory guidelines, the Company Secretary, Mr. S M Imdadul Haque acts as the Secretary to the Committee. The Audit Committee, accordingly, performs in coherence and ensures compliance with the Corporate Governance Code promulgated by the BSEC.

A total of eight (8) meetings were held during 2021. Mr. Md. Ashraful Hassan (Nominated Director by Grameen Telecom) attended the meetings as a special invitee. A record of the Members' attendance at the Audit Committee meetings during 2021 is given below:

Committee members	Attendance	% (Percentage)	Committee member since
Dr. Salehuddin Ahmed	8/8	100%	12 December 2018
Mr. Shahjahan	8/8	100%	09 December 2009
Mr. Øivind Burdal	8/8	100%	30 January 2018

* Details of the Committee members' financial, accounting, and other experience and expertise are given in their biographies under 'Directors' Profile' on pages 24 to 27

Permanent invitees to the meetings were the Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Head of Internal Audit and the Company Secretary. Relevant heads of divisions and other members of the Management and the internal audit team also attended the meetings on occasions, as required.

Major Responsibilities of the Audit Committee

The purpose, authority, composition, duties, and responsibilities of the Audit Committee are delineated in its Charter. Some of the major responsibilities of the Audit Committee are as follows:

- Review the annual, half-yearly and quarterly Financial Statements and other financial results, and upon its satisfaction of the review, recommend the same to the Board for approval.
- Review the adequacy and effectiveness of financial reporting process, internal control system, risk management, auditing matters, and the Company's processes for monitoring compliance with laws and regulations and the Code of Conduct.
- Recommend appointment, termination, and determination of audit fees for statutory auditors. Consider the scope of work and oversee and evaluate the works performed by statutory auditors. Review permitted non-audit services performed by statutory auditors.
- Exercise its oversight of the work of Grameenphone Internal Audit. Review the effectiveness of internal audit functions including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of audit action plans.
- Exercise its oversight of the work of Grameenphone Ethics & Compliance. Review the Compliance Plan.
- Review related party transactions to ensure compliance with relevant statutory rules and regulations.

Major Activities of the Audit Committee during the reporting period

- Reviewed and recommended annual Financial Statements for the year ended 31 December 2020.
- Reviewed the Managements' Discussion & Analysis 2020.
- Approved 2020 yearly report to the shareholders from the Audit Committee.
- Reviewed and recommended the quarterly Financial Statements for the year 2021.
- Reviewed and recommended the Compliance Plan 2021.
- Discussed Internal Audit reports and findings and guided completion of annual audit plan.
- Reviewed the top risks of the Company.
- Monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed and recommended the Internal Audit Plan 2022.
- Reviewed and recommended related party transactions.
- Reviewed Management Letter issued by the External Auditors in their presence.
- Reviewed the performance of the statutory auditors and made recommendation to the Board on the appointment and remuneration of statutory auditors.
- Reviewed and received report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC).
- Reviewed other matters and incidents of significance as per Audit Committee Charter.

For and on behalf of the Board Audit Committee of Grameenphone Ltd.

Dr. Salehuddin Ahmed
Chair
Audit Committee
25 January 2022

Nomination and Remuneration Committee Report 2021

Dear Shareholders,

This report provides an insight into the Committee's activities during the year 2021 and a description of its roles, responsibilities and functions.

Composition and Meetings

The NRC of Grameenphone comprises three (3) members who are exclusively Non-Executive Directors, including one (1) Independent Director. The Committee consists of:

1. Mr. Abdul-Muyeed Chowdhury, Chair
2. Mr. Håkon Bruaset Kjøl, Member
3. Mr. Md. Ashraful Hassan, Member

Independent Director Mr. Abdul-Muyeed Chowdhury is the Chair of this Committee. As per the regulatory guidelines, the Company Secretary, Mr. S M Imdadul Haque acts as Secretary to the Committee. The NRC ensures compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC).

A total of five (5) meetings were held during 2021. Mr. M Shahjahan (Director Nominated by Grameen Telecom) attended the meetings by special invitation. A record of the Members' attendance at the NRC meetings during 2021 is given below:

Committee members	Attendance	% (Percentage)	Committee member since
Mr. Abdul-Muyeed Chowdhury	5/5	100%	14 September 2020
Mr. Håkon Bruaset Kjøl	4/5	80%	11 December 2018
Mr. Md. Ashraful Hassan	5/5	100%	11 December 2018

* Details of the Committee members' experience and expertise are given in their biographies under 'Directors' Profile' on pages 24 to 27.

Permanent invitees to the meetings are the Chief Executive Officer (CEO), the Chief Human Resources Officer (CHRO), and the Company Secretary. Relevant Heads of divisions and other members of the Management team also attended the meetings on occasions, as required.

Major Responsibilities of NRC

The purpose, authority, composition, duties and responsibilities of this Committee are delineated in its Charter. Some of the major responsibilities of the NRC are as follows:

- Recommend policy on Board's diversity taking into consideration age, gender, experience, education and nationality.
- Formulate the criteria for determining qualification of Directors.
- Identify persons who are qualified to become Directors and top-level executives and recommend their appointment and removal.
- Formulate the criteria for performance evaluation of Independent Directors and the Board Members.
- Recommend policy to the Board relating to the remuneration of the Directors, and top-level executives.
- Assess composition, reasonableness and sufficiency of the remuneration package(s) to attract, retain and motivate suitable Directors to run the company successfully.
- Evaluate as to whether remuneration of Directors and top-level executives 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.
- Identify the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria.
- Annually review and recommend human resources and training policies of the Company.
- Recommend the remuneration policy of the Company, particularly regarding yearly increments; and
- Recommend the Code of Conduct for the Chair of the Board, other Board Members and Chief Executive Officer (CEO) of the Company.

Nomination, Election and Selection of Directors

The NRC is responsible to ensure that the procedure for appointing new Directors is transparent, unbiased and equitable. The Board places great emphasis on ensuring broader diversity in its membership on the basis of age, gender, experience, ethnicity, educational background, nationality as well as on personal attributes to provide all round perspectives and insights for appropriate decision making. Aim of the recruitment and selection process is to ensure that candidates with the most suitable skills, knowledge, experiences, and personal values can be selected.



Evaluation of the Board

The NRC is responsible for ensuring the effectiveness of the Board. The Board is required to carry out an annual evaluation of its over-all performance relating to monitoring of internal controls, financial reporting, preparation of external financial statements and safeguarding of assets. The evaluation process is led by the Chair of the Board and assisted by the Company Secretary. Each Director is required to complete a confidential pre-set questionnaire. The evaluation includes a review of the administration of the Board and its committees.

Top Level Executive Selection and Remuneration Policy

The performance of the Company depends upon the quality of its Directors and Top-Level Executives. The Company strives to attract, motivate, and retain highly skilled Directors and Executives.

Recruitment standards support Grameenphone's reputation as an employer of choice.

Grameenphone's remuneration policy strives to attract highly motivate Top Level Executives and to retain them to add value to the company's growth and development.

Remuneration for Board of Directors

Directors shall receive reasonable remuneration from the Company for every meeting attended, plus travelling expenses from and to usual place of residence and an allowance per day for the number of days spent attending, travelling to, and returning from Board meetings. Rate of such remuneration is determined by the Shareholders at the General Meeting.

Major Activities of the NRC during the reporting period were as follows:

- Reviewed and recommended Director's remuneration for attending Board and Sub-Committee meetings of the Company.
- Reviewed succession planning for top management.
- Approved 2020 yearly report to the shareholders from the NRC Committee.
- Reviewed and recommended Voluntary Retirement Scheme (VRS).
- Reviewed and recommended 2020 Short Term Incentive (STI) achievements and 2021 STI plan for the CEO.
- Recommended appointment of Chief Procurement Officer (CPO).
- Reviewed and recommended annual salary increment proposal for 2021.
- Reviewed and recommended salary adjustment for the Chief Executive Officer (CEO).
- Reviewed and recommended 2021 Long Term Incentive (LTI) allocation for the CEO.
- Recommended the appointment of a new Nominated Non-Executive Director to the Board.
- Reviewed the background, qualification and independence of Independent Director and recommended extension of tenure of the Independent Director.
- Reviewed and recommended the revision in the "Code of Conduct of Grameenphone".

For and on behalf of the Nomination and Remuneration Committee of Grameenphone Ltd.

Abdul-Muyeed Chowdhury

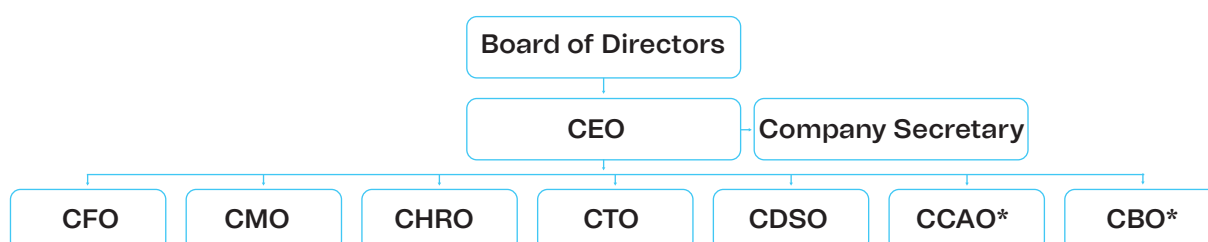
Chair

Nomination and Remuneration Committee

25 January 2022

Management Team

The Management Team is the Executive Committee of Grameenphone. Headed by the CEO, the Management Team is responsible for managing and running the affairs of the Company. All other key managers across the Company are the members of the Management Team. The Management Team works to achieve the strategic goals and mission of the Company set by the Board of Directors. In discharging its assigned responsibilities, the Management Team meets on a weekly basis to monitor the business performance of the Company.



* The Company is in the process of appointing in these positions.

The key roles of the Management Team, headed by the Chief Executive Officer, include running the day-to-day business of the Company. Collectively, they inspire our teams and steer the success of our business. The profiles of the present Management Team members are provided below:



Yasir Azman

Chief Executive Office (CEO)

Age: 47

Gender: Male

Nationality: Bangladeshi

Appointed: 01 February 2020

Skills and experience

Azman has a proven track record as a leader in transformation, change management and business development.

Prior to his appointment as Chief Executive Officer (CEO) he served as Deputy Chief Executive Officer (DCEO), and the Chief Marketing Officer (CMO) with the Company. Azman has worked with Telenor Group in India and Norway, serving as the Group's Head of Distribution & eBusiness, as well as EVP & Circle Business Head for Orissa and Karnataka circles (2010-2012). During his previous tenure in Grameenphone, Azman played a leading role setting up the Grameenphone Sales and Distribution organisation and transforming the Company's distribution structure. As CMO, Azman played a part in guiding Grameenphone towards a high performing and a digital-centric organisation.

Azman holds an MBA from Institute of Business Administration, Dhaka University, and also attended several executive educational programmes with the London Business School and INSEAD, France



Jens Becker

Chief Financial Officer

Age: 54

Gender: Male

Nationality: German

Appointed: 15 August 2019

Skills and experience

Jens has over 20 years of experience in operational management and finance in the telecommunication industry in Germany and Poland.

Before joining Grameenphone as Chief Financial Officer (CFO) he served as CFO of T-Mobile Poland (formerly Polska Telefonia Cyfrowa) (2007-2016) which he followed with time as a consultant in select entrepreneurial ventures. During the first half of 2015 he also served as interim CEO for GTS Poland. Jens was CFO at T-Online International AG (2004-2007), where he was responsible for controlling of T-Online's subsidiaries in France and Spain, among others. His experience also includes leadership roles in Deutsche Telekom Group, Germany.

Jens holds a Master's degree (Diplom) in Geography, Economics and Business Administration from Free University, Berlin, and participated in the Deutsche Telekom General Management Programme from London Business School.



Sajjad Hasib

Chief Marketing Officer

Age: 43

Gender: Male

Nationality: Bangladeshi

Appointed: 01 February 2020

Skills and experience

Sajjad has wide experience in the commercial aspects of Grameenphone business through his work in sales and distribution and circle leadership.

Sajjad served as Head of Operations before he was appointed as CMO. Over the years Sajjad has led several Digitalisation & Transformation programmes to modernise the Sales & Distribution, and Commercial operations of Grameenphone. He also served as Circle Business Head in both Dhaka & Sylhet. An engaged leader, he has a proven record of driving growth through innovation, analytics, growth mindset, and effective marketing. Sajjad started his career as Distribution Officer in Citycell and has worked in various companies home and abroad before joining Grameenphone as Area Sales Manager in 2006.

Sajjad earned an MBA from the University of Bedfordshire (UK), a Bachelor's degree from NSU (Dhaka), and several executive training from London Business & INSEAD Business School.



Syed Tanvir Hussain

Chief Human Resources Officer

Age: 47

Gender: Male

Nationality: Bangladeshi

Appointed: 12 June 2018

Skills and experience

Tanvir brings a depth of diverse experience as a transformational HR leader across different industries, locally and abroad.

In his current role as a Chief Human Resources Officer (CHRO), Tanvir has led the Organization Modernization journey, pioneering GP towards a more future-fit, agile, and lean organization, equipped with relevant competences. Tanvir started his Grameenphone career as lead of the Centre of Expertise function, then moving to Shared Services, in People & Organization Division before he was appointed as the CHRO. In his various roles, he contributed significantly to programs focused on employee competence shifts through upskilling and reskilling employees for fluidity and agility - both in Leadership & functional spaces. His exemplary championship for Automation & Digitalization and Diversity & Inclusion has reinforced the cultural dynamic across the organization. Tanvir held several leadership positions such as Head of HR, Citibank N.A and CHRO, Airtel Bangladesh.

Tanvir has received an MBA degree from IBA, University of Dhaka.



Rade Kovacevic

Chief Technology Officer

Age: 49

Gender: Male

Nationality: Montenegro

Appointed: 30 January 2018

Skills and experience

Rade has vast expertise in IT and Technology working in the telecom industry in different senior positions.

Prior to his appointment as Chief Technology Officer (CTO) he served as the Company's Interim CTO for a brief period. In his more than 20 year long career he had also served in Telenor Group as Head of IT Asia (acting), Technology & Services and as Head of Sourcing at Telenor India.

Rade has earned a Master's of Science degree in Electronics and Computer Science from University of Montenegro.



Solaiman Alam

Chief Digital and Strategy Officer

Age: 43

Gender: Male

Nationality: Bangladeshi

Appointed: 01 January 2020

Skills and experience

Solaiman has 20 years of professional experience in the FMCG and telecom industry.

He served Grameenphone as Director Marketing, and later Head of Digital Division before being appointed Chief Digital and Strategy Officer (CDSO). Through his career, Solaiman has held various roles spanning digital channel and services, marketing, product management, brand management, trade marketing and sales. He got his start in Sales with British American Tobacco Bangladesh (2000-2005) before moving to Orascom Telecom Bangladesh, Banglalink. At Banglalink he played a vital role in establishing that company as one of the most recognised brands in the country and left as its Director, Marketing.

Solaiman is graduate from IBA, University of Dhaka, and has attended a host of courses and certifications from organisations like London Business School, INSEAD France, HFI, IDEO etc.

Company Secretary

To ensure effective assimilation and timely flow of information that is required by the Board and to maintain necessary liaison with internal organs as well as external agencies, the Board has appointed a Company Secretary. The Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), also requires a listed Company to appoint a Company Secretary. In pursuance of the same, the Board of Directors has appointed the Company Secretary and defined his roles & responsibilities. In Grameenphone, among other functions, the Company Secretary:

- Performs as the bridge between the Board, Management and Shareholders on strategic and statutory decisions and directions.
- Acts as a quality assurance agent in all information streams towards the Shareholders and the Board.
- Is responsible for ensuring that appropriate Board procedures are followed and advises the Board on Corporate Governance matters.



- Acts as the Disclosure Officer of the Company and monitors the compliance of the acts, rules, regulations, notifications, guidelines, orders/directives, etc. issued by BSEC or Stock Exchange(s) applicable to the conduct of the business activities of the Company so as to protect the interests of the investors and other stakeholders.



S M Imdadul Haque
Company Secretary

Age: 47

Gender: Male

Nationality: Bangladeshi

Appointed: 21 April 2017

Skills and experience

Imdad has vast knowledge and expertise in the Company Secretarial function, Corporate Governance, Compliance, Stakeholder Management, and Public Communications.

Imdad started his career in the Internal Audit function of Grameenphone in 2004. Then he moved to the Department of Company Secretary two years later. He had more than 15 years of experience in the Company Secretariat Function. Before joining Grameenphone, Imdad worked in KPMG Rahman Rahman Huq, Chartered Accountants (2002-2004) where he was also an articled student (November 1998-April 2002).

He holds a Master's degree in Commerce and attended various training programmes at different institutions and educational programme, including INSEAD. He was also passed the "C.A. Intermediate" examination.

The Control Environment in Grameenphone

In implementing and ensuring good governance in Grameenphone, the Board and the Management Team ensure the following:

a) Financial Reporting Standards

Grameenphone has strong financial reporting procedures. Financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. All the financial transactions are recorded in the Oracle Enterprise Resource Planning (ERP) systems. Financial reports extracted from the ERP are then used to produce the financial statements. These financial statements, once prepared, are reviewed initially by the Chief Accountant, CFO and CEO respectively and then by the Board Audit Committee on a quarterly basis. In each quarter/half-year/year, the external auditors review or audit the financial statements following relevant regulations/requirements. The annual audit is conducted by the external auditors, who are appointed by the Board of Directors followed by the Shareholders' approval in the Annual General Meeting.

b) Internal Control Over Financial Reporting (ICFR)

Establishing adequate internal control and ensuring an effective control environment is high on the Grameenphone Management agenda. Grameenphone has implemented necessary Internal Controls to provide reasonable assurance that Grameenphone's financial statements are not materially misstated and give a true and fair view of the transactions and financial position of the company and the financial statements are compliant with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Bangladesh Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh.

Grameenphone follows a risk-based approach for designing and implementing effective internal controls. The Management has also established an appropriate accountability structure with defined roles and responsibilities for control performers, control owners and process owners with the overall responsibility lying with the CEO and CFO. Internal controls in Grameenphone are part of Grameenphone's overall corporate governance structure and are deeply embedded in the business processes affecting the financial reporting.

Operating effectiveness of controls is monitored throughout the year. Effectiveness of the controls are tested in two different phases, i.e. Interim Testing and Year-end Testing. An independent audit firm is engaged to test the effectiveness and adequacy of instituted controls. Grameenphone has a dedicated Internal Control Team,

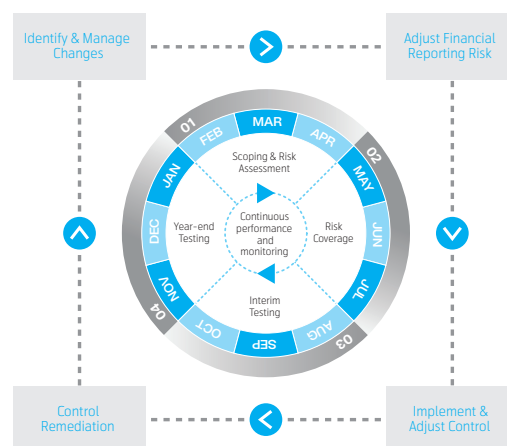


Figure: ICFR Routine in Grameenphone

accountable for conducting activities related to internal controls over financial reporting. ICFR team works independent of but closely with Internal Audit and Telenor Group ICFR team to ensure risks are identified, reported and mitigated timely.

Because of its inherent limitations, any system of internal control over financial reporting, no matter how well designed, may not prevent or detect misstatements due to the possibility that a control can be circumvented or overridden or that misstatements due to error or fraud may occur that are not detected. Also, because of changes in conditions, internal control effectiveness may vary over time.

Management assessed the effectiveness of the Company's internal control over financial reporting engaging an independent audit firm, using the criteria established in Internal Control - Integrated Framework (2013) issued by the COSO and concluded that the Company maintained effective internal control over financial reporting throughout the year ended 31 December 2021

c) **Business Reviews and Financial Reviews**

Business reviews and financial reviews are conducted on a quarterly basis. The purpose of business reviews is to monitor progress of strategic initiatives versus longer term strategic plans and objectives, whilst also taking into consideration the changing market and regulatory environment. The purpose of the financial review is to monitor the financial performance and position of the company versus its annual financial targets.

In addition to quarterly business and financial review, the CEO and CFO review financial results on a monthly basis to ensure Grameenphone is on track to deliver its annual financial targets or to identify corrective action, if and when required.

d) **Statutory Audit and Certification**

Auditing of the Company is governed by the Companies Act, 1994 and the Bangladesh Securities and Exchange Commission Rules 2020 and conducted in accordance with International Standards on Auditing (ISA). As per these regulations, auditors are appointed by Shareholders at each Annual General Meeting (AGM) and their remuneration is also fixed by the Shareholders at the AGM. Appropriate structure is in place as per Corporate Governance best practices to ensure their independence. Statutory auditors cannot be appointed for a consecutive period exceeding three years in compliance with the order of Bangladesh Securities and Exchange Commission (BSEC). Statutory auditors are not engaged in non-audit services as this may compromise auditor independence, unless otherwise required by the regulators.

e) **Internal Audit and Investigation**

Internal Audit supports the Company in achieving its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of its risk management, control and governance processes. The investigation unit ensures that internal investigations are conducted with predictability, confidentiality, fairness and confidence to clarify the factual circumstances and establish if there are any evidences of personal misconduct or violation to Grameenphone's Governing Documents and/or laws and regulations. In order to ensure organisational independence of Internal Audit and Investigation, the Head of the function reports functionally to the Board and its Audit Committee and administratively to the Chief Executive Officer. Internal Audit and Investigation activities are governed by the Charter, which is approved by the Board. Grameenphone Internal Audit and Investigation is empowered to carry out its assigned activities in all aspects of the Company and have unrestricted access to any relevant information. Grameenphone Internal Audit department discharges its assurance and consulting activities through management of three distinct audit streams: Core Business, Governance and Third Parties, and IT & Cyber Security. A risk-based annual audit planning process is in place, which takes into consideration the strategic imperatives and major business risks surrounding Grameenphone, while considering pervasive audit needs. Grameenphone Internal Audit and Investigation also works closely with Telenor Group Internal Audit and Investigation in sharing knowledge and resources to ensure achievement of deliverables and objectives.

f) **Related Party Transactions**

The Board Audit Committee reviews all the related party agreements and payments before submission to the Board of Directors for approval. Abiding by the laws, a Board Director, who has an interest in a transaction, discloses his interest in such transaction and abstains from deliberations and voting on the relevant resolution in respect of the transactions at the Board meetings. Details of significant related party transactions are disclosed in notes of the Financial Statements as per the requirements of IAS 24 Related Party Disclosures.



g) Dividend Distribution Policy

The Board of Directors has established a dividend policy, which forms the basis for the proposals on dividend payments that it makes to the Shareholders taking into consideration the business performance of the Company and its strategic initiatives. The Board believes that it is in the best interest of Grameenphone to draw up a long-term and predictable dividend policy. The objective of the policy is to allow the Shareholders to make informed investment decisions. The Board has approved the following dividend policy:

"The dividend policy is to pay minimum 50% of the net profit after tax depending on the financial health and capital requirement of the Company with an aim to have a consistent growth in dividend payout. Grameenphone shall aim for as frequent dividend distribution as possible.

Grameenphone can consider special dividend payments such as interim dividend subject to the Company's business performance and cash availability."

h) Enterprise Risk Management & Risk Mitigation

Risk Management at Grameenphone is concerned with earning competitive returns from the Company's various business initiatives at an acceptable risk level. It supports the Company's competitiveness by developing a culture, practice and structure that systematically recognises and addresses future opportunities whilst managing adverse effects (i.e. threats) by recognising risks and responding appropriately to them. The Company follows well defined risk management manuals and processes to mitigate enterprise level risks. This aspect is discussed more elaborately in the 'Our Key Risks and Risk Mitigation' section of the Annual Report on page 13.

i) Compliance with Rules & Regulations of the Country

In Grameenphone, we believe that compliance is the key towards a sustainable business. Therefore, being respectful to the laws of the land is a priority for us. Accordingly, we have adopted strategies that assure compliance with all legal and regulatory requirements and ensure that good governance is properly cascaded throughout the Company. Grameenphone is also subject to the supervision of regulatory bodies that focus on transparency and requires that Grameenphone provides accurate and periodic reporting of issue, events and certification where necessary. In this context, Grameenphone regularly provides financial statements and required documents to the Bangladesh Securities and Exchange Commission (BSEC), Stock Exchanges, National Board of Revenue (NBR), Registrar of Joint Stock Companies & Firms (RJSC&F), Bangladesh Telecommunication Regulatory Commission (BTRC), the Bangladesh Investment Development Authority (BIDA) and other relevant bodies and authorities.

j) Business Continuity and Crisis Management (BCCM)

An effective Business Continuity Management ensures that organisation able to provide acceptable level of services in the event of a disruption which keeps the good reputation, brand values as well the business growth.

Grameenphone as a telecommunication leader in Bangladesh, always give outmost effort to ensure the best and uninterrupted services to its customer. A robust Core Network Infrastructures has built and maintained. Risk assessment processes are followed for identifying and managing the business continuity threats. Drills and exercises are performed to test the business continuity plans and enhance disaster management readiness. Apart from this GP works collaborate with external authorities and stakeholders to faster the recovery of services after any disruptive events like cyclone.

A well-coordinated crisis management process has established. Like previous years also in 2021 Grameenphone has successfully managed the Covid-19 situation. Ensuring customers are able to utilise the telecom services in this unrepresented time. It's a continues process of improvement, Grameenphone works in alignment with Telenor group for further enhance its Crisis Management capabilities.

k) Bangladesh Secretarial Standards (BSS)

Grameenphone conducts its Board meetings, records the minutes of the meetings, as well as maintains the required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB).

l) Ethics and Behaviour**i. Ethics and Compliance Function**

Grameenphone's Ethics and Compliance team manages and executes the Grameenphone Compliance Programme. The team manages annual and ongoing processes for compliance risk assessment, maintenance of policies and manuals, implementation of controls, resolution of reported concerns,

execution of awareness initiatives and training programmes, monitoring and functional reporting, and evaluation and improvement measures to ensure that internal and external requirements are met. To safeguard the independence and objectivity of the Ethics and Compliance team, the Head of Ethics and Compliance has reporting lines to the Board of Directors as well as to the Chief Executive Officer.

ii. Code of Conduct

The Code of Conduct is an integral part of our daily lives. It is the basis for how we behave and do business – always in line with the highest ethical standards. This year Grameenphone adopted an updated Code of Conduct approved by the Board of Directors. It promotes four key principles:

1. We play by the rules.
2. We are accountable for our actions.
3. We are transparent and honest.
4. We speak up.

The four Code principles are designed to set clear expectations regarding our business conduct. The Code of Conduct is a key governance document that helps employees safeguard themselves and the Company from risk. The regular electronic re-signing of the Code of Conduct helps remind our employees of our joint commitment towards a zero-tolerance policy for corruption and promotion of ethical business behaviour. Grameenphone's Ethics and Compliance team is available to help any employee navigate and resolve any dilemmas or challenges in their day-to-day work. Our Ethics and Compliance team manages annual web-based "E-learning" courses and conducts several live, dilemma-based awareness and training programme further enhance employee knowledge on how to properly respond to ethical dilemmas.

iii. Restrictions on dealings in Grameenphone Shares by Insiders

The Company has established a detailed policy relating to trading in Grameenphone shares by Directors, Employees and other Insiders. The securities laws also impose restrictions on similar transactions. Insiders are prohibited from trading in Grameenphone shares, while in possession of unpublished price sensitive information in relation to the Company during prescribed restricted trading periods.

iv. Business Partner Management Policy

Grameenphone expects its business partners to meet the same anti-corruption standards that apply to the Company and exercises due care before engaging any of them. All Grameenphone business partners must accept our extensive anti-corruption requirements (which are embedded in their contracts with us), and our Ethics and Compliance and supply chain sustainability team regularly engages our business partners through corruption awareness sessions and verification activities meant to ensure their compliance with their anti-corruption commitments to us.

Grameenphone's Business Partner Management Policy ensures our relationships with business partners do not pose unacceptable compliance risks within our supply chain. The Company has adopted a risk-based approach to managing business partner compliance risks which includes, but is not limited to, risks of corruption, fraud, money laundering, trade sanctions, privacy, business security, health and safety, human rights, and the environment.

v. Supplier Conduct Principles

Grameenphone's Supplier Conduct Principles (SCP) outline the standards for ethical and business conduct expected from suppliers and contractors in their relationship with the Company. The SCP are binding on the Company's suppliers who each sign an Agreement on Responsible Business Conduct to ensure high standards of business ethics amongst all Company suppliers.

vi. Whistleblowing Policy

Grameenphone's whistleblowing policy applies to all employees and suppliers, customers and distributors. The bedrock of this policy is zero tolerance for retaliation of any kind against any person who responsibly reports an issue to Grameenphone through any of our available reporting channels.

Any employee can report a concern internally to their manager, their manager's manager or directly to the Ethics and Compliance function. Grameenphone also has a web-based reporting channel, the "Integrity Hotline" that is operated by an international, independent company and designed to protect the privacy of individuals who report a concern, and individuals who are the subject of a reported concern. Where permitted by law, individuals may choose to remain anonymous. All reports are treated confidentially and appropriately investigated and concluded. Any person can report through any channel without fear of retaliation.



vii. Anti-Corruption Policy

"Zero Tolerance" for corruption is Grameenphone's bedrock principle for combatting corruption. Grameenphone's Anti-Corruption policy applies to its Board members, employees, and others with the authority to act on our behalf. The Company has a robust anti-corruption programme that conducts targeted integrity risk assessments for all operational processes and business partners to identify risk areas and develop effective mitigations. These risk assessments are conducted annually and updated quarterly. Grameenphone's risk-based mitigation plan is designed to prevent or reduce exposure to corruption and minimise our risk of involvement in bribery, facilitation of payments, or trading in influence. Grameenphone's top management sets our Tone from the Top through a visible and active commitment to our "Zero Tolerance" for corruption through Town Halls, written communications and in its day-to-day activities, where they lead by example. Grameenphone maintains 100% completion rate for its anti-corruption e-learning and Code of Conduct sign off, where each Grameenphone employee commits to complying with the Company's requirements.

m) Investor Relations (IR)

Grameenphone is one of the largest listed corporate entities in Bangladesh, and therefore places high importance to the investment community both within and outside of the country. With the purpose of establishing the most effective two-way communication with financial markets and the Company, there is a dedicated Investor Relations function providing best-in-class-practices in Grameenphone.

The Investor Relations (IR) function aims to provide relevant and necessary information to the investment community and capital markets in order to enable them to make an informed judgement about the fair value of the Company's shares. IR acts as a bridge between the Management of the Company and its valued investors, and as a specialised function maintains close contact with worldwide investors, analysts, market experts, capital markets and financial community on a proactive basis. Through this, the relevant stakeholders are kept informed about the Company's financial results, regulatory landscape, growth opportunities and strategic ambitions, while objectively sharing the associated risk and reward profile.

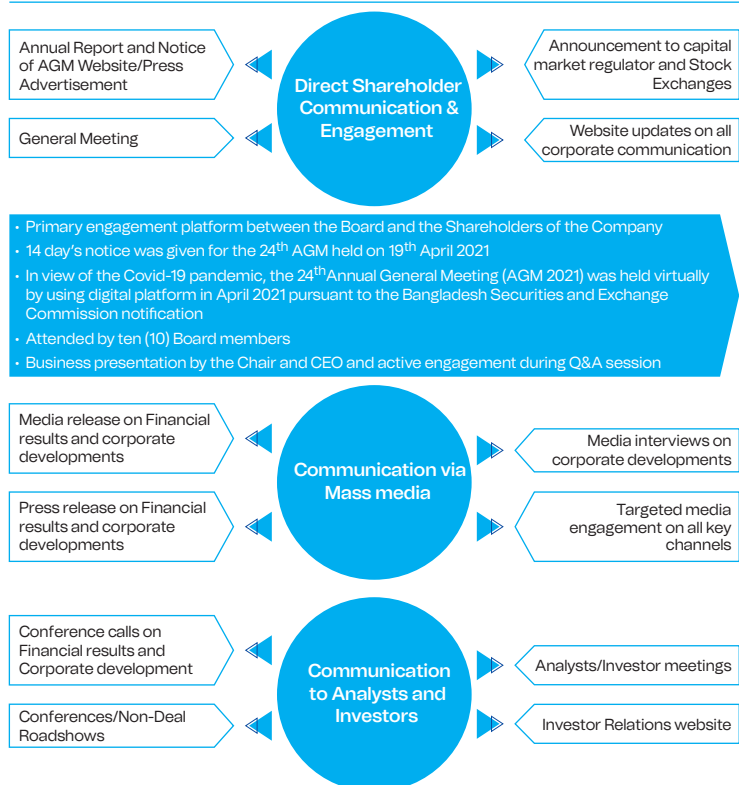
This also reflects Grameenphone's commitment towards developing the capital market of the country by introducing global best practices and ensuring transparency, accountability and compliance. Grameenphone's Investor Relations website is updated with the latest information. An email address and hotline number is listed for direct access to key persons. Notable events that IR conducted during the year 2021 were quarterly earnings release, frequent conference calls with the investment community, participation in foreign non-deal road shows and participation in frontier market conferences.

n) Shareholders

i) Communications with Our Shareholders

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. We value the importance of effective communication with our Shareholders and Investors. Information is communicated to the Shareholders regularly through a number of forums and publications. The Company has adopted a detailed policy on information disclosure and communication. In compliance with continuous disclosure requirements, the Company's policy is that Shareholders will be informed of all major developments that impact the business of the Company in a routine manner so that they are able to make informed decisions.

Grameenphone uses a number of channels for communication with shareholders and stakeholders particularly:





ii) Information Disclosure

In accordance with the disclosure requirements, the Company follows the following three main forms of information disclosure:

- Continuous disclosure – which is its core disclosure and primary method of informing the market and Shareholders;
- Periodic disclosure – in the form of quarterly and yearly reporting of financial results and other issues; and
- Event-based disclosure – as and when required, of administrative and corporate developments, usually through stock exchanges and press releases.

All information provided to BSEC and Stock Exchanges are immediately made available to the Shareholders and the market on the Company's Investor Relations section of the website: www.grameenphone.com

iii) Annual General Meeting (AGM)

The General Meeting of the Shareholders is the supreme governing forum in Grameenphone. The Company recognises the rights of Shareholders and the Shareholders' interests are primarily ensured through Grameenphone's Annual General Meeting (AGM). The Company also encourages Shareholders' active participation in the AGM and other General Meetings. The AGM provides a useful forum for our Shareholders to engage directly with Grameenphone's Board of Directors and Management. The Board Members and Statutory Auditors attend the AGM to respond to the Shareholders' queries on the result or any other aspect of the Company.

Notices of the AGM, together with the annual reports, are generally issued to all Shareholders (including foreign shareholders) at least 21 days prior to the scheduled meeting. This provides ample time for shareholders to review the documents ahead of the meetings and appoint their proxies to attend the meetings if they wish.

In view of the Covid-19 pandemic, the 24th Annual General Meeting (AGM 2021) was held virtually by using a digital platform on April 2021, pursuant to the Bangladesh Securities and Exchange Commission order dated 23 March 2021.

In order to encourage the participation of shareholders at its general meeting, we designed the virtual format of 24th AGM to enhance, rather than constrain, shareholder access, participation and communication. For example, the online format allowed Shareholders to communicate with us in advance of and during the meeting so that they could ask any relevant questions or provide comments on the performance or any other aspect of the Company. Shareholders were allowed to cast their vote on the Agenda items through the system. The Company will continue to explore leveraging on technology to facilitate Shareholders' participation and enhance proceedings of General Meetings.

As part of Grameenphone's commitment towards more environmentally-friendly and sustainable practices, Grameenphone makes its annual reports available online at the Grameenphone website. Printed copies of Grameenphone's annual reports are made available upon request.

iv) Website

All financial results and key performance indicators as well as other relevant financial and non-financial data are posted on the Investor Relations section of the Company's website: www.grameenphone.com

v) Shareholders' Queries

Whilst the Company aims to provide sufficient information to Shareholders and Investors about the Company and its activities, it also recognises that Shareholders may have specific queries relating to their shareholding. These queries may be directed at +88 01711555888 or emailed to Grameenphone Share Office at shareoffice@grameenphone.com.

Grameenphone believes in transparency and accountability to society as a whole through establishment of an efficient and effective Corporate Governance regime. The Company also believes that Corporate Governance is a journey and not a destination and it needs to be continuously developed, nurtured and adapted to meet the varying needs of a modern business house as well as the justified aspirations of our valued investors, other stakeholders and the society at large.

Electronic Medium Voting at Grameenphone General Meeting



In view of the Covid-19 pandemic, voting by shareholders at the AGM 2021 was done by poll pursuant to the provision of the Companies Act, 1994 and BSEC's notification dated 23 March 2021.

All resolutions at Grameenphone's 24th AGM were voted on by poll so as to reflect shareholders' shareholding interests and ensure greater transparency. Grameenphone used electronics poll voting system to register the votes of shareholders who participated the AGM.

When voting on a resolution has closed, the poll voting results, including the number and percentage of votes cast for and against the resolution, were immediately broadcasted, the poll voting results were filed with BSEC after the AGM.

Directors' Report

For the Year Ended 31 December 2021

This report has been prepared in compliance with Section 184 of the Companies Act 1994 and Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission (BSEC) and BSEC notification dated 03 June 2018.

2021: Committed to delivering value for customers, empowered by digitisation and future-fit capabilities

The year 2021 saw us through the second and third wave of the Covid-19 pandemic which has had a profound impact across the globe as well as in Bangladesh. Bangladesh was put through multiple lockdowns on and off for some parts of the year resulting in prolonged disruption on socio-economic lives. The uncertainty left little for us to do but accept the pandemic as a challenge and drove us to stand by the nation through our connectivity during the times they depended on it the most, be it for their education, work, safety, or staying in touch with family.

Despite the extraordinary events and unprecedented Covid-19 related challenges, we hit some very important strategic milestones that enabled us to maintain our competitive edge in the market. In 2021 Grameenphone reported a total revenue of BDT 143.1 billion for the year, registering an 2.5 % growth from the previous year. In early 2021, Grameenphone participated and secured 10.4 MHz spectrum that has enabled Grameenphone even further in meeting customers' demand for high-speed internet connectivity and enhancing their digital experience. Throughout the year, we executed on our plans with acquiring future-fit capabilities, advanced network operations, and invested in spectrum deployment to serve our customers.

Across 2021, Grameenphone saw a steady growth in new customer acquisition numbers. We focused on acquisition and Gross Add by launching innovative and relevant offers for new users in our product portfolio. The Company acquired 4.2 million new subscribers during the year, ending the year with 83.3 million subscribers, a 5.3% year-over-year growth. 44.6 million subscribers, or 53.5% of total subscribers, are using internet services.

In 2021, Grameenphone invested BDT 37.2 billion to further improve network coverage. Grameenphone's total number of sites stands at 18,301. Our effort in enhancing customer experience and digitalisation resulted in more people choosing Grameenphone and an increase in data usage in 2021. 4G Data users increased by 7.9 million, growing by 39.7% YoY while digital recharge increased by 21.6%. The Company has paid BDT 102.78 billion, equalling 71.83% of its total revenues, to the National Exchequer in the year of 2021.

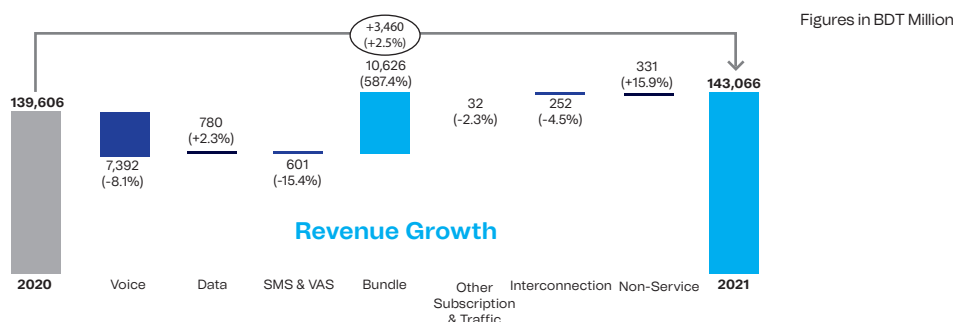
Notably, we have taken a consultative approach with the regulators to address different issues to serve our customers best in the most challenging times. We have undertaken initiatives such as the modernisation of our operating models and integration of automation, developing competent skills for the future, and building partnerships for advanced network capabilities. We believe the right mix of competency, capabilities and tools will contribute to our growth ambition, reinforce our position as a reliable connectivity partner, and help move Bangladesh forward.

Disclosure/Statements according to the Provisions of the BSEC's Corporate Governance Code 2018

Segment/Product Wise Performance

Grameenphone provides its products and services to customers across the country and reviews revenue performance of its services. A relevant disclosure is provided in the notes to the Financial Statements.

Grameenphone posted BDT 143.1 billion total revenue for the year 2021 with 2.5% growth compared to the previous year. The increase in total revenue was mainly driven by higher bundle and data revenue, partly offset by lower voice revenue. In 2021, Grameenphone actively promoted its bundle services by launching attractive packs through both own and third-party digital channels to provide better customer value along with enhanced experience. This has resulted into substantial growth in bundle revenue which was seven times compared to last year.



Voice only revenue decreased by 8.1% from last year, while data only packs & pay-go revenue increased by 2.3%. The decrease in voice revenue is mainly attributed to the lower usage due to lockdowns during the second wave of Covid-19 and shifting of usage from voice only packs towards bundle packs. 'SMS and VAS' includes Content service, SMS and MMS revenue, which decreased by 15.4%, being influenced by the implementation of regulatory directives regarding mandatory customer consent. 'Other Subscription & Traffic' includes revenue from outbound roaming services and USSD revenue from mobile-financial services.

Interconnection revenue is generated from incoming traffic which are originated from outside Grameenphone network. Interconnection revenue decreased by 4.5% in 2021 compared to 2020 despite increase in incoming minutes from national and international operators. De-growth in interconnect revenue was mainly due to full year impact of implementation of SMP directives in 2020 (reduction in national call termination rate).

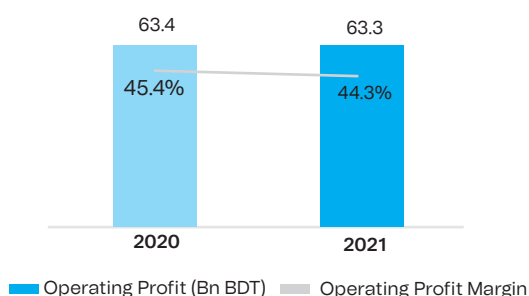
'Non-Service Revenue' segment includes customer equipment, i.e., sale of handsets, internet modems and Vehicle Tracking System, and revenue from telecom infrastructure sharing, commission from financial services, etc.

Grameenphone added 4.2 million subscribers in 2021 despite lockdowns during mid of the year under Covid-19 situation. At the end of 2021, Grameenphone's total subscriber base reached at 83.3 million with 5.3% growth from last year including 53.5% active data users. Grameenphone continued its investment momentum in 2021 with roll-out of more than 3,000 4G sites, acquisition of 10.4MHz new spectrum and deployment of the additional spectrum in more than 10,000 sites along with re-farming of 1800MHz band. In addition, coverage expansion resumed with more than 1,700 new sites after commencement of the Towerco operating model.

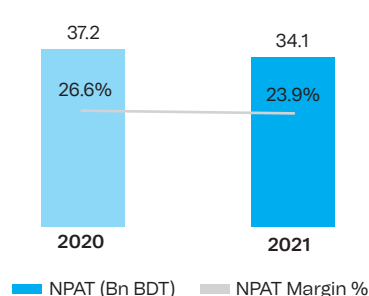
● Review on Operating Expense, Operating Profit Margin and Net Profit Margin

Operating expenses consist of cost of material and traffic charges, salaries and personnel cost, operation and maintenance, sales, marketing and commission, revenue sharing, spectrum charges and licence fees, depreciation and amortisation expense, and other expenses. Operating expense for 2021 was BDT 79.7 billion with 4.7% increase compared to last year. The Increase in operating expense mainly came from higher sales, marketing and commission, cost of material and traffic charges and cost from modernisation initiatives. Operating profit for 2021 stood at BDT 63.3 billion, with a margin of 44.3%.

Operating Profit & Operating Profit Margin



NPAT & NPAT Margin



Net profit after tax for 2021 was BDT 34.1 billion with a margin of 23.9%. BDT 3.1 billion decrease in net profit after tax was mainly due to one-off favourable adjustments in finance cost and tax expenses in 2020. As a result, Earnings Per Share (EPS) for the year 2021 stood at BDT 25.28 as compared to BDT 27.54 for the year 2020, having year-on-year decrease of 8.2%.

● Significant Variance of Financial Statements

No significant variations have occurred between quarterly and final financial performances of the Company during the year 2021 except for a growth in revenue which is discussed in "Segment/Product Wise Performance" segment of this report. During the year, Grameenphone participated in that auction and secured 0.4 MHz in 1800 MHz band and 10MHz in 2100 MHz band effective from 9 April 2021 to 10 November 2026.

Besides, the significant increase of net operating cash flow per share (NOCFPS) in 2021 compared to that of 2020 is mainly for the deposit of BDT 20 billion which was a one-off incident resulted in lower net cash generated by operating activities for 2020 which in turn reduced the NOCFPS for that year. However, in current period there has not been any such significant one-off incident. This is the main reason for increase in NOCFPS in current year compared to comparative year. Other variances from business operation are sufficiently disclosed in the relevant segments of this Annual Report.



- **Directors' Declaration on the Financial Statements**

The Board is responsible for presenting an accurate and fair view of the Company's financial performance and position as a part of good governance. To that end, the Directors confirm to the best of their knowledge that:

- a) The Financial Statements, prepared by the Management of the Company, present its state of affairs, the result of its operations, cash flows and changes in equity fairly;
- b) Proper books of account of the Company have been maintained;
- c) Appropriate accounting policies have been consistently applied in preparation of the Financial Statements and that the accounting estimates are based on reasonable and prudent judgement;
- d) International Financial Reporting Standards (IFRSs) have been followed in preparation of the Financial Statements and any departure therefrom has been adequately disclosed;
- e) The system of internal control is sound in design and has been effectively implemented and monitored; and
- f) There is no doubt upon the Company's ability to continue as a going concern.

- **Director Remuneration**

No remuneration is given to the Directors of the Board apart from attendance fees in connection with Board and Board Sub-Committee meetings. During the year 2021, attendance fees in connection with Board and Board Sub-Committee meetings were BDT 1,089,200 (2020: BDT 753,931). Foreign Directors have decided not to receive the attendance fees in connection with Board and Board Sub-Committee meetings.

- **Minority Interest**

Grameenphone believes that good Corporate Governance involves open and trusting cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. The Board of Directors is committed to ensuring the highest standards of governance designed to protect the interests of all stakeholders, including the rights of its minority shareholders while promoting integrity, transparency, and accountability. The Board of Directors shall always act in a manner that will be in the best interest of the Company.

- **Risks & Concerns**

Managing risk is an integral part of our business activity. The Company's Board and management are fully committed to maintaining sound risk management system to safeguard Company and shareholders' interest. As with other co-existing companies, Grameenphone's business is also exposed to diverse risks that arise both from the internal and external fronts. Apart from uncertainties stemming from a dynamic regulatory regime, the Company has always been prepared for issues such as competing markets, operational challenges, legal knots, interest and exchange rate volatilities, and potential changes in policies at the national or global level. However, Grameenphone has a befitting risk management policy and a periodic monitoring system to address the concerns and uncertainties that are likely to hit the Company's business activities, operations, liquidity, and financial position for future performances.

- **Industry Outlook and Possible Future Developments**

The telecom sector in Bangladesh is still growing and projected to grow further by connecting the unconnected communities and enabling accelerated digitalisation needs due to Covid-19 lately.

While the number of unique mobile subscriber and internet users have grown steadily, the annual growth rate for data consumption, however, is quite high (around 11.4%) when compared to voice traffic growth. Despite declining voice revenue trend against increased growth in data and new & adjacent businesses, voice traffic remains the main revenue driver; and is expected to remain so over the next few years.

Sudden surge in data traffic during the Covid-19 crisis put pressure on the country's existing mobile networks. To manage capacity, we have acquired additional spectrum in the 1800MHz and 2100MHz bands to enhance and expand 4G/LTE services and improve quality of services. The demand for digital connectivity will only grow further as the country celebrates 50th birthday and set out to realise full potential of Least Developed Country (LDC) graduation and even bolder ambition to become a middle-income economy by 2031 and self-sustained knowledge based digital economy by 2041 where digitalisation will be the key enabler. The Government has signed deals with World Bank to fund fibre connectivity projects in rural areas. Funds have also been allocated to expand and modernise the state-owned Mobile operator Teletalk and trail of 5G. However, to best utilise 4G and to commercially launch 5G, amendment of the BTRA Act; revision of the investment-related clauses in the Licences; broadband policy; spectrum pricing, data tariff directives; Quality of Service (QoS) guidelines etc. will be critical.



Other statutory Disclosure

- The Company's financial results have continued to improve since the IPO in 2009 as reflected in the yearly Financial Statements.
- All significant deviations from the previous year in the Company's operating results have been highlighted and reasons thereof have been explained.
- The key operating and financial data for the last six years have been disclosed in Annexure -V of this report on page 62.
- All transactions with related parties have been made on a normal course of business. Details of related parties and related party transactions have been disclosed in note 41 to the Financial Statements 2021 as per the relevant IFRS requirements.
- As per IAS 1 Presentation of Financial Statements, no items of income and expenses are to be presented as 'extraordinary gain or loss' in the financial statements. Accordingly, no 'extraordinary gain or loss' has been presented in the Financial Statements.
- The Grameenphone Initial Public Offering (IPO) was made in 2009, and the fund raised thereby has already been utilised by 30 June 2010 as reported to the regulators. No other equity instrument has been issued since then.
- Management's Discussion and Analysis signed by the CEO is disclosed in Annexure-V of this report on page 59.
- The declaration by the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) on Financial Statements 2021 to the Board as prescribed is annexed to this report as Annexure-IV on page 58.
- Grameenphone has declared interim dividend and recommended final dividend for the year 2021. Grameenphone has not declared Bonus Share as Interim and Final Dividend in 2021.
- During 2021, a total of 7 (seven) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-II of this report on page 57.
- Shareholding pattern of the Company as on 31 December 2021 is shown in Annexure-III of this report on page 57.

Annual Results and Allocations

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2021 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

Figures in BDT million

	2021	2020
Profit available for Appropriation		
Profit/ (Loss) after tax	34,129	37,187
Other comprehensive income (loss), net of tax	100	(470)
Un-appropriated profit brought forward from previous year	30,750	16,988
Total Amount available for Appropriation	64,979	53,705
Appropriation		
Final Dividend Paid for Previous Year	(19,579)	(5,401)
Interim Dividend Paid for Current Year	(16,879)	(17,554)
Closing Retained Earnings at year end (before Proposed Final Dividend)	28,521	30,750
Proposed Final Dividend for the year (2021: 125% and 2020: 145% cash)	(16,879)	(19,579)
Retained Earnings after Proposed Dividend	11,642	11,171

Dividend

For the year ended 31 December 2021, the Board of Directors of the Company has paid an Interim Cash Dividend @ 125% of the paid-up capital amounting to BDT 16,878,750,275 which was BDT 12.50 per share of BDT 10 each. Now, the Directors are pleased to recommend a Final Cash Dividend @ 125% of the paid-up capital amounting to BDT 16,878,750,275 which is BDT 12.50 per share of BDT 10 each for the year 2021 out of the divisible profits of the Company for consideration and approval of the Shareholders for distribution. Inclusive of the Interim Dividend of 125% paid already, this would make a cumulative total dividend @ 250% of the paid-up capital of the Company which represents 98.91% of the Profit After Tax for the year 2021 amounting to BDT 33,757,500,550.

The above recommendation of dividend is as per the Board approved dividend policy which is disclosed in the "Dividend Distribution Policy" section of the Annual Report 2021 on page 38.

Corporate Governance Approach

Grameenphone is committed to maintaining high standards of corporate governance in the Company through a culture of accountability, transparency and well-understood policies and procedures. In line with the same, the Company has complied with the conditions as stipulated in the Corporate Governance Code issued by BSEC. In this connection, compliance status has been annexed to this report as Annexure-I on page 47. Furthermore, a certificate of compliance from M/S Al-Muqtadir Associates, Chartered Secretaries, confirming compliance of conditions of Corporate Governance Code, as stipulated under condition 9(i) of the BSEC Code is also annexed to this report as Annexure-VI on page 65.

Directors' Appointment & Re-Appointment

Regarding the appointment, retirement and re-appointment of Directors, the Company is governed by its Articles of Association, the Companies Act, 1994 and other related legislations. Accordingly, the following Directors of the Board will retire at this Annual General Meeting. They are, however, eligible for re-appointment:

1. Mr. Jørgen C. Arentz Rostrup
2. Mr. M Shahjahan
3. Ms. Tone Ripel

As per the Corporate Governance Code 2018, after the extension of tenure of Independent Director for a second term of three (3) years by the Board, the Shareholders will approve the said extension in the Annual General Meeting. Accordingly, Dr. Salahuddin Ahmed's extension is to be vetted and confirmed at the Company's ensuing 25th AGM.

Brief profiles of the Directors being proposed for re-appointment are given on page 24 and 132 of the Annual Report, which fulfils condition 1(5)(xxiv) of the Corporate Governance Code of BSEC.

Acknowledgement

The Board of Directors expresses their deep appreciation to all the Company's shareholders, investors, regulators, customers and partners for their trust and support over the years. Moreover, the Board of Directors thanks Grameenphone employees for their dedication and invaluable contributions during this challenging period, which has forced them to adopt a new way of working and increased virtual collaboration, contributing to the digitalisation journey of Bangladesh and winning the Digital Bangladesh Award 2021.

Our focus for the year ahead will be to ensure Grameenphone's long-term sustainability as we continue to adapt to the challenges and opportunities of the Covid-19 environment. As we advance, our priorities are the health and wellbeing of our employees; ensuring safe working practices; supporting our communities and meeting the evolving needs of our customers and suppliers; as well as preserving our financial strength so that we are well-placed to best capitalise on new opportunities for products, services, or market applications, as they arise.

For and on behalf of the Board of Directors of Grameenphone Ltd.



Jørgen C. Arentz Rostrup

Chair

26 January 2022



Annexure I

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

Condition No.	Title	Compliance Status (“√” has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1	Board of Directors (BoD)			
1(1)	Board’s Size (number of Board members – minimum 5 and maximum 20)	√		Grameenphone Board is comprised of 10 (Ten) Directors
1(2)	Independent Directors			
1(2)(a)	At least one-fifth (1/5) of the total number of directors shall be independent directors (ID);	√		There are 2 (Two) IDs out of total 10 (Ten) Directors
1(2)(b)(i)	Independent Director does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares	√		The IDs have submitted declarations about their compliances
1(2)(b)(ii)	Independent Director is not a sponsor of the Company or is not connected with the Company’s any sponsor or director or nominated director or shareholder of the Company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the Company	√		-do -
1(2)(b)(iii)	Independent Director has not been an executive of the Company in the immediately preceding 2 (two) financial years	√		-do -
1(2)(b)(iv)	Independent Director does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary or associated companies	√		-do -
1(2)(b)(v)	Independent Director is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange	√		-do -
1(2)(b)(vi)	Independent Director is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market	√		-do -
1(2)(b)(vii)	Independent Director 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	√		-do -
1(2)(b)(viii)	Independent Director shall not be independent director in more than 5 (five) listed companies	√		-do -
1(2)(b)(ix)	Independent Director has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI)	√		-do -
1(2)(b)(x)	Independent Director has not been convicted for a criminal offence involving moral turpitude	√		-do -
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM)	√		a) The Board extended the tenure of Dr. Salehuddin as an Independent Director for a second term of three (3) years, and the shareholders would approve his extension at the upcoming 25 th AGM b) Mr. Abdul-Muyeed Chowdhury, in his 1 st term, and his appointment was approved at 24 th AGM
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days	√		No such case in the reporting year
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	√		The IDs are in their regular term of office

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(3)	Qualification of Independent Director			
1(3)(a)	Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business	√		The qualification and background of IDs justify their abilities as such
1(3)(b)(ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of BDT 100 million or of a listed company	√		
1(3)(b)(iii)	Independent Director shall be 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	√		
1(3)(b)(iv)	Independent Director shall be university teacher who has educational background in Economics or Commerce or Business Studies or Law	√		
1(3)(c)	Independent Director shall have at least 10 (ten) years' experiences in any field mentioned in clause (b) of the Code	√		
1(4)(a)	The positions of the Chair of the Board and the Chief Executive Officer (CEO) of the Company shall be filled by different individuals	√		The Chair and the CEO are different individuals with clearly defined roles and responsibilities
1(4)(b)	The CEO shall not hold the same position in another listed company	√		The CEO does not hold the same position in any other listed company
1(4)(c)	The Chair of the Board shall be elected from among the non-executive directors of the company	√		All Board members are non-executive director. The Chair of the Board is non-executive director
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chair and the CEO	√		The Board clearly defined roles and responsibilities of the Chair and the CEO
1(4)(e)	In the absence of the Chair of the Board, the remaining members may elect one of themselves from non-executive directors as Chair for that particular Board's meeting; the reason of absence of the regular Chair shall be duly recorded in the minutes	None		No such case in the reporting year
1(5)	The Directors' Report shall include the following additional statements			
1(5)(i)	Industry outlook and possible future developments in the industry	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(ii)	Segment-wise or product-wise performance	√		Included in the Directors' report on Page 42 of the Annual Report
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(iv)	Discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable	√		Included in the Directors' report on Page 43 of the Annual Report
1(5)(v)	Discussion on continuity of any extraordinary activities and their implications (gain or loss)	√		Included in the Directors' report on Page 45 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(5)(vi)	Detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions	√		Included in the Directors' report on Page 45 of the Annual Report
1(5)(vii)	Statement of utilisation of proceeds raised through public issues, rights issues and/or any other instruments	√		Included in the Directors' report on Page 45 of the Annual Report
1(5)(viii)	Explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO)	√		Included in the Directors' report on Page 45 of the Annual Report
1(5)(ix)	Explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements	√		Included in the Directors' report on Page 43 of the Annual Report
1(5)(x)	Statement of remuneration paid to the directors including independent directors	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xi)	Statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xii)	Proper books of account of the issuer company have been maintained	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xiii)	Appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgement	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xiv)	International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		Included in the Directors' report on Page 44 of the Annual Report
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	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xvii)	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	√		Included in the Directors' report on Page 44 of the Annual Report
1(5)(xviii)	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	√		Included in the Directors' report on Page 45 of the Annual Report
1(5)(xix)	Key operating and financial data of at least preceding five (5) years shall be summarised	√		Given on Page 62 of the Annual Report
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year	Not applicable		No such case in the reporting year
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	√		Stated in the Directors' report on Page 45 of the Annual Report
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director	√		Included in the Directors' report on Page 57 of the Annual Report
1(5)(xxiii)	Pattern of shareholding and name wise details			
1(5)(xxiii)(a)	Parent or Subsidiary or Associated Companies and other related parties	√		Included in the Directors' report on Page 57 of the Annual Report



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(5)(xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children	√		Included in the Directors' report on Page 57 of the Annual Report
1(5)(xxiii)(c)	Executives	√		Included in the Directors' report on Page 57 of the Annual Report
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company	√		Included in the Directors' report on Page 57 of the Annual Report
1(5)(xxiv)	In case of the appointment/re-appointment of a director, disclose:			
1(5)(xxiv)(a)	A brief resume of the director	√		Given on Page 24 of the Annual Report
1(5)(xxiv)(b)	Nature of his/her expertise in specific functional areas	√		Given on Page 24 of the Annual Report
1(5)(xxiv)(c)	Names of Companies in which the person also holds the Directorship and the membership of committees of the Board	√		Given on Page 133 of the Annual Report
1(5)(xxv)	Management's Discussion and Analysis signed by CEO presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on:			
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements	√		Stated as Annexure -V (Management's Discussion and Analysis) of the Directors' Report on Page 59 of the Annual Report
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	√		-do-
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	√		-do-
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√		-do-
1(5)(xxv)(e)	Briefly explain the financial and economic scenario of the country and the globe	√		-do-
1(5)(xxv)(f)	Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√		-do-
1(5)(xxv)(g)	Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM	√		-do-
1(5)(xxvi)	Declaration or certification by the CEO and the CFO to the Board	√		Stated as Annexure -IV of the Directors' Report on Page 58 of the Annual Report
1(5)(xxvii)	The report as well as certificate regarding compliance of conditions of this Code shall be disclosed	√		The Certificate regarding compliance of the conditions is disclosed on page 65 of the Annual Report
1(6)	The Company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB)	√		Company conducts its Board meetings and record the minutes of the meetings as well as keep required books and records as per provisions of the Companies Act, 1994 and Bangladesh Secretarial Standards (BSS) as adopted by ICSB



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1(7)(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC), for the Chair of the Board, other board members and Chief Executive Officer of the Company	√		There is a written Code of Conduct for the Chair of the Board, other board members and CEO of the Company, which was recommended by the NRC and approved by the Board
1(7)(b)	The code of conduct as determined by the NRC shall be posted on the website of the Company	√		The Code of Conduct as recommended by the NRC and approved by the Board is available on the website of the Company
2	Governance of Board of Directors of Subsidiary Company	N/A		Grameenphone does not have any subsidiary Company as on reporting date
3(1)(a)	The Board shall appoint a CEO, a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC)	√		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance have been appointed by the Board
3(1)(b)	The positions of the CEO, CS, CFO and HIAC shall be filled by different individuals	N/A		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance are different individuals and their roles and responsibilities are separately defined
3(1)(c)	The CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time	√		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance do not hold any executive position in any other company
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS	√		The roles and responsibilities are separately defined
3(1)(e)	The CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s)	None		No such case in the reporting year
3(2)	The CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board	√		The CEO, CFO, CS, Head of Internal Audit and Head of Ethics & Compliance attended in the Board Meetings
3(3)(a)	The CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief	√		The CEO and CFO have duly certified to the Board and the declaration is disclosed as Annexure-IV on page 58 of the Annual Report
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	√		-do-
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	√		-do-
3(3)(b)	The CEO and CFO shall also certify that there are, to the best of their 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	√		-do-
3(3)(c)	The certification of the CEO and CFO shall be disclosed in the Annual Report	√		The declaration by the CEO and CFO is disclosed on page 58 of the Annual Report
4(i)	There shall be a Audit Committee as a sub-committee of the Board	√		The Board formed the Audit Committee on 10 November 2008

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
4(ii)	There shall be a Nomination and Remuneration Committee as a sub-committee of the Board	√		The Board formed the NRC on 11 December 2018
5(1)(a)	The Company shall have an Audit Committee	√		Audit Committee is established as per BSEC guidelines
5(1)(b)	The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business	√		The Audit Committee discharges as per BSEC guidelines
5(1)(c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing	√		The duties of the Audit Committee are clearly defined in the Board approved Audit Committee Charter as per BSEC guidelines
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members	√		Audit Committee comprises of 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 Chair of the Board and shall include at least 1 (one) independent director	√		All members of the Audit Committee are non executive directors, out of which one member is ID. All the members are appointed by the Board. The Chair of the Board is not the member of the Audit Committee
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chair of the Board and shall include at least 1 (one) independent director	√		All members of the Audit Committee are non executive directors, out of which one member is ID. All the members are appointed by the Board. The Chair of the Board is not the member of the Audit Committee
5(2)(c)	All members of the audit committee should be "financially literate" and at least one (1) member shall have accounting or related financial management background and ten (10) years of such experience	√		Based on the academic qualifications and professional experience, which provided on page 24 of the Annual Report demonstrate that all the existing members of the Audit Committee are "financially literate" and they have "related financial management" experience as per BSEC notification
5(2)(d)	The Board shall appoint new Committee member to fill up the casual vacancy immediately or not later than one (1) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee	None		No such case in the reporting year
5(2)(e)	The Company Secretary shall act as the secretary of the Committee	√		In practice
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least one (1) independent director	√		In practice
5(3)(a)	The Board shall select 1 (one) member of the Audit Committee to be Chair of the Audit Committee, who shall be an independent director	√		The Chair of the Audit Committee is an Independent Director

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chair for that particular meeting and the reason of absence of the regular Chairperson shall be duly recorded in the minutes	None		No such case in the reporting year
5(3)(c)	Chair of the Audit Committee shall remain present in the Annual General Meeting (AGM)	√		The Chair of the Audit Committee attended in the 24 th AGM held on 19 April 2021
5(4)(a)	The Audit Committee shall conduct at least four (4) meetings in a financial year	√		There were eight (8) meetings held during the reporting period
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 of the Audit Committee, whichever is higher, where presence of an independent director is a must	√		In practice
5(5) Meeting of the Audit Committee				
5(5)(a)	Oversee the financial reporting process	√		The Audit Committee performs as per BSEC guidelines
5(5)(b)	Monitor choice of accounting policies and principles	√		-do-
5(5)(c)	Monitor Internal Audit and Compliance process, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report	√		-do-
5(5)(d)	Oversee hiring and performance of external auditors	√		-do-
5(5)(e)	Hold meeting with the external or statutory auditors for review of the Annual financial statements before submission to the Board for approval or adoption	√		-do-
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval	√		-do-
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval	√		-do-
5(5)(h)	Review the adequacy of internal audit function	√		-do-
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report	√		-do-
5(5)(j)	Review statement of all related party transactions submitted by the management	√		-do-
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors	√		-do-
5(5)(l)	Oversee the determination of audit fees and evaluate the performance of external auditors	√		-do-
5(5)(m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) have been utilised as per the purposes stated in relevant offer document or prospectus approved by the Commission	None		No IPO was made in the year 2021
5(6)(a)(i)	The Audit Committee shall report on its activities to the Board	√		
5(6)(a)(ii)(a)	The Audit Committee shall report on conflicts of interests	None		No such event in the reporting year



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	None		No such event in the reporting year
5(6)(a) (ii)(c)	Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	None		No such event in the reporting year
5(6)(a) (ii)(d)	Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately	None		No such event in the reporting year
5(6)(b)	Reporting to BSEC (if any, which has material impact on the financial condition and results of operation, unreasonably ignored by the management)	None		No such event in the reporting year
5(7)	Reporting to the Shareholders and General Investors of Audit Committee Activities, which shall be signed by the Chair of the Audit Committee and disclosed in the Annual Report	√		Activities of the Audit Committee are reported on page 30 of the Annual Report
6(1)(a)	The company shall have a Nomination and Remuneration Committee (NRC)	√		NRC is established as per BSEC guidelines
6(1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive	√		The NRC discharges as per given guidelines
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)	√		The duties of the NRC are clearly defined in the Board approved NRC Charter as per BSEC guidelines
6(2)(a)	The Committee shall comprise of at least three (3) members including an independent director	√		NRC comprises of three (3) members, which includes one ID
6(2)(b)	All members of the Committee shall be non-executive directors	√		All members of NRC are non-executive directors
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board	√		All members of the NRC are appointed by the Board
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee	√		In practice
6(2)(e)	The Board shall fill the casual vacancy within one hundred eighty (180) days of such vacancy occurring in the Committee	None		No such case in the reporting year
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	None		No such case in the reporting year
6(2)(g)	The Company Secretary shall act as the secretary of the Committee	√		In practice
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director	√		No such case in the reporting year
6(2)(i)	No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honourarium from the company	√		No such case in the reporting year
6(3)(a)	The Board shall select 1 (one) member of the NRC to be Chair of the Committee, who shall be an independent director	√		The Chair of the NRC is an Independent Director

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
6(3)(b)	In the absence of the Chair of the NRC, the remaining members may elect one of themselves as Chair for that particular meeting, the reason of absence of the regular Chair shall be duly recorded in the minutes	None		No such case in the reporting year
6(3)(c)	The Chair of the NRC shall attend the Annual General Meeting (AGM) to answer the queries of the shareholders	√		The Chair of the NRC attended in the 24 th AGM held on 19 April 2021
6(4)(a)	The NRC shall conduct at least one meeting in a financial year	√		There were five (5) meetings held during the reporting period
6(4)(b)	The Chair of the NRC may convene any emergency meeting upon request by any member of the NRC	None		No such case in the reporting year
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, whichever is higher, where presence of an independent director is must	√		In practice
6(4)(d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC	√		In practice
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders	√		The NRC performs as per BSEC's guidelines
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	√		-do-
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks	√		-do-
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	√		-do-
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality	√		-do-
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	√		-do-
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board	√		-do-
6(5)(b)(v)	Identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria	√		-do-
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies	√		-do-
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			The policy, criteria and activities of NRC are given on Page 32 of the Annual Report



Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7(1)	Statutory auditors not be engaged in the following services			
7(1)(i)	Appraisal or valuation services or fairness opinions	√		As declared by the Auditors
7(1)(ii)	Financial information systems design and implementation	√		-do-
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements	√		-do-
7(1)(iv)	Broker-dealer services	√		-do-
7(1)(v)	Actuarial services	√		-do-
7(1)(vi)	Internal audit services or special audit services	√		-do-
7(1)(vii)	Any service that the Audit Committee determines	√		-do-
7(1)(viii)	Audit or certification services on compliance of corporate governance	√		-do-
7(1)(ix)	Any other service that creates conflict of interest	√		-do-
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company	√		-do-
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders	√		The representative of external auditors attended in the 24 th AGM held on 19 April 2021
8(1)	The company shall have an official website linked with the website of the stock exchange	√		In practice
8(2)	The company shall keep the website functional from the date of listing	√		In practice
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s)	√		In practice
9(1)	The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and such certificate shall be disclosed in the Annual Report.	√		The company obtained the certificate from M/s Al-Muqtadir Associates, Chartered Secretaries and such certificate is disclosed on page 65 of the Annual Report
9(2)	The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the annual general meeting.	√		The Board appointed the Compliance Auditor and their appointment was approved by the Shareholders
9(3)	Directors statement in the directors' report whether the company has complied with these conditions or not	√		Detailed status of compliance is given on page 65 of the Annual Report in the compliance schedule as published with the Directors' Report

Annexure II

Board Meeting and attendance during the year ended 31 December 2021

Name of Directors	Board Member Since	Number of meetings attended during 2021
Mr. M Shahjahan**	26 June 2006	06/07
Mr. Md. Ashraful Hassan	20 January 2010	07/07
Mr. Håkon Bruaset Kjøl**	14 September 2011	05/07
Mr Øivind Burdal	18 May 2016	07/07
Dr. Salehuddin Ahmed	12 December 2018	07/07
Mr. Lars Erik Tellmann**	11 December 2019	06/07
Mr. Jørgen C. Arentz Rostrup	09 June 2020	07/07
Mr. Abdul-Muyeed Chowdhury	14 September 2020	07/07
Ms. Tone Ripel	18 October 2020	06/07
Ms. Nurjahan Begum	16 December 2021	00/00
Ms. Parveen Mahmud*	17 October 2012	03/07

* Ms. Parveen Mahmud retired from the Board on 15 December 2021

** In compliance with the law, the Board granted leave of absence to the members who were unable to attend Board meetings.

Annexure III

The Pattern of Shareholding as on 31 December 2021

Name of Shareholders	Status	Shares Held	Percentage
i) Parent/Subsidiary/Associate Companies			
Telenor Mobile Communications AS	-	753,408,154	55.80%
Grameen Telecom	-	461,766,409	34.20%
ii) Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children			
Mr. Jørgen C. Arentz Rostrup	Chair	-	-
Mr. M Shahjahan	Board Member	-	-
Mr. Md. Ashraful Hassan	Board Member	-	-
Mr. Håkon Bruaset Kjøl	Board Member	-	-
Mr. Øivind Burdal	Board Member	-	-
Dr. Salehuddin Ahmed	Board Member	-	-
Mr. Lars Erik Tellmann	Board Member	-	-
Mr. Abdul-Muyeed Chowdhury	Board Member	-	-
Ms. Tone Ripel	Board Member	-	-
Ms. Nurjahan Begum	Board Member	-	-
Mr. Yasir Azman	Chief Executive Officer	39,783	0.00%
Mr. Jens Becker	Chief Financial Officer	-	-
Mr. S M Imdadul Haque	Company Secretary	500	0.00%
Mr. Hasan Faisal	Head of Internal Audit	195	0.00%
iii) Executives (as explained in the BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012) (The following list is prepared based on executive joining date)			
Mr. Hossain Sadat	Chief Corporate Affairs Officer (Acting)	376	0.00%
Mr. Mohammad Sajjad Hasib	Chief Marketing Officer	-	-
Mr. Syed Tanvir Husain	Chief Human Resources Officer	-	-
Mr. Kazi Mahboob Hassan	Chief Business Officer	-	-
Mr. Solaiman Alam	Chief Digital & Strategy Officer	-	-
iv) Shareholders holding ten percent or more voting interest			
Telenor Mobile Communications AS	-	753,408,154	55.80%
Grameen Telecom	-	461,766,409	34.20%



Annexure IV

Declaration by the CEO and the CFO

[As per condition No. 1(5)(xxvi) of Corporate Governance Code 2018]

The Board of Directors

Grameenphone Ltd.

Subject: Declaration on Financial Statements for the year ended on 31 December 2021.

Dear Sirs,

Pursuant to the condition No.1(5)(xxvi) imposed vide the Commission's Notification No. BSEC/CMRRCD/2006-158/207/ Admin/80 dated 03 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969, we do hereby declare that:

- (1) The Financial Statements of Grameenphone Ltd. for the year ended on 31 December 2021 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31 December 2021 and that to the best of our knowledge and belief;
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws; and
- (ii) 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 of Directors or its members.

Sincerely yours,



(Yasir Azman)
Chief Executive Officer (CEO)

26 January 2022



(Jens Becker)
Chief Financial Officer (CFO)

Annexure V

Management's Discussion and Analysis

Management's Discussion and Analysis is designed to provide you with a narrative explanation through the eyes of our leadership on how we performed and information about our financial condition and prospects. As the Management's Discussion and Analysis is intended to supplement and complement our financial statements, we recommend that you read this in conjunction with our financial statements for the year ended 2021.

The Financial and Economic Scenario of Bangladesh and the Globe

Despite being hit by multiple waves of the Covid-19 pandemic, quick and decisive actions by the local authorities, supported by the external environment, led to a much faster rebound than regional peers¹. Bangladesh continues to be among the fastest-growing economies globally over the past decade. While the real GDP growth rate declined from 8.2% to 3.5% in 2020, the IMF (International Monetary Fund) expects that GDP growth will rebound to 4.6% in 2021 and 6.6% in the fiscal year of 2021-2022 (July 2021-June 2022)². To recover fully and achieve its growth ambitions of upper-middle-income country status, Bangladesh needs to address the challenge of containing Covid-19.

This context offers a favourable macroeconomic backdrop for the telecoms market in Bangladesh. There remain sizable opportunities to monetise mobile and fixed data connectivity demand³. Data users, both new and existing subs to migrate to 4G, will be a crucial driver of revenue growth, and hence, LTE network expansions will remain the priority for the operators in the short term.

Global economic recovery continues even as the pandemic resurges; however, vaccine access and early policy support remain principal drivers for faster recovery. While the global economy is projected to grow 5.9 percent in 2021 and 4.9 percent in 2022, the uncertainty of new Covid-19 mutations throw shadows on how quickly the pandemic can be expected to overcome⁴.

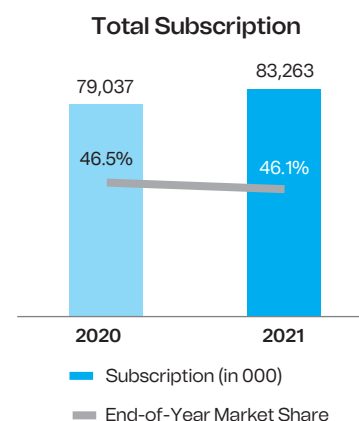
Covid-19 Impact on the Business

2021 marked the second and third waves of Covid-19 in Bangladesh, triggering the authorities to impose several bouts of lockdowns and restrictions to contain the spread of the virus. The lockdowns and subsequent limits on movement greatly impacted the country's socio-economic activities, adversely affecting top-line growth for Grameenphone. The first year of the pandemic had already left many challenges that had an extremely unfavourable effect on the livelihoods of many people; it also brought about a paradigm shift in our customer behaviour. The economic impact has had a prolonged effect on the population's spending capacity and income level at large.

As a designated emergency service provider, Grameenphone stood steadfast in its commitment to connecting people to what matters most and contributing to society's greater good. The Company continued strengthening its network by changing its operating model, acquiring advanced capabilities from the partners, rolling out new towers and deploying additional spectrum throughout the year. Regional team members have completed extensive market drives to rejuvenate pump energy into the entire physical distribution and managed retail touchpoints. With a strong business continuity plan in place, Grameenphone is strengthening collaboration internally and among the ecosystem partners to drive growth through experience and innovative services safely and responsibly.

Overall Operating Performance in 2021

Grameenphone generated total revenue of BDT 143.1 billion (2020: BDT 139.6 billion), with a growth of 2.5% in year 2021 compared to the previous year. Operating profit marginally decreased in 2021 due to higher direct cost, market expense and restructuring cost, which was partially offset by topline growth, resulting into 0.2% decrease from last year. Net profit after tax for 2021 stood at BDT 34.1 billion (2020: BDT 37.2 billion). Grameenphone added 4.2 million subscribers in 2021 taking the year-end subscription base to 83.3 million, despite lockdowns during mid of the year triggered by the second wave of Covid-19.



* Market share based on BTRC published information

¹ IMF Staff Team Projection, Dec 19 – Press Release

² World Bank, IMF – Bangladesh Economic Outlooks

³ Analysis Mason Emerging Asia-Pacific telecoms market: trends and forecasts 2021-2026

⁴ IMF Global Economic Outlook October 2021



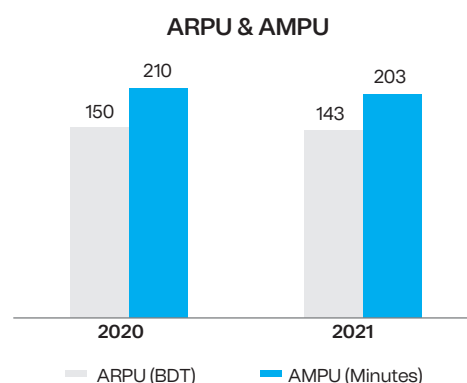
Total number of internet users stood at 44.6 million at the end of 2021 which was 53.5% of its total subscriber base. This also includes 27.6 million 4G data user which was 39.7% higher than last year. Number of 4G sites of Grameenphone reached more than 17,000 while coverage expansion continued in 2021. This has resulted into 96.8% 4G network population coverage for Grameenphone. To facilitate the growing demand of customers, Grameenphone acquired 10.4MHz spectrum at the end of first quarter which was deployed in more than 10,000 sites along with re-farming of 1800MHz band.

Amidst restrictions due to Covid-19, Grameenphone regained top line growth momentum through growth in bundle & data services, supported by deployment of new spectrum and site roll-out in 2021.

Customers and Average Revenue/Minutes per User (ARPU & AMPU)

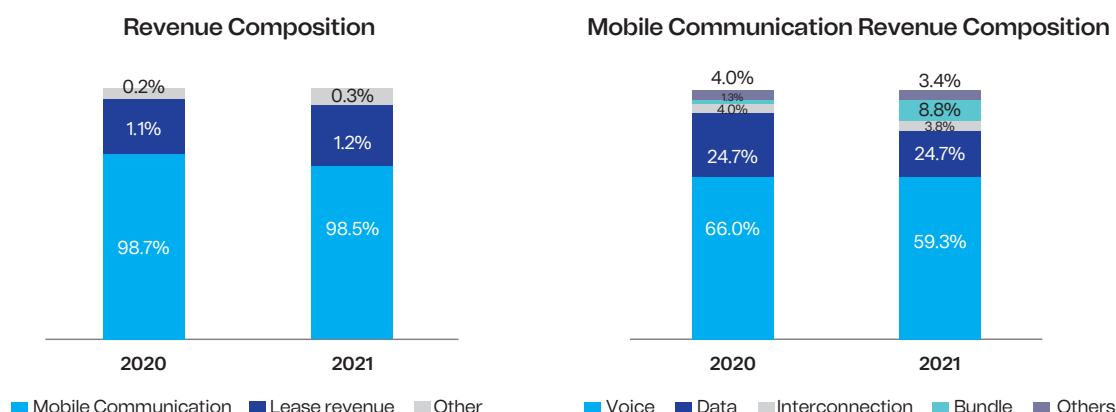
The subscription base of Grameenphone stood at 83.3 million at the end of 2021 with a growth of 5.3% from last year. According to BTRC published information, Grameenphone's subscription market share stood at 46.1% at the year-end, with 0.4pp decrease from last year.

ARPU of Grameenphone decreased at BDT 143 in year 2021 (2020: BDT 150), mainly due to lower contribution from voice & interconnect segment which was partly offset by higher contribution from bundle services. In 2021, AMPU was 203 minutes (2020: 210 minutes) with a decrease of 3.6%, mainly attributed to Covid-19.



Revenue Performance

Grameenphone reported total revenue of BDT 143.1 billion for the year 2021 (2020: BDT 139.6 billion), with 2.5% growth. The increase in total revenue mainly came from higher mobile communication revenue, which was driven by higher bundle & data only services, partly offset by lower voice only revenue.

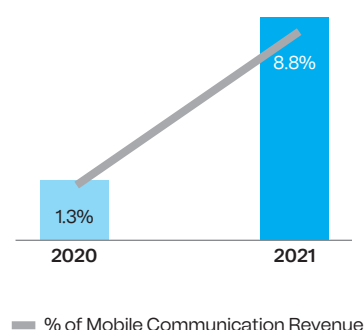


With continued drive through attractive bundle packs, bundle services revenue grew by seven times compared to last year. As a result, bundle revenue mix in mobile communication revenue increased to 8.8% compared to 1.3% in last year.

Revenue from voice only services decreased by 8.1%, while data only revenue increased by 2.3%. Total subscription base grew by 5.3%, along with 8% growth in active internet user.

Interconnection revenue continued to decrease in 2021 with a de-growth of 4.5%. In addition to the increasing proliferation of OTT services (e.g., WhatsApp, Viber, IMO, Facebook Messenger, etc.), interconnect revenue growth in 2021 was further impacted by imposition of SMP directives from third quarter of last year (reduction in national call termination rate).

Bundle Revenue Contribution



Cost and Margin Review

Total operating expense of Grameenphone stood at BDT 79.7 billion (2020: BDT 76.2 billion) with 4.7% increase compared to last year. The growth in operating expense mainly came from higher sales, marketing and commission, salaries & personnel and cost of material and traffic charges, partly offset by lower other operating expenses and depreciation. Higher sales, marketing and commission cost was mainly driven by higher revenue and enhanced market drive to regain growth momentum, which was partly offset by increased share of digital sales. BDT 3.5 billion increase in total revenue and BDT 3.6 billion increase in operating expense resulted into BDT 0.1 billion decrease in operating profit for Grameenphone in 2021. Operating profit margin of Grameenphone stood at 44.3% (2020: 45.4%).

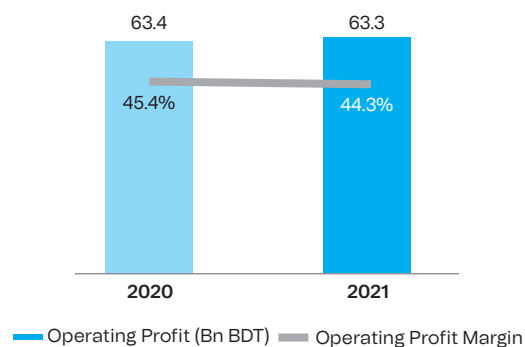
Profit after Tax

Net profit after tax for 2021 was BDT 34.1 billion (2020: 37.2 billion) with a margin of 23.9%, which was 2.8pp lower compared to last year. BDT 3.1 billion decrease in net profit after tax mainly came from 2.0 billion lower profit before tax and 1.1 billion higher tax expenses. The decrease in profit before tax and increase in tax expense in 2021 was mainly due to favourable one-off impact from provision adjustment in 2020.

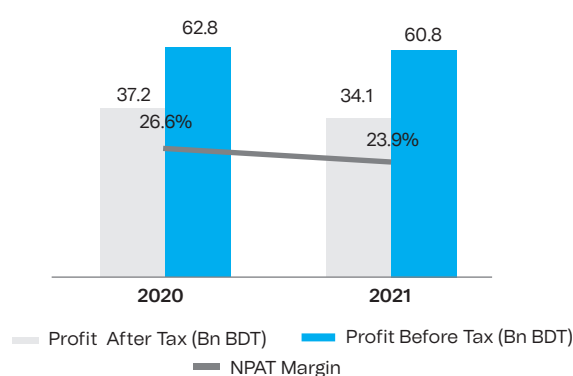
Capital Expenditure (Capex) and Network Updates

In 2021, Grameenphone reported BDT 37.2 billion as capital expenditure including BDT 11.0 billion for 10.4MHz spectrum acquisition (2020: BDT 13.8 billion), with a 'total capex to sales' ratio of 26.0%. Majority of the investment in 2021 was related to rolling out of 4G sites, capacity increase for data traffic & coverage expansion - all in order to provide superior voice & data experience for the customers. In 2021, Grameenphone rolled out 3,000+ new 4G sites taking the total number of 4G sites at 17,000+, covering 96.8% population under 4G network (2020: 91.1%). With 1,700+ new coverage sites in 2021, Grameenphone's total site locations reached more than 18,000 sites across the country and thus currently providing its telecommunication services covering 99.6% of the total population of the country.

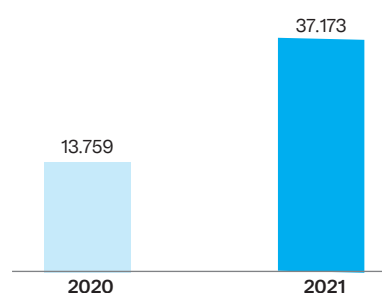
Operating Profit & Operating Profit Margin



Profit After Tax & Profit Before Tax



Capex (Bn BDT)



Comparative analysis of financial performance, financial position, and cash flows

Major areas of financial performance, financial position as well as cash flows [including effects of inflation (Table – 2)] with immediate preceding five years are as follows:

Table – 1:

Reported numbers	2021	2020	2019	2018 Restated	2017 Adjusted	2016 Adjusted
Financial Performance (in million BDT)						
Revenue	143,066	139,606	143,656	132,832	128,436	114,862
Operating Profit	63,336	63,440	66,652	56,777	49,340	40,950
Profit before tax	60,821	62,801	63,899	54,848	46,419	37,127
Net Profit after tax	34,129	37,187	34,517	33,363	26,146	21,721
Financial Position (in million BDT)						
Paid-up Capital	13,503	13,503	13,503	13,503	13,503	13,503
Shareholders' equity	49,879	52,108	38,347	36,836	31,388	31,116
Total assets	163,007	148,184	148,734	138,713	130,220	130,500
Total liabilities	113,128	96,077	110,387	101,877	98,832	99,384
Current assets	9,868	9,931	20,999	13,369	20,658	10,941
Current liabilities	85,236	76,656	90,426	82,963	78,274	70,536
Non current assets	153,139	138,253	127,735	125,345	109,562	119,558
Non current liabilities	27,892	19,420	19,961	18,914	20,558	28,848
Cash Flows (in million BDT)						
Net cash generated from operating activities	57,814	33,572	57,393	60,413	57,771	46,152
Net cash used in investing activities	(18,786)	(11,217)	(14,263)	(30,200)	(12,944)	(19,839)
Net cash used in financing activities	(38,878)	(33,517)	(35,308)	(36,699)	(35,336)	(27,553)
Financial Ratios						
Current Asset to Current Liability	0.12	0.13	0.23	0.16	0.26	0.16
Debt to Equity	0.75	0.42	0.62	0.50	0.63	0.87
Operating Profit Margin	44%	45%	46%	43%	38%	36%
Net Profit Margin	24%	27%	24%	25%	20%	19%
Return on Equity	67%	82%	92%	98%	84%	72%
Return on Total Assets	22%	25%	24%	25%	20%	17%
Ordinary Shares Information						
Ordinary Shares outstanding (in million)	1,350	1,350	1,350	1,350	1,350	1,350
Face Value per share	10	10	10	10	10	10
Cash Dividend on paid up capital ¹	250%	275%	130%	280%	205%	175%
Dividend payout ¹	98.91%	100%	51%	113%	106%	109%
NAV per Share ²	36.94	38.59	28.40	27.28	23.25	23.04
Net Operating Cash Flow per Share ³	42.82	24.86	42.50	44.74	42.78	34.18
Earnings Per Share ³	25.28	27.54	25.56	24.71	19.36	16.09

*Gain/loss on disposal of property, plant and equipment has been included in operating profit.

¹ Including proposed dividend

² Based on BDT 10 equivalent ordinary share outstanding on 31 December

³ Based on weighted average number of shares of BDT 10 each

Table – 2:

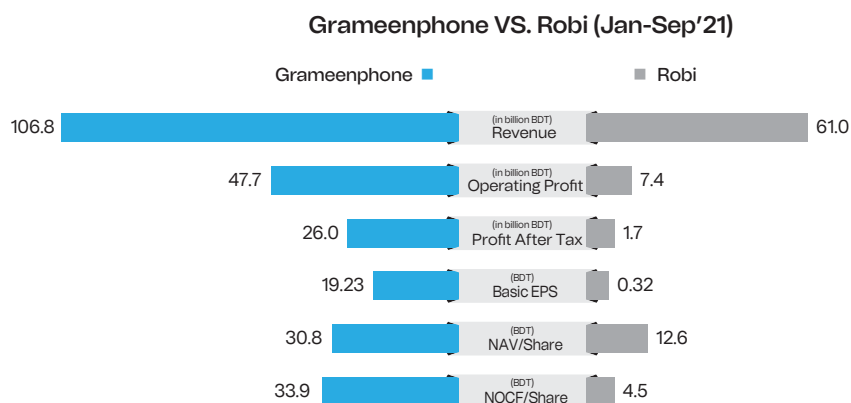
Inflation Adjusted numbers	2021	2020	2019	2018 Restated	2017 Adjusted	2016 Adjusted
Financial Performance (in million BDT)						
Revenue	109,020	112,277	122,108	119,095	121,809	114,862
Operating Profit	48,263	51,021	56,654	50,905	46,795	40,950
Profit before tax	46,347	50,507	54,314	49,176	44,024	37,127
Net Profit after tax	26,007	29,907	29,339	29,912	24,797	21,721
Financial Position (in million BDT)						
Paid-up Capital	10,290	10,860	11,478	12,107	12,806	13,503
Shareholders' equity	38,009	41,907	32,595	33,027	29,769	31,116
Total assets	124,215	119,176	126,425	124,368	123,502	130,500
Total liabilities	86,207	77,269	93,829	91,341	93,733	99,384
Current assets	7,519	7,987	17,849	11,986	19,593	10,941
Current liabilities	64,952	61,650	76,863	74,384	74,236	70,536
Non current assets	116,696	111,189	108,575	112,382	103,909	119,558
Non current liabilities	21,254	15,619	16,967	16,958	19,497	28,848
Cash Flows (in million BDT)						
Net cash generated from operating activities	44,056	27,000	48,784	54,165	54,791	46,152
Net cash used in investing activities	(14,315)	(9,021)	(12,124)	(27,076)	(12,276)	(19,839)
Net cash used in financing activities	(29,626)	(26,956)	(30,012)	(32,904)	(33,513)	(27,553)
Inflation Rate	5.54%	5.69%	5.48%	5.78%	5.44%	5.92%

*Inflation Rate Source: Bangladesh Bureau of Statistics

*Since inflation rates are only available for fiscal years, they have been applied for the financial years

Comparison of financial performance, financial position, and cash flow with the peer industry scenario

Peer companies of Grameenphone in telecommunication industry in Bangladesh include Robi Axiata Limited (Robi), Banglalink Digital Communications Limited and Teletalk Bangladesh Ltd. (Teletalk). Among these three companies, Robi Axiata Limited (Robi) has been enlisted with Dhaka Stock Exchange and Chittagong Stock Exchange on 24 December 2020 and thus enable for a comparative benchmarking. Following is the comparative peer review with Robi Axiata Limited and its subsidiary, based on its latest available 3rd Quarter/9 Months Un-audited Financial Statements:



Accounting policies and estimation for preparation of financial statements

The financial statements of Grameenphone have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines



issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. Detail of the accounting policies and estimation used for preparation of the financial statements of the Company are disclosed in the notes 2 & 3 of the financial statements.

Changes in accounting policies and estimation

The accounting policies applied are consistent with those applied in the previous financial year.

Risks and concerns related to the financial statements

Grameenphone has a structured process in place to identify Financial Statement risks and implement mitigating controls. The Company has an integrated process that review risks arising from transactions, processes, and people, as well as from the external and regulatory environment. Each year, the Financial Statement risks are reviewed, involving control and process owners, to ensure that Financial Statement assertions are met. Grameenphone follows a risk-based approach where both standard risks, common to all Telenor Business Units, and local risks, arising from local business processes, people, and regulatory environment, are addressed. Each risk is evaluated against a probability and impact matrix and categorised into a four-point rating scale (Very High, High, Medium, and Low).

Appropriate controls are designed and embedded in the processes to mitigate the identified risks to an acceptable level. 'Risk coverage' is carried out every year to update the control description and enhance control capabilities to ensure the effectiveness and efficiency of risk management.

Future Plan of Grameenphone 2022

Grameenphone will continue to capitalise on the data revolution by providing a greater customer experience and providing users more beneficial reasons to use the services. We will continue to invest in our technological capabilities, which will enable us to bring minds and ideas together. One of our focus areas going ahead is to grow responsibly with our partners and within our ecosystems; we will focus on managing our value chain ecosystem while at the same time make a big impact on Bangladesh. Grameenphone has been a partner of Bangladesh's development journey for more than the last two decades and going forward we see our role being strengthened in realising Bangladesh Govt.'s vision of becoming a digital economy and digitally connected society.

These ambitions in our strategy are broken down into the following four key Value Drivers:

1. **Grow Revenue:** Our focus is to continue as a strong customer-focused brand that empowers people with superior connectivity. This means increased focus on digital services made accessible through our growing digital channels, while continuing to focus on a high quality, consistent voice, and data experience across Bangladesh.
2. **Differentiate Data Network Experience:** We are focused on keeping our position as the best voice and data experience provider. This will be achieved through focused site rollout and supporting activities. Increasing readiness for new services within core and beyond and 5G will also enable us to maintain this perception for the future.
3. **Drive Modernisation:** To support our growth and network ambitions, we will continue to drive initiatives that focus on organisational leadership, culture and competence development, alongside continued modernisation in the Technology and Commercial areas.
4. **Responsible Business:** Grameenphone's responsible business strategy will be focused on further strengthening its social impact in the country while facilitating constructive dialogue on the relevant issues. We will drive this with an ambition to be recognised as a socially responsible, caring, modern technology services leader.

The key value drivers outlined above will be driven with a strong emphasis on developing a culture and mindset across the value chain that will establish safety as an integral part of the business.

We have been at a crossroads in tackling the prolonged Covid effect while building our future-ready capabilities to address leapfrogged customer behaviours. As we continue to face a fragmented value chain governed by a dynamic regulatory regime, we will remain proactive to address regulatory and industry issues and deliver on our strategic ambitions through strong market execution, adding more value to our customers lives.



Yasir Azman
Chief Executive Officer

26 January 2022

Annexure VI



efforts umpteenth: প্রায় অসংখ্য

Business Office:
House # 412, Apartment - 8
Road: 08, Block - D
Bashundhara R/A, Dhaka - 1229
Bangladesh

Phone : 01730340340
e-mail: muqtadir@muqtadirbd.com
g-mail: akamuqtadir@gmail.com
VAT Reg : 19041063900
BIN No : 000179575-0202

Report to the Shareholders of Grameenphone Ltd. on compliance with the Corporate Governance Code

[As required under code 1(5) (xxvii) of the BSEC Code of Corporate Governance]

We have examined the compliance status to the Corporate Governance Code by Grameenphone Limited for the year ended on 31st December 2021. This code relates to the gazette notification no: BSEC/CMRRCD/2006 -158/207/Admin/80 dated the 3rd June 2018 of 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 Corporate Governance Code. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance Code as well as provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the 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 or representations, which we have required, and after due scrutiny and verification thereof, we report that in our opinion and subject to the remarks and observations as reported in the connected Compliance Statement :

- The Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Corporate Governance Code issued by the Commission.
- 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.
- 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
- The standard of governance in the Company is satisfactory.

This report, however, is no endorsement about quality of contents in the Annual Report of the Company for the year 2021.

Al-Muqtadir Associates
Chartered Secretaries & Consultants

A.K.A. Muqtadir FCS
CEO & Chief Consultant

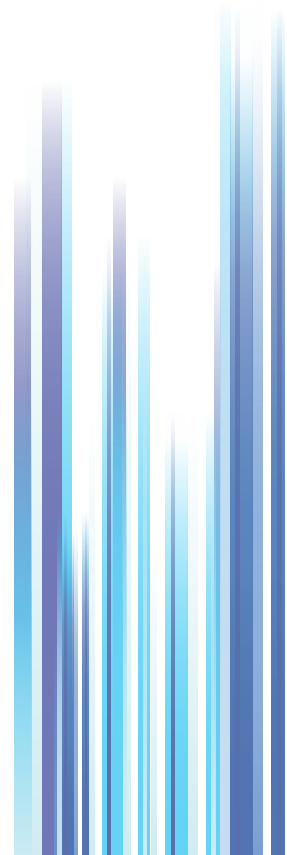


Dhaka, January 26, 2022



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BDBL Bhaban (Level-13 & 15)
12 Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

Telephone: (+88-02) 410 20030 to 35 (Level-13)
(+88-02) 8189428 to 29 (Level-15)
Facsimile: (+88-02) 410 20036
E-mail: <acnabin@bangla.net>, Web: www.acnabin.com

Independent Auditor's Report

To the Shareholders of Grameenphone Ltd.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Grameenphone Ltd. (the Company), which comprise the statement of financial position as at 31 December 2021, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Bangladesh, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without modifying our opinion, we draw attention to note # 45 (a) to the financial statements, wherein the management has explained the status of demand notice, which was received from the Bangladesh Telecommunication Regulatory Commission (BTRC) in relation to the information system audit conducted by BTRC. Based on the audit on Grameenphone from 1997 (inception) to 2014, BTRC sent a demand notice dated 02 April 2019 for payment of BDT 125.80 billion. As stated in the same note, Grameenphone filed a Title Suit before the learned District Court against the BTRC Demand. On 17 October 2019, on a move by Grameenphone, the Hon'ble High Court Division (HCD) passed an interim order of injunction restraining BTRC from taking any steps based on, or pursuant to, or for the realization of or enforcement of the Audit Demand dated 02 April 2019 and also stayed the suspension of NOCs by BTRC. Challenging the said interim order of stay and injunction, BTRC moved to the Hon'ble Appellate Division (AD), and on 24 November 2019, the Hon'ble AD pronounced its Order that the interim order of stay and injunction dated 17 October, 2019 passed by the Hon'ble HCD is maintained subject to the condition that Grameenphone shall pay BDT 20 billion to BTRC within a period of three months. In a Review Petition filed by Grameenphone, the Hon'ble AD directed Grameenphone to deposit BDT 10 billion by 24 February 2020 and again directed to deposit another BDT 10 billion by 31 May 2020. Accordingly, Grameenphone deposited BDT 20 billion in total which is included in 'Other non-current assets', as disclosed in note # 9 to the financial statements. Detailed disclosures about the demand notice and court cases thereto have been given in note # 45(a) to the audited financial statements for the year ended 31 December 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our Response to the Risk
<p>1. Regulatory matters</p> <p>Referring to note # 45 to the financial statements, the Company is subject to a number of significant claims and litigations. The amounts of claims are significant and estimates of provisions or contingent liabilities are subject to significant management judgment.</p> <p>These claims and litigations matters were a key audit matter due to the amounts involved, potential consequences, and the inherent difficulty in assessing the outcome. The assessment of whether a liability should be recognised involves prudent judgment from management.</p>	<p>We understood the process of identifying claims, litigations, and contingent liabilities and identified key controls in the process. For selected controls, we have performed tests of controls. Moreover, we have gained an understanding of management's decision process to disclose contingent matters in the financial statements.</p> <p>Our procedures also included, among others:</p> <ul style="list-style-type: none"> • Discussed material legal cases with the Company's Legal Department; • Analysed responses received from the Legal Department / external Legal Counsel of the Company; • Reviewed and analysed management's detailed assessment of the probability of outcome substantiated by those legal opinions; • Read the minutes of meetings of the Board of Directors and the Board Audit Committee; • Analysed the disputes/ cases settled during the year and assessed the reasonableness of provision kept against the amounts settled. • Ascertained the steps taken by the Company so that any disputes/ cases are resolved at the earliest, thus minimising the risk of such disputes turning into claims/cases. • Analysed contingent liabilities and changes in provisions for claims and litigations; • Assessed the circumstances which contributed to the significant uncertainties in management estimate of provisions together with the impact of the outcome of each matter; and • Assessed disclosures in the financial statements of material contingencies nature and their measurement.
<p>See note # 45 to the financial statements.</p>	
<p>2. Revenue recognition</p> <p>Referring to note # 26 to the financial statements, Revenue of BDT 143.07 billion is recognised in the statement of profit or loss and other comprehensive income of Grameenphone Ltd. This material item is subject to considerable inherent risk due to the complexity of the systems necessary for properly recording and identifying revenue and the impact of ever-changing business, price and tariff models (including tariff structures, customer loyalty rewards, and bundled subscription-based products). Against this background, the proper application of the accounting standards is considered to be complex and to a certain extent based on estimates and assumptions made by management.</p>	<p>Because the high degree of complexity and estimates and assumptions give rise to an increased risk of accounting misstatements, we assessed the Company's processes and controls for recognising revenue as part of our audit.</p> <p>Our audit approach included testing of the controls and substantive audit procedures as below:</p> <ul style="list-style-type: none"> • Assessed the relevant systems supporting the accounting of revenue; • Tested sample controls relating to the recognition of revenue; • Assessed the invoicing and measurement systems up to entries in the general ledger on a sample basis; • Analysed and tested customer contracts, invoices and receipts on a sample basis; • Conducted analytical procedures such as trend analysis, ratio analysis, and variance analysis on a sample basis; and • Analysed the revenue charging model against the regulatory guidelines on a sample basis. • We read and analysed the disclosures made in the financial statements.

See note # 26 to the financial statements.

3. Uncertain tax positions

Referring to note # 45 (b) of the financial statements, the Company is subject to periodic challenges by local tax authorities on a range of tax matters during the normal course of business that could eventually require payments of taxes and possible additional charges. The assessment of uncertainty and risk of one or more unfavourable outcomes involves prudent judgment from management.

These uncertain tax positions were a key audit matter because of the amounts involved and because of the uncertainty in estimating the final outcome of these matters.

The Company records provisions for uncertain liabilities, including tax contingencies, when it is more likely than not that a liability has been incurred, and the amount can be reliably estimated.

We took into consideration the complexity of accounting and tax issues, internal controls, and gained an understanding over the entity's accounting for taxes and management's process for assessing the effectiveness of internal controls over the significant income tax accounts and the related financial statement disclosures.

Our procedures also included:

- Obtained a listing of all ongoing tax litigations, each above BDT 200 million;
- Discussed with the management regarding tax matters, tax jurisdictions, and tax communications;
- Identified and tested relevant controls over tax accounts and financial statement disclosures;
- Obtained, read and analysed opinions by the Company from the tax consultants and external counsels of the Company as shared by the management;
- Verified account reconciliations and traced demand amounts, amounts paid under protest and considered recoverable and amounts charged off on a sample basis to the underlying supporting demand notices, invoices, bank payments and trial balance;
- Analysed the technical merits of each demand based on applicable tax provisions and considered settled tax positions in determining estimate of tax contingency made by the management and
- Obtained and read the disclosures made in the accompanying financial statements.

See note # 35 (b) to of the financial statements.

4. IT systems and controls

The Company's key financial accounting and reporting processes are significantly dependent on the automated controls over the Company's information systems. As such, there are risks of gaps in the IT control environment, including automated accounting procedures. IT-dependent manual controls and controls preventing unauthorized access and unauthorized changes to systems and data could result in the financial accounting and reporting records being materially misstated.

The IT systems and controls, as they impact the financial recording and reporting of transactions, is a key audit matter.

We performed audit procedures to assess IT systems and controls over financial reporting, which included the following:

- Tested sample of key controls operating over the information technology in relation to financial accounting and reporting systems, including system access, system change management and computer operations;
- Assessed the management's evaluation of access rights granted to applicants relevant to financial accounting and reporting systems, and tested resolution of a sample of exceptions and some IT General Controls as per ICFR guidelines;
- Assessed the operating effectiveness of controls over granting, removal and appropriateness of access rights; and
- Tested sample of specific application controls for key financial reporting controls.

In addition, we also reviewed IT Governance of the Company on a sample basis.

Other Matter

The financial statements of the Company for the year ended 31 December 2020 were audited by A. Qasem & Co. Chartered Accountants, who expressed an unmodified opinion on those statements on 27 January 2021.

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The draft Annual Report is expected to be made available to us after the date of this auditor's report but before finalization of the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report before finalization, if we conclude that there is a material misstatement therein, we will communicate the matter to those charged with governance of the Company so that the matter is duly addressed in the annual report.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, the Companies Act 1994, the Securities and Exchange Rules 2020 and other applicable laws and regulations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the Companies Act 1994 and the Securities and Exchange Rules 2020, we also report the following:

- a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit and made due verification thereof;
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appeared from our examination of these books;
- c) The statement of financial position and statement of profit or loss and other comprehensive income dealt with by the report are in agreement with the books of account and returns; and
- d) The expenditure incurred was for the purposes of the Company's business.

Dated, Dhaka
26 January 2022

ACNABIN, Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA
Partner
ICAB Enrolment # 0353
DVC: 2201260353AS927497


Grameenphone Ltd.

Statement of financial position

As at 31 December 2021

		31 December 2021	31 December 2020
		BDT (000)	BDT (000)
Assets	Notes		
Non-current assets			
Property, plant and equipment	4	60,387,950	56,901,192
Intangible assets	5	3,632,296	2,316,587
Right-of-use assets	6	62,533,832	53,532,673
Contract cost	8	6,035,958	4,934,438
Other non-current assets	9	20,549,067	20,568,456
Total non-current assets		153,139,103	138,253,346
Current assets			
Inventories	10	260,230	201,068
Trade receivables and others	11	6,858,686	7,131,165
Cash and cash equivalents	12	2,748,661	2,598,738
Total current assets		9,867,577	9,930,971
Total assets		163,006,680	148,184,317
Equity and liabilities			
Shareholders' equity			
Share capital	14	13,503,000	13,503,000
Share premium	15	7,840,226	7,840,226
Capital reserve	16	14,446	14,446
Retained earnings		28,520,886	30,749,942
Total equity		49,878,558	52,107,614
Non-current liabilities			
Lease liabilities	6	22,675,135	14,146,840
Deferred tax liabilities	17	3,425,488	3,350,834
Employee benefits	18	1,336,085	1,641,383
Other non-current liabilities	19	455,308	281,272
Total non-current liabilities		27,892,016	19,420,329
Current liabilities			
Trade payables and others	20	25,521,622	23,988,115
Provisions	21	15,703,449	14,402,559
Lease liabilities	6	9,445,609	6,328,697
Loans and borrowings	22	5,500,000	1,240,000
Current tax liabilities	23	25,603,868	24,870,650
Other current liabilities	24	3,414,334	5,690,023
Unclaimed dividend	25	47,224	136,330
Total current liabilities		85,236,106	76,656,374
Total equity and liabilities		163,006,680	148,184,317

The annexed notes 1 to 46 form an integral part of these financial statements.



Director



Chief Executive Officer



Director



Company Secretary

As per our report of same date.

ACNABIN

Chartered Accountants



Abu Sayed Mohammed Nayeem, FCA

Engagement Partner

ICAB Enrolment Number: 0353

DVC: 2201260353AS927497

Dhaka, 26 January 2022



Grameenphone Ltd.

Statement of profit or loss and other comprehensive income

For the year ended 31 December 2021

		2021	2020
		BDT (000)	BDT (000)
Revenue	Notes 26	143,065,872	139,606,161
Cost of material and traffic charges	27	(9,604,705)	(8,812,905)
Salaries and personnel cost	28	(11,507,572)	(10,027,226)
Operation and maintenance	29	(5,550,948)	(4,984,745)
Sales, marketing and commissions	30	(13,341,089)	(11,771,112)
Revenue sharing and spectrum charges	31	(10,895,286)	(10,478,334)
Other operating (expenses)/income	32	(5,814,523)	(6,442,284)
Depreciation and amortisation	33	(23,016,177)	(23,649,950)
		(79,730,300)	(76,166,556)
Operating profit		63,335,572	63,439,605
Finance (expense)/income	34	(2,595,396)	(376,473)
Foreign exchange (loss)/gain		80,570	(262,226)
		(2,514,826)	(638,699)
Profit before tax		60,820,746	62,800,906
Income tax expense	35	(26,691,690)	(25,613,869)
Profit after tax		34,129,056	37,187,037
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss			
Remeasurement of defined benefit plan	18	166,647	(783,080)
Related taxes		(66,659)	313,232
		99,988	(469,848)
Total comprehensive income for the year		34,229,044	36,717,189
Earnings per share			
Basic earnings per share			
(per value BDT 10 each in BDT)	36	25.28	27.54

The annexed notes 1 to 46 form an integral part of these financial statements.

Director

Chief Executive Officer

Director

Company Secretary

As per our report of same date.

ACNABIN
Chartered Accountants

Abu Sayed Mohammed Nayeem, FCA
Engagement Partner
ICAB Enrolment Number: 0353
DVC: 2201260353AS927497

Dhaka, 26 January 2022

Grameenphone Ltd.

Statement of changes in equity

For the year ended 31 December 2021

	Share capital BDT (000)	Share premium BDT (000)	Capital reserve BDT (000)	Deposit from shareholders BDT (000)	Retained earnings BDT (000)	Total BDT (000)
Balance as at 01 January 2020	13,503,000	7,840,226	14,446	1,880	16,987,853	38,347,405
Transfer of deposit from shareholder to other income:	-	-	-	(1,880)	-	(1,880)
Transactions with the equity holders:						
Final dividend for 2019	-	-	-	-	(5,401,200)	(5,401,200)
Interim dividend for 2020	-	-	-	-	(17,553,900)	(17,553,900)
Total comprehensive income for the year	-	-	-	-	37,187,037	37,187,037
Other comprehensive income/(loss)	-	-	-	-	(469,848)	(469,848)
Balance as at 31 December 2020	13,503,000	7,840,226	14,446	-	30,749,942	52,107,614
Balance as at 01 January 2021	13,503,000	7,840,226	14,446	-	30,749,942	52,107,614
Transactions with the equity holders:						
Final dividend for 2020	-	-	-	-	(19,579,350)	(19,579,350)
Interim dividend for 2021	-	-	-	-	(16,878,750)	(16,878,750)
Total comprehensive income for the year	-	-	-	-	34,129,056	34,129,056
Other comprehensive income/(loss)	-	-	-	-	99,988	99,988
Balance as at 31 December 2021	13,503,000	7,840,226	14,446	-	28,520,886	49,878,558



Grameenphone Ltd.

Statement of cash flows

For the year ended 31 December 2021

	2021	2020
	BDT (000)	BDT (000)
Cash flows from operating activities		
Cash receipts from customers	143,040,757	139,628,379
Payroll and other payments to employees	(11,283,024)	(9,326,779)
Payments to suppliers, contractors and others	(45,982,703)	(64,683,697)
Interest received	140,460	376,627
Interest paid	(2,151,050)	(1,990,178)
Income tax paid	(25,950,477)	(30,432,387)
	(85,226,794)	(106,056,414)
Net cash generated from operating activities	57,813,963	33,571,965
Cash flows from investing activities		
Payment for acquisition of property, plant and equipment, Right-of-use and intangible assets	(19,050,944)	(11,423,892)
Proceeds from sale of property, plant and equipment	265,245	206,509
Net cash used in investing activities	(18,785,699)	(11,217,383)
Cash flows from financing activities		
Proceeds from short-term bank loan	4,260,000	1,240,000
Payment of long-term loan	-	(2,973,210)
Payment of dividend	(38,058,662)	(28,110,077)
Transfer of IPO subscription money to Capital Market Stabilisation Fund	(5,292)	-
Transfer of unclaimed dividend to Capital Market Stabilisation Fund	(114,403)	-
Payment of lease liabilities	(4,959,915)	(3,674,124)
Net cash used in financing activities	(38,878,272)	(33,517,411)
Net change in cash and cash equivalents	149,992	(11,162,829)
Cash and cash equivalents as at 01 January	2,598,738	13,760,677
Effect of exchange rate fluctuations on cash held	(69)	890
Cash and cash equivalents as at 31 December (Note 12)	2,748,661	2,598,738

Grameenphone Ltd.

Notes to the financial statements

For the year ended 31 December 2021

1. Corporate information

Grameenphone Ltd. (hereinafter referred to as "Grameenphone"/"GP"/"the Company") is a public limited Company incorporated in Bangladesh in 1996 under the Companies Act 1994 and has its registered address at GPHOUSE, Bashundhara, Baridhara, Dhaka 1229. Grameenphone was initially registered as a private limited Company and subsequently converted into a public limited Company on 25 June 2007. During November 2009, Grameenphone listed its shares with both Dhaka and Chittagong Stock Exchanges. The immediate parent of Grameenphone is Telenor Mobile Communications AS and the ultimate parent is Telenor ASA; both the companies are incorporated in Norway.

The Company is primarily involved in providing mobile telecommunication services (voice, data and other related services), along with digital services in Bangladesh. The Company also provides international roaming services through international roaming agreements with various operators of different countries across the world.

2. Basis of preparation

These financial statements are individual financial statements of Grameenphone, and have been prepared in accordance with International Financial Reporting Standards (IFRS), the Companies Act 1994, the Securities and Exchange Rules 2020, relevant guidelines issued by the Bangladesh Securities and Exchange Commission, Financial Reporting Act, 2015 and other applicable laws in Bangladesh. These individual financial statements present the financial position and performance of Grameenphone and its investment in Accenture Communications Infrastructure Solutions Ltd. (ACISL) being accounted for under the equity method in accordance with IAS 28 Investment in Associates and Joint Ventures.

In accordance with the requirements of IAS 36 Impairment of Assets, the carrying amount of investment in ACISL as at 31 October 2016 had been fully impaired and no further share of loss has been recognised in line with paragraph 39 of IAS 28 Investment in Associates and Joint Ventures. The assessment of recoverable amount from investment in associate remained unchanged as at 31 December 2021. Hence, for understanding of Grameenphone's stand-alone financial performance, a separate statement of profit or loss and other comprehensive income is not necessary.

These financial statements have been prepared on going concern basis. Unless otherwise specifically mentioned, historical cost principle has been followed for the purpose of these financial statements.

Authorisation for issue

These financial statements have been authorised for issue by the Board of Directors of the Company on 26 January 2022.

2.1 Functional and presentation currency

Items included in these financial statements are measured using the currency of the primary economic environment in which the Company operates ('the functional currency'). These financial statements are presented in Bangladesh Taka ("BDT") which is also the functional currency of the Company. The amounts in these financial statements have been rounded off to the nearest BDT in thousand (BDT'000) except otherwise indicated. As a result of these rounding off, in some instances the totals may not match the sum of individual balances.

2.2 Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures including the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

1. The Company has recognised Right-of-use assets as per IFRS 16 which required management to make important judgements in determination of lease terms. For details, please see Note 3.7 to these financial statements.
2. The Company has significant influence over Accenture Communications Infrastructure Solutions Ltd. (ACISL).

Estimates and assumptions

Key estimates and assumptions used in preparation of these financial statements are:

1. Applicable tax rate for Income Year 2021 will be declared by Finance Act 2022. For the purpose of these financial statements, management has assumed that the existing corporate tax rate (40%) will be applicable for Income Year 2021 as well.
2. Appropriate financial and demographic assumptions have been used in consultation with a certified actuary to measure defined benefit obligation as at 31 December 2021.
3. Key assumptions about the likelihood and magnitude of outflow of resources have been used to recognise and measure provisions and contingencies.
4. Recoverable amount of Investment in Associate.
5. Significant uncertainty exists on the validity and outcome of the dispute with regard to the demand arisen out of BTRC Audit. Note 45 (a) discusses the issue in details.

3. Significant accounting policies

Accounting policies set out below have been applied consistently to all years presented in these financial statements. Comparative information has been rearranged wherever considered necessary to conform to the current year's presentation.

3.1 Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- i) expected to be realised or intended to be sold or consumed in normal operating cycle, or
- ii) expected to be realised within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when it is:

- i) expected to be settled in normal operating cycle, or
- ii) due to be settled within twelve months after the reporting period, or
- iii) held primarily for the purpose of trading, or
- iv) there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

3.2 Offsetting

The Company reports separately both assets and liabilities, and income and expenses, unless required by an applicable accounting standard or offsetting reflects the substance of the transaction and such offsetting is permitted by applicable accounting standard.

Cash receipts and payments on behalf of customers when the cash flows reflect the activities of the customer rather than those of the entity and cash receipts and payments for items in which the turnover is quick, the amounts are large, and the maturities are short, are presented net in the statement of cash flows.

3.3 Cash dividend to the equity holders

The Company recognises a liability to pay cash dividend when the distribution is authorised and the distribution is no longer at the discretion of the Company. As per the corporate laws in Bangladesh, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

3.4 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturity of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Company in the management of its short term commitments.



3.5 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses, if any.

The cost of an item of property, plant and equipment comprises its purchase price, import duties and non-refundable taxes, after deducting trade discount and rebates, and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the intended manner. Cost also includes initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located and capitalised borrowing costs. The obligations for costs of dismantling and removing the item and restoring the site (generally called 'asset retirement obligation') are recognised and measured in accordance with IAS 37 Provisions, Contingent Liabilities and Contingent Assets. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When major parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

(b) Subsequent costs

The cost of replacing or upgradation of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the item will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(c) Depreciation

No depreciation is charged on land and capital work in progress (CWIP) as the land has unlimited useful life and CWIP has not yet been placed in service.

Depreciation on other items of property, plant and equipment is recognised on a straight-line basis over the estimated useful life of each item of property, plant and equipment. The range of estimated useful lives shown below depends on sub-category of the assets under the broad category. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Depreciation method, useful lives and residual values are reviewed at each year-end and adjusted if appropriate. The estimated useful lives of the items of property, plant and equipment for the current and comparative periods are as follows:

	2021	2020
	Years	Years
Own assets:		
Building	10 -50	10 -50
Base station - equipment	3-10	3-10
Base station - tower, fibre optic network and related assets	7- 30	7- 30
Transmission equipment	5-10	5-10
Computers and other IT equipment	3-4	3-4
Furniture and fixtures (including office equipment)	3-5	3-5
Vehicles	4	4

(d) Derecognition

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss.

(e) Capital work in progress

Capital work in progress consists of unfinished work at sites and capital inventory. Spare parts expected to be used for more than one year are treated as capital work in progress. In case of import of components, capital work in progress is recognised when risks and rewards associated with such assets are transferred to the Company.

(f) Capitalisation of borrowing costs

As per the requirements of IAS 23 Borrowing Costs, directly attributable borrowing costs are capitalised during construction period for all qualifying assets. A qualifying asset is an asset that necessarily takes a

substantial period of time to get ready for its intended use or sale. The borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are those borrowing costs that would have been avoided if the expenditure on the qualifying asset had not been made. All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

3.6 Intangible assets

(a) Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and accumulated impairment loss, if any. Intangible assets are recognised when all the conditions for recognition as per IAS 38 Intangible Assets are met. The cost of an intangible asset comprises its purchase price, import duties and non-refundable taxes and any directly attributable cost of preparing the asset for its intended use.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the profit or loss as incurred.

Development activities involve a plan or design for the production of new and substantially improved products and processes. Development expenditures, on an individual project, are recognised as an intangible asset when the Company can demonstrate all of the following:

- (a) the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- (b) its intention to complete the intangible asset and use or sell it;
- (c) its ability to use or sell the intangible asset;
- (d) how the intangible asset will generate probable future economic benefits. Among other things, the entity can demonstrate the existence of a market for the output of the intangible asset or the intangible asset itself or, if it is to be used internally, the usefulness of the intangible asset;
- (e) the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- (f) its ability to measure reliably the expenditure attributable to the intangible asset during its development.

Other development expenditures are recognised in profit or loss as incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Following initial recognition of the development expenditure as an asset, the cost model is applied requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses. Amortisation of the asset begins when development is complete and the asset is placed in service. It is amortised over the period of expected future economic benefits. During the period of development, the asset is tested for impairment annually.

Internally generated intangible assets, excluding capitalised development costs, are not capitalised and expenditure is reflected in profit or loss in the year in which the expenditure is incurred.

(b) Subsequent costs

Subsequent costs are capitalised only when they increase the future economic benefits embodied in the specific asset to which they relate. All other costs are recognised in profit or loss as incurred.

(c) Amortisation

Amortisation is recognised in profit or loss on a straight line basis over the estimated useful lives of intangible assets. The estimated useful lives are as follows:

Software and others:

Pulse Code Modulation (PCM)
Billing software
Other operational software
Network management software

2021	2020
Years	Years
5	5
5	5
3-7	3-7
7	7

Amortisation methods, useful lives and residual values are reviewed at each year-end and adjusted, if appropriate.

(d) Derecognition

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of intangible assets, measured as the difference between the net disposal proceeds and the carrying amount of the assets, are recognised in profit or loss.



3.7 Leases

At inception of a contract, Grameenphone assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, Grameenphone assesses whether:

- the contract involves the use of an identified asset - this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified.
- Grameenphone has the right to obtain substantially all of the economic benefits from the use of the asset throughout the period of use; and
- Grameenphone has the right to direct the use of the asset. Grameenphone has the right when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, Grameenphone has the right to direct the use of the asset if either:
 - (i) Grameenphone has the right to operate the asset; or
 - (ii) Grameenphone designed the asset in a way that predetermines how and for what purpose it will be used.

The policy is applied to contracts entered into, or changed, on or after 1 January 2019.

At inception or on the reassessment of a contract that contains a lease component, Grameenphone allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. As a practical expedient, fixed non-lease components embedded in the lease contract are not separated and recognised as part of lease liabilities and right-of-use assets.

Telecom licence and spectrum

Grameenphone has chosen to apply IFRS 16 on telecom license and spectrum which was earlier accounted for under IAS 38 Intangible Assets.

Grameenphone as a lessee

Grameenphone recognises a right of use asset and a lease liability at the lease commencement date. The right of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right of use asset is depreciated using the straight line methods from the commencement date to the earlier of the end of the useful life of the right of use asset or the end of the lease term. In addition, the right of use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability. The estimated useful lives of the items of the right of use asset for the current and comparative periods are as follows:

	2021	2020
	Years	Years
Right-of-use assets:		
Fibre Optic Network (FON)	Upto 30	Upto 30
Spectrum-2008	18	18
Telecom licence and spectrum -2011	15	15
3G licence and spectrum	15	15
4G licence and spectrum	15	15

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, Grameenphone's incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index rate as the commencement date;
- amounts expected to be payable under a residual value guarantee; and

- the exercise price under a purchase option that Grameenphone is reasonably certain to exercise, lease payments in an optional renewal period if Grameenphone is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless Grameenphone is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in Grameenphone's estimate of the amount expected to be payable under a residual value guarantee, or if Grameenphone changes its assessment of whether it will exercise purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right to use asset, or is recorded in profit or loss if the carrying amount of the right to use asset has been reduced to zero.

Grameenphone presents right of use assets and lease liabilities as separate captions in the statement of financial position.

Short-term leases and leases of low-value assets

Grameenphone has elected not to recognise right of use assets and lease liabilities for short term leases that have a lease term of 12 months or less and leases of low-value assets for which the underlying asset is of BDT 400,000 or less. Grameenphone recognises the lease payments associated with these leases as an expense on a straight line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

Grameenphone determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Grameenphone applies judgement in evaluating whether it is reasonably certain to exercise an option not to terminate the lease and an option to renew a lease contract. Grameenphone considers all relevant factors before exercising any option. After the commencement date, Grameenphone reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the options (e.g. a change in business strategy).

Grameenphone considered the lease term for active leases at the date of initial application as maximum of 5 years or remaining non-cancellable period from 1 January 2019 by considering changes in technology, development in regulatory environment etc. Leases which would expire before 5 years from 1 January 2019, the lease term had been considered upto the expiry of lease. Leases which commenced on or after 1 January 2019, the lease term would be limited to either their non-cancellable period or 31 December 2023 whichever was later.

In 2020, due to the occurrence of significant event, Grameenphone reassessed its lease term as on 31 December 2020. As an outcome of this reassessment, lease term has been extended for 2 more years.

Consequently, remaining lease term for active leases as on 31 December 2020 will be as maximum of 5 years or remaining non-cancellable period from the same date. Leases which will expire before 5 years from 31 December 2020, the remaining lease term has been considered upto the expiry of lease.

Leases which commence on or after 31 December 2020, the lease term will be limited to either their non-cancellable period or 31 December 2025 whichever was later.

Grameenphone as a lessor

When Grameenphone acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, Grameenphone makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, Grameenphone considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, Grameenphone applies IFRS 15 to allocate the consideration in the contract.

Grameenphone recognises lease payments received under operating leases as income on a straight-line basis over the lease term.



Sub lease

When Grameenphone is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which Grameenphone applies the exemption described in "Short-term leases and leases of low-value assets", then it classifies the sub-lease as an operating lease.

Grameenphone as an intermediate lessor accounts for the sublease as follows:

- (i) if the sublease is classified as an operating lease, Grameenphone continues to account for the lease liability and right-of-use asset on the head lease like any other lease; or
- (ii) if the sublease is classified as a finance lease, Grameenphone derecognises the right-of-use asset on the head lease at the sublease commencement date and continues to account for the original lease liability in accordance with the lessee accounting model. Grameenphone, as the sublessor, recognises a net investment in the sublease.

3.8 Investment in associate

An associate is an entity over which the investor has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not to exercise control or joint control over those policies. Investment in associate is accounted for using the equity method. Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the investor's share of net assets of the associate since the acquisition date. The statement of profit or loss and other comprehensive income reflects the investor's share of the results of operations of the associate. Any change in other comprehensive income (OCI) of the investee is presented as part of the investor's OCI. In addition, when there has been a change recognised directly in the equity of the associate, the investor recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the investor and the associate are eliminated to the extent of the interest in the associate.

Share of profit/loss of associate is not recognised in Grameenphone's individual financial statements until it is realised through dividend. Dividend income is recognised when Grameenphone's right to receive payment is established.

3.9 Financial instruments

IFRS 9 sets out requirements for recognising and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items.

The details of new significant accounting policies and the nature and effect of the changes to previous accounting policies are set out below.

Classification and measurement of financial assets and financial liabilities

IFRS 9 largely retains the existing requirements in IAS 39 for the classification and measurement of financial liabilities. However, it eliminates the previous IAS 39 categories for financial assets of held to maturity, loans and receivables and available for sale.

The adoption of IFRS 9 has not had a significant effect on Grameenphone's accounting policies related to financial liabilities. The impact of IFRS 9 on the classification and measurement of financial assets is set out below.

Under IFRS 9, on initial recognition, a financial asset is classified as measured at: amortised cost; Fair Value through Other Comprehensive Income (FVOCI) – debt investment; Fair Value through Other Comprehensive Income (FVOCI) – equity investment; or Fair Value Through Profit or Loss (FVTPL). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics. Derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- a) it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- b) its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

A financial asset (unless it is a trade receivable without a significant financing component that is initially measured at the transaction price) is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition.

The following accounting policies apply to the subsequent measurement of financial assets.

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss. Trade receivables are classified as Financial assets measured at amortised cost.

Debt investments at FVOCI

These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model. The new impairment model applies to financial assets measured at amortised cost, contract assets and debt investments at FVOCI, but not to investments in equity instruments.

The financial assets at amortised cost consist of trade receivables, cash and cash equivalents, and corporate debt securities. Grameenphone measures loss allowances at an amount equal to ECL from trade receivables.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, Grameenphone considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on Grameenphone's historical experience and informed credit assessment and including forward-looking information.

Grameenphone considers a financial asset to be in default when the debtor is unlikely to pay its credit obligations to the Company in full, without recourse by Grameenphone to actions such as realising security (if any is held).

Measurement of Expected Credit Losses (ECL)

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.



At each reporting date, the Company assesses whether financial assets carried at amortised cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Grameenphone uses Lifetime Expected Credit Loss method for Trade receivables.

Presentation of impairment

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is recognised in OCI, instead of reducing the carrying amount of the asset.

Impairment losses related to trade receivables and others, including contract assets, are presented separately in the notes to the financial statement.

3.10 Inventories

Inventories consisting of scratch cards, SIM cards, mobile handsets, data cards and other devices are valued at lower of cost and net realisable value. Cost of inventories include expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. Cost of inventories is determined by using the weighted average cost formula. Where necessary, allowance is provided for damaged, obsolete and slow moving items to adjust the carrying amount of inventories to the lower of cost and net realisable value. Net realisable value is based on estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

3.11 Employee benefits

The Company maintains both defined contribution plan and defined benefit plan for its eligible permanent employees. The eligibility is determined according to the terms and conditions set forth in the respective trust deeds and rules. Both of the plans are funded and are recognised/approved under Income Tax Ordinance 1984.

(a) Defined contribution plan (provident fund)

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and has no legal or constructive obligation to pay further amounts. Obligations for contribution to defined contribution plans are recognised as an employee benefit expense in profit or loss in the period during which related services are rendered by employees. Advance contributions are recognised as an asset to the extent that a cash refund or a reduction in future payment is available. Contributions to a defined contribution plan that are due more than 12 months after the end of the period in which employees render the services are discounted to the present value.

Grameenphone has a separate recognised provident fund scheme. All permanent employees of Grameenphone contribute 10% of their basic salary to the provident fund and the Company makes matching contributions.

The Company recognises contribution to defined contribution plan as an expense when an employee has rendered related services in exchange for such contribution. The legal and constructive obligation is limited to the amount Grameenphone agrees to contribute to the fund.

(b) Defined benefit plan (gratuity fund)

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The employee gratuity plan is considered as defined benefit plan as it meets the recognition criteria. The Company's obligation is to provide the agreed benefits to current and former employees.

The net defined benefit liability (asset) in respect of a defined benefit plan is recognised in the statement of financial position. The net defined benefit liability (asset) is made up of:

- i) the present value of defined benefit obligation; less
- ii) the fair value of plan assets; adjusted for
- iii) any effect of limiting a net defined benefit asset to the asset ceiling.

Present value of defined benefit obligation is determined by professional actuary. Projected Unit Credit method is used to measure the present value of defined benefit obligations and related current and past service cost by using mutually compatible actuarial assumptions about demographic and financial variables.

Current service cost, past service cost and gain/loss on settlement and net interest on the net defined benefit liability (asset) are recognised in profit or loss. Service cost and gain/loss on settlement are classified as personnel expense and net interest on the net defined benefit liability (asset) is classified as financial expense.

Remeasurements of the net defined liability (asset) are recognised in other comprehensive income, comprising:

- i) actuarial gains and losses;
- ii) return on plan asset, excluding amounts included in net interest on the net defined benefit liability (asset); and
- iii) any change in the effect of the asset ceiling excluding amounts included in net interest on the net defined benefit liability (asset).

Relevant tax impacts of such remeasurements are also recognised under other comprehensive income.

(c) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount of annual leave encashment based on the latest basic salary.

3.12 Income tax

Income tax expense comprises current and deferred taxes. Income tax expense is recognised in profit or loss except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

(a) Current tax

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous periods. The tax rates used for the reporting periods are as follows:

Year	Tax rate
2021	40%
2020	40%

(b) Deferred tax

Deferred tax is recognised in compliance with IAS 12 Income Taxes, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purpose and amounts used for taxation purpose. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the date of statement of financial position. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary difference can be utilised. Deferred tax assets are reviewed at each year-end and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

3.13 Accruals, provisions and contingencies

(a) Accruals

Accruals are liabilities to pay for goods or services that have been received or supplied but have not been paid, invoiced or formally agreed with the supplier, including amounts due to employees. Accruals are reported as part of trade payables and others.

(b) Provisions

A provision is recognised in the statement of financial position when the Company has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provision is ordinarily measured at the best estimate of the expenditure required to settle the present obligation at the reporting date. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the income statement net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.



Asset Retirement Obligations (ARO)

Asset Retirement Obligations (ARO) are recognised when there is a legal or constructive obligation as a result of past event for dismantling and removing an item of property, plant and equipment and restoring the site on which the item is located and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of obligation can be made. A corresponding amount equivalent to the provision is recognised as part of the cost of the related property, plant and equipment. The amount recognised is the estimated expected cost of decommissioning, discounted to its present value. Changes in the estimated timing of decommissioning or decommissioning cost estimates are dealt with prospectively by recording an adjustment to the provision, and a corresponding adjustment to property, plant and equipment. The Company recognises ARO in respect of base station and office space. The periodic unwinding of the discount is recognised in profit or loss as a finance cost as it occurs.

(c) Contingencies

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or the amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company. We recognise any amount as an asset only if recovery of that amount is virtually certain.

Contingent liabilities and assets are not recognised in the statement of financial position of the Company. Significant contingencies are disclosed in the notes to the financial statements.

3.14 Revenue from contract with customers

Under IFRS 15, revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it satisfies a performance obligation by transferring control over goods or services to a customer.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which an entity expects to be entitled in exchange for transferring promised goods or services to a customer. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

Nature of goods and services

The following is a description of the principal activities from which the Company generates its revenue

(a) Subscription and traffic fees

Revenues from subscription fees are recognised over the subscription period while revenues from voice and non-voice services are recognised upon actual use. Consideration from the sale of prepaid cards to customers where services have not been rendered at the reporting date is deferred until actual usage or when the cards expire or airtime balances are forfeited.

(b) Connection fees

A connection fee received in the beginning is not considered a separate performance obligation as the connection or SIM card is not a distinct goods or service that is delivered initially. Connection fees that are charged and not allocated to the other elements of an arrangement are deferred and recognised over the periods in which the fees are expected to be earned. The earning period is the average expected lifetime of the customer i.e. four years.

(c) Commission income

The Company recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for other parties to provide goods or services. The Company's fee or commission might be the net amount of consideration that it retains after paying the other party the consideration received in exchange for the goods or services to be provided by that party.

(d) Customer equipment

The Company recognises revenue when it satisfies a performance obligation by transferring a promised

good (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. Control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset.

(e) Discounts

Discounts are often provided in the form of cash discounts or free products and services delivered by the Company or by external parties. Discounts are recognised on a systematic basis over the period the discount is earned. Cash discounts or free products and services given as part of sales transactions are recognised as a reduction of revenue. Free products or services provided that are not related to sales transactions are recognised as expenses. Discounts are recognized when they are earned and not when they are awarded i.e. at the same time when the underlying services are delivered to which those discounts relate.

(f) Multiple element arrangement

Multiple element arrangements or bundled offers are sales arrangements that require the Company to deliver more than one product and/or perform more than one service, often over an extended period of time. The characteristics of such arrangements mean that the Company must determine if the different elements in a package can be separated from one another - i.e. can be considered distinct performance obligations. The total contract price is then to be allocated to the distinct performance obligations, and revenue is to be recognized in accordance with satisfaction of the performance obligations.

The transaction price is allocated to separate performance obligations in a contract based on relative standalone selling prices. The requirement to allocate revenue on a relative stand-alone selling price basis may result in similar goods and services (e.g. a particular customer equipment or a particular service plan) being allocated different amounts of revenue depending on how the products and service plans are bundled into the arrangement.

Stand-alone selling price for the equipment would be list-price when sold by the Company on a stand-alone basis (not in a bundle). If the Company does not sell the equipment separately, the stand-alone selling price is to be estimated.

(g) Interest and dividend income

Interest income is accrued on a time proportion basis that reflects an effective yield on the financial asset. Dividend income from an investment is recognised when the Company's rights to receive payment is established (declared by the Annual General Meeting of the investee or otherwise).

Contract Costs

Contract costs are costs that are incremental to obtaining a contract with a customer or costs that are directly related to fulfilling a specified contract with a customer (fulfilment costs). Incremental costs of obtaining a contract with a customer is recognised as an asset if the expectation is that the costs will be recoverable except for incremental costs that would have been amortised in a year or less. These may be expensed as incurred.

Contract costs is capitalised as assets and amortised in a way that is consistent with the transfer of the related goods and services. Customer acquisition costs for Grameenphone includes SIM cost, different commissions and other directly attributable costs related to acquisition of customers.

Management expects that customer acquisition cost are recoverable. In the comparative period, such costs were capitalized but to the extent of connection revenue earned. These costs are amortized over the average expected lifetime of the customer i.e. four years.

Determination of agent and principal

The determination of whether the Company is acting as a principal or as an agent in a transaction is based on an evaluation of the substance of the transaction, the responsibility for providing the goods or services, setting prices, form of consideration and exposure to credit risk. When another party is involved in providing goods or services to a customer, the entity shall determine whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the entity is a principal) or to arrange for the other party to provide those goods or services (i.e. the entity is an agent). Where the Company acts as a principal, the revenues are recognised on a gross basis. This requires revenue to comprise the gross value of the transaction billed to the customers, after trade discounts, with any related expenses charged as operating costs. Where the Company acts as an agent, the expenses are offset against the revenues and the resulting net revenues represent the margins or commissions earned for providing services in the capacity of an agent.



Licence fees payable to Bangladesh Telecommunication Regulatory Commission (BTRC) that are calculated on the basis of revenue share arrangements are not offset against the revenues. Instead, they are recognised as operating costs because the Company is considered to be the primary obligor.

Customer loyalty programme

Nature and timing of satisfaction of performance obligations

Customers who purchase GP's products or services and fulfil certain conditions enter the Company's customer loyalty programme and earn points. The points are redeemable against any future purchases of the Company's or third party's products or services at customers' discretion. The loyalty points accumulate on cumulative basis and expire after two years where remaining days of current year will be counted as one year. Further, all the accumulated points expire when a subscriber stops using MyGP App for a consecutive period of three months. However, no loyalty point are awarded when a subscriber stops using MyGP App for a consecutive period of one month.

Revenue recognition

GP segregates the monetary value equivalent of the loyalty points as unearned revenue. At subsequent redemption of the loyalty points, nature wise revenue is recognised i.e. where such points are used by customers. Where customer chooses to avail third party goods or services then accounting is done after analysing agent principal relationship. For expired loyalty points, revenue is recognised at expiry.

3.15 Foreign currency transactions

The financial statements are presented in BDT, which is Company's functional currency. Transactions in foreign currencies are recorded in the books at the exchange rate prevailing on the date of the transaction. Monetary assets and liabilities in foreign currencies at the date of statement of financial position are translated into BDT at the exchange rate prevailing at that date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the initial transaction. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss as per IAS 21 The Effects of Changes in Foreign Exchange Rates.

3.16 Earnings per share

The Company presents basic and diluted (when dilution is applicable) earnings per share (EPS) for its ordinary shares. Basic EPS is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the period, adjusted for the effect of change in number of shares for bonus issue, share split and reverse split. Diluted EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares. However, dilution of EPS is not applicable for these financial statements as there was no dilutive potential ordinary shares during the relevant periods.

3.17 Events after the reporting period

Amounts recognised in the financial statements are adjusted for events after the reporting period that provide evidence of conditions that existed at the end of the reporting period. No adjustment is given in the financial statements for events after the reporting period that are indicative of conditions that arose after the reporting period. Material non-adjusting events are disclosed in the financial statements.

4. Property, plant and equipment
31 December 2021

Name of assets	Cost			Depreciation & impairment					Carrying amount As at 31 December 2021
	As at 01 January 2021	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2021	As at 01 January 2021	Charged during the year	Impairment during the year	Disposals/ Adjustments during the year	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land (Note 4.1)	1,054,130	15,791	-	1,069,921	-	-	-	-	1,069,921
Building	4,051,020	13,462	-	4,064,482	2,002,027	217,910	-	-	1,844,545
Base station	135,337,861	11,223,584	(12,364,089)	134,197,356	92,854,211	9,815,757	-	(12,228,659)	43,756,047
Transmission equipment	21,537,389	1,453,255	(1,448,604)	21,542,040	18,897,972	642,067	3,135	(1,448,604)	3,447,470
Computers and other IT equipment	7,457,619	900,980	(25,744)	8,332,855	5,226,439	784,067	-	(22,935)	2,345,284
Furniture and fixtures (including office equipment)	2,845,757	40,052	-	2,885,809	2,546,324	130,752	-	-	208,733
Vehicles	1,032,658	173,678	(313,140)	893,196	599,240	100,183	-	(234,779)	428,552
Capital work in progress (Note 4.2)	173,316,434	13,820,802	(14,151,577)	172,985,659	122,126,213	11,690,736	3,135	(13,934,977)	53,100,552
	5,710,971	15,440,093	(13,863,666)	7,287,398	-	-	-	-	7,287,398
	179,027,405	29,260,895	(28,015,243)	180,273,057	122,126,213	11,690,736	3,135	(13,934,977)	60,387,950

31 December 2020

Name of assets	Cost			Depreciation & impairment					Carrying amount As at 31 December 2020
	As at 01 January 2020	Additions during the year	Disposals/ Adjustments during the year	As at 31 December 2020	As at 01 January 2020	Charged during the year	Impairment during the year	Disposals/ Adjustments during the year	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Land (Note 4.1)	1,010,608	43,522	-	1,054,130	-	-	-	-	1,054,130
Building	4,046,376	4,644	-	4,051,020	1,804,327	197,700	-	-	2,048,993
Base station	134,166,845	6,724,915	(5,553,899)	135,337,861	87,852,157	10,555,920	-	(5,553,866)	42,483,650
Transmission equipment	33,368,535	670,586	(12,501,732)	21,537,389	29,106,971	2,292,733	-	(12,501,732)	2,639,417
Computers and other IT equipment	8,158,828	1,545,230	(2,246,439)	7,457,619	6,518,470	954,186	-	(2,246,217)	2,231,180
Furniture and fixtures (including office equipment)	2,933,258	103,091	(190,592)	2,845,757	2,565,090	166,919	-	(185,685)	299,433
Vehicles	1,494,650	157,621	(619,613)	1,032,658	990,262	100,802	-	(491,824)	433,418
Capital work in progress (Note 4.2)	185,179,100	9,249,609	(21,112,275)	173,316,434	128,837,277	14,268,260	-	(20,979,324)	51,190,221
	6,054,735	8,970,819	(9,314,583)	5,710,971	-	-	-	-	5,710,971
	191,233,835	18,220,428	(30,426,858)	179,027,405	128,837,277	14,268,260	-	(20,979,324)	56,901,192

4.1 Land

Land represents freehold land acquired for office premises and base stations.

4.2 Capital work in progress (CWIP)

This represents primarily the cost of network equipment under construction and capital inventory.

The amount of CWIP completed and transferred during the year to the corresponding items of property, plant and equipment was as follows:

Name of assets	2021	2020
	BDT (000)	BDT (000)
Land (Note 4.1)	15,791	43,522
Building	13,462	4,644
Base station	11,223,584	6,724,915
Transmission equipment	1,453,255	670,586
Computers and other IT equipment	900,980	1,545,230
Furniture and fixtures	40,052	103,091
Vehicles	173,678	157,621
	13,820,802	9,249,609

4.2.2 Capital work in progress - components

Capital work in progress as at 31 December 2021 included capital inventory of BDT 5,324,029,505 (2020: BDT 3,778,848,580) and work-in-progress of BDT 1,963,367,356 (2020: BDT 1,932,121,620).

4.3 Change in estimates

Useful lives of Lithium-ion batteries (Base station) and IT hardware (Computers & other IT equipment) have been increased to 7 years from 3 years and to 5 years from 4 years respectively based on technical assessment. Impact of such change on expected depreciation for the current and future years is as follows:

	2021	2022	2023	2024	2025	Later
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Base Station	(673,558)	(129,275)	193,197	241,169	227,812	140,655
Computer & other IT equipment	(148,595)	(96,693)	72,939	109,511	62,837	-
	(822,154)	(225,967)	266,136	350,680	290,649	140,655

5. Intangible assets

31 December 2021

Name of assets	Cost			Amortisation & impairment					Carrying amount
	As at 01 January 2021	Additions during the year	Disposals/ Adjustments the year	As at 31 December 2021	Charged during the year	Impairment during the year	Disposals/ Adjustments during the year	As at 31 December 2021	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others (Note 5.1)	12,697,021	1,569,238	-	14,266,259	700,590	347	-	11,642,147	2,624,112
Capital work in progress (Note 5.3)	12,697,021	1,569,238	-	14,266,259	700,590	347	-	11,642,147	2,624,112
	560,776	2,016,645	(1,569,237)	1,008,184	-	-	-	-	1,008,184
	13,257,797	3,585,883	(1,569,237)	15,274,443	700,590	347	-	11,642,147	3,632,296

31 December 2020

Name of assets	Cost			Amortisation & impairment					Carrying amount
	As at 01 January 2020	Additions during the year	Disposals/ Adjustments the year	As at 31 December 2020	Charged during the year	Impairment during the year	Disposals/ Adjustments during the year	As at 31 December 2020	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Software and others (Note 5.1)	11,490,298	1,207,680	(957)	12,697,021	1,035,729	-	(957)	10,941,210	1,755,811
Capital work in progress (Note 5.3)	11,490,298	1,207,680	(957)	12,697,021	1,035,729	-	(957)	10,941,210	1,755,811
	690,943	1,074,066	(1,204,233)	560,776	-	-	-	-	560,776
	12,181,241	2,281,746	(1,205,190)	13,257,797	1,035,729	-	(957)	10,941,210	2,316,587

5.1 Software and others

Software includes business software and network management software. Business software includes mainly billing software, oracle financial software, data mining software, campaign automation software, DNS Software, Huawei GGSN SW, Charging System Upgrade etc.

5.2 Capital work in progress (CWIP)

CWIP includes cost of software in process of installation/implementation and also software under testing phase awaiting users' acceptance.

5.3 Change in estimates

Useful life of software (software & others) has been increased to 5 years from 3 years based on technical assessment. Impact of such change on expected amortisation for the current and future years is as follows:

	2021	2022	2023	2024	2025
	BDT'000	BDT'000	BDT'000	BDT'000	BDT'000
Software and others	(452,843)	(99,516)	250,678	239,729	61,952

6 Leases

A. Leases as lessee

Grameenphone leases land, rooftop, office & residential spaces, warehouse, tower infrastructure facilities and fiber optical network. Telecom licences and spectrums have also been chosen to consider as lease after implementation of IFRS 16. Information about leases for which Grameenphone is a lessee is presented below.

(i) Right-of-use assets

31 December 2021

Name of assets	Cost			Amortisation				Carrying amount
	As at 01 January 2021	Additions during the year	Disposal/ Adjustment during the year	As at 31 December 2021	As at 01 January 2021	Charged during the year	Disposal/ Adjustment during the year	As at 31 December 2021
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre Optic Network	10,651,922	725,574	-	11,377,496	6,679,902	580,320	-	4,117,274
Telecom licence, annual licence renewal fees and spectrum	75,200,846	10,961,074	-	86,161,920	35,000,421	7,009,175	-	44,152,324
Base transceiver station - Green Field	1,325,522	590,767	(50,177)	1,866,112	303,710	322,687	(18,616)	1,258,331
Base transceiver station - Roof Top	4,239,319	241,570	(254,635)	4,226,254	1,369,290	754,591	(171,944)	2,274,317
Infrastructure sharing site	7,340,201	7,140,524	(414,883)	14,065,842	2,388,854	1,742,620	(414,883)	10,349,251
Office/residential space	823,047	98,535	(140,694)	780,888	306,007	211,976	(119,430)	382,335
	99,580,857	19,758,044	(860,389)	118,478,512	46,048,184	10,621,369	(724,873)	62,533,832

31 December 2020

Name of assets	Cost				Amortisation				Carrying amount As at 31 December 2020
	As at 01 January 2020	Additions during the year	Disposal/ Adjustment during the year	As at 31 December 2020	As at 01 January 2020	Charged during the year	Disposal/ Adjustment during the year	As at 31 December 2020	
	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Fibre Optic Network	10,497,263	154,659	-	10,651,922	6,110,443	569,459	-	6,679,902	3,972,020
Telecom licence, annual licence renewal fees and spectrum	74,737,172	463,674	-	75,200,846	29,462,551	5,537,870	-	35,000,421	40,200,425
Base transceiver station - Green Field	805,335	519,912	275	1,325,522	161,070	142,925	(285)	303,710	1,021,812
Base transceiver station - Roof Top	3,215,050	1,014,730	9,539	4,239,319	684,012	730,985	(45,707)	1,369,290	2,870,029
Infrastructure sharing site	5,892,139	1,470,164	(22,102)	7,340,201	1,216,478	1,196,894	(24,518)	2,388,854	4,951,347
Office/residential space	714,671	152,266	(43,890)	823,047	198,543	167,828	(60,364)	306,007	517,040
	95,861,630	3,775,405	(56,178)	99,580,857	37,833,097	8,345,961	(130,874)	46,048,184	53,532,673

Right-of-use assets addition

Right-of-use assets addition for the year ended 31 December 2021 is BDT 19,759,160,000. BDT 3,473,879,000 has been paid at the time of acquisition and has been classified as part of investing activities in the Statement of Cash Flows. The remaining amount of BDT 16,285,281,000 will be paid when falls due and is classified as part of financing activities.

Telecom licence, annual licence renewal fees and spectrum

The tenure of Mobile Cellular Licence and 14.6 MHz of spectrum acquired in 1996 expired on 10 November 2011. The tenure of this 2G licence and spectrum was renewed for another 15 years on 7 August 2012 effective from 11 November 2011. This 2G licence and spectrum was recognised in accordance with IAS 38 *Intangible Assets* and was measured at the cash equivalent price being the present value of the installments. The difference between total payment and the cash equivalent price is recognised as finance cost over the period of payment.

Total cost of telecom licence and spectrum also includes cost of 7.4 MHz of spectrum acquired in 2008 for 18 years.

In 2013, Grameenphone, acquired 3G licence and related 10 MHz of spectrum for 15 years effective from 12 September 2013.

Grameenphone acquired 5 MHz spectrum in 1800 MHz band for 15 years at the spectrum auction held by Bangladesh Telecommunications Regulatory Commission (BTRC) on 19 February 2018 and an approval for converting existing 22 MHz 2G spectrum to technology neutral spectrum for 8.75 years for BDT 12,849,500,000 and BDT 4,301,733,305 respectively. Grameenphone also obtained 4G/LTE Cellular Mobile Phone Services Operator License effective from 19 February 2018 from BTRC for BDT 100,000,000. 60% of the spectrum cost was paid at the time of acquisition whilst the rest 40% is payable in equal four installments within next 4 years. The above were recognised as intangible assets in accordance with IAS 38 *Intangible Assets* and measured at the cash equivalent price being the present value. The difference between total payment and the cash equivalent price is recognised as finance cost over the period of payment.

From 1 January 2019, Grameenphone has chosen to apply IFRS 16 on telecom license and spectrum which was earlier accounted for under IAS 38 *Intangible Assets*.

On 8 March 2021, Bangladesh Telecommunication Regulatory Commission (BTRC) conducted a Radio Frequency Auction for 2*7.4 MHz in 1800 MHz band and 2*15 MHz in 2100 MHz band to existing telecom operators. GP participated in that auction and secured 0.4 MHz in 1800 MHz band and 10MHz in 2100 MHz band effective from 9 April 2021 to 10 November 2026.

The total amount to be paid for the assigned spectrum is BDT 12,365,112,387 and 7.5% non-recoverable VAT to be added to this amount which leads to a total of BDT 13,292,495,816 including VAT. GP already paid BDT 3,323,123,954 and rest of the amount will be paid in 5 equal yearly instalments of BDT 1,993,874,372 (including VAT) starting from 9 April 2022 till 9 April 2026. GP also had to pay BDT 1,075,000 (including VAT) as application processing fee for participating in the auction.

The new spectrum has been capitalised on 9 April 2021 with ROU assets of BDT 11,075,869,777.

	2021	2020
	BDT (000)	BDT (000)
ii) Lease liabilities		
Lease liabilities - non-current portion	22,675,135	14,146,840
Lease liabilities - current portion	9,445,609	6,328,697
	32,120,744	20,475,537
iii) Amounts recognised in profit or loss		
Interest on lease liabilities	2,495,806	1,803,873
Expense relating to variable lease payments and short term leases not included in measurement of lease liabilities:		
Revenue sharing and spectrum charges	10,895,286	10,792,304
Fuel and energy costs	490,092	390,990
Short term lease	(10,112)	10,638
	13,871,072	12,997,805
iv) Amounts recognised in statement of cash flows		
Total cash outflow for right-of-use assets	9,804,745	5,457,324
Total cash outflow for right-of-use assets (VAT portion)	353,710	366,281
Total cash outflow for variable lease payment and short term leases	11,607,093	10,838,134

7 Investment in associate

Grameenphone disposed of 51% of its stake in its only subsidiary, Grameenphone IT Ltd. now known as ACISL on 1 September 2013 and retains significant influence over ACISL with its remaining 49% stake.

In accordance with the requirements of IAS 36 Impairment of Assets, the carrying amount of investment in ACISL as at 31 October 2016 was re-assessed for impairment considering the financial performance of ACISL for the period to 31 October 2016 and estimated the recoverable amount from the investment. Based on the assessment, the carrying amount of investment in ACISL (BDT 486,828,493) has been fully impaired. The assessment of recoverable amount from investment in associate remained unchanged as at 31 December 2021 and 31 December 2020.

8 Contract cost

	As at 31 December 2021	As at 31 December 2020
	BDT (000)	BDT (000)
Opening balance	4,934,438	4,480,157
Additions during the year	3,617,429	2,653,445
Amortisation during the year	(2,515,909)	(2,199,164)
	6,035,958	4,934,438

This includes deferred customer acquisition cost mainly in the form of SIM cost, different commissions and other directly attributable costs related to acquisition of customers.

9 Other non-current assets

	As at 31 December 2021	As at 31 December 2020
	BDT (000)	BDT (000)
Appeal deposits	532,910	552,299
Deposit to BTRC (Note 9.1)	20,000,000	20,000,000
Security deposits for utility services and other investments	16,157	16,157
	20,549,067	20,568,456

9.1 Deposit to BTRC

Deposit of BDT 20,000,000,000 to BTRC was made pursuant to the order of Hon'ble Appellate Division of the Supreme Court of Bangladesh. The details of the dispute are discussed in Note 45 (Contingencies) to these financial statements.

10. Inventories

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Handset, data card and other devices	19,508	53,122
SIM card	206,160	122,694
Scratch card	34,562	25,252
	260,230	201,068

10.1 Movement of inventories

	Handset, data card and other device BDT (000)	SIM card BDT (000)	Scratch card BDT (000)
Balance as at 1 January 2020 (Gross)	105,205	149,928	16,763
Purchase	75,026	345,168	164,738
Issue	(105,671)	(349,784)	(154,624)
	74,560	145,312	26,877
Adjustment/write-off	(21,438)	(22,618)	(1,625)
Balance as at 31 December 2020 (Net)	53,122	122,694	25,252

Balance as at 1 January 2021 (Gross)	74,560	145,312	26,877
Purchase	340,378	496,360	184,110
Issue	(357,843)	(411,844)	(174,798)
	57,095	229,828	36,189
Adjustment/write-off	(37,587)	(23,668)	(1,627)
Balance as at 31 December 2021 (Net)	19,508	206,160	34,562

10.2 Number of inventories

	As at 31 December 2021 Units	As at 31 December 2020 Units
Handset, data card and other device	26,072	40,016
SIM card	13,235,465	7,391,480
Scratch card	277,343,948	194,400,785

10.3 SIM card

SIM cards include SIMs for new connections and replacement SIMs. Both new connection and replacement SIM attract SIM tax. Value added tax (VAT) and supplementary duty (SD) imposed on SIM cards are popularly known as SIM tax.



11 Trade receivables and others

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Trade receivables		
Trade receivables, gross	6,560,774	6,762,952
Impairment loss allowance	(1,696,308)	(1,741,410)
	4,864,466	5,021,542
Other receivables		
Receivables from employees	30,156	1,175
Other non-interest-bearing receivables	1,620,338	1,892,978
Impairment loss allowance	(116,481)	(297,804)
	1,534,013	1,596,349
Other non-financial assets		
Prepaid expenses	460,207	513,274
	460,207	513,274
Total trade receivables and others	6,858,686	7,131,165
12 Cash and cash equivalents		
Cash in hand	77,136	78,141
Cash at bank	2,671,525	2,520,597
	2,748,661	2,598,738

12.1 Restricted cash balance

Cash at bank as at reporting date includes BDT 45,669,564 (2020: BDT 52,593,221) equivalent to unused Mobicash points in customer wallet and is therefore treated as restricted cash balance.

Additionally, Cash at bank as at reporting date includes BDT 47,222,066 (2020: BDT 136,329,943) equivalent to dividend unclaimed amount (principal portion), BDT 1,675,323 (2020: BDT 6,970,321) equivalent to unclaimed IPO subscription amount (principal portion) and BDT 3,005,343 (2020: Nil) equivalent to accrued interest on unclaimed dividend and IPO subscription amount.

Grameenphone transferred principal portion of unclaimed/undistributed/unsettled cash dividend of BDT 114,402,723 and principal portion of unclaimed IPO subscription amount of BDT 5,292,000 to the Capital Market Stabilisation Fund on 29 August 2021. Furthermore, Grameenphone transferred net interest received in 2021 on unclaimed dividend and IPO subscription amount of BDT 83,013 to the Capital Market Stabilization Fund in December 2021.

13 Net asset value per share

	As at 31 December 2021 BDT	As at 31 December 2020 BDT
Net Asset (BDT)	49,878,558,000	52,107,614,000
Weighted average number of ordinary shares outstanding during the year	1,350,300,022	1,350,300,022
Net asset value per share (par value BDT 10 each) (BDT)	36.94	38.59

14 Share capital

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Authorised:		
4,000,000,000 ordinary shares of BDT 10 each	40,000,000	40,000,000
	40,000,000	40,000,000
Issued, subscribed, called up and paid up:		
1,350,300,022 ordinary shares of BDT 10 each	13,503,000	13,503,000
	13,503,000	13,503,000

The Company was initially registered with ordinary shares of BDT 43.00 each. These shares were subsequently converted into BDT 10 shares through a 43:1 split at the 16th EGM (held on 15 July 2008) and 1:10 reverse split at the 19th EGM (held on 2 July 2009).

There has been no change in share capital during the current and comparative year.

14.1 Shareholding position

a) Percentage of shareholdings

Name of shareholders	% of holding		Value of shares (BDT)		Date of issue/ Transfer of Shares
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020	
Telenor Mobile Communications AS, Norway	55.8%	55.8%	7,534,081,540	7,534,081,540	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 21 December 2004 31 May 2007 15 July 2008 02 July 2009 31 October 2019
Grameen Telecom, Bangladesh	34.2%	34.2%	4,617,664,090	4,617,664,090	10 October 1996 24 September 1997 25 August 1998 7 December 1998 19 April 2004 21 October 2004 27 November 2004 31 May 2007 15 July 2008 02 July 2009
Grameen Kalyan, Bangladesh	0.0%	0.0%	220	220	31 May 2007 15 July 2008 02 July 2009
Grameen Shakti, Bangladesh	0.0%	0.0%	220	220	31 May 2007 15 July 2008 02 July 2009
General public, Grameenphone employees and institutional	10.0%	10.0%	1,351,254,150	1,351,254,150	28 October 2009
	100%	100%	13,503,000,220	13,503,000,220	

A total of 430 shares had been transferred to Telenor Mobile Communications AS, Norway from Nye Telenor Mobile Communications II AS, Norway and Nye Telenor Mobile Communications III AS, Norway. Further, another 215 shares had been reclassified under institutional shareholders from Telenor Asia Pte Ltd., Singapore as per regulatory direction. In the financial statements of 2020, shares of Grameen Kalyan Bangladesh and Grameen Shakti, Bangladesh had been presented under institutional shareholders.



b) Classification of shareholders by range of number of shares held

Shareholding range	No. of shareholders		No. of shares	
	As at 31 December 2021	As at 31 December 2020	As at 31 December 2021	As at 31 December 2020
1-500	23,985	22,931	3,992,372	4,269,788
501-5,000	4,857	5,475	7,948,098	8,834,026
5,001-10,000	472	495	3,434,998	3,608,406
10,001-20,000	245	259	3,493,533	3,649,396
20,001-30,000	112	88	2,797,971	2,199,488
30,001-40,000	53	54	1,894,072	1,894,561
40,001-50,000	31	28	1,403,462	1,294,514
50,001-100,000	93	90	6,472,840	6,366,353
100,001-1,000,000	108	125	33,204,184	38,393,777
1,000,001-1,000,000,000	23	17	1,285,658,492	1,279,789,713
	29,979	29,562	1,350,300,022	1,350,300,022

15 Share premium

Total amount of BDT 8,384,003,437 was received as share premium in respect of shares issued to shareholders. Net issue cost of BDT 543,777,495 was set off against share premium as per IAS 32 Financial Instruments: Presentation.

16 Capital reserve

In 1999, Grameenphone issued 5,086,779 preference shares of BDT 45.84 each, which were converted into ordinary shares of BDT 43.00 each in 2004. The balance BDT 2.84 per share was transferred to capital reserve account. The conversion was in accordance with provisions of Articles of Association of Grameenphone. This amount is not distributable as dividend as per the Companies Act 1994.

17 Deferred tax liabilities

Deferred tax assets and liabilities have been recognised and measured in accordance with the provisions of IAS 12 Income Taxes. Related deferred tax (expense)/income have been disclosed in Note 35. The components of deferred tax assets and liabilities are given below:

As at 31 December 2021	Carrying amount	Tax base	Taxable/(deductible) temporary difference
	BDT (000)	BDT (000)	BDT (000)
Property, plant and equipment (excluding land and CWIP (Note 4))	52,030,626	33,426,705	18,603,921
Difference for vehicle (Note 17.1)	(103,456)	-	(103,456)
			18,500,465
Right of use assets (Note 6)	62,533,832	34,592,265	27,941,567
Trade receivables (Note 11)	(1,812,789)	-	(1,812,789)
Lease liabilities including current portion (Note 6)	(32,852,681)	-	(32,852,681)
Other current liabilities (profit sharing plan)	(303,136)	-	(303,136)
Employee benefit plans including obligation under voluntary retirement scheme (funded)	(2,666,738)	-	(2,666,738)
Contract acquisition cost (deferred)	-	-	-
Recoverable income tax on certain aged trading liability	(242,969)	-	(242,969)
Net taxable temporary difference			8,563,719
Net deferred tax liability @40% tax rate (Note 3.12)			3,425,488

As at 31 December 2020			
Property, plant and equipment (excluding land and CWIP (Note 4))	50,136,088	33,946,437	16,189,651
Difference for vehicle (Note 17.1)	(127,168)	-	(127,168)
			16,062,483
Right of use assets (Note 6)	53,532,674	35,451,660	18,081,014
Trade receivables (Note 11)	(2,039,214)	-	(2,039,214)
Lease liabilities including current portion (Note 6)	(20,953,301)	-	(20,953,301)
Other current liabilities (profit sharing plan)	(314,004)	-	(314,004)
Employee benefit plans including obligation under voluntary retirement scheme (funded)	(2,524,163)	-	(2,524,163)
Contract acquisition cost (deferred)	270,313	-	270,313
Recoverable income tax on certain aged trading liability	(206,043)	-	(206,043)
Net taxable temporary difference			8,377,085
Net deferred tax liability @40% tax rate (Note 3.12)			3,350,834

17.1 Difference for vehicle

This represents the permanent difference related to sedan cars, not plying for hire, owned by Grameenphone. As per the provisions of Income Tax Ordinance 1984, depreciation on such cars is allowed only up to certain limit of cost (currently BDT 2.5 million per car) of such cars for tax purpose. Difference for vehicle represents the amount of depreciated cost exceeding such limits.

17.2 Actuarial gain/loss from re-measurement of defined benefit obligations

Deferred tax liabilities as at 31 December 2021 includes net deferred tax asset of BDT 506,531,141 (2020: BDT 573,189,894) for actuarial gain/loss from re-measurement of defined benefit obligations corresponding impact of which has been recognised under other comprehensive income.



18 Employee benefits

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Amounts recognized in the statement of financial position		
Defined benefit obligation	(5,536,139)	(5,738,813)
Fair value of plan assets	4,200,054	4,097,430
Net defined benefit obligation	(1,336,085)	(1,641,383)
Change in benefit obligation		
Benefit obligation at end of prior year	(5,738,813)	(4,007,132)
Service cost	(400,372)	(331,062)
Interest expense	(298,440)	(326,398)
Benefit payments from plan assets	710,252	227,414
Remeasurements due to change in demographic assumptions	-	(25,013)
Remeasurements due to change in financial assumptions	250,999	(1,109,357)
Remeasurements due to experience adjustments	(59,765)	(167,265)
Defined benefit obligation at end of year	(5,536,139)	(5,738,813)
Change in fair value of plan assets		
Fair value of plan assets at end of prior year	4,097,430	3,070,429
Interest income	194,663	232,324
Employer contributions	642,800	503,536
Benefit payments from plan assets	(710,252)	(227,414)
Remeasurements for return on assets (excluding interest income)	(24,587)	518,555
Fair value of plan assets at end of year	4,200,054	4,097,430
Fair value of plan assets		
Cash and cash equivalents	836,115	714,587
Debt instruments	3,363,939	3,382,843
Total	4,200,054	4,097,430
Components of Defined Benefit Cost (DBO)		
Service cost	400,372	331,062
Interest expense on DBO	298,440	326,398
Interest (income) on plan assets	(194,663)	(232,324)
Defined benefit cost included in profit or loss	504,149	425,136
Remeasurements (recognized in other comprehensive income (OCI))		
Due to change in demographic assumptions	-	25,013
Due to change in financial assumptions	(250,999)	1,109,357
Due to change in experience adjustments	59,765	167,265
(Return) on plan assets (excl. interest income)	24,587	(518,555)
Total remeasurements in OCI	(166,647)	783,080
Total defined benefit cost recognized in profit or loss and OCI	337,502	1,208,216
Net defined benefit liability (asset) reconciliation		
Opening balance of net defined benefit liability (asset)	1,641,383	936,703
Defined benefit cost included in profit or loss	504,149	425,136
Net settlement payment from plan assets	-	-
Total remeasurements included in OCI	(166,647)	783,080
Employer contributions	(642,800)	(503,536)
Net defined benefit liability (asset) as of end of year	1,336,085	1,641,383

**Expected cash flows for following year**

Expected employer contributions
Expected total benefit payments

Year 1

Year 2

Year 3

Year 4

Year 5

Next 5 years

Significant actuarial assumptions

Discount rate in %

Future salary growth in %

Future turnover in %

Up to age 30

Age 31-45

Above 45

Average remaining working lives of employees

As at 31 December 2021	As at 31 December 2020
BDT (000)	BDT (000)
928,188	417,142
928,188	926,513
583,646	581,570
595,554	597,858
607,948	609,487
630,457	621,773
3,199,470	3,232,241
6.4%	5.7%
8.5%	8.5%
12.5%	12.5%
12.5%	12.5%
12.5%	12.5%
8 years	8 years

Sensitivity analysis

A change of 50 basis points in following significant assumptions would have increased/ (decreased) defined benefit obligation of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	As at 31 December 2021		As at 31 December 2020	
	50 bp increase	50 bp decrease	50 bp increase	50 bp decrease
	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Discount rate in %	(267,544)	76,241	(293,431)	87,643
Future salary growth in %	59,949	(253,898)	68,985	(277,871)

Significant characteristics of plan

Plan sponsor:

Nature of benefits:

Risks associated with the plan:

Vesting criteria:

Applicable salary:

Maximum limit of benefit paid:

Basis of gratuity:

Normal retirement age:

Benefit calculation:

Grameenphone Ltd.

Final salary defined benefit plan

Plan sponsor bears all the risks associated with the plan

5 year of continuous service

Last drawn monthly basic salary

No upper limit on benefit

Accrued benefit

60 years

- Past service of 5 years to 5.5 years: 1 month applicable basic salary for each completed years of service

- Up to 10 years: 1.5 month applicable basic salary for each completed years of service

- More than 10 years: 2 month applicable basic salary for each completed years of service

19 Other non-current liabilities

Asset retirement obligations (Note 19.1)

Other non-current liabilities

As at 31 December 2021	As at 31 December 2020
BDT (000)	BDT (000)
349,735	151,400
105,573	129,872
455,308	281,272
151,400	152,391
201,621	2,305
353,021	154,696
(2,818)	(2,383)
(468)	(913)
349,735	151,400

19.1 Asset retirement obligations (ARO)

Opening balance

Provision made during the year

Provision released during the year

Paid during the year

Closing balance

Grameenphone recognises Asset Retirement Obligations (ARO) in respect of base stations and office space for any constructive and/or legal obligations for dismantling, removal or restoration incurred by the Company as a consequence of installing or constructing the sites. ARO is measured at the present value of expected cash outflows required to settle such obligations. Unwinding of the discount is charged as finance expense in the profit or loss.

20 Trade payables and others

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Financial liabilities		
Trade payables including liability for capital expenditure	12,458,906	10,033,121
Accrued expenses	5,757,060	6,649,806
Indirect taxes	1,862,224	1,831,080
	20,078,190	18,514,007
Other non-financial liabilities		
Deferred connection revenue	6,514	13,805
Unearned revenue	5,436,918	5,460,303
	5,443,432	5,474,108
Total trade payables and others	25,521,622	23,988,115

21 Provisions

A provision is a liability of uncertain timing or amount. Grameenphone takes provision for those items for which it has obtained related goods or service but vendor is formally yet to bill it. The amount concerning provision is almost certain to both parties and uncertainties exist regarding the timing of billing by vendor. Provisions includes provision for BTRC revenue share, annual operating licence fee, office running, other operational expenses and capital expenditure.

During 2020 Grameenphone reversed provisions of BDT 2,450,811,484 as a result of dispute settlement.

22 Loans and borrowings

This includes short-term bank loan of BDT 5,500,000,000 (2020: BDT 1,240,000,000).

23 Current tax liabilities

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Movement of current tax liabilities is shown as below:		
Opening balance	24,870,650	28,137,225
Provision made during the year including transactions for other comprehensive income	26,662,291	28,407,143
	51,532,941	56,544,368
Paid during the year (incl. tax deducted at source)	(25,950,477)	(30,432,387)
Provision released during the year	21,404	(1,241,331)
Closing balance	25,603,868	24,870,650
24 Other current liabilities		
Accruals for profit sharing plan	303,136	314,004
Payable for bills pay receipts	144,270	328,603
Security deposits from subscribers and channel partners	571,749	566,584
Dividend payable	-	1,625,698
Others	2,395,179	2,855,134
	3,414,334	5,690,023

25 Unclaimed dividend

Bangladesh Securities and Exchange Commission (BSEC) issued a Directive dated 14 January 2021, official gazette of the Bangladesh Securities and Exchange Commission (Capital Market Stabilization Rules Fund) Rules dated 27 June 2021 and BSEC Notification dated 19 July 2021 whereby listed companies are instructed to transfer unclaimed/undistributed/ unsettled cash dividend and non-refundable public subscription money for a period of 3 years old from the date of declaration or approval or record date, as the case may be to a newly established fund named "Capital Market Stabilisation Fund" within 30 August 2021.

In compliance with the said instruction Grameenphone transferred the principal amount of unclaimed/undistributed/unsettled cash dividend of BDT 114,402,723 to the fund on 29 August 2021.

26 Revenue

The following is an analysis of revenue for the year:

Revenue from contract with customers (Note 26.1)

Lease revenues

2021	2020
BDT (000)	BDT (000)
141,323,884	138,036,441
1,741,988	1,569,720
143,065,872	139,606,161

26.1 Disaggregation of revenue from contract with customers

Type of goods/ services

Revenue from mobile communication (Note 26.2)

Revenue from customer equipment (Note 26.3)

Other revenues (Note 26.4)

140,865,753	137,760,475
248,984	130,928
209,147	145,038
141,323,884	138,036,441

Type of subscription

Prepaid

Contract

Other

134,647,923	131,289,340
6,217,830	6,471,135
458,131	275,966
141,323,884	138,036,441

Type of customer

Consumer

Business

124,798,760	121,622,800
16,525,124	16,413,641
141,323,884	138,036,441

26.2 Revenue from mobile communication

This includes revenue from voice and non-voice traffic, subscription and connection fee and interconnection revenue.

26.3 Revenue from customer equipment

This mainly includes revenue from sale of mobile handsets/devices and data cards.

26.4 Other revenues

This mainly includes revenue from commission and other income.

27 Cost of material and traffic charges

2021	2020
BDT (000)	BDT (000)
8,025,139	7,488,776
1,579,566	1,324,129
9,604,705	8,812,905

Traffic charges

Cost of materials and services

Traffic charges mainly include national and international interconnection cost.

Cost of materials and services includes cost of SIM card, scratch card, devices and contents.

28 Salaries and personnel cost

28.1 Salaries and personnel cost includes salaries, bonuses, different employment benefits including provident, gratuity, profit sharing (WPPF), employee share programme for employees, long term incentive programme for key personnel, training and other related costs. Additionally, gratuity expense includes BDT 2,949,817,544 (2020: BDT 968,187,004) for restructuring expense during the year and BDT 3,128,593,144 (2020: BDT 864,760,346) has been transferred during the year. The WPPF expense for the year ended 2021 is BDT 3,031,357,182 (2020: BDT 3,140,044,029) and BDT 2,848,624,199 (2020: BDT 3,123,915,567) has been transferred during the year.

28.2 Number of employees

Total number of employees having annual salary of BDT 36,000 or above each was 1,636 as at 31 December 2021 and 2,086 as at 31 December 2020.

29 Operation and maintenance

	2021	2020
	BDT (000)	BDT (000)
Service maintenance fee	3,458,783	3,203,648
Vehicle maintenance expense	246,209	112,455
Other operation and maintenance	1,845,956	1,668,642
	5,550,948	4,984,745

Service maintenance fee includes costs related to operation and maintenance of serviceability of mobile communication network.

30 Sales, marketing and commissions

	2021	2020
	BDT (000)	BDT (000)
Sales, marketing and representation costs (Note 30.1)	638,302	561,742
Advertisement expenses	1,198,853	1,144,092
Promotional expenses (Note 30.2)	163,794	121,785
Commissions	11,340,140	9,943,493
	13,341,089	11,771,112

30.1 Sales, marketing and representation costs include costs related to trade marketing and subscriber acquisition.

30.2 Promotional expense has been assessed as per definition of Income Tax ordinance 1984 and presented accordingly.

31 Revenue sharing and spectrum charges

Grameenphone shares 5.5% of its revenue as 'revenue sharing' and 1.0% of its revenue as 'contribution to social obligation fund' with BTRC as per licensing conditions. Licensing conditions also require Grameenphone to pay quarterly spectrum charges.

32 Other operating expenses/(income)

	2021	2020
	BDT (000)	BDT (000)
Consultancy and professional services (Note 32.1)	712,022	877,084
Statutory audit fees	3,000	3,000
Rental expense for property, plant and equipment	187,151	304,535
Fuel and energy costs	3,966,933	3,736,751
Impairment loss on trade receivables (Note 32.2)	(2,385)	464,313
Rental and other income	(381)	(200,609)
(Gain)/loss on disposal of assets	(167,978)	11,707
Others (Note 32.3)	1,116,161	1,245,503
	5,814,523	6,442,284

32.1 Consultancy and professional services

This includes fees for accounting and legal services, technical and business consultancy, costs related to settlement of contract and other professional services.

32.2 Impairment loss on trade receivables

	2021	2020
	BDT (000)	BDT (000)
Allowance for impairment of trade receivables during the year (Note 39.1.3)	27,788	500,057
Recovery of impaired trade receivables during the year	(30,173)	(35,744)
	(2,385)	464,313

Allowance for impairment has been made as per policy of the Company mentioned in Note 3.9

32.3 Others

This includes office supplies, printing and postage, travelling, subscriptions, meeting, insurance etc. Other operating expenses include COVID-19 related CSR expenses of BDT 60,500,000 for the year (2020: BDT 317,266,100).



33 Depreciation and amortisation

	2021	2020
	BDT (000)	BDT (000)
Property, plant and equipment	11,693,871	14,268,260
Intangible assets	700,937	1,035,729
Right-of-use assets	10,621,369	8,345,961
	23,016,177	23,649,950

34 Finance expense/(income)

Interest income	(147,881)	(376,627)
Interest expense	87,206	(1,245,125)
Net interest cost on defined benefit obligation	103,776	94,075
Interest expenses on lease liabilities	2,495,806	1,803,873
Other finance expenses	56,489	100,277
	2,595,396	376,473

35 Income tax expense

Current tax expense

Income tax expense for the year	26,662,291	28,407,143
Adjustments/provision released during the year	21,404	(1,241,332)
	26,683,695	27,165,811

Deferred tax expense/(income)

Deferred tax expense/(income) relating to origination and reversal of temporary differences

	7,995	(1,551,942)
	26,691,690	25,613,869

35.1 Reconciliation of effective tax rate

	2021	2021	2020	2020
	Percentage	BDT (000)	Percentage	BDT (000)
Profit before tax		60,820,746		62,800,906
Tax using the Company's tax rate	40.00%	24,328,298	40.00%	25,120,362
Tax effect of:				
Provision for non-deductible expenses	3.87%	2,356,472	2.96%	1,859,458
Adjustments / provision released during the year	-0.01%	(3,853)	-2.18%	(1,370,852)
Other components of tax as per Income Tax Ordinance 1984	0.00%	-	0.00%	2
Permanent difference as per Income Tax Ordinance 1984	0.02%	10,773	0.01%	4,899
	43.89%	26,691,690	40.79%	25,613,869

36 Earnings per share

	2021	2020
	BDT (000)	BDT (000)
Profit for the year (in BDT)	34,129,056,000	37,187,037,000
Weighted average number of shares (Note 36.1)	1,350,300,022	1,350,300,022
Basic earnings per share (in BDT)	25.28	27.54

36.1 Weighted average number of ordinary shares

The weighted average number of ordinary shares outstanding during the year is the number of ordinary shares outstanding at the beginning of the year, adjusted by the number of ordinary shares issued during the year multiplied by a time-weighting factor. The time-weighting factor is the number of days that the shares are outstanding as a proportion of the total number of days in the year.

36.2 Diluted earnings per share

No diluted earnings per share is required to be calculated for the years presented as Grameenphone has no dilutive potential ordinary shares.

37 Reconciliation of net operating cash flow

	2021	2020
	BDT (000)	BDT (000)
Profit after tax	34,129,056	37,187,037
Income tax expense	26,691,690	25,613,869
Profit before tax	60,820,746	62,800,906
Adjustment for:		
Depreciation & amortisation	23,016,177	23,649,950
(Gain)/loss on sale of fixed assets	(167,978)	11,707
Finance expense/(income), net	2,595,396	376,473
Other adjustments	(1,665,204)	(19,721,809)
	84,599,137	67,117,227
Changes in:		
Inventories	(59,162)	24,373
Trade receivables and others	272,479	(118,112)
Trade payables and others	1,359,711	1,694,582
Provisions	252,856	(3,581,842)
Other current liabilities	(649,991)	481,675
Cash generated from operating activities	85,775,030	65,617,903
Interest received	140,460	376,627
Interest paid	(2,151,050)	(1,990,178)
Income tax paid	(25,950,477)	(30,432,387)
Net cash generated from operating activities	57,813,963	33,571,965

38 Net operating cash flow per share

	2021	2020
	BDT	BDT
Net operating cash flow (BDT)	57,813,963,000	33,571,965,000
Weighted average number of ordinary shares outstanding during the period	1,350,300,022	1,350,300,022
Net operating cash flow per share (par value BDT 10 each) (BDT)	42.82	24.86

39 Financial risk management

Company's financial risk management is governed by Treasury Policy as approved by the Board of Directors. Company's principal financial assets include trade receivables and others, cash and short-term deposits that arise directly from its operations. Company's financial liabilities mainly include trade payables and others, finance lease obligation and loans and borrowings. The main purpose of these financial liabilities is to finance the Company's operations. The Company is exposed to credit risk, liquidity risk and market risk in relation to its financial instruments.

39.1 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Company's exposure to credit risk primarily relates to trade receivables and balances with banks including short and long term deposits.

Customer credit risk, where appropriate, is assessed by using qualitative and quantitative criteria. Outstanding trade receivables are regularly monitored and appropriate impairment charge is considered as per Company's policy.

Credit risk relating to balances with banks is managed by treasury department in accordance with Company's policy. Minimizing counterparty risk is given more importance to yield on investment in making investment decisions. Counterparty limits are reviewed and approved by the Board of Directors.

39.1.1 Company's maximum exposure to credit risk for the components of the statement of financial position is represented by the carrying amounts as illustrated below:

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Trade receivables (Note 11)	4,864,466	5,021,542
Other current receivables (Note 11)		
Receivables on Employees - Non-Interest Bearing	30,156	1,175
Other non-interest-bearing receivables	1,503,857	1,595,174
	1,534,013	1,596,349
Cash at bank (Note 12)	2,671,525	2,520,597
	9,070,004	9,138,488

39.1.2 Trade receivables, gross

This included interconnection receivables of BDT 3,211,378 as at 31 December 2021 (2020: BDT 2,909,255). The ageing of gross interconnection receivables as at the statement of financial position date was:

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Not past due	1,186,803	1,133,723
0-30 days past due	28,661	55,205
31-60 days past due	133,798	22,161
61-90 days past due	24,223	12,259
91-180 days past due	132,137	33,356
181-365 days past due	40,995	42,360
over 365 days past due	1,664,761	1,610,191
	3,211,378	2,909,255

Other trade receivables (other than receivable from interconnection) as at 31 December 2021 was BDT 3,349,396 (2020: BDT 3,853,696) The ageing of other trade receivables as at the statement of financial position date was:

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Not past due	1,365,162	1,668,493
0-30 days past due	782,739	1,258,825
31-60 days past due	233,036	158,652
61-90 days past due	107,042	69,718
91-180 days past due	205,312	119,697
181-365 days past due	212,045	201,010
over 365 days past due	444,060	377,301
	3,349,396	3,853,696

Total not past due trade receivables (gross) as at 31 December 2021 includes receivables of BDT 444,204,412 (2020: BDT 425,689,187) from customers against whom receivables of BDT 1,647,791,486 (2020: BDT 1,590,309,746) became over 365 days past due and provision for bad debt of BDT 1,469,072,672 (2020: BDT 1,472,308,306) provided against those customers. However, as per BTRC guidelines we are obligated to provide services to the inter connection service providers.



39.1.3 Movements in the allowance for impairment of trade receivables during the year was as follows:

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Opening balance	2,039,214	1,763,119
Net remeasurement of loss allowance	27,788	500,057
	2,067,002	2,263,176
Amounts written off	(254,213)	(223,962)
Closing balance	1,812,789	2,039,214
39.1.4 Security against trade receivables		
Good and secured	571,749	588,356
Good with personal security/unsecured	4,292,717	4,433,186
Impaired	1,696,308	1,741,410
Gross trade receivables	6,560,774	6,762,952
Impairment loss allowance	(1,696,308)	(1,741,410)
Trade receivables, net	4,864,466	5,021,542

39.1.5 The maximum exposure to credit risk for trade receivables as at the statement of financial position date by geographic regions was:

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Domestic	4,836,644	4,918,570
Asia	14,403	19,009
Europe	11,456	79,907
Australia	26	28
America	1,882	3,913
Africa	55	115
	4,864,466	5,021,542

39.2 Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its financial obligations as they fall due. The Company forecasts its cash flow requirements and ensures that it has sufficient cash and cash equivalents and loan facilities to cover expected needs for liquidity during the next 12 months. The Company maintains a balanced maturity profile of debt obligations and in general minimizes current excess cash.

The table below gives the maturity profile of the Company's financial liabilities based on contractual undiscounted payments.

As at 31 December 2021

	Carrying amount BDT (000)	Maturity date	Nominal Interest rate	Contractual Cash flows BDT (000)	6 months or less BDT (000)	6-12 months BDT (000)	1-2 years BDT (000)	2-5 years BDT (000)	More than 5 years BDT (000)
Lease liabilities (including current portion)	32,120,744	Multiple	7.1% -15%	40,012,657	6,341,429	5,060,165	7,169,578	16,307,006	5,134,478
Loans and borrowings - short-term	5,500,000	January 2022	2%-3.25%	5,500,000	5,500,000	-	-	-	-
Trade payables and others									
Trade payables including liability for capital expenditure	12,458,906	December 2022	N/A	12,458,906	5,152,273	7,306,633	-	-	-
Accrued expenses	5,757,060	December 2022	N/A	5,757,060	4,118,127	1,638,933	-	-	-
Other current liabilities	3,414,334	December 2022	N/A	3,414,334	2,695,593	718,741	-	-	-
Unclaimed dividend	47,224	December 2022	N/A	47,224	-	47,224	-	-	-
	59,298,268			67,190,181	23,807,422	14,771,696	7,169,578	16,307,006	5,134,478

As at 31 December 2020

	Carrying amount	Maturity date	Nominal Interest rate	Contractual Cash flows	6 months or less	6-12 months	1-2 years	2-5 years	More than 5 years
	BDT (000)			BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)	BDT (000)
Lease liabilities (including current portion)	20,475,537	Multiple	8.75% -15%	26,226,230	3,362,714	4,380,615	5,175,332	10,473,648	2,833,921
Loans and borrowings - short-term	1,240,000	January 2021	3%	1,240,000	1,240,000	-	-	-	-
Trade payables and others									
Trade payables including liability for capital expenditure	10,033,121	December 2021	N/A	10,033,121	7,139,247	2,893,874	-	-	-
Accrued expenses	6,649,806	December 2021	N/A	6,649,806	5,402,042	1,247,764	-	-	-
Other current liabilities	5,690,023	December 2021	N/A	5,690,023	3,728,853	1,961,170	-	-	-
Unclaimed dividend	136,330	December 2021	N/A	136,330	-	136,330	-	-	-
	49,724,817			55,475,510	26,372,855	10,619,754	5,175,332	10,473,648	2,833,921

39.3 Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

a) Currency risk

Foreign currency risk is the risk of changes in the fair value or future cash flows of an exposure due to changes in foreign exchange rates. The Company's exposure to foreign currency risk relates primarily to the Company's operating activities (consultancy, roaming revenue and expense) and financing activities (borrowing in foreign currency). The Company is mainly exposed to changes in USD and NOK rates. The Company's exposure to foreign currency changes for other currencies is not material.

i) Exposure to currency risk

The Company's exposure to monetary assets and liabilities denominated in foreign currencies was as follows (BDT in thousand):

	As at 31 December 2021					As at 31 December 2020				
	USD	NOK	GBP	EUR	JPY	USD	NOK	GBP	EUR	JPY
Foreign currency denominated assets										
Receivables from Telenor entities	243,640	-	-	-	-	577,352	-	-	-	-
Receivables	68,765	-	-	-	-	94,709	-	-	-	-
Cash at bank	1,455,921	-	-	-	-	968,556	-	-	-	-
	<u>1,768,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,640,617</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Foreign currency denominated liabilities										
Payables to others Telenor entities*	(2,215,997)	(6,797,869)	-	(882)	-	(1,891,736)	(5,795,317)	-	(947)	-
Trade payables and others	(296,282)	-	-	(62,789)	(749)	(425,350)	-	-	(67,375)	(1,032)
	<u>(2,512,279)</u>	<u>(6,797,869)</u>	<u>-</u>	<u>(63,671)</u>	<u>(749)</u>	<u>(2,317,086)</u>	<u>(5,795,317)</u>	<u>-</u>	<u>(68,322)</u>	<u>(1,032)</u>
Net exposure	<u>(743,953)</u>	<u>(6,797,869)</u>	<u>-</u>	<u>(63,671)</u>	<u>(749)</u>	<u>(676,468)</u>	<u>(5,795,317)</u>	<u>-</u>	<u>(68,322)</u>	<u>(1,032)</u>

* Payable to other Telenor entities represents payable for business service costs, consultancy fees etc. which are included mainly in trade payables and others.

The following significant exchange rates have been applied:

	Exchange rate as at	
	31 December 2021	31 December 2020
	BDT (000)	BDT (000)
US Dollar (USD)	85.74	84.58
Norwegian Kroner (NOK)	9.72	9.93
Great Britain Pound (GBP)	115.76	115.51
EURO (EUR)	97.09	104.18
Japanese Yen (JPY)	0.75	0.82

39.3 Market risk (contd.)

ii) Foreign exchange rate sensitivity analysis for foreign currency expenditures

A change of 10 basis points (bp) in foreign currencies would have increased/(decreased) equity and profit or loss of the Company by the amounts shown below. This analysis assumes that all other variables, in particular interest rates remain constant.

	Profit or (loss)		Equity	
	10 bp increase BDT (000)	10 bp decrease BDT (000)	10 bp increase BDT (000)	10 bp decrease BDT (000)
31 December 2021				
Expenditures denominated in USD	(74,395)	74,395	(74,395)	74,395
Expenditures denominated in NOK	(679,787)	679,787	(679,787)	679,787
Expenditures denominated in GBP	-	-	-	-
Expenditures denominated in EURO	(6,367)	6,367	(6,367)	6,367
Expenditures denominated in JPY	(75)	75	(75)	75
Exchange rate sensitivity	<u>(760,624)</u>	<u>760,624</u>	<u>(760,624)</u>	<u>760,624</u>
31 December 2020				
Expenditures denominated in USD	(67,647)	67,647	(67,647)	67,647
Expenditures denominated in NOK	(579,532)	579,532	(579,532)	579,532
Expenditures denominated in GBP	-	-	-	-
Expenditures denominated in EURO	(6,832)	6,832	(6,832)	6,832
Expenditures denominated in JPY	(103)	103	(103)	103
Exchange rate sensitivity	<u>(654,114)</u>	<u>654,114</u>	<u>(654,114)</u>	<u>654,114</u>

b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rate. Exposure to fair value movement relates to fixed rate instruments subject to fair value accounting and exposure to cash flow fluctuation relates to variable rate instruments. The Company is primarily exposed to cash flow fluctuation arising from variable rate borrowings. The objective of interest rate risk management for Grameenphone is to reduce financial cost and ensure predictability.

Profile

As at 31 December 2021, the interest rate profile of the Company's interest bearing financial instruments was:

	Carrying amount	
	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Floating rate instruments		
<i>Financial liabilities</i>		
Loans and borrowings	5,500,000	1,240,000



Fair value of financial assets and liabilities of the Company together with carrying amount shown in the statement of financial position were as follows:

	As at 31 December 2021 BDT (000)	As at 31 December 2020 BDT (000)
Financial assets		
Financial assets at amortized cost		
Trade receivables	4,864,466	5,021,542
Other receivables	1,534,013	1,596,349
Financial liabilities		
Other financial liabilities		
Lease liabilities	32,120,744	20,475,537
Trade payables and others (except other non-financial liabilities)	20,078,190	18,514,007
Loans and borrowings - short-term	5,500,000	1,240,000
Other current liabilities	3,414,334	5,690,023
Unclaimed dividend	47,224	136,330

* The Company has not disclosed the fair values for financial instruments because their carrying amounts are a reasonable approximation of fair value.

Interest rates used to determine amortised cost

The interest rates used to discount estimated cash flows, when applicable, were as follows:

	2021	2020
Lease liabilities	10.48%	8.75%
Liability for spectrum acquisition	8.71%	8.50%
Loans and borrowings		
Local	3%	3%

*Fair value of such instruments is not likely to be significantly different from the carrying amounts of such instruments.

40 Capital management

For the purpose of Company's capital management, capital includes issued capital, share premium and all other equity reserves attributable to the equity holders of the Company. The primary objective of Company's capital management is to support long-term strategic ambitions of the Company.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend, return capital to shareholders, issue new shares or obtain long-term debt. Company has capital structure and dividend policy approved by its Board of Directors.

There have been no breaches in the financial covenants of any interest-bearing loans and borrowings in the current year.

No changes have been made in the objectives, policies or processes for managing capital during the year ended 31 December 2021.

41 Related party disclosures

During the year ended 31 December 2021, the Company entered into a number of transactions with related parties in the normal course of business. The names of the significant related parties, nature of these transactions [expenditures/(revenue)/, receivables/(payables) and dividend payments] and amounts are set out below in accordance with the provisions of IAS 24 Related Party Disclosures. Nature of relationship and significance of the amounts have been considered in providing this disclosure.

41.1 Key management personnel compensation

	2021	2020
	BDT (000)	BDT (000)
Short term employee benefits	727,406	669,648
Post employment benefits	128,933	77,145
Other long term benefits	20,517	25,380
	876,856	772,173

Key management personnel compensation includes benefits for employees of the rank of Deputy Director and above. No remuneration is given to the Board of Directors apart from attendance fees in connection with Board and Board Sub-Committee meetings. During the year 2021, attendance fees in connection with Board and Board Sub-Committee meetings are BDT 1,089,200 (2020: BDT 753,931).

41.2 Debts due from and due to key management personnel

Attendance fees of Board of Directors which are not yet paid, includes BDT 41,972 as at 31 December 2021 (2020: BDT 169,900). Other than that BDT 25,800,000 was due from and BDT 24,507,925 due to key management personnel of the Company.

Key management personnel of Grameenphone, may use mobile communication services of Grameenphone. These services may be charged on the arm's length basis after a certain usage limit and trade receivables and others may include receivables for providing mobile communication services to them.

41.3 Other related party transactions during the year

Name of related parties		Nature of transactions	2021		2020	
	Nature		BDT (000)	BDT (000)	BDT (000)	
Telenor Mobile Communications AS	Shareholder	Dividend payment	21,967,718	17,962,918		
Telenor Asia Pte. Ltd.	Shareholder	Dividend payment	6	3		
Grameen Telecom	Shareholder	Dividend payment	12,467,693	7,850,028		
		Commission expense	137,318	205,649		
		Connection revenue	-	(2,350)		
Grameen Kalyan	Shareholder	Dividend payment	0.6	0.3		
Grameen Shakti	Shareholder	Dividend payment	0.6	0.3		
Telenor ASA	Telenor group entity	Consultancy, professional and technical support service fee	1,024,246	925,338		
Telenor Global Services AS	Telenor group entity	Consultancy, professional and technical support service fee	56,842	55,346		
Telenor Global Shared Services AS	Telenor group entity	A2P project revenue and professional service fee	(1,016,982)	(636,026)		
		Consultancy, professional and technical support service fee	262,024	332,608		
Telenor Go Pte Ltd.	Telenor group entity	Consultancy, professional and technical support service fee	171,831	239,218		
Telenor Digital AS	Telenor group entity	Consultancy, professional and technical support service fee	79,298	(21,708)		
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity					
Telenor Procurement Company	Telenor group entity	Cost of service fee	87,265	40,080		
		Consultancy, professional and technical support service fee	687,619	450,803		
		Software acquisition cost	138,291	199,044		
Telenor Norway	Telenor group entity	Roaming revenue net of discount	(47)	(267)		
		Roaming cost net of discount	10	44		
Telenor Sweden	Telenor group entity	Roaming revenue net of discount	(44)	(132)		
		Roaming cost net of discount	8	17		
Telenor Denmark	Telenor group entity	Roaming revenue net of discount	(387)	(319)		
		Roaming cost net of discount	8	111		
Telenor Pakistan	Telenor group entity	Roaming revenue net of discount	(0)	(7)		
		Roaming cost net of discount	14	27		
		Consultancy Fees	1,615	-		

41.3	Other related party transactions during the year	
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Name of related parties	Nature	Nature of transactions	BDT (000)	BDT (000)
Telenor Myanmar	Telenor group entity	Roaming revenue net of discount	(100)	(12)
		Roaming cost net of discount	2	33
		Consultancy Fees		116
Dtac Thailand	Telenor group entity	Roaming revenue net of discount	(602)	(96)
		Roaming cost net of discount	179	885
Digi Malaysia	Telenor group entity	Roaming revenue net of discount	(416)	(3,314)
		Roaming cost net of discount	38	245
Telenor Norge AS	Joint venture of Telenor group	Consultancy, professional and technical support service fee	298,326	291,407
		Cost of products	-	81
Grameen Distribution	Related to Grameen Telecom through Grameen Telecom Trust	Purchase of handsets	-	-
Grameen Communication	Related to Grameen Telecom	Software solution and maintenance	253	78
Snehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Consultancy, professional and technical support service fee	851	411
DiGi Telecommunications Sdn Bhd	Telenor group entity	Consultancy, professional and technical support service fee	(501)	14,848
Telenor Connexion AB	Telenor group entity	Consultancy, professional and technical support service fee	-	885

41.4 Receivables/(payables) with other related parties

Name of related parties			Nature of transactions	As at 31 December 2021	As at 31 December 2020
	Nature			BDT (000)	BDT (000)
Telenor Mobile Communications AS	Shareholder		Dividend payable	-	(1,625,698)
Grameen Telecom	Shareholder		Accounts receivable	5	5
			Accounts payable	(200)	(200)
Accenture Communications Infrastructure Solutions Ltd.	Associate		Accounts receivable	5,084	5,084
Telenor ASA			Accounts payable	(6,360)	(6,360)
	Telenor group entity		Accounts receivable	60,396	47,502
			Accounts payable	(4,463,496)	(3,763,750)
Telenor Consult AS			Accounts payable	(1,849)	(2,021)
Telenor Global Services AS			Accounts receivable	90,061	127,130
	Telenor group entity		Accounts payable	(159,915)	(127,903)
Telenor Global Shared Services AS			Accounts payable	(1,224,458)	(1,153,765)
Telenor Go Pte Ltd			Accounts receivable	74,057	77,034
	Telenor group entity		Accounts payable	(179,087)	(239,134)
Telenor Digital AS			Accounts receivable	7,864	181,514
	Telenor group entity		Accounts payable	(409,379)	(693,603)
Telenor Procurement Company			Accounts receivable	256	-
	Telenor group entity		Accounts payable	(1,448,499)	(860,580)
Telenor Norge AS			Accounts receivable	195	853
	Telenor group entity		Accounts payable	(971,143)	(687,740)
Telenor Sweden			Accounts receivable	3	7
	Telenor group entity		Accounts payable	(0)	(1)

41.4 Receivables/(payables) with other related parties

Name of related parties	Nature	Nature of transactions	As at	As at
			31 December 2021	31 December 2020
			BDT (000)	BDT (000)
Telenor Denmark	Telenor group entity	Accounts receivable	42	16
		Accounts payable	(1)	(0)
Telenor Pakistan	Telenor group entity	Accounts receivable	833	0
		Accounts payable	(947)	(2)
Telenor Myanmar	Telenor group entity	Accounts receivable	8	9,606
		Accounts payable	(117)	(0)
Dtac Thailand	Telenor group entity	Accounts receivable	390	52
		Accounts payable	(70)	(8)
Digi Malaysia	Telenor group entity	Accounts receivable	62	48
		Accounts payable	(7)	(4)
Telenor Norway	Telenor group entity	Accounts receivable	19	13
		Accounts payable	(1)	(1)
Telenor Southeast Asia Investment Limited	Telenor group entity	Accounts payable	(146,629)	(144,644)
Telenor Connexion AB	Telenor group entity	Accounts payable	(882)	-
Grameen Solutions Limited	Related to Grameen Telecom	Accounts payable	(26)	(26)
Shehasish Mahmud & Co.	Associated entity of a member of Board of Directors	Accounts payable	(666)	-
Grameen Telecom Trust	Grameenphone's board members nominated by Grameen Telecom are trustee of the entity	Accounts receivable	-	40,080
Telenor India		Accounts payable	-	-
Telenor Health AS	Telenor group entity	Accounts receivable	3,616	3,616
DiGi Telecommunications Sdn Bhd	Telenor group entity	Accounts receivable	173,822	248
		Accounts payable	(8,268)	(14,801)

41.5 Transactions with post-employment benefit plans, Workers' Profit Participation Fund and Workers' Welfare Fund

No other transaction incurred with defined benefit plan other than those disclosed in Note 18. During the year, BDT 616,795,920 (2020: BDT 625,953,057) was transferred to defined contribution plan, BDT 2,252,995,374 (2020: BDT 2,512,035,223) was transferred to Workers' Profit Participation Fund and BDT 281,624,422 (2020: 314,004,403) was transferred to Workers' Welfare Fund.

42 Expense/expenditure and (revenue) in foreign currency during the year

	2020	2019
	BDT (000)	BDT (000)
CIF value of imports		
Telecommunication equipment	9,204,432	5,659,757
Expenditure in foreign currency		
Consultancy fee	1,059,112	1,171,580
Consultancy fee - expatriate	160,279	249,725
Other fee (travel and training)	5,213	5,621
Online advertisement, membership and others	271,472	524,290
Technical know how	1,446,297	1,121,167
International roaming cost net of discount	19,425	60,467
Interest on foreign loan	-	48,657
Foreign earnings		
Revenue net of discount from roaming partners	(56,374)	(84,905)

43 Short-term credit facilities available as at 31 December 2021

The Company enjoys composite working capital facilities including both funded and non-funded facilities from 11 banks (2020: 11 banks). The non-funded facilities include Letters of Credit (LC), Shipping Guarantee, Letters of Guarantee and Foreign Exchange Forward Contracts. The funded facilities include overdraft facility and short term loan. Import loans, though funded in nature, have been incorporated under non-funded facilities given that they are availed solely for the purpose of settlement of LC. The aggregate amount of arranged composite working capital facilities is BDT 45,079 million (2020: BDT 41,316 million) of which non-funded limit is BDT 23,286 million (2020: BDT 23,286 million) and funded limit is BDT 29,203 million (2020: BDT 25,440 million). The limits maintained with some banks are omnibus in nature.

As per the approval of the Board of Directors of Grameenphone, the total amount of short-term funded facilities is limited to BDT 30,000 million (2020: BDT 25,500 million).

Security against short term credit facilities

The short-term credit facilities are unsecured and backed by standard charge documents as per terms and conditions set by respective banks and financial institutions.

44 Commitments

	As at 31 December 2021	As at 31 December 2020
	BDT (000)	BDT (000)
Capital commitment (open purchase order) for Property, plant and equipment	4,245,168	4,183,108
Capital commitment (open purchase order) for intangible assets	399,697	71,549

45 Contingencies

The Company is currently involved in a number of legal proceedings, including inquiries from, or discussions with, governmental authorities that are incidental to its operations. However, save as disclosed below, the Company is not currently involved in any legal proceedings which may have a significant effect on the financial position or profitability of the Company but for which any provision has not been recognised in these financial statements.

(a) BTRC audit

During 2011, Bangladesh Telecommunication Regulatory Commission (BTRC) carried out an information system audit of Grameenphone through BTRC's appointed auditor and issued a demand notice to Grameenphone on 03 October 2011 claiming an amount of BDT 30,341,108,581 as outstanding dues on various categories. During and after the audit, Grameenphone clarified to both BTRC and their auditors, that those observations were framed on incorrect basis. Thereafter, Grameenphone disagreed to the claim made by BTRC and responded to the letter requesting BTRC to withdraw the notice. Subsequently, Grameenphone filed a Title Suit before the learned District Court, Dhaka challenging the BTRC demand. In an Appeal arising out of the Title Suit, the Hon'ble High Court Division (HCD) passed an order of status quo on the demand, which is effective till disposal of the matter at the Hon'ble HCD.

It is to be noted that in a separate Writ Petition filed by another audit firm challenging the auditor appointment process of BTRC, the appointment of the said auditor by BTRC was declared illegal by the Hon'ble HCD in 2011



for non-compliance with the relevant procurement laws which was later on upheld by the Hon'ble Appellate Division (AD) in 2013. On 30 September 2018, BTRC filed an application for summary dismissal of the Title Suit filed by Grameenphone without going into the merit. The hearing of the application has not taken place yet and the next date has been fixed on 21 April 2022.

In 2015, BTRC appointed a new auditor through a fresh appointment process to conduct an information system audit on Grameenphone since inception i.e. 1997 to 2014. Despite numerous interactions with BTRC and full cooperation to the BTRC appointed auditors, Grameenphone's concerns regarding the audit findings were not addressed by BTRC.

On 02 April 2019, Grameenphone received a demand (Audit Demand) of BDT 125,799,476,135 from BTRC for payment of BDT 84,940,104,730 (including interest of BDT 61,943,079,371 till December 2017) to BTRC and BDT 40,859,371,405 to National Board of Revenue (NBR) within 10 (ten) working days. Pointing out the errors in the methodologies, procedure and substance of the audit exercise, Grameenphone disputed the whole Audit Demand and on 16 April 2019 replied against the demand requesting BTRC to withdraw the demand and to engage in discussions with a view to find an amicable resolution. Thereafter, on 23 June 2019, as a legal recourse, Grameenphone served a notice of arbitration upon BTRC. On 30 June 2019, Grameenphone sent a letter to the Secretary, Ministry of Posts and Telecommunication seeking his support in resolving the matter through arbitration process.

On 04 July 2019, without participating in the arbitration proceedings, BTRC directed International Internet Gateway operators to reduce Grameenphone's internet bandwidth capacity roughly by 30% on the ground of non-payment of the demanded amount. The direction was subsequently withdrawn on 17 July 2019 considering the impact on subscribers. However, On 22 July 2019, BTRC imposed operational restrictions through stopping No Objection Certificates (NOCs) and approvals on products and services and equipment import. In this context, on 30 July 2019, Arbitration applications were moved by Grameenphone before the Hon'ble HCD for appointment of arbitrator on behalf of BTRC and for interim relief against the suspension of approval & NOCs by the BTRC which were subsequently rejected by the HCD on 21 October, 2019.

In the meantime, on 14 August 2019, a proposal letter was sent to BTRC for withdrawal of earlier demand based on 2011 audit and discontinuation of the Title Suit in relation to the 2011 audit in order to remove any perceived road block for BTRC to participate in arbitration on the current audit demand. The letter remains unanswered.

On 26 August 2019, Grameenphone filed a Title Suit against the Audit Demand, and on 28 August 2019, Grameenphone moved an application for injunction in the learned District Court with the prayer to stay the suspension of NOCs and to restrain BTRC from taking any steps based on, or pursuant to, or for the realization or enforcement of the Audit Demand. The said application was rejected by the District Court. Against the rejection order, on 17 September 2019, Grameenphone filed an appeal (First Miscellaneous Appeal) before the Hon'ble HCD. On 05 September 2019, BTRC issued a show cause notice to Grameenphone as to why Grameenphone's 2G & 3G licenses should not be cancelled. Grameenphone responded timely to the show cause notice on 03 October 2019.

In parallel, Grameenphone has been continuing engagement with the authorities with a view to find a transparent and amicable resolution. On 18 September 2019, the Finance Minister in the presence of Minister of Post and Telecommunication, NBR Chairman, BTRC Chairman and representatives of Grameenphone, got involved to pursue a constructive path towards resolving the issue. There, it was expressed that BTRC would withdraw the show Cause and impositions to resume normal operations immediately and that Grameenphone would suspend its legal efforts to facilitate a transparent process towards an amicable solution. Despite these constructive efforts, BTRC had not lifted any of the operational restrictions imposed by it or the show cause notice.

On 17 October 2019, in the First Miscellaneous Appeal filed earlier by Grameenphone, the Hon'ble HCD passed an interim order of injunction restraining BTRC, for a period of two months, from taking any steps on the basis of, or pursuant to, or for the realization of or enforcement of the Audit Demand dated 02 April 2019. The Hon'ble HCD also stayed, for a period of two months, operation of the BTRC letter dated 22 July 2019 (regarding suspension of NOC for importation of equipment/software and suspension of tariff/service package etc. approvals).

Challenging the said interim order of stay and injunction passed by the Hon'ble HCD, BTRC moved to the Hon'ble AD and on 24 November, 2019, the Hon'ble AD pronounced its Order that the interim order of stay and injunction dated 17 October, 2019 passed by the Hon'ble HCD is maintained subject to the condition that Grameenphone shall pay BDT 20,000,000,000 to BTRC within a period of three months; in default of the payment of the said money within the specified time the interim order of stay and injunction passed by the Hon'ble HCD shall stand vacated.



On 26 January 2020, Grameenphone filed a Review Petition before the Hon'ble AD of the Supreme Court of Bangladesh. On 20 February 2020, in the hearing of the Review Petition the Hon'ble AD verbally directed Grameenphone to deposit BDT 10,000,000,000 within 24 February 2020. Following the said verbal direction, Grameenphone deposited the money on 23 February 2020 and booked the deposit as non-current receivables as disclosed in Note 8 to these financial statements. On 24 February 2020 the Hon'ble AD directed Grameenphone to deposit remaining BDT 10,000,000,000 by 31 May 2020 and in default of the said payment, the interim order of stay and injunction passed by the Hon'ble HCD shall stand vacated. Further, the Hon'ble AD also directed BTRC to allow Grameenphone to carry on its business without any hindrance and fixed the matter on 31 May 2020 for passing further order.

On 19 May 2020, Grameenphone further deposited BDT 10,000,000,000 in compliance with the direction of the Hon'ble AD dated 24 February 2020 and followed the same accounting treatment as did for the first deposit. With regard to the deposit, Grameenphone has submitted the compliance application in the Review Petition pending before the Hon'ble AD on 19 July 2020.

The hearings of Review Petition and Appeal will take place as and when the matter will be listed by the Courts. Grameenphone approached for extension of the injunction issued by the Hon'ble HCD. However, the Hon'ble HCD took the matter out of its list for the time being as the related proceedings are pending before the Hon'ble AD. The injunction allowed by the Hon'ble AD continues to remain in force.

The original Title Suit is pending at the District Court. BTRC and its Auditor appeared in the suit earlier but they have not submitted their reply yet. The next date has been fixed on 29 March 2022 for the BTRC and its Auditor to submit their reply.

After making the first deposit of BDT 10,000,000,000 on 23 February 2020, Grameenphone met with BTRC representatives in several occasions for release of NOC for import of equipment and to address the number (new and recycle) crunch issue. After receiving the court order, BTRC started releasing NOC against our pending NOC requests, and by the end of July 2020, BTRC released all except for 03 (three) NOCs. The remaining NOCs and necessary permissions are matters of ongoing discussions with BTRC.

To recover the BTRC's Audit claim, Post and Telecommunication Division (PTD) proposed to form a committee. Accordingly, Grameenphone received letters from BTRC and PTD in October and November 2020 respectively with the same request of providing the names of Grameenphone representatives for the proposed committee. In response, Grameenphone sent a letter to BTRC, requesting, among others, to share the terms of reference of the Committee, the manner in which any recommendation would be made by the committee, the role of Grameenphone in the dialogue and a clear assurance that no recommendation would be imposed on Grameenphone unless Grameenphone agrees to the same in writing. The letter was later on shared with PTD also. In reply, BTRC did not entertain Grameenphone's query and asked Grameenphone again to provide the names of representative for the committee. Through a letter dated 31 December 2020, Grameenphone requested BTRC chairman for a discussion on this issue. A meeting took place on 13 January 2021 chaired by the BTRC Chairman and subsequent discussions may take place on this matter. No decision came after that meeting.

Despite Grameenphone disagreeing with the audit demand as a basis for the audit claim, Grameenphone has consistently tried to engage the authorities to find a transparent process towards an amicable solution based on the merits of the audit findings. Although in 2019 BTRC declined to refer the matter to arbitration and in October 2019, BTRC did not follow up on pursuing the constructive path towards a solution initiated in the 18 September 2019 meeting, Grameenphone will continue engagement for a transparent amicable solution based on merit while continuing to represent in the legal proceedings.

Grameenphone has performed a detailed assessment of the BTRC and NBR demands and obtained legal advice for each of the various matters/demands. Overall, the BTRC Audit Demand is comprised of claims against 26 line items of which 22 line items are related to BTRC payments (BDT 22,997,025,359 as principal amount and BDT 61,943,079,371 as interest amount) and are fully unjustified from Grameenphone's position; and no provision has been recorded based on the Audit Demand dated 02 April 2019 as such.

The other 4 (four) line items (with a total amount of BDT 40,859,371,405) are unauthorized and erroneously claimed by BTRC and are related to already resolved matter or where NBR has no claim against Grameenphone or matters pending in ongoing formal resolution processes (sub-judice) with the NBR. In the NBR matters, Grameenphone had already made the relevant provisions.

Pointing out the errors in the substance, methodologies and procedures of the audit exercise Grameenphone disputed the whole Audit Demand and requested BTRC to engage in discussion for an amicable resolution. Thereafter, due to non-response by BTRC, applications for arbitration under local law and thereafter Civil Suit and appeal were filed in Bangladesh Courts. As of now, there has not been any judicial determination of the merits of the Audit Demand dated 02 April 2019 based on the disputed audit report nor any substantive discussion before any regulatory forum.

The errors in the audit-findings, the unprecedented long period covered by the audit (more than 20 years backwards), the inclusion of already settled/resolved items, the erroneous claim on behalf of third parties, the inclusion of sub-judice items in conjunction with the absence of merit based determination through any solution process create significant uncertainty about the validity of the demand and outcome of the dispute.

Pointing out the errors in the substance, methodologies and procedures of the audit exercise Grameenphone disputed the whole Audit Demand and Grameenphone through its current assessment concluded that there is no such obligation against the audit claims.

(b) SIM tax on replacement SIMs

Large Taxpayers' Unit (LTU)-VAT through a letter dated 16 May 2012 claimed SIM tax of BDT 15,804,391,570 including interests of BDT 5,454,810,667 for all replacement SIMs issued during the period from July 2007 to December 2011 alleging that Grameenphone evaded SIM tax by selling new connections in the name of replacement SIMs. The said demand was made based on extrapolating the outcome of only five randomly purchased SIMs by LTU-VAT. Grameenphone challenged the demand by a Writ Petition before the Hon'ble High Court Division (HCD) and the Hon'ble HCD on 6 June 2013 disposed of the Writ Petition directing the Commissioner, LTU-VAT to decide on this matter within 120 days and make no demand in the meantime. Consequently, a SIM Replacement Review Committee was constituted by the Commissioner. The LTU-VAT authority in January 2014 finalized their observations without changing their earlier position significantly.

The mobile operators expressed their dissatisfaction over the findings and the way LTU-VAT members of the Review Committee disregarded the spirit of the 'Terms of Reference' and agreed methodology as endorsed by BTRC in carrying out the review.

Thereafter, the Commissioner, LTU-VAT issued an order dated 18 May 2015 purporting to dispose of the show cause notice and finalize the demand at BDT 10,232,331,083 as SIM tax. The revised demand includes substantially all replacements done by Grameenphone between July 2007 and December 2011.

At this juncture, Grameenphone filed an appeal before the Customs, Excise & VAT Appellate Tribunal under Section 42(1)(Kha) of the VAT Act 1991 against the demand. Even though Grameenphone believes that the claim against it is not likely to be legally enforceable, 10% of the disputed amount was deposited at the time of appeal due to statutory requirement. Since the claim is not likely to be legally enforceable, any payment related to this claim is likely to be recoverable after the resolution of this issue. Grameenphone considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

On 5 June 2017, the VAT Appellate Tribunal dismissed the Appeals filed by Grameenphone and other mobile operators. Subsequently on 19 July 2017, challenging the said Judgment & Order of the Tribunal, Grameenphone filed a VAT Appeal before the Hon'ble HCD wherein the Hon'ble HCD has stayed the operation of the Judgment & Order of the Tribunal. The appeal has been fixed for hearing along with other operators' appeals and will be heard as per accommodation of the Hon'ble Court.

Further, subsequently without conducting any investigation and based on the assumption that Grameenphone evaded SIM tax by selling new connections in the name of replacement SIMs, LTU-VAT issued the final demand for BDT 3,789,537,820 for the period July 2012 to June 2015. On 20 February 2018, Grameenphone filed appeal before the Customs, Excise and VAT Appellate Tribunal against the demand upon depositing 10% of the demanded amount as appeal fee due to statutory requirement and considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. On 23 March 2019 the Tribunal passed judgment against Grameenphone and on 27 June 2019 Grameenphone filed appeal before the Hon'ble HCD. On 27 August 2019, the Hon'ble HCD stayed the operation of the judgment passed by the Tribunal. The appeal has been fixed for hearing along with other operators' appeals and will be heard as per accommodation of the Hon'ble Court.

Subsequently during November 2017, the commissioner of LTU-VAT issued a separate show-cause notice for the similar issue covering the period from January 2012 to June 2012 for an amount of BDT 823,342,916. As per provision of the VAT Act-1991 which was prevailing at that point of time, LTU-VAT cannot claim any amount beyond 5 years, hence the claim is time barred. Grameenphone replied to the show cause notice accordingly. Subsequently the hearing before the LTU-VAT Commissioner took place on 31 January 2019 following which LTU-VAT has not concluded on the demand yet although the statutory limitation to conclude such demand was 120 days from issuance of the show-cause i.e. 23 November 2017.

Out of this NBR claim, BDT 10,232,331,083 are also part of BTRC audit claim dated 02 April 2019 as discussed in Note 45(a) above.



(c) VAT rebate on 2G licence renewal fee

Grameenphone was under legal obligation to deduct 15% VAT at source from the payments to any licensing authorities including BTRC pursuant to insertion of Rule 18(Uma) in Value Added Tax Rules, 1991 which became effective from 1 July 2010. Since then Grameenphone complied with the same. However, the dispute arose in 2011 at the time of Grameenphone's 2G License Renewal when BTRC stipulated in License Renewal Guideline to make the payment 'without any deduction'. In 2011 mobile operators including Grameenphone challenged such stipulation in separate Writ Petitions before the Hon'ble High Court Division (HCD) wherein the Court allowed Grameenphone to exercise the right to claim rebate subject to payment of VAT in addition to BTRC's claim amount. However, Grameenphone, BTRC and NBR filed separate appeals before the Hon'ble Appellate Division (AD). Subsequently, on 7 March 2021 Grameenphone submitted its Concise Statements (point of arguments). Now, the appeal filed by BTRC is appearing in the hearing list of Hon'ble AD and will be heard as per accommodation of the Hon'ble Court. It should be noted that after amendments in Value Added Tax Rules, 1991, in 2012 at the time of making payment for 2nd installment of 2G Spectrum Assignment Fee, Grameenphone exercised its right to claim rebate of VAT which was subsequently cancelled by the Large Taxpayers' Unit (LTU)-VAT since BTRC, not being a VAT registered entity, could not provide legally required VAT Challan i.e. Mushak-11. Grameenphone challenged such cancellation by another Writ Petition which is pending before the Hon'ble HCD.

100% of the Licence Renewal Fee has been capitalised based on the assumption that Grameenphone's VAT exposure will be nil. This assumption is based on the Hon'ble High Court's verdict which allowed Grameenphone to exercise its right to claim rebate against the paid VAT.

However, the lawsuit over the VAT mechanism is still pending before the AD for BDT 2,397,282,000 and Grameenphone's rebate right case for BDT 1,409,922,000 is pending before the Hon'ble HCD. Grameenphone considered the deposited VAT amount of BDT 3,807,204,000 as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets.

If the Hon'ble AD rules that Grameenphone would be required to pay VAT and would not be able to exercise the right to claim rebate for this VAT, Grameenphone's financial exposure on capitalized License Renewal Fee for this would increase by BDT 1,069,596,000.

Out of this dispute, BDT 4,876,800,000 are also part of BTRC audit claim dated 02 April 2019 as discussed in Note 45(a) above.

(d) Interest on SIM Tax during 24 August 2006 to 27 March 2007

National Board of Revenue (NBR) through a General Order dated 9 June 2005 fixed Tariff Value determining SIM Tax (Supplementary Duty and VAT) on SIM Card at BDT 2,172.20. Challenging the legality of such imposition of SIM Tax, one subscriber filed a Writ Petition before the Hon'ble High Court Division (HCD) and the Hon'ble HCD on 25 June 2005 by an interim order stayed the operation of the General Order. Accordingly, the mobile operators including Grameenphone could not collect SIM Tax from the customers since the collection of SIM Tax was suspended. Subsequently, on 24 August 2006 Hon'ble HCD passed judgment declaring the imposition of SIM Tax on SIM Card as illegal. Upon a Civil Petition filed by the NBR, the judgment of the Hon'ble HCD was initially stayed by the Hon'ble Appellate Division (AD) on 27 March 2007 and finally on 1 August 2012 the Hon'ble AD reversed the judgment of Hon'ble HCD declaring the imposition of SIM Tax as legal. NBR issued a demand notice after the judgment of the Hon'ble AD and BDT 3,480,971,703 was paid by Grameenphone on 12 September 2012 on protest.

On 9 May 2016 Large Tax Payers' Unit (LTU)-VAT issued a show cause notice on Grameenphone for interest amounting BDT 4,525,263,202 for the delay in payment of SIM Tax on sale of SIM during the period August, 2006 to March, 2007 for a period of 65 months, i.e. the period between 1 April 2007 and the day before the date of the payment made by Grameenphone, i.e. 11 September 2012 during which the matter was pending before the Hon'ble AD for disposal. Subsequently, NBR issued a demand notice on 22 June 2016 for the same amount which was challenged by Grameenphone through filing an appeal before the Hon'ble Customs, Excise & VAT Appellate Tribunal. Even though Grameenphone believes that the claim against Grameenphone is not likely to be legally enforceable, 10% of the disputed amount was deposited at the time of filing such appeal as part of the appeal procedure prescribed by law. Since the claim is not likely to be legally enforceable, any payment related to this claim is likely to be recoverable after the resolution of this issue. Grameenphone has considered the deposit as a contingent asset under IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The Customs, Excise and VAT Appellate Tribunal upheld the demand of the Commissioner, LTU-VAT and issued its

judgment on 11 April 2018. Subsequently, Grameenphone filed a VAT Appeal before Hon'ble HCD, challenging the said judgment of the Tribunal on 31 May 2018. On 10 July 2018, HCD stayed the judgment of the Tribunal till disposal of the VAT Appeal.

As per direction of the Hon'ble HCD, Grameenphone has submitted the relevant documents. The Hon'ble HCD fixed the appeal for hearing which will be heard as per accommodation of the court.

In January 2019, International Financial Reporting Interpretations Committee (IFRIC) published Committee's agenda decisions addressing accounting treatment for the deposits relating to indirect taxes. After a thorough analysis, the appeal deposit of 10% has been reinstated to long term receivables by crediting profit or loss account.

(e) Interest for delayed payment of Guaranteed Annual Rent to Bangladesh Railway

There was a dispute regarding payment of VAT (whether inclusive or exclusive) on the Guaranteed Annual Rent (GAR) paid to Bangladesh Railway (BR) to use its Fiber Optic Network (FON) under an Agreement dated 17 September 1997. Grameenphone made payment to BR after deduction of VAT from the GAR following inclusive method. In 2008, BR requested Grameenphone to pay the amounts deducted as VAT otherwise threatened to disconnect the FON connection. Grameenphone filed a Writ Petition before the Hon'ble High Court Division (HCD) and HCD disposed of the Writ directing Grameenphone to pay VAT following exclusive method i.e. to be grossed up on top of GAR which was later on upheld by the Hon'ble Appellate Division (AD). BR issued a demand letter of BDT 319,670,457. Grameenphone paid the demanded amount on 10 January 2018 without prejudice to its right to file Review Petition before the Hon'ble AD and subject to adjustment, if any, as per the decision of the Review. However, after assessment, Grameenphone decided not to pursue for Review Petition against the decision of the AD.

On 27 February 2018 BR made an additional demand of BDT 1,316,513,243 as interest for delayed payment of deducted GAR following the provisions of the agreement between Grameenphone and BR. Management's assessment based on external counsel's guidance is that interest should not apply during the period when the matter was sub-judice and BR's demand for principal amount was stayed by the Order of the Court. Pursuant to the said demand letter, on 24 May 2018, Grameenphone sent a letter to BR for resolution of the dispute amicably by stating its legal position. Thereafter, BR refused the proposal for amicable resolution on 29 July 2018.

A Certificate Case was filed by BR under Public Demands Recovery Act 1913 against Grameenphone, claiming BDT 1,316,513,243 as interest and penalty for alleged delayed payment of GAR. On 05 November 2020, Grameenphone filed a petition denying the claim. On 22 February 2021, BR submitted its response against the same. Next date of hearing of the Certificate case is fixed on 09 March 2022.

Following the agreement, on 24 December 2020, Grameenphone served an Arbitration notice upon BR for Arbitration proceedings regarding the claim and accordingly requested BR to appoint arbitrator on their behalf. Following Grameenphone's Arbitration Notice dated 24 December 2020, on 24 January 2021 BR in reply requested Grameenphone to withdraw the Arbitration Notice without appointing any arbitrator on their behalf. Against this backdrop, on 7 March 2021 Grameenphone filed two applications before the Hon'ble HCD - one is an injunction application under section 7KA of the Arbitration Act 2001 seeking stay on the proceedings of the Certificate Case and another is an application under section 12 of the Arbitration Act 2001 for appointment of BR's arbitrator. On 14 March 2021, the Hon'ble HCD admitted both the applications and issued Rule (show cause). Now, the applications are appearing in the hearing list of the Hon'ble HCD which will be heard as per accommodation of the Hon'ble Court.

46 Other disclosures

46.1 Segment information

Grameenphone essentially provides similar products and services to customers across the country and its products and services essentially have similar risk profile. Grameenphone's business is not organised in product or geographical components and its operating result is reviewed as a whole by its management. Hence, segment information is not relevant.

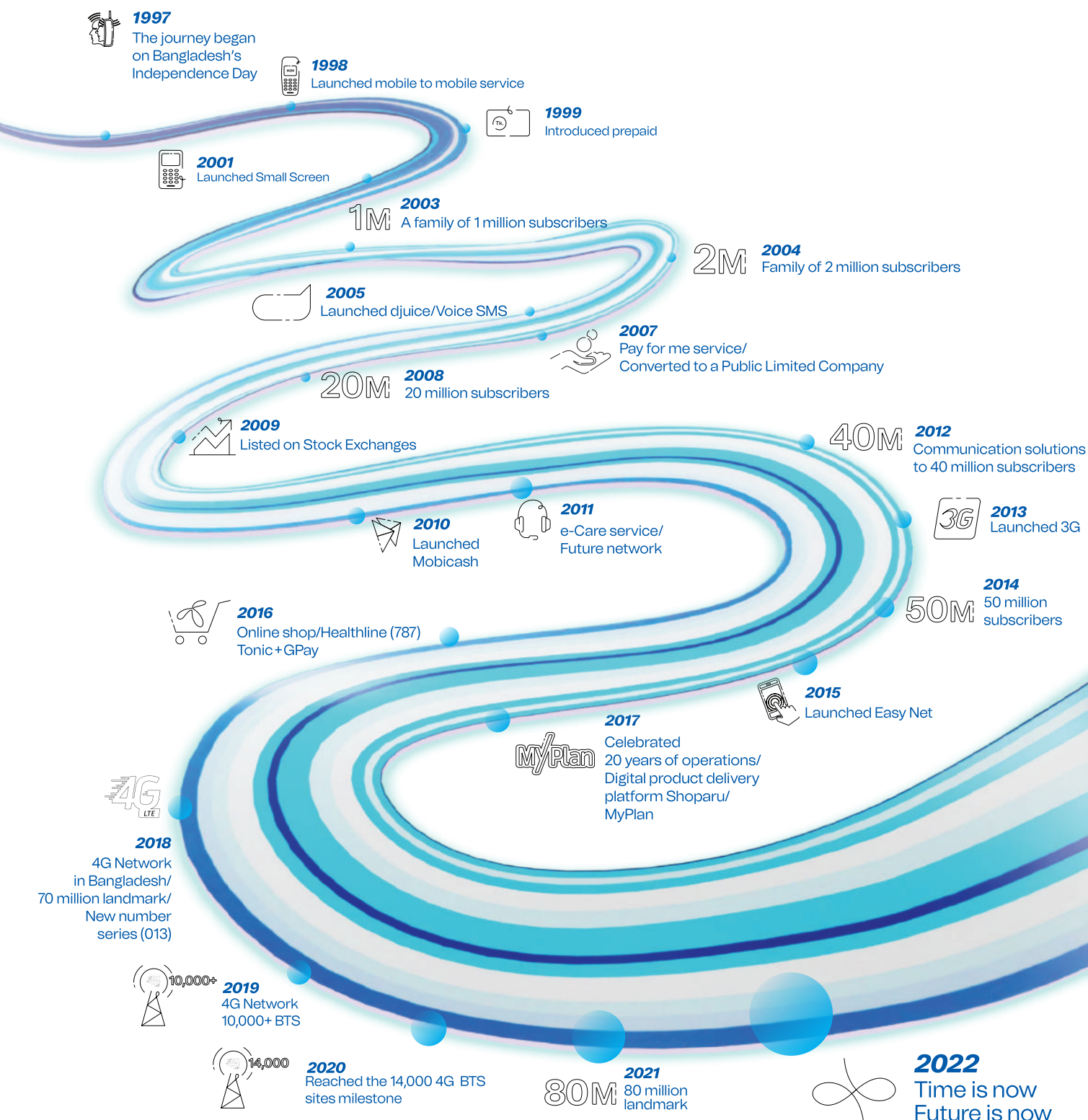
46.2 Events after the reporting period

The Board of Directors of Grameenphone Ltd. at its 234th meeting held on 26 January 2022 recommended a final cash dividend amounting to BDT 16,878,750,275 being 125% of the paid-up capital (i.e. BDT 12.50 per share) for the year 2021. Total cash dividend including this final cash dividend stands at 250% of the paid-up capital (i.e. BDT 25.00 per share) for the year 2021. These dividends are subject to final approval by the shareholders at the forthcoming annual general meeting of the Company.

Our Journey

25 YEARS OF CONNECTING POSSIBILITIES

Empowering Society & Connecting Customers to a Digital Future

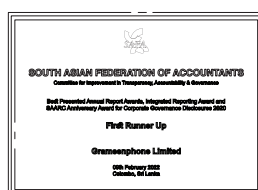


Our Recognition 2021

As a Company, Grameenphone has always deliver its best for the community in operates and for the stakeholders it serves. In 2021 the Company received multiple awards that recognised both its operational performance & governance practices as well as for brand and market affinity. Grameenphone has worked to tirelessly to improve its products and services as well as its delivery and digitalisation in the marketplace. Each award serves not only as a reminder of the stakes and that we cannot afford to be complacent, but also encourages us to continue delivering as best as we are able on our promise to our valued stakeholders.

Best Presented Annual Report/ Corporate Governance Award

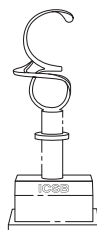
Adjudged 1st Runner-up
Position for Best Presented
Annual Report 2020 by
SAFA (South Asian
Federation of Accountants)



Adjudged 1st Position for
Best Presented Annual
Report 2020 by ICAB (The
Institute of Chartered
Accountants of Bangladesh)



Received Gold Award in 8th ICSB
(Institute of Chartered
Secretaries of Bangladesh)
National Award 2020 for
Corporate Governance
Excellence



Received Gold Award in 'Best
Corporate Award 2020' from
ICMAB (Institute of Cost and
Management Accountants)



Other Awards

Received "Tax Card
Honour Certificate 2021"
from National Board of
Revenue (NBR) Bangladesh
as the highest income
taxpayer in the
Telecommunication sector
for the year 2020-2021



Received the prestigious
'Digital Bangladesh Award
2021' in the "Institutional"
category for notable
contribution to the
Development of
Bangladesh's start-up
ecosystem



Grameenphone brand
honoured with highest 28
Awards (4 Gold, 11 Silver &
13 Bronze) in 14 different
categories at the 10th
edition of "Commward" by
Bangladesh Brand Forum



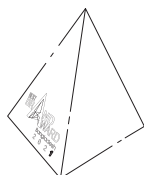
Received an award for
resolving the highest
number of cases
through alternative
dispute resolution (ADR)
in fiscal year 2020-21



Received Asian
Leadership Award for
Best organisation for
workplace and
people development



Received top awards in the
"Best Telecom Brand" and
"Over all No. 5 Best Brand" for
the year 2021, presented by
Bangladesh Brand Forum in
partnership with Nielsen IQ



Grameenphone and its
three partner agencies
(Magnito Digital,
Mindshare Ltd., and
Grey Advertising Ltd.)
won 18 awards in the
"Digital Marketing
Award" 2021, organised
by the Bangladesh
Brand Forum



Useful Information for Shareholders

1. General

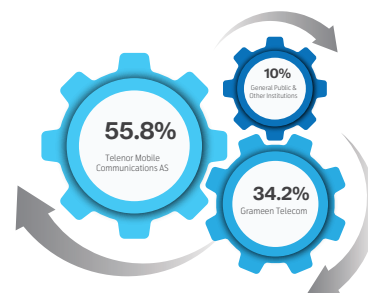
Authorised Capital	: BDT 40,000,000,000
Issued and Fully Paid-up Capital	: BDT 13,503,000,220
Class of Shares	: Ordinary Shares of BDT 10.00 each
Voting Rights	: One vote per Ordinary Share

2. Stock Exchange Listing

The Ordinary Shares of the Company are listed on the Dhaka and Chittagong Stock Exchanges. Company trading code is [GP].

3. Shareholding Structure

The shareholding structure comprises of mainly two sponsor shareholders, namely, Telenor Mobile Communications AS (55.80%) and Grameen Telecom (34.20%). The rest 10.00% shareholding includes General Public (1.97%), Foreign (3.11%) and other institutions (4.92%), as of 31 December 2021.



4. Top Twenty Shareholders as on 31 December 2021

Sl. No.	Name of Shareholders	Number of Ordinary Shares Held	Percentage
1	Telenor Mobile Communications AS	753,408,154	55.80%
2	Grameen Telecom	461,766,409	34.20%
3	BBH A/C Matthews Asia Dividend Fund	14,140,431	1.05%
4	Government of Norway	11,590,535	0.86%
5	Grameen Bank Borrower's Investment Trust	11,037,221	0.82%
6	A.K. Khan & Company Ltd.	8,564,553	0.63%
7	ICB Unit Fund	3,224,598	0.24%
8	The Bank of New York Mellon As Agent of Consilium Frontier Equity Fund LP	3,042,910	0.23%
9	SSBT A/c Wellington Management Funds (Ireland) Public Limited Company- Wellington Global Impact Fund	2,798,036	0.21%
10	Brac Bank Limited	2,775,026	0.21%
11	Delta Life Insurance Co. Ltd.	1,982,895	0.15%
12	ICB Bond	1,914,436	0.14%
13	BBH A/C Japan Trustee Services Bank Ltd. As Trustee of SMTB Global Impact Mother Fund	1,464,436	0.11%
14	Grameen One: Scheme Two	1,400,000	0.10%
15	Bangladesh Fund	1,300,000	0.10%
16	1st Bangladesh Fixed Income Fund	1,119,811	0.08%
17	HSBC Bank Plc Ifs-Agent A/C Fim Em Frontier Fund Limited	1,061,187	0.08%
18	BBS-United Commercial Bank Limited- BB Scheme	1,048,916	0.08%
19	Investment Corporation of Bangladesh	1,011,609	0.07%
20	DBL Securities Ltd.	1,007,329	0.07%
	Total	1,285,658,492	95.23%



5. Dividend

For the Year	Dividend Rate	Dividend Per Share (BDT)	Par Value Per Share (BDT)	Dividend Type
2021	125% (Proposed Final Dividend)	12.50	10.00	Cash
	125% (Interim Dividend)	12.50	10.00	Cash
2020	145% (Final Dividend)	14.50	10.00	Cash
	130% (Interim Dividend)	13.00	10.00	Cash
2019	40% (Final Dividend)	4.00	10.00	Cash
	90% (Interim Dividend)	9.00	10.00	Cash
2018	155% (Final Dividend)	15.50	10.00	Cash
	125% (Interim Dividend)	12.50	10.00	Cash
2017	100% (Final Dividend)	10.00	10.00	Cash
	105% (Interim Dividend)	10.50	10.00	Cash
2016	90% (Final Dividend)	9.00	10.00	Cash
	85 % (Interim Dividend)	8.50	10.00	Cash

6. Unclaimed/ Unpaid Dividend and Non-Refunded IPO Subscription Money

The dividend declared at an Annual General Meeting (AGM) is required to be paid within 30 days from the date of declaration. Interim Dividend is required to be paid within 30 days from the Record Date. As per the Directive of Bangladesh Securities and Exchange Commission (BSEC), when a dividend is declared by a company but has not been paid within 30 days or claimed by the shareholders within 1 year from the date of the declaration or Record Date, the company shall, after elapse of 1 (one) year from date of declaration or approval or record date, transfer the total amount of dividend, which remain unpaid or unclaimed including accrued interest (after adjustment of bank charge, if any) to a special account naming "Unpaid Dividend Account, to be opened by the company in that behalf in any scheduled bank.

Further, any money transferred to the "Unpaid Dividend Account" of a company in pursuance of the above BSEC Directive, which remain unpaid or unclaimed for a period of 3 (three) years from the date of declaration or approval or record date, as the case may be along with interest accrued (after adjustment of bank charge, if any), if any, thereon, such amount need to be transferred to the Capital Market Stabilization Fund (CMSF) as directed or prescribed by the BSEC.

If any shareholder claims his/her cash dividend after transfer of such dividend to the Fund, within 15 days of receiving such claim, the company shall, after proper verification of the claim, recommend to the manager of the Fund to pay off such dividend from the Fund and the Manager of the Fund shall pay off such cash dividend to the claimant in accordance with the provisions and procedures as directed or prescribed by the BSEC.

The year-wise summary of unclaimed/unpaid dividend as on 31 December 2021

SL	Financial Year	Dividend Type	Rate of Dividend	Date of Declaration of the Dividend and Record Date as the case may be	Unclaimed/Unpaid Dividend as on 31 December 2021 (BDT'000)
1	2020	Final	145%	19 April 2021	15,488
		Interim	130%	5 August 2020	11,469
2	2019	Final	40%	21 April 2020	4,109
		Interim	90%	4 August 2019	7,021
3	2018	Final	155%	23 April 2019	9,080
4	2016	Interim	90%	20 April 2017	1
		Final	85%	8 August 2016	2
5	GP IPO Suspense Account	Final Dividend 2018 to Final Dividend 2020			54
Total					47,224

The year-wise summary of unclaimed/ unpaid dividend and non-refunded IPO subscription money which was sent to Capital Market Stabilization Fund (CMSF)

Sl	Financial Year	Dividend Type	Rate of Dividend	Date of Declaration of the Dividend and Record Date as the case may be	Unclaimed/ Unpaid Dividend (BDT'000)	Transferred Date of CMSF
1	2018	Interim	125%	5 August 2018	7,533	29 August 2021
2	2017	Final	100%	19 April 2018	3,618	29 August 2021
		Interim	105%	2 August 2017	4,877	29 August 2021
3	2016	Final	90%	20 April 2017	6,758	29 August 2021
		Interim	85%	8 August 2016	3,753	29 August 2021
4	2015	Final	60%	19 April 2016	3,843	29 August 2021
		Interim	80%	29 July 2015	5,238	29 August 2021
5	2014	Final	65%	21 April 2015	4,446	29 August 2021
		Interim	95%	5 August 2014	6,235	29 August 2021
6	2013	Final	50%	9 April 2014	6,273	29 August 2021
		Interim	90%	29 July 2013	3,766	29 August 2021
7	2012	Final	50%	10 April 2013	2,803	29 August 2021
		Interim	90%	31 July 2012	5,119	29 August 2021
8	2011	Final	65%	10 April 2012	6,188	29 August 2021
		Interim	140%	28 July 2011	13,292	29 August 2021
9	2010	Final	85%	19 April 2011	9,231	29 August 2021
		Interim	35%	2 November 2010	8,070	29 August 2021
10	2009	Final	60%	8 June 2010	13,200	29 August 2021
11	GP IPO Suspense Account	Final Dividend 2009 to Interim Dividend 2018			159	29 August 2021
12	None refunded IPO subscription Money (BDT)				5,292	29 August 2021
	Total				119,694	

7. Credit Rating

The Company's credit rating was reaffirmed by Credit Rating Information and Services Limited (CRISL) on 29 April 2021 and is valid up to 28 April 2022.

Long Term	Short Term
AAA	ST-1

8. Associate Company

Name of the Company

Accenture Communications Infrastructure Solutions Ltd.
(Formerly known as Grameenphone IT Ltd.)

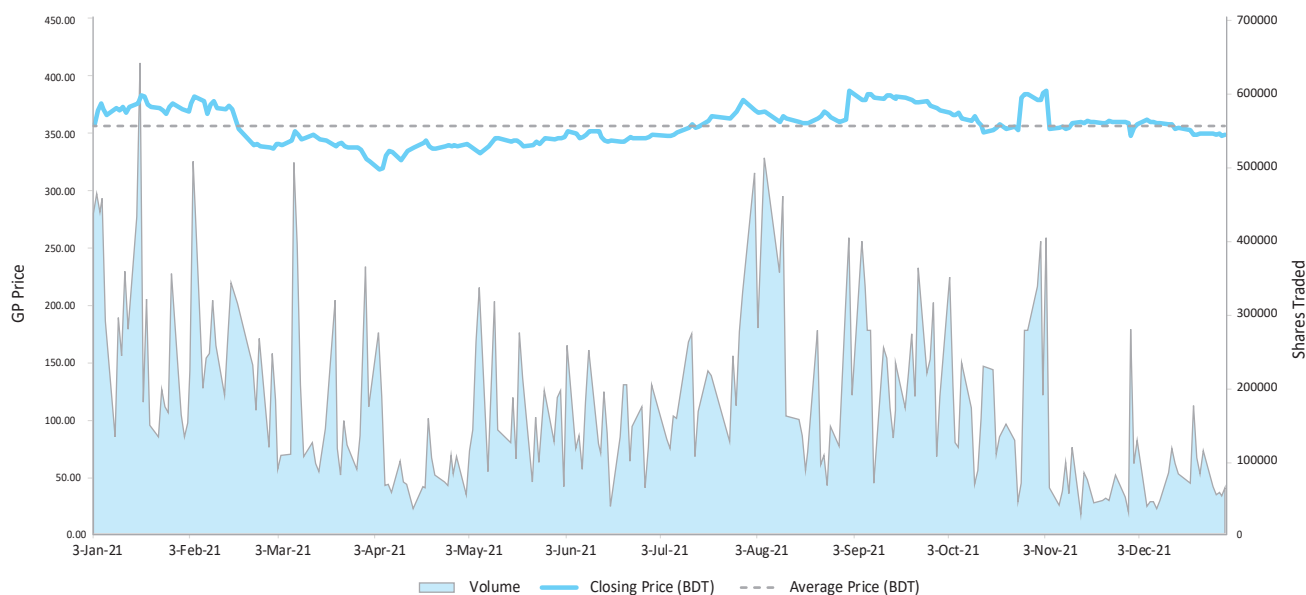
Holding

49%

Activity

IT Company

9. Grameenphone Share Performance at Stock Exchanges



10. Financial Calendar 2022



* Please note that these dates are provisional and subject to change, please check www.grameenphone.com/about/investor-relations for latest updates

11. Company Website

Anyone can get information regarding Company's activities, products and services or can view Annual Report 2021 at www.grameenphone.com

12. Investor Relations

Institutional investors, security analysts and other members of the professional financial community requiring additional financial information, please contact at **+8801755552271** or can visit the Investor Relations section of the Company website: www.grameenphone.com

13. Shareholder Services

If you have any queries relating to your shareholding and dividend, please contact at **+8801711555888** or mail to Grameenphone Share Office at shareoffice@grameenphone.com

Grameenphone Ltd.

Registered Office: GPHouse, Bashundhara, Baridhara, Dhaka-1229
Share Office: GPHouse, Bashundhara, Baridhara, Dhaka-1229

Notice of the 25th Annual General Meeting Virtual Shareholder Meeting

Notice is hereby given that the 25th Annual General Meeting (AGM) of Grameenphone Ltd. will be held on **Tuesday, 26 April 2022 at 10:30 am (Dhaka Time)**. The AGM will be held virtually by using digital platform through the following link <https://agmbd.live/gpagm2022> to transact the following businesses:

AGENDA

Ordinary Businesses:

1. Consideration and adoption of the Directors' Report and the Audited Financial Statements of the Company for the year ended 31 December 2021 together with the Auditors' Report thereon.
2. Declaration of Dividend for the year ended 31 December 2021 as recommended by the Board of Directors.
3. Election/Re-election of Directors and Extension of tenure of Independent Director.
4. Appointment of Statutory Auditors and Corporate Governance Compliance Auditor and fixation of their remuneration.

31 March 2022

By order of the Board of Directors
 Sd/-
S M Imdadul Haque
 Company Secretary

Notes:

- The Members whose names appeared on the Members/Depository Register as on the **"Record Date"** i.e. **23 February 2022** are eligible to participate in the 25th Annual General Meeting (AGM) and receive dividend.
- Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated 31 March 2021, the AGM will be virtual meeting of the Members, which will be conducted via live webcast by through the use of a digital platform.
- The Members will be able to submit their questions/comments and vote electronically 24 hours before commencement of the AGM and during the AGM. For logging in to the system, the Members need to put their 16-digit Beneficial Owner (BO) ID number and other credential as proof of their identity by visiting the link <https://agmbd.live/gpagm2022>
- The detailed procedures to participate in the virtual meeting and Frequently Asked Questions (FAQs) have been provided in the Annual Report and published on the Investor Relations section of the Company's website at: www.grameenphone.com
- We encourage the Members to log in to the system prior to the meeting start time of 10:30 am (Dhaka time) on 26 April 2022. Please allow ample time to login and establish your connectivity. The webcast will start at 10:30 am (Dhaka Time). Please contact +8801711555888 for any technical difficulties in accessing the virtual meeting.
- A Member who is entitled to attend and vote at the AGM may appoint a Proxy to attend and vote on his/her behalf. The "Proxy Form", duly completed, signed and stamped at BDT 20 must be emailed to Grameenphone Share Office at shareoffice@grameenphone.com no later than 72 hours prior to the start of the AGM.
- Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158 /208/ Admin/81 dated 20 June 2018, the soft copy of the Annual Report 2021 is being sent to the Members to their email addresses of the Members available in their Beneficial Owner (BO) accounts maintained with the Depository. The Members are requested to update their email addresses through their respective Depository Participant (DP). The digital version and soft copy of the Annual Report 2021 will also be available on the Investor Relations section of the Company's website at: www.grameenphone.com



EXPLANATORY NOTES:**1. Election/Re-election of Directors and Extension of tenure of Independent Director. [Agenda - 3]**

The following Directors of the Board will retire at Company's ensuing 25th Annual General Meeting (AGM). However, they are eligible for re-appointment:

1. Mr. Jørgen C. Arentz Rostrup
2. Mr. M Shahjahan
3. Ms. Tone Ripel

As per the Corporate Governance Code 2018, the Board approved the extension of tenure of Dr. Salehuddin Ahmed as an Independent Director of Grameenphone Ltd. for a second term of three (3) years. Accordingly, Dr. Salehuddin Ahmed's extension of tenure is required to be vetted and confirmed at the Company's ensuing 25th AGM.

As per the conditions 1(5)(xxiv) of the Corporate Governance Code of Bangladesh Securities and Exchange Commission, brief profiles of the proposed Directors are given on page 24 of the Annual Report. The companies (other than Grameenphone Ltd.) in which the above Directors hold directorship and committee membership are given below.

Sl. No	Name of Directors	Directorship	Member of Board committees	Other Business Occupation
1	Mr. Jørgen C. Arentz Rostrup	Total Access Communication PCL (dtac), Thailand	None	EVP & Head of Telenor Asia Singapore
2	Mr. M Shahjahan	Grameen Distribution Samajik Health Science Institute and Research Center Limited Grameen Krishi Foundation Member of Board of Trustees Grameen Trust Nobel Laureate Trust Grameen Telecom Trust Grameen Healthcare Trust	None	Managing Director Grameen Telecom Trust
3	Ms. Tone Ripel	Total Access Communications PCL (dtac), Thailand	dtac, Thailand Corporate Governance Committee	Attorney at Law in the Group Legal of Telenor ASA, Norway
4	Dr. Salehuddin Ahmed	ASA International Group plc	None	Professor, BRAC Business School, BARC University

2. Appointment of Statutory Auditors and Corporate Governance Compliance Auditor and fixation of their remuneration. [Agenda - 4]

As per the Companies Act 1994 and the Articles of Association of Grameenphone, the statutory auditors of the Company, ACNABIN, Chartered Accountants, shall retire at this AGM. The Firm, being eligible, has offered their willingness to be re-appointed. The Board recommended statutory auditors' re-appointment for the year 2022 and to continue till the AGM in 2023 at the existing fee of BDT 3 million plus VAT for onward approval by the Shareholders at the Company's ensuing 25th AGM.

In compliance with the BSEC Corporate Governance Code, the Board recommended the appointment of Suraiya Parveen & Associates, Chartered Secretaries as Corporate Governance Compliance Auditor of the Company for the years from 2022 to 2024 at a fee BDT 139,782 (inclusive of VAT and Tax) per year for onward approval by the Shareholders at the Company's ensuing 25th AGM.



Frequently Asked Questions (FAQs) on Virtual Shareholder Meeting

1. Why is this Virtual Annual General Meeting (AGM)?

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. SEC/SRMIC/94-231/91 dated 31 March 2021, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing Covid-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others who plan to attend the AGM 2022, Grameenphone plans to convene its 25th AGM 2022 virtually by using digital platform.

2. How can I participate in the AGM?

You are eligible to participate in the AGM, if you were a shareholder of Grameenphone as on the **"Record Date" i.e. 23 February 2022**.

You will be able to participate in the AGM online from your laptop, desktop, tablet and smartphone. For log in to the system, you need to put your **16-digit BO ID number** and other credential as a proof of your identity by visiting the link <https://agmbd.live/gpagm2022>.

3. How can I submit questions/comments prior to and during the meeting?

You can submit your questions/comments in written or through voice recording prior to 24 hours of the meeting and during the meeting by visiting the link <https://agmbd.live/gpagm2022>. You can also email your question/comments to shareoffice@grameenphone.com

4. How the Company will address our questions/comments?

During the live Q&A session on the AGM day, the Board and the Management will try to answer the relevant questions, which are submitted through the system and email prior to or during the meeting. However, Grameenphone reserves the right to edit and reject questions if it deems profane or otherwise inappropriate.

5. Who is entitled to vote and how many shares can I vote?

Each holder of shares of Grameenphone as on the **"Record Date" i.e. 23 February 2022** is entitled to cast one vote per share on each Agenda item at the AGM. You are entitled to vote all shares owned by you as on the "Record Date".

6. How can I vote my shares in the AGM?

You can vote electronically prior to and during the AGM by visiting the link <https://agmbd.live/gpagm2022>. You may vote in "FAVOUR" or "AGAINST" with respect to each agenda item.

7. What is the deadline for voting my shares?

Your vote must be received before the polls close for each agenda items during the AGM.

8. What is the voting requirement to approve each of the Agenda?

Each agenda will be passed by the vote of majority of votes cast. Each agenda receiving more votes in "FAVOUR" than votes "AGAINST" will be passed.

9. What If I have technical difficulties or trouble accessing the virtual meeting?

If you encounter any difficulties accessing the virtual meeting through the link <https://agmbd.live/gpagm2022> prior to or during the meeting, please call +8801711555888.

Virtual Shareholder Meeting of Grameenphone Ltd.

Pursuant to the Bangladesh Securities and Exchange Commission's Notification No. Notification No. SEC/SRMIC/94-231/91 dated 31 March 2021, a listed company can arrange virtual shareholder meeting, which can be conducted via live webcast by using digital platform. Accordingly, in the light of prevailing Covid-19 situation in Bangladesh, considering the health and safety of all the shareholders, staff and others who plan to attend the AGM 2022, Grameenphone plans to convene its 25th AGM 2022 virtually by using digital platform and online shareholders tools that –

- Facilitate shareholder attendance and participation.
- Enable shareholders to participate fully, and equally, from any location around the world.



We believe the virtual shareholder meeting will increase the ability to engage with all the shareholders, regardless of their number of shares, resources, or physical location.

Access	Q&A	Vote
Grameenphone values the importance of effective communication with its Shareholders. The Company recognises the rights of Shareholders and the Shareholders' interest are primarily ensured through Grameenphone's AGM. Accordingly, we have designed our virtual format to enhance, rather than constrain, Shareholder access, participation and communication. For example, the online format allows Shareholders to communicate with us in advance of and during the meeting so that they can ask any relevant questions or provide with comments on the performance or any other aspect of the Company.	The Company does not place restrictions on the type or form of questions that may be asked; however, the Company reserves the right to edit profanity or other inappropriate language for publication. During the live Q&A session of the meeting, the Chair or the Management will try to answer the questions as they come in.	The Shareholders will be able to cast their vote on the Agenda items and the results will be broadcasted in real time at the time of approval on the specific agenda item.

We believe good Corporate Governance involves openness and trustful cooperation between all stakeholders involved in the Company, including the owners of the Company – the Shareholders. We have carefully designed the 25th AGM of the Company to provide continuous and meaningful Shareholder engagement and participation. Our committed Board of Directors and Management Team value these interactions and invest significant time and resources to ensure that it has an open line of communication with Shareholders.

Registered Office: GPHouse, Bashundhara, Baridhara, Dhaka-1229



I/We.....of..... being Member of
Grameenphone Ltd. do hereby appoint Mr./Ms.of as my/our
PROXY to participate and vote on my/our behalf at the 25th Annual General Meeting of the Company to be held on **Tuesday,
26 April 2022 at 10:30 am (Dhaka Time)** virtually by using digital platform through the following link
<https://agmbd.live/gpagm2022> and at any adjournment thereof.

Signed this day of 2022

Signature of the Member(s)

Signature of the PROXY

Number of Shares held

[illegible]Revenue
Stamp
BDT 20

Notes:

- The "Proxy Form", duly filled, signed and stamped at **BDT 20** must be sent through email to Grameenphone Share Office at **shareoffice@grameenphone.com** no later than 72 hours before commencement of the AGM.
- Signature of the Member(s) must be in accordance with the Specimen Signature recorded with the Company.

Signature Verified by

Authorised Signatory of the Company



Date
Tuesday, 26 April 2022



Time
10:30 AM, Dhaka Time



Live Webcast
<https://agmbd.live/gpagm2022>

DISCLAIMER

This report contains statements regarding the future in connection with Grameenphone's growth initiatives, profit levels, outlook strategies and objectives. All statements regarding the future are subject to inherent risks and uncertainties, and many factors may lead to actual profits and developments deviating substantially from what has been expressed or implied in such statements.

How to access information on Grameenphone

Grameenphone produces a range of publications, which are available to download at **www.grameenphone.com**

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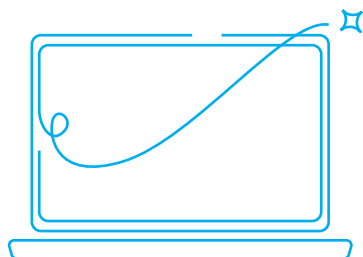


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Read our reports at **www.grameenphone.com**



Here you will find downloadable PDFs of :

- Annual Report 2021
- Proxy Form
- Notice of 25th AGM
- Frequently Asked Questions (FAQs) on Virtual Shareholder Meeting

Grameenphone Ltd.

GPHouse, Bashundhara
Baridhara, Dhaka-1229, Bangladesh

Tel: + 88-02-222282990

Mob: + 88 01799882990

Fax: +88-02-8416026

www.grameenphone.com



We care about our planet

Grameenphone wants to contribute to meet climate challenges and aims to reduce consumption of resources and overall impact on the environment. In an effort to minimise paper consumption, we limit the scope of the printed annual report within regulatory requirement. Grameenphone's website provides extensive information about the Company and its current activities.