

# Directors' Report

For the Year Ended 31 December 2017

## Dear Shareholders,

On behalf of the Board of Directors and Management, I welcome you all to the 21<sup>st</sup> Annual General Meeting (AGM) of Grameenphone Ltd. We have the pleasure to place herewith the Directors' Report and the Auditor's Report, together with the Audited Financial Statements of the Company, for the year ended 31 December 2017 for your valued consideration, approval and adoption.

## 2017 a Great Year for Grameenphone

2017 once again saw the delivery of consistent, competitive, profitable and responsible growth, a trend that has been firmly established at Grameenphone. Despite the challenging business environment, Grameenphone's overall operations remained resilient and continued its growth momentum and maintained healthy profitability throughout the year.

Grameenphone delivered strong revenue growth in all segments of the business and recorded consolidated revenue of BDT 128.4 billion for 2017, representing Year on Year (YoY) growth of 11.8%. The Company ended the year with 65.3 million subscribers, a 12.7% growth from the previous year.

Grameenphone continued to innovate and transform itself to strengthen its leadership as the best digital service provider in Bangladesh, serving the escalating demand for data amongst customers. During the year, Grameenphone's data customers hit a landmark 30 million users, which is 47.7% of the total subscriber base. The active internet subscriber base stood at 31.2 million, up 27.0% from 2016.

Consistent with previous years, the financial outcomes for 2017 were underpinned by a concerted focus on operational excellence, customer service, market performance and innovation. Whilst there was growth in revenue due to the increased subscriber base, the Company also focused on driving usage with prudently executed marketing promotions. The products and services portfolio revamp included launching app-based offers for choosing voice and data packages, a Digital Product Delivery Platform (DPDP), a new platform for VAS and 'Shoparu'- operator agnostic e-commerce marketplace. These initiatives have contributed to further accelerating Grameenphone's growth.

Grameenphone has always played a pioneering role in facilitating the digital transformation process in Bangladesh, to meet both the Government's and the people's aspirations of a "Digital Bangladesh". Over the years, the Company has clearly established its reputation and credentials as a leading digital services provider in addition to being a telecom operator.

2017 was also the year that Grameenphone saw itself challenged to prepare the organisation and its infrastructure, product & service and people capabilities to meet the challenges and opportunities of an upcoming 4G digital era. In line with that, the Company will continue to invest in network and skill development ahead of demand to ensure a leading customer experience.

Our vision to empower societies extends to our sustainable initiatives. We strive to use our technology, employees, voice and data services to improve people's lives by enabling them access to the benefits and opportunities technology can offer.

## 2017: Socio- Economic Growth Trajectory Continues

2017 has been a mixed year of achievements and challenges for Bangladesh. Structural reforms coupled with solid macroeconomic fundamentals saw Bangladesh continue its growth trajectory. Breaking the six percent cycle that continued for a decade or so, the economic growth reached a record high 7.28%, riding on buoyant exports and robust agricultural outputs.

Growth in 2017 was higher than expected as consumption picked up in response to rising income and increased public investment. A major boost has come from the industrial sector, followed by the services sector. Per capita income rose to USD 1,602, up from USD 1,466 in the last fiscal year. However, poor infrastructure, governance challenges, combined with high complexity of doing business remains the major setbacks to Bangladesh's vast economic potentials. The current account posted a shortfall with a wider trade deficit and lower remittances. Moreover, higher growth is yet to be translated into generation of sustainable income for the poor, employment creation, access to quality education and better healthcare for all, and most importantly, reducing societal inequality.

The year 2018 looks to be a turning point for Bangladesh in many ways. The politically changed environment of a national election, ongoing infrastructure challenges, labor among others will be the material challenges. The country will continue its journey on the path to middle-income economy status along with implementation of the sustainable development goals (SDGs). Looking ahead, broader development goals, based on pro-business reforms, accelerated resource mobilisation, expanded tax base and improvements in infrastructure, should help Bangladesh continue on a path of inclusive economic growth and sustainable development.

Overview

Business Performance

Sustainability

Governance

Financial Analysis

Additional Information

## Telecommunication Industry Scenario

Bangladesh is a frontier market and considered to be among the next emerging economies with a projected GDP growth above 5% YoY till 2020. A large population of around 171 million and a rapid growing middle class has significantly raised the demands for connectivity and digital services. The market size has expanded and counts about 143 million active mobile phone subscriptions and 60 million active mobile internet users by the end of 2017. However, the industry still finds room for growth, with more than 70 million people still not subscribing to any mobile services.

Bangladeshis are embracing the mobile-centric lifestyle that has become evident around the world. This transformation is facilitated by mass access to data services at an affordable price and a widespread 3G coverage provided by the Mobile Network Operators. The mobile internet penetration stands at 33% at the end of 2017, up from 7% in 2010. Though 90% of country's population has been covered with 3G network by 2017, only 25% of total connections access today; but this number is expected to increase to more than 50% of connections by 2020. Additionally, smartphone adoption has also increased around 30% in 2017, and is expected to grow to around 55% by 2020.

The telecommunication industry experienced an eventful year throughout 2017; launching a number of new digital services and offering personalized experiences to customers. Grameenphone has maintained a strong revenue growth in 2017 and lead the market with around 45.0% share of total connections with a customer base of 65.3 million.

## Telecom Regulatory Environment

The overall regulatory environment remains largely unpredictable continuing the trends of the past, and remains subject to political intervention and license carve-outs. The merger of Robi-Airtel and the demise of Citycell added new dimensions to the competitive landscape. This could may lead to authorities seek ways to instill further competition into the market. The industry paid around 50% of total sector's revenue as tax and other payables to the Government Exchequer in 2017 (this excludes one-off spectrum and license fees); taxes which are imposed at higher rates than in other industries. The mobile sector is still treated as a low-hanging fruit for revenue collection; resulting in more penalties, increases in revenue sharing schemes with Government, and high spectrum prices.

In 2017, multiple initiatives for regulatory revisions and new directives created additional uncertainty. The draft National Telecom Policy (2016) has yet to be published and the Bangladesh Telecommunication Regulatory Act requires modernisation. Regulations are also in development for new digital verticals which risks being equally rigid as for telecoms, and in some instance limiting MNO's participation altogether. The Mobile Number Portability (MNP) policy was being shaped up in 2017 and expected to be launched in Q1 of 2018. Moreover, at the end of 2017, BTRC has also issued directives de-activating additional SIM against each NID. The key regulatory issues that emerged in 2017 are: 4G licensing and spectrum auction, technology neutrality, data sharing and localisation, Tower Sharing guidelines, active sharing, cost modeling exercise to regulate data prices, MVNO framework, Bangladesh Telecommunication Regulatory Commission (BTRC) Audit, growing financial disputes with National Board of Revenue (NBR) such as SIM replacement VAT for 2011-2015 and continued challenges with VAT registration of BTRC.

## Industry Outlook and Possible Future Developments

Both the Government and the mobile industry have demonstrated strong commitment to supporting progress by collaborating more closely on win-win opportunities with an aim to bring socioeconomic transformation through Information and Communication Technology (ICT). Both the Government and the mobile telecom industry have exciting opportunities to unlock a digital transformation for millions of citizens. The mobile telecom sector will play a vital role to materialize the Government's "Digital Bangladesh" ambition, for which there are four key priorities: 1) developing human resources ready for the 21<sup>st</sup> century; 2) connecting citizens in ways most meaningful to them; 3) taking services to citizens' doorsteps; and 4) making the private sector and market more productive and competitive through the use of digital technology.

It is anticipated that, the license for 4G/LTE services, introduction of technology neutrality for all spectra along with additional spectrum allocation for the mobile industry by early 2018 will further accelerate the desired digital transformation and support the growth of the Bangladesh's untapped potential. From shopping to entertainment to socializing to managing the household, mobile-centric technologies are already shaping up the industries and consumers in Bangladesh. The future competitiveness of the Bangladesh economy will be, in no small way, dependent on mobile technologies and mobile internet.

The mobile industry is yet to full benefit from what it invested and built over the last number of years. However, the future elements of a mobile-centric and integrated digital economy (for example—data analytics and the Internet of Things (IoT)), promise both social progress and the likelihood of further market expansion. Grameenphone has already started enabling future products and operating models with successful launches of new apps, digital services, personalized customer experience, IoT and M2M platforms to capitalize on their future potential.

## Capital Market Overview 2017

The Bangladesh stock market witnessed a good year in 2017 in continuation of the turnaround seen during the latter part of 2016. The telecommunication, banking, NBFi and pharmaceutical sectors were among the sectors that posted the highest returns. The year witnessed the highest recorded foreign turnover, posting the 5<sup>th</sup> consecutive year of growth.

On the Dhaka Stock Exchange (DSE), the broad and free float weighted index DSEX gained 24.0% (1,208.5 points) against 8.8% gain in 2016, and closed at 6,244.52 points. Daily average turnover value increased by 74.7% compared to the preceding year.

Grameenphone share price increased by 65.7%, closing at BDT 470.8 at the year-end with a daily average turnover value of BDT 103.5 million (BDT 10.35 crore). During the year, the highest value of Grameenphone share price was BDT 506.9 and the lowest was BDT 281.5. Grameenphone market capitalisation on 28 December 2017 stood at BDT 635.72 billion (BDT 63,572 crore), representing 17.5% of the DSE's total equity market capitalisation.

\*Source: Dhaka Stock Exchange

### Enhancing & Modernising Customers Day-to-Day Life

Grameenphone has always sought to be ahead of the competition, quickly adapting to change and positioning to modernise our customers' day to day life in the digital era, and serving them in the most relevant way. In 2017, Grameenphone further focused on customer simplicity, ease of communication and digitised telecommunication needs to bring efficiency through all types of products and segments.

The core strength of Grameenphone's products is simplicity and relevance. We offer the most relevant products to our customers and the easiest way to manage their mobile needs. As a further boost, the Company has focused on digital self-care apps. MyGP, the online self-care app, has taken digitising self-care to new heights and has been downloaded more than 10 million times. Digital lifestyle app WowBox, which has also crossed 10 million downloads, allows customers enjoy telecom products, lifestyle products and benefits as well as participate in trending discussions and activities. FlexiPlan; the first app in the industry where users can make their own core product has crossed more than 8 million downloads already.

In 2017, Grameenphone-managed voice services has seen close to double digit year-on-year growth and considering the previous few years, a remarkable overall performance. The focus is to develop customer-centric products and to modify existing products to make them more user-friendly. For ease of activation, we introduced additional recharge based activations for our voice products.

2017 saw the launch of "MyPlan", a complete postpaid solution for customers seeking the ultimate convenience and value. To simplify life for our customers, existing postpaid customers can migrate to MyPlan through MyGP. MyPlan customers can also choose different plans and access exclusive discounted internet pack offers straight from the app.

Grameenphone has added close to 7 million new internet users, taking Grameenphone's internet penetration close to 48.0%, and making it the largest ISP by far in the country. New 4GB and 250MB packs were introduced alongside previous data packs, and monthly packs were redesigned to meet the changing needs of customers. At the same time Grameenphone optimised its network to offer data users a better Facebook and YouTube experience.

In value added services, we have simplified product modality and features for Welcome Tune, one of the favourite VAS services, and started offering unlimited tune downloads free of cost. Additionally, Grameenphone introduced a Digital Product Delivery Platform (DPDP) to manage VAS services with enhanced business monitoring, reporting and promotion capabilities.

As a part of our simplification drives, we have also retired 8 major voice and data products to make our portfolio leaner and more relevant.

Our effort to digitise the Bangladesh market, we have become the first operator to launch an operator agnostic marketplace 'Shoparu'. Customers can purchase a wide range of products from this marketplace, moreover Grameenphone's robust distribution network will ensure that the product can be quickly delivered to every corner of the country.

Grameenphone has taken a big step in further expanding its distribution quality and coverage in 2017 as well. We have considered geographical differences and have adopted a more localised approach in order to reach out to customers better and solve their issues in a more practical manner. Our Business Circle concept is now paying off and bringing customers closer; deep rural and remote locations are, for us, no longer "remote".

### Enhancing Customer Experience

Grameenphone is always striving to provide better customer experience, emphasising on customer value and investing in enhanced quality of services. In 2017, we worked to empower customers by digitising our core services through MyGP and the GP Shop. This has made the customers' interaction with Grameenphone much easier and simpler. We have also upgraded our front line system and order management system for enhanced service delivery to customers. This has enabled us to execute customer requests much faster. It has also enabled our front line agents to serve our customers quicker. We have worked hard and invested time to eliminate customer pain points and further simplify our product portfolio. As a result, customer perception has improved and the Company has been able to maintain industry-leading customer satisfaction rates, along with the lowest complaint rates.

Overview

Business Performance

Sustainability

Governance

Financial Analysis

Additional Information

### Network & IT Readiness for Future Business

We strengthened coverage footprint, enhanced operational efficiency, increased customer centricity, network resilience and virtualisation. IT transformation had been the main focus areas in technology for 2017. Maintaining network superiority over competitors has been our driving force and innovation was a prime key to ensure the best delivery.

1,010 2G sites and 1,776 3G sites were rolled out in 2017. This investment increased the overall network coverage and service quality position for Grameenphone. Grameenphone has the most number of sites in Bangladesh with the tally reaching about 13,000 sites. New light structure site design has been adopted to ensure lower CapEx.

For the first time in Bangladesh, Grameenphone deployed smart radio access network solutions such as 18 sector antennas, and nine sector antennas for better customer experience in large gatherings. Fast action has been taken in Cox's Bazar by installing six temporary sites to support communication needs of aid workers working with the Rohingya refugees.

Investment has also been made to modernise and virtualise the Core and VAS (Value Added Services) platforms to enhance efficiency and readiness for future technology adoption and faster time to market in the service of our customers. Process simplification and innovations resulted in faster customer complaint resolution. Optimisations have been completed, with a specific focus on Facebook. This has resulted in the best Facebook experience on the Grameenphone network.

A new IT vendor has been introduced in 2017. Migration from Accenture to Wipro generated 45% efficiency with all engagement terms being improved.

2017 has also been a year with severe natural calamities and prolonged rains. This had caused huge power disruption across the country. During these interruptions the network has proven its resilience with minimum disruption to customer experience.

As part of regulatory compliance, in 2017, Grameenphone delivered Central Biometric Monitoring System server connectivity with BTRC & the EC (Election Commission).

In Q4'17, the Company initiated an intensive program to improve services in areas of the country, specifically Dhaka where network congestion is degrading the customer's experience.

### GP Accelerator: A Major Enabler of Digital Growth

Startups have been a big element of the success for our ecosystem, particularly over the last 12 months. One of the ingredients of digital transformation for a country is local innovation—to put it simply, local entrepreneurs addressing local everyday demands using technology that we interact with every day.

The startup ecosystem of Bangladesh is young and has just started to take shape. Presently, e-commerce is the largest revenue driver with a new breed of startups pushing digitalisation of the service industry with success. Through GP Accelerator program, we too have played a role in shaping it. We have actively engaged with every player in Bangladesh and abroad as partners in building the ecosystem here. These partners include —the likes of Startup Bangladesh, Better Stories, SD Asia and international partners such as Seed stars and Slush.

### Creating Future Fit Organisation for New Digital Era

In its journey towards digital ambition, Grameenphone has focused on innovation, collaboration, agility and ethics to create a future fit organisation for the new digital era. The highly engaged and enabled team of Grameenphone creates a sustainable competitive advantage that results in superior business performance and delighted customers.

Grameenphone brands itself as a millennial-friendly tech employer with strong innovation friendly ecosystem. The Company focuses on employee experience which takes into account the physical environment the employees work in, the tools and technologies that enable and enhance their productivity and create a learning journey for the employees to up-skill and re-skill their competencies. The Company has created a culture that is shaped by its values and high ethical standards. In parallel, across all forms of employment models (own employees, outsourced, contractors apprentices etc.) we have reduced the overall headcount by approximately 2,500 people in 2017. All of these are aimed towards developing the organisational capabilities and business models to make Grameenphone a strong competitive operator.

### Sustainability Initiatives Towards Reducing Inequalities

Connectivity has led to ultimate empowerment of our people. This has been the basis upon which our services have integrated communities with the opportunities that await them – evolving the way we live, work, learn, share and solve challenges. Grameenphone's vision of Empowering Societies is the core to Sustainability Initiatives. Keeping that in mind, it has renewed its ambitions towards sustainability with focus on social development goals and responsible business practices.

In 2017, we have renewed our focus in three main areas in order to drive Grameenphone's Sustainability Direction – creating innovative digital social interventions, reducing inequalities through collaboration and strengthening management of



sustainability risks. We have educated over 52,000 school children across the country on Online Safety. We have partnered to create online access to quality education for marginalised children. During disasters we have stood beside the affected communities with immediate interventions that has made a difference in the lives of 350,000 people. Grameenphone continued to contribute in shaping standards across the business value chain to ensure responsible operations through over a 1,000 inspections and over 5,000 man hours of training.

### Our Green Business

Grameenphone continuously strives to reduce the carbon footprint of its operations to safeguard the environment and fight climate change. We are not only reducing carbon emissions but also actively working to create a sustainable green momentum in the community by engaging employees, our supply chain and customers to adopt green practices.

Grameenphone has deployed solar power in around 10% of its BTS throughout the country and launched a "Mobile Handset Recycling" campaign. This initiative to recycle handsets has added a new dimension to environmental conservation in Bangladesh. Grameenphone's effort and initiatives around green business has been recognised through our nomination to the highly prestigious global GSMA Green Mobile Awards 2017. Detailed information of our initiatives is provided in the Climate Change section of the Annual Report on page 22.

### Occupational Health & Safety (OHS) and Employee Wellness

Continuous improvement in health, safety and wellness of stakeholders is an integral part of Grameenphone's core business principles. Grameenphone promotes a healthy and safe working environment that ensures health and safety into everything that it does.

The Company puts utmost priority on occupational safety by promoting positive and pre-emptive behavior among employees and stakeholders. This is applied rigorously from the very early stages of designing facilities in order to implement safe systems and procedures throughout the organisation.

In 2017, Grameenphone continued its effort to strengthen its occupational health and safety standards and employee wellness initiatives to ensure productivity, efficiency and sustainability across the value chain. To prevent road accidents, an extensive safety awareness campaign on road and travel safety was rolled out across the organisation in 2017 covering 2,512 employees. Along with reinforcing safety rules, strict monitoring mechanism has been introduced as a preventive measures. In addition to 24/7 safety hotline, 'OneGP' - a mobile application has also been launched to help the employees address and mitigate potential hazards.

Circle safety committees have been revamped to monitor OHS performance and enhance safety culture among the employees working in the regions. Additionally, a series of safety awareness campaigns, safety inspections and surveillance programs have been conducted to mitigate workplace risk.

### Directors' Responsibilities for Financial Statements

The Board is responsible to present a true and fair view of the Company's financial performance and position as a part of good governance and 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 fairly its state of affairs, the result of its operations, cash flows and changes in equity;
- 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 judgments;
- d. International Financial Reporting Standards (IFRSs), as applicable in Bangladesh, 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;
- f. There is no doubt upon the Company's ability to continue as a going concern.

As required under BSEC's Corporate Governance Guidelines, the Directors further confirm that the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have certified to the Board the following:

- i. They have reviewed the Financial Statements and that these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- ii. They have reviewed the financial statements and believe that these statements together present a true and fair view of the Company's affairs and are in compliance with the existing accounting standards and applicable laws; and
- iii. 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 Company's Code of Conduct.

**Corporate Governance**

We believe a well-practiced governance regime is essential to success and sustainability. Accordingly, the Board of Directors and Management of Grameenphone are pledge bound to continue implementation of the highest standards of Corporate Governance in the Company through a culture of accountability, transparency and well-understood policies and procedures. The Board of Directors of Grameenphone has always played a pivotal role in meeting all stakeholders' interests and is committed to upholding the same in future as well.

In line with the same, the Company has complied with the conditions as stipulated in the Corporate Governance Guidelines issued on 07 August 2012 by BSEC. In this connection, the status of compliance has been annexed to this report as Annexure-I. Further, a certificate of compliance from M/s Al-Muqtadir Associates, Chartered Secretaries & Consultants, confirming compliance of conditions of Corporate Governance, as stipulated under condition 7(i) of the BSEC Guidelines is also annexed to this report as Annexure-IV.

**Other Disclosure/Statements Pursuant to the Provisions of the BSEC's Corporate Governance Guidelines 2012**

**• Segment/Product Wise Performance**

Grameenphone essentially provides similar products and services to customers across the country. Grameenphone reviews revenue performance of different services, which have been disclosed under notes to the Financial Statements.

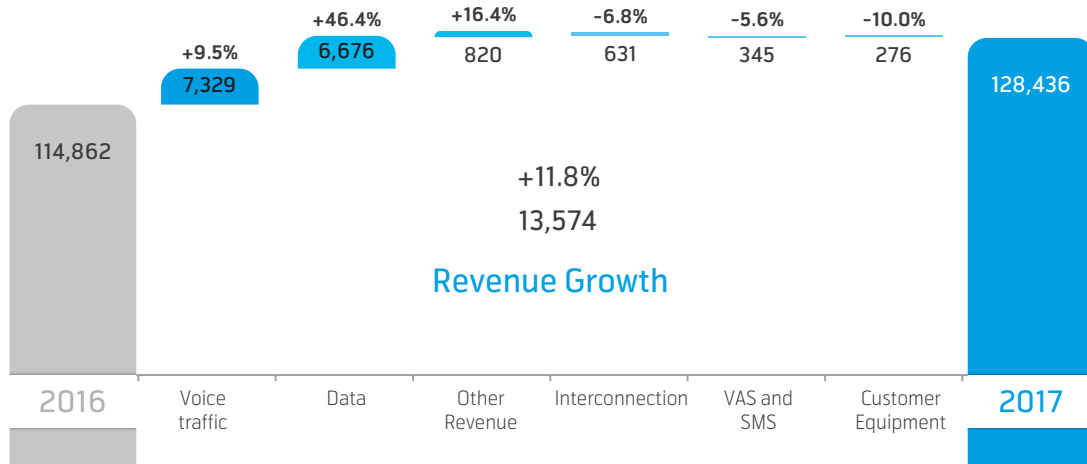
Grameenphone posted BDT 128.4 billion of total revenue for the year 2017 with 11.8% increase compared to the previous year. The growth in revenue was mainly driven by voice, data, and bundle, partly offset by lower interconnection revenue.

Voice revenue has increased by 9.5% from 2016 due to a 15.1% increase in outgoing minutes driven by promotional activities and higher customer acquisition.

Data revenue has increased by 46.4% from 2016 mainly driven by 27.0% growth in the number of data users and 69.5% growth in data usage volume in 2017. This data growth was enabled through 3G coverage expansion by adding 1,776 sites and effective micro campaigns in 2017.

Revenue from customer equipment mainly includes sale of mobile devices, i.e. handsets, branded internet modems and VTS.

Figures in BDT million



Other mobile revenue includes revenues mainly from telecom infrastructure sharing, mobile financial services etc.

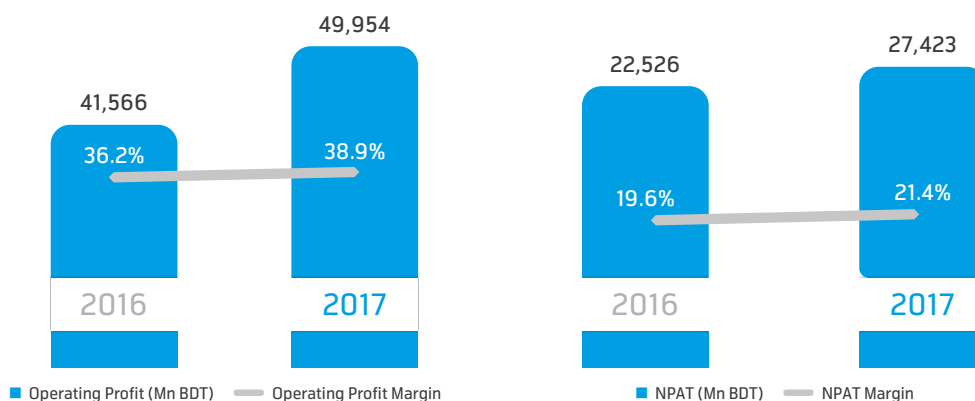
Interconnection revenue is generated from the incoming traffic through the calls generated from outside Grameenphone network. Interconnection revenue was lower in 2017 compared to 2016 following a decrease in incoming minutes from international and local operators. Also, higher on-net calls have led to the decrease in interconnection revenue.

VAS and SMS includes Content service, SMS and MMS revenue. VAS and SMS revenue fell by 5.6% from 2016 mainly from content service.

### • Review on Cost of Goods Sold, Gross Profit Margin and Net Profit Margin

Operating expenses consist of material cost, personnel expense, network operation and maintenance, selling & distribution cost, dealers' commission & marketing expense, revenue sharing & frequency charges to regulator and depreciation & amortisation. Operating expense for 2017 was BDT 78.5 billion with 7.1% increase compared to last year. The increase is mainly due to higher depreciation, commission, regulatory and Operation and Maintenance expense, partly offset by lower Sales, marketing and representation costs and Advertisement and Promotional expenses.

As an effect of the higher revenue growth compared to the growth in operating expenses, operating profit for the year 2017 increased by BDT 8.4 billion from last year. Profit before tax for 2017 also increased by BDT 9.1 billion from last year mainly because the prior year profit before tax was negatively impacted by Impairment of investment in associate and share of loss from associate.



Net profit margin for the year 2017 was 21.4% compared to 19.6% in last year. Net profit after tax in 2017 increased by 21.7% due to higher growth in revenue compared to expenditure in 2017. As a result, Earnings Per Share (EPS) for the year 2017 stood at BDT 20.31 compared to BDT 16.68 of 2016.

- All transactions with related parties have been made on a commercial basis. Details of related parties and related party transactions have been disclosed in note 38 to the Financial Statements as per requirements of relevant IFRS.
- The Grameenphone Initial Public Offering (IPO) was made in 2009 and the fund raised thereby has already been utilized by 30 June 2010 as reported to the regulators. No further equity instrument has been issued since then.
- The financial results of the Company have continued to improve since the IPO in 2009 as reflected in the yearly Financial Statements.
- As per IAS 1, Presentation of Financial Statements, no items of income and expense are presented as 'extraordinary gain or loss' in the Financial Statements. Accordingly, no gain or loss has been presented as 'extraordinary gain or loss' in the Financial Statements.
- No significant variations have occurred between quarterly and final financial performances of the Company during 2017.
- 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 2017, attendance fees in connection with Board and Board Sub-Committee meetings are BDT 1,296,122 (2016: BDT 875,840). However, payments to Foreign Directors, not remitted as yet, have been provided for in the accounts of the relevant year.
- The key operating and financial data for the last five years has been disclosed in this Annual Report on page 52.
- Grameenphone has declared interim dividend and recommended final dividend for the year 2017.
- During 2017, a total of 14 (fourteen) Board meetings were held, which met the regulatory requirements in this respect. The attendance records of the Directors are shown in Annexure-II to this report.
- Shareholding pattern of the Company as on 31 December 2017 is shown in Annexure-III of this report.

## Annual Results and Allocations

The Directors take pleasure in reporting the financial results of the Company for the year ended 31 December 2017 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

Figures in BDT million

	2017	2016
<b>Profit available for Appropriation*</b>		
Profit/ (Loss) after tax	27,423	23,099
Other comprehensive income (loss), net of tax	457	0
Un-appropriated profit brought forward from previous year	12,213	8,693
<b>Total Amount available for Appropriation</b>	<b>40,093</b>	<b>31,792</b>
<b>Appropriation</b>		
Final Dividend Paid for Previous Year	12,153	8,102
Interim Dividend Paid for Current Year	14,178	11,478
<b>Closing Retained Earnings at year end (before Proposed Final Dividend)</b>	<b>13,762</b>	<b>12,213</b>
Proposed Final Dividend for the year (2017: 100% cash and 2016: 90% cash)	13,503	12,153
<b>Retained Earnings after Proposed Dividend</b>	<b>259</b>	<b>60</b>

\*Based on separate Financial Statements of Grameenphone Ltd.

## Contribution to the National Exchequer

Being one of the largest contributors to the National Exchequer for the last several consecutive years, the collective contribution of Grameenphone from inception up to December 2017 was BDT 585.2 billion. During 2017 alone, the Company contributed BDT 61.8 billion to the national exchequer which represents about 48.1% of Grameenphone's total revenue of 2017. Grameenphone has paid BDT 14.7 billion corporate taxes during 2017.

## Dividend

For the year ended 31 December 2017, the Board of Directors of the Company has paid an Interim Cash Dividend @ 105% of the paid-up capital amounting to BDT 14,178,150,231 which was BDT 10.5 per share of BDT 10 each. Now, the Directors are pleased to recommend a Final Cash Dividend @ 100% of the paid-up capital amounting to BDT 13,503,000,220 which is BDT 10 per share of BDT 10 each for the year 2017 out of the divisible profits of the Company for consideration and approval of the Shareholders for distribution. Inclusive of the Interim Dividend of 105% paid already, this would make a cumulative total dividend @ 205% of the paid-up capital of the Company which represents 101% of the Profit After Tax for the year 2017 amounting to BDT 27,681,150,451.

The above recommendation of dividend is as per the Board approved dividend policy.

## Board of Directors

The composition of the Board of Directors who held office during the year was as below:

1. Mr. Petter Boerre Furberg, Telenor Mobile Communications AS, Director and Chair (effective from 26 May 2017)
2. Mr. Tore Johnsen, Telenor Mobile Communications AS, Director
3. Mr. Hans Martin Hoegh Henrichsen, Telenor Mobile Communications AS, Director
4. Mr. Haakon Bruaset Kjoel, Telenor Mobile Communications AS, Director
5. Mr. Oivind Burdal, Telenor Mobile Communications AS, Director
6. Mr. M Shahjahan, Grameen Telecom, Director
7. Mr. Md. Ashraful Hassan, Grameen Telecom, Director
8. Ms. Parveen Mahmud, Grameen Telecom, Director
9. Ms. Rokia Afzal Rahman, Independent Director
10. Prof. (Dr.) Jamilur Reza Choudhury, Independent Director



## Changes in the Board and Appointment of New Chair

During the period under review, Mr. Petter Boerre Furberg joined the Board on 26 May 2017 as a Director in place of Mr. Christopher Adam Laska. Grameenphone also announced the appointment of Mr. Petter Boerre Furberg as Chair of the Board, replacing Mr. Christopher Adam Laska with effect from 26 May 2017 and expects that his dynamic leadership would take the Company to further heights in the future.

The Board would also take this opportunity to profoundly thank and bid farewell to Mr. Christopher Adam Laska, for his inspiring leadership which has helped the Board discharge its governing responsibilities towards the Company. The Board wishes him the very best for future.

## Directors' Appointment & Re-Appointment

With regard to 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. M Shahjahan
2. Mr. Haakon Bruaset Kjoel
3. Ms. Parveen Mahmud

Brief profiles of the Directors being proposed for re-appointment are given on page 30 of the Annual Report, which fulfill condition 1.5 (xxii) of the Corporate Governance Guidelines of BSEC.

## Appointment of Chief Executive Officer (CEO)

The Board has appointed Mr. Michael Patrick Foley as the Chief Executive Officer of Grameenphone, with effect from 26 May 2017 in place of Mr. Petter Boerre Furberg, who served the Company for 7 months. On this occasion, the Board of Directors would like to thank Mr. Petter Boerre Furberg for his dedication to the Company.

## Appointment of Auditors

As per the Companies Act 1994 and the Articles of Association of Grameenphone, the statutory auditors of the Company, Rahman Rahman Huq, Chartered Accountants, shall retire at this AGM. As per BSEC Order No. SEC/CMRRCD/2009-193/104/Admin dated 27 July, 2011, an audit firm cannot be engaged for more than three (3) consecutive years as statutory auditors of the same company. Rahman Rahman Huq has been the statutory auditors of the Company since 2015. In compliance with the BSEC order, we are required to appoint new statutory auditors for the Company. A Qasem & Co, Chartered Accountants has offered their willingness to be appointed as statutory auditors of Grameenphone. On the suggestion of the Audit Committee, the Board recommends their appointment for the year 2018 and continuation till the next AGM at a fee of BDT 2.5 million plus VAT.

## Risk and Concern

As with other co-existing companies, Grameenphone business is also exposed to diverse risks that arise both from internal as well as the external fronts. Apart from uncertainties stemming from an unstable regulatory regime, the Company has always remained itself prepared for concerns from the competing markets, operational issues, 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. This aspect is discussed at the "Enterprise Risk Management" section of the Annual Report on page 49.

## Outlook: Business Transformation for Digitalisation and Agility

The digital era ahead is abundant in opportunity but also filled with challenges and disruption. Sitting on the cusp of a digital revolution, powered by data connectivity, it is important that infrastructure and business models undergo transformation to get the best benefits of digitalisation. Bangladesh has already started on this transformation and Grameenphone is well placed to capture the emerging digital opportunities while at the same time reshaping the core communications business.

Strategically we are on the right trajectory with the focused set of strategic initiatives we have set for 2018 and we are confident in our ability to continue developing customer and shareholder value.

Going forward, Grameenphone wants to continue making a positive impact on the lives of the people of Bangladesh by not only providing them with new and innovative digital services but also by ensuring access to a greater range of affordable devices. To drive the digitalisation journey forward, Grameenphone will continue to support local technology startups to innovate and come up with more digital services and solutions.

Grameenphone strongly believes in incredible possibilities, driven by innovative, affordable solutions for customers, and an explosion of value-added adjacent services to empower societies and enhance the international competitiveness of the local economy.

Finally, harvesting the full benefits of digital technologies requires an equally modern policy framework focused on facilitating innovation, healthy competition and removing barriers to efficient delivery processes. Looking ahead, it is imperative that both the industry and authorities work hand-in-hand to further strengthen the operating environment to meet the opportunities and challenges of delivering "Digital Bangladesh".

#### **A Note of Thanks**

The Board of Directors firmly believes that Grameenphone has the necessary strengths, resources and commitments to enable the Company to grow and further its contribution to Bangladesh. The performance of the Company during period under review demonstrates the resolves and determination of the Board, Management and our employees to empower society. On this occasion, the Board expresses on record its appreciation to the partners of Grameenphone, shareholders, suppliers, customers, bankers, regulators, media and all other well-wishers for their support and patronage to bring the Company to this level and we will continue to partner with them to build a healthy and conducive ecosystem to accelerate Bangladesh's transformation into a digital nation.

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



**Petter Boerre Furberg**

Chair

29 January 2018

## Annexure I

Status of compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August, 2012 issued under section 2CC of the Securities and Exchange Ordinance, 1969:

## (Report under condition no. 7.00)

Condition No.	Title	Compliance Status ("✓" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>1.</b>	<b>Board of Directors (BoD)</b>			
1.1	Board's Size (number of Board members – minimum 5 and maximum 20)	✓		There are 10 (Ten) members in the Company Board
<b>1.2</b>	<b>Independent Directors</b>			
1.2(i)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		There are 2 (Two) Independent Directors (ID) out of total 10 (Ten) Directors
<b>1.2(ii)</b>	<b>Independent Director means a Director:</b>			
1.2(ii)(a)	who either does not hold any share in the Company or holds less than one percent (1%) shares of the total paid-up shares of the Company	✓		The IDs have submitted declarations about their compliances
1.2(ii)(b)	who is not a sponsor of the Company and is not connected with any sponsor of the Company's or Director or shareholder who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship. His/her family members also should not hold above mentioned shares in the Company	✓		-do-
1.2(ii)(c)	who does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/ associated companies	✓		-do-
1.2(ii)(d)	who is not a member, Director or officer of any stock exchange	✓		-do-
1.2(ii)(e)	who is not a shareholder, Director or officer of any member of stock exchange or an intermediary of the capital market	✓		-do-
1.2(ii)(f)	who is not a partner or executive or was not a partner or an executive during the preceding 3 (three) years of the Company's statutory audit firm	✓		-do-
1.2(ii)(g)	who shall not be an Independent Director in more than 3 (three) listed companies	✓		-do-
1.2(ii)(h)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI)	✓		-do-
1.2(ii)(i)	who has not been convicted for a criminal offence involving moral turpitude	✓		-do-
1.2(iii)	Independent Director(s) shall be appointed by BoD and approved by the shareholders in the Annual General Meeting (AGM)	✓		The appointments are duly approved
1.2(iv)	The post of Independent Director(s) cannot remain vacant for more than 90 (ninety) days	✓		No such event in the reporting year
1.2(v)	The Board shall lay down a code of conduct of all Board members and annual compliance of the code to be recorded	✓		There is a written Code of Conduct and all Board members and employees are obliged to comply with

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.2(vi)	The tenure of office of an independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) term only	√		The IDs are in their regular term of office
1.3(i)	Independent Director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business	√		The qualification and background of IDs justify their abilities as such
1.3(ii)	Independent Director should be a Business Leader/ Corporate leader/Bureaucrat/University Teacher with Economics or Business Studies or Law background/ Professionals like Chartered Accountants, Cost & Management Accountants, Chartered Secretaries. The Independent Director must have at least 12 (twelve) years of corporate management/ professional experiences	√		-do-
1.3(iii)	In special cases the above qualifications may be relaxed subject to prior approval of Commission	None		
1.4	The Chairman of the Board and the Chief Executive Officer (CEO) shall be different individuals. The Chairman shall be elected from among the directors. The Board of Directors shall clearly define respective roles and responsibilities of the Chairman and the CEO	√		The Chair and CEO are different individuals with clearly defined roles and responsibilities
<b>1.5</b>	<b>The Directors' Report shall include the following additional statements:</b>			
1.5(i)	Industry outlook and possible future developments in the industry	√		Included in the Directors' Report
1.5(ii)	Segment-wise or product-wise performance	√		-do-
1.5(iii)	Risks and concerns	√		-do-
1.5(iv)	A discussion on Cost of Goods sold, Gross Profit and Net Profit Margin	√		-do-
1.5(v)	Discussion on continuity of any Extra-Ordinary gain or loss	√		-do-
1.5(vi)	Basis for related party transactions - a statement of all related party transactions should be disclosed in the annual report	√		-do-
1.5(vii)	Utilisation of proceeds from public issues, rights issues and/ or through any other instruments	√		-do-
1.5(viii)	An explanation if the financial results deteriorate after the Company goes for Initial Public Offering (IPO)	None		-do-
1.5(ix)	If significant variance occurs between Quarterly Financial performance and Annual Financial Statements & Management explanation thereof	None		-do-
1.5(x)	Remuneration to directors including Independent Directors	√		-do-
1.5(xi)	The financial statements present fairly its state of affairs, the result of its operations, cash flows and changes in equity	√		-do-
1.5(xii)	Proper books of account have been maintained	√		-do-
1.5(xiii)	Adaptation of appropriate accounting policies & estimates	√		-do-
1.5(xiv)	IAS/BAS/IFRS/BFRS, as applicable in Bangladesh, have been followed and adequate disclosure for any departure	√		-do-
1.5(xv)	The system of internal control is sound in design and has been effectively implemented and monitored	√		-do-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
1.5(xvi)	Going Concern (ability to continue as a going concern)	√		Included in the Directors' Report
1.5(xvii)	Highlight and explain significant deviations from the last year's operating results	√		-do-
1.5(xviii)	Key operating and financial data of at least preceding 5 (five) years shall be summarised	√		Given on Page 52 of the Annual Report
1.5(xix)	Reason for non declaration of Dividend	None		No such case
1.5(xx)	The number of Board meetings held during the year and attendance by each Director	√		Included in the Directors' Report
<b>1.5(xxi)</b>	<b>Pattern of shareholding and name wise details (disclosing aggregate number of shares):</b>			
1.5(xxi)(a)	Parent/Subsidiary/Associated Companies and other related parties	√		Included in the Directors' Report
1.5(xxi)(b)	Directors, Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Head of Internal Audit (HIA) and their spouses and minor children	√		-do-
1.5(xxi)(c)	Executives	√		-do-
1.5(xxi)(d)	Shareholders holding ten percent (10%) or more voting interest in the Company	√		-do-
<b>1.5(xxii)</b>	<b>In case of the appointment/re-appointment of a director, disclose:</b>			
1.5(xxii)(a)	a brief resume of the director	√		Given on Page 30 of the Annual Report
1.5(xxii)(b)	nature of his/her expertise in specific functional areas	√		-do-
1.5(xxii)(c)	names of Companies in which the person also holds the Directorship and the membership of committees of the Board	√		Given on Page 33 of the Annual Report
2.1	Appointment of CFO, HIA and CS and defining their respective roles, responsibilities & duties	√		The CFO, HIA and CS are different individuals and their roles and responsibilities are separately defined
2.2	The CFO and the CS shall attend the meetings of the Board of Directors	√		The CFO and CS participate in all Board meetings
<b>3</b>	<b>Audit Committee</b>			
3(i)	The Company shall have an Audit Committee as a sub-committee of the BoD	√		Audit Committee is established as per BSEC guidelines
3(ii)	The Audit Committee shall assist the BoD 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 given guidelines
3(iii)	The Audit Committee shall be responsible to the BoD. 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's guidelines
3.1(i)	The Audit Committee shall be composed of at least 3 (three) members	√		Audit Committee comprises of 3 members
3.1(ii)	The BoD shall appoint members of the Audit Committee who shall be Directors of the Company and shall include at least 1 (one) Independent Director	√		Members of Audit Committee are Directors which includes one ID, all appointed by the Board

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
3.1(iii)	All members of the Audit Committee should be 'financially literate' and at least 1 (one) member shall have accounting or related financial management experience	√		The profiles of the members demonstrate their capabilities as such
3.1(iv)	Expiration of the term of service of Audit Committee members making the number lower than 3 (three) and fill up the vacancy (ies) by the Board not later than 1 (one) month from the date of vacancy(ies)	None		No such case during reporting year
3.1(v)	The Company Secretary shall act as the secretary of the Audit Committee	√		
3.1(vi)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) Independent Director	√		
3.2(i)	The BoD shall select the Chairman of the Audit Committee, who shall be an Independent Director	√		The Chairman of Audit Committee is an ID as selected by the Board
3.2(ii)	Chairman of the Audit Committee shall remain present in the AGM	√		Was present in the AGM held in 2017
<b>3.3</b>	<b>Role of Audit Committee</b>			
3.3(i)	Oversee the financial reporting process	√		The Audit Committee performs as per BSEC's guidelines
3.3(ii)	Monitor choice of accounting policies and principles	√		-do-
3.3(iii)	Monitor Internal Control Risk management process	√		-do-
3.3(iv)	Oversee hiring and performance of external auditors	√		-do-
3.3(v)	Review the annual Financial Statements before submission to the Board for approval	√		-do-
3.3(vi)	Review the quarterly and half yearly Financial Statements before submission to the Board for approval	√		-do-
3.3(vii)	Review the adequacy of internal audit function	√		-do-
3.3(viii)	Review statement of significant related party transactions submitted by the Management	√		-do-
3.3(ix)	Review Management Letters/Letter of Internal Control weakness issued by statutory auditors	√		-do-
3.3(x)	Disclosure to the Audit Committee about the uses/ applications of IPO funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, shall prepare a statement of funds utilised for the purposes other than those stated in the prospectus	None		No IPO was made in the year 2017
3.4.1(i)	Reporting to BoD on the activities of the Audit Committee	√		
3.4.1(ii)(a)	Reporting to BoD on conflicts of interests	None		
3.4.1(ii)(b)	Reporting to BoD on any fraud or irregularity or material defect in the internal control system	None		
3.4.1(ii)(c)	Reporting to BoD on suspected infringement of laws	None		
3.4.1(ii)(d)	Reporting to BoD on any other matter	None		
3.4.2	Reporting to BSEC (if any material impact on the financial condition & results of operation, unreasonably ignored by the management)	None		
3.5	Reporting to the Shareholders of Audit Committee activities, which shall be signed by the Chairman and disclosed in the Annual Report	√		Activities of the Audit Committee are reported on page 51 of the Annual Report

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
<b>4</b>	<b>External / Statutory Auditors</b>			
4(i)	Non-engagement in appraisal or valuation services or fairness opinions	√		As declared by Auditors
4(ii)	Non-engagement in designing and implementation of Financial Information System	√		-do-
4(iii)	Non-engagement in Book Keeping or other services related to the accounting records or financial statements	√		-do-
4(iv)	Non-engagement in Broker-Dealer services	√		-do-
4(v)	Non-engagement in Actuarial services	√		-do-
4(vi)	Non-engagement in Internal Audit services	√		-do-
4(vii)	Non-engagement in any other services that the Audit Committee determines	√		-do-
4(viii)	No partner or employees of the external audit firms shall possess any share of the Company during the tenure of their assignment	√		-do-
4(ix)	Non-engagement in audit/certification services on compliance of corporate governance as required under clause (i) of condition no. 7	√		-do-
<b>5</b>	<b>Subsidiary Company</b>			
5(i)	Provisions relating to the composition of the BoD of the holding Company shall be made applicable to the composition of the BoD of the subsidiary Company	Not applicable		Grameenphone does not have any subsidiary Company as on reporting date
5(ii)	At least 1 (one) Independent Director on the BoD of the holding Company shall be a Director on the BoD of the subsidiary Company.	Not applicable		-do-
5(iii)	The minutes of the Board meeting of the subsidiary Company shall be placed for review at the following Board meeting of the holding Company	Not applicable		-do-
5(iv)	The minutes of the respective Board meeting of the holding Company shall state that they have reviewed the affairs of the subsidiary Company also	Not applicable		-do-
5(v)	The Audit Committee of the holding Company shall also review the Financial Statements, in particular the investments made by the subsidiary company	Not applicable		-do-
<b>6</b>	<b>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:</b>			
6(i)(a)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading	√		The CEO and CFO have duly certified to the Board
6(i)(b)	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-
6(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 violation of the Company's code of conduct	√		-do-

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
7(i)	Obtaining certificate from a practicing Professional Accountant/Secretary regarding compliance of conditions of Corporate Governance Guidelines of the BSEC and include in the Annual Report	√		Given on page 74 of the Annual Report
7(ii)	Directors statement in the directors' report whether the Company has complied with these conditions	√		Detailed status of compliance is given in the Compliance Schedule as published with the Directors' Report

## Annexure II

Board Meeting and attendance during the year ended 31 December 2017

Name of Directors	Board Member Since	Number of meetings attended during 2017
Mr. Petter Boerre Furberg	26 May 2017	09/09
Mr. Tore Johnsen	10 December 2013	14/14
Mr. Haakon Bruaset Kjoel*	14 September 2011	11/14
Mr. Hans Martin Hoegh Henrichsen	22 January 2014	14/14
Mr. Oivind Burdal*	18 May 2016	11/14
Mr. M Shahjahan	26 June 2006	14/14
Mr. Md. Ashrafur Hassan*	20 January 2010	12/14
Ms. Parveen Mahmud*	17 October 2012	12/14
Ms. Rokia Afzal Rahman*	6 December 2012	12/14
Prof. (Dr.) Jamilur Reza Choudhury*	15 June 2016	09/14
Mr. Christopher Adam Laska*	29 September 2016	05/05

\*Mr. Christopher Adam Laska retired from the Board on 25 May 2017.

\*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 2017

Name of Shareholders	Status	Shares Held	Percentage
<b>i) Parent/Subsidiary/Associate Companies</b>			
Telenor Mobile Communications AS	-	753,407,724	55.80%
Nye Telenor Mobile Communications II AS	-	215	0.00%
Nye Telenor Mobile Communications III AS	-	215	0.00%
Telenor Asia Pte. Ltd.	-	215	0.00%
Grameen Telecom	-	461,766,409	34.20%
Grameen Kalyan	-	22	0.00%
Grameen Shakti	-	22	0.00%
<b>ii) Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children</b>			
Mr. Petter Boerre Furberg	Chair	-	-
Mr. Tore Johnsen	Board Member	-	-
Mr. Haakon Bruaset Kjoel	Board Member	-	-
Mr. Hans Martin Hoegh Henrichsen	Board Member	-	-
Mr. Oivind Burdal	Board Member	-	-
Mr. M Shahjahan	Board Member	-	-
Mr. Md. Ashraf Hassan	Board Member	-	-
Ms. Parveen Mahmud	Board Member	-	-
Ms. Rokia Afzal Rahman	Board Member	-	-
Prof. (Dr.) Jamilur Reza Choudhury	Board Member	-	-
Mr. Michael Patrick Foley	Chief Executive Officer	-	-
Mr. Karl Erik Broten	Chief Financial Officer	-	-
Mr. S M Imdadul Haque	Company Secretary	-	-
Mr. Hasan Faisal	Head of Internal Audit	195	0.00%
<b>iii) Executives</b> (as explained in the BSEC's Notification No. SEC/CMRRCD/2006-158/134/Admin/44 dated 07 August 2012)			
Mr. Yasir Azman	Deputy CEO & Chief Marketing Officer	24,083	0.00%
Mr. Mahmud Hossain	Chief Corporate Affairs Officer	-	-
Mr. Andreas Frandevi	Chief Strategy Officer	-	-
Mr. Quazi Mohammad Shahed	Chief Human Resources Officer	325	0.00%
Mr. Rade Kovacevic	Chief Technology Officer	-	-
<b>iv) Shareholders holding ten percent or more voting interest</b>			
Telenor Mobile Communications AS	-	753,407,724	55.80%
Grameen Telecom	-	461,766,409	34.20%

Overview

Business Performance

Sustainability

Governance

Financial Analysis

Additional Information

## Certificate of Compliance to the Shareholders of Grameenphone Ltd.

(As required under the BSEC Corporate Governance Guidelines)

We have examined compliance to the BSEC guidelines on Corporate Governance by Grameenphone Ltd. for the year ended 31<sup>st</sup> December 2017. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7<sup>th</sup> August 2012 of Bangladesh Securities and Exchange Commission (BSEC) on Corporate Governance.

Such compliance to the codes of Corporate Governance 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. This is a scrutiny and verification and an independent audit on compliance of the conditions of Corporate Governance as regulated by BSEC.

In our opinion and to the best of our information and according to the explanations or representations provided to us, we certify that, subject to the remarks and observations as reported in the attached Compliance Statement, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned guidelines issued by BSEC.

We also state that such compliance is neither an assurance as to the future viability of the Company nor a certification on the efficiency or effectiveness with which the Management has conducted the affairs of the Company. This is also no endorsement about quality of contents in the Annual Report of the Company for 2017.



**Al-Muqtadir Associates**  
Chartered Secretaries & Consultants

Dhaka, 29 January 2018