

REPORT OF THE AUDIT COMMITTEE FOR THE YEAR 2024-2025

The Audit Committee Report presented under condition 5.7 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC) provides an insight on the functions of the Audit Committee during the year ended 30 June 2025.

Audit Committee of Bangladesh Services Limited (BSL) is a prime Sub-Committee of the Board for ensuring good governance in the company. The Board has formed the Audit Committee as per Corporate Governance Code of the Bangladesh Securities & Exchange Commission (BSEC) with some specific assignments under its Terms of Reference. The Committee consisted of the following members in the year under review:

Name	Representation in the Board	Status in the Committee
Md. Abdur Rahman Khan FCMA	Independent Director	Chairman
Ms. Saima Shahin Sultana	Non-executive Director	Member
Ms. Bilquis Jahan Rimi	Independent Director	Member
Mr. S.M. Tarikul Islam	Company Secretary	Member Secretary

Purpose and Authority of the Audit Committee

The Audit Committee performs to ensure compliance with the Corporate Governance Code promulgated by the Bangladesh Securities and Exchange Commission (BSEC). The role of the Audit Committee is to monitor the integrity of the financial statements of the Company, review where appropriate and make recommendations to the Board on internal controls, Risk management, Compliance and Audit. The Committee satisfies itself by means of suitable steps and appropriate information that proper and satisfactory internal control systems are in place to identify and contain business risks and that the Company's business is conducted in a proper and financially sound manner. The Audit Committee assists the Board of Directors to ensure that the financial statements reflect a true and fair view of the state of affairs of the Company and ensures a sound monitoring system within the business. The Audit Committee is accountable to the Board of Directors. The duties of the Audit Committee are clearly set forth in writing.

The Audit Committee is authorized by the Board to review any activity within the business as per its terms of reference. The Committee is authorized to seek any information it requires from any member of management at any of its meetings. All employees are expected to cooperate with any request made by the Committee. The terms of reference of the Audit Committee may be amended from time to time in line with BSEC notifications subject to approval by the Board.

Responsibilities and Duties of the Audit Committee

The responsibilities and duties of the Audit Committee are:

Reviewing Financial Reporting

To review the quarterly and annual financial statements of the Company, more attention is given particularly on:

- (i) Any significant changes to accounting policies and practices;
- (ii) Significant adjustments arising from the audits;
- (iii) Compliance with applicable financial reporting standards and other legal and regulatory requirements; and
- (iv) The going concern assumption.

Reviewing Related Party Transactions

To review any related party transactions and conflict of interest that may arise within the Company, including any transaction, procedure or conduct raising questions of management integrity.

Preparing Audit Committee Reports

To prepare the annual Audit Committee Report. The report specifies the composition of the Audit Committee, terms of reference, number of meetings held and attendance therein, summary of activities and the performance of internal audit services.

Reviewing and Ensuring Internal Control

- a) To review risk management and corporate governance framework adopted within the Company and to be satisfied that the methodology deployed allows the identification, analysis, assessment, monitoring, and communication of risks in a regular and timely manner.
- b) To review the extent of compliance with established internal policies, standards, guidelines, and procedures.
- c) To obtain assurance that proper control has been designed and implemented prior to the commencement of major change within the Company.

Monitoring Internal Audit

- a) To appoint Internal audit team ensuring the competency and qualifications necessary to execute the audit plans. Audit Committee also ensures full, free and unrestricted access to all activities, records, property and personnel for Internal Audit.
- b) To be satisfied that the plan, methodology and resources of internal audit are adequate before approving the internal audit plan.
- c) To ensure that appropriate actions have been taken to implement the audit recommendations.
- d) To recommend and guide internal audit for any action plan or further review if it is deemed necessary by the Audit Committee.

Responsibility related to External Audit

- a) To oversee the hiring of External Auditors and to oversee External Audit performance by reviewing the nature and scope of audit plan, audit report, evaluation of internal controls and coordination of the external auditor.
- b) To hold meeting with the External Auditors to review Financial Statements, audit findings and recommendation before submitting to the Board for approval or adoption.
- c) To review any findings by the external auditor arising from audits, particularly any

comments and responses in management letters, as well as the assistance given by the employees of the Company in order to be satisfied that appropriate action is being taken.

- d) To review External Auditor's assessment on the Statement on Risk Management and Internal Control.
- e) To review any matters concerning the appointment and reappointment, audit fee and resignation or dismissal of the external auditor.
- f) To review and evaluate factors related to the independence of the external auditor and assist them in preserving their independence.
- g) To be advised of and decide to or not to make significant use of the external auditor in performing non-audit services within the Company, considering both the types of services rendered and the fees, so that its position as auditor is not deemed to be compromised.
- h) Over and above the aforesaid responsibilities, Audit Committee will act on any other matters as may be directed by the Board which are not in conflict with the Corporate Governance Code mandated by BSEC and audit Manual approved by the Board.

Reporting of the Audit Committee

Reporting to the Board of Directors

The Audit Committee reports on its activities to the Board of Directors. The Audit Committee shall immediately express its concerns to the Board in case of following findings:

- (i) Report on conflicts of interests;
- (ii) Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements;
- (iii) Suspected infringement of laws, including securities-related laws, rules, and regulations; and
- (iv) Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately.

The Audit Committee further ensures that, in compliance with condition no. 5 of the Corporate Governance Code of Bangladesh Securities and Exchange Commission Notification No. SEC/ CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018, the Chief Executive Officer (CEO)/Managing Director and Chief Financial Officer (CFO) of the Company have certified before the Board that they have thoroughly reviewed the Financial Statements of the Company for the year ended 30 June 2024, and they state that:

- (i) They have reviewed the financial statements for the year ended 30 June 2024 and that to the best of their knowledge and belief;
- (ii) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (iii) These statements collectively present a true and fair view of the Company's affairs and are prepared in compliance with existing accounting standards and applicable laws; and
- (iv) 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 of the Company's Board of Directors or its members.

Such joint certificate of the CEO and CFO is thoroughly reviewed by the Audit Committee before submission to the Board.

Reporting to the Authorities

The Audit Committee reports to the Board of Directors about anything which has a material impact on the financial condition and results of operation. The Committee also discusses with the Board of Directors and the management if any rectification is necessary. If the Audit Committee finds that such rectification has been unreasonably ignored, the Committee reports such findings to the Bangladesh Securities & Exchange Commission upon reporting of such matters to the Board of Directors for three times or upon completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

Reporting to the Shareholders and General Investors

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under condition No. 5(6)(a)(ii) of the BSEC Corporate Governance Code during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the Annual Report of the Company.

Meeting and attendance

The Audit Committee met three times during the year ended 30 June 2025. The members were present in all the meetings of the Committee during their respective tenures in the Audit Committee. The details of attendance of the members in the Audit Committee meetings during the year ended 30 June 2025 are as follows:

Name and Designation	Status in the Committee	Attendance/Total Meetings
Mr. Md. Abdur Rahman Khan FCMA	Chairperson	3/3
Ms. Saima Shahin Sultana	Member	3/3
Ms. Bilquis Jahan Rimi	Member	2/3
Ms. S. M. Tarikul Islam	Member Secretary	3/3

The Managing Director, Chief of Accounts & Finance, Head of Internal Audit & Compliance of Bangladesh Services Limited and representatives of the External Auditor attended the meetings upon invitation by the Audit Committee. From time to time, other senior members of the management were also invited by the Audit Committee to the meeting. On an annual basis Audit Committee met the External Auditors and Internal Auditors separately without presence of any Executive.

The Company Secretary, being the Member Secretary of the Audit Committee, facilitated the Chairman and other members for effective functioning of the Committee.

Summary of Activities during the year ended 30 June 2025

The Committee members performed its duties in accordance with the Terms of Reference of the Audit Committee and carried out the following activities during the year ended 30 June 2024:

Reviewing Financial Reporting for the year ended 30 June 2024

Audit Committee reviewed the annual financial statements of the Company with the Chief of Accounts & Finance and Managing Director before recommending them to the Board of Directors for approval. The Committee also concluded that the financial statements presented a true and fair view of the Company's financial performance.

Reviewing Financial Reporting during the year ended 30 June 2025

Audit Committee reviewed the quarterly financial statements of the Company prepared during the year with the Chief of Accounts & Finance and Managing Director before recommending them to the Board of Directors for approval. The Committee also concluded that those financial statements presented a true and fair view of the Company's financial performance.

Monitoring Internal Control

Audit Committee reviewed the Company's Risk Management process and its mitigation plans. Besides, the Committee reviewed action plan status arising from various reviews including updates on breaches of the Standards of Business Conduct and whistle-blowing incidents.

Monitoring Internal Audit Process

Audit Committee reviewed and approved Internal Audit and Compliance Dept.'s audit plan for the year ended 30 June 2024. The Committee also reviewed the audit findings, causes, and impacts. They also reviewed and monitored the action plan arising from the reviews.

Reviewing External Audit plan and their independence

Audit Committee reviewed and oversaw the external auditor's activities, its nature and scope and their performance, audit report, evaluation of internal controls and coordination between the internal and external auditors. The Committee extended its cooperation to make sure that the external auditors are independent, and that there is no conflict of interest that may weaken the external auditors' ability of issuing their opinion about the organization's financial statements and financial position

Ethical and Integrity Areas

Audit Committee carefully reviewed the reports on whistleblowing and breach incidents, security and safety matters and loss reports. They also periodically reviewed the health and hygiene of food preparation and food safety conditions of hotel.

Review Annual Report Process

Committee reviewed disclosures required by the statement on corporate governance and audit committee report for the financial year ended 30 June 2024 for inclusion in the Annual Report, 2024, and recommended their adoption to the Board.

Internal Audit Report process

The role of Internal Audit at the Company is designed in line with audit guidelines delineated in the audit manual and local legal & regulatory requirements.

The Internal Auditors apply either risk-based audit approach or traditional audit approach to conduct their audit activities based on the nature of engagements, scope and risk of

audit which is consistent with the standard guidelines. The audit activities have been conducted in the company giving more emphasize on operational processes, internal control, and compliances.

The Audit Committee reviewed the effectiveness of the Management Committees' role to create control environment and to ensure the appropriate balance of controls and risks throughout the Company in achieving its business objectives. Any inappropriate restrictions on audit scope are reported to the Audit Committee. Internal audit provides an independent assessment on the effectiveness and efficiency of internal controls using appropriate audit methodology and procedures to support the Company and the risk management system.

(Md. Abdur Rahman Khan FCMA)
Chairman
Audit Committee