

Audit Committee Report

Grameenphone (GP) Board Audit Committee, a sub-committee of the Board, supports the Board in fulfilling its oversight responsibilities. The jurisdiction of GP Board Audit Committee extends over Grameenphone Ltd. and its subsidiaries.

Composition and Meetings

Dr. Jamaluddin Ahmed FCA, Chairman
Mr. M Shahjahan, Member
Mr. Per Erik Hylland, Member

Following Corporate Governance Guidelines promulgated by the Bangladesh Securities and Exchange Commission (BSEC), the Board appointed the Independent Director, Dr. Jamaluddin Ahmed FCA as the Chairman and the Company Secretary as the Secretary to the Committee with effect from 7 December, 2012. Till this date Mr. M Shahjahan acted as the Chairman and the Head of Internal Audit acted as the Secretary to the Committee.

A total of 5 (five) meetings were held during 2012. Mr. Md. Ashraf Hassan (Managing Director, Grameen Telecom) attended the meetings as a special invitee. Permanent invitees to the meetings were the Chief Executive Officer, Chief Financial Officer, Company Secretary and Head of Internal Audit. Relevant heads of divisions and other members of Management also attended the meetings 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.
- 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 Codes of Conduct.
- Recommend appointment, termination and determination of audit fees for statutory auditors. Consider the scope of work, and oversee and evaluate the work performed by statutory auditors. Review permitted non-audit services performed by statutory auditors.
- Exercise its oversight of the work of GP Internal Audit. Review the effectiveness of internal audit function including performance, structure, adequacy of resources, and compliance with professional standards. Examine audit findings and material weaknesses and monitor implementation of audit action plans.

Major Activities of the Audit Committee in 2012

- Reviewed the quarterly and annual financial statements for the year ended December 31, 2012.
- Considered and made recommendation to the Board on the appointment and remuneration of external auditors, ACNABIN, Chartered Accountants for the year 2013.
- Approved the Internal Audit Plan for 2012, monitored progress and effected revisions when necessary.
- Discussed Internal Audit reports and findings in detail with auditors and members of Management and monitored the status of implementation of audit action plans and provided guidance to ensure timely completion of action plans.
- Reviewed the Board Audit Committee Charter.
- Reviewed and received report on the matters as per requirement from the Bangladesh Securities and Exchange Commission (BSEC). The above matters are significant recommendations for continuous improvement and therefore duly noted.



Dr. Jamaluddin Ahmed FCA
Chairman
Audit Committee
February 10, 2013