

DIRECTORS' REPORT

For the Year Ended December 31, 2015

Dear Shareholders,

On behalf of the Board of Directors and Management, I welcome you all to the 19th Annual General Meeting (AGM) of Grameenphone Ltd. (GP). We have the pleasure to place herewith the Directors' Report and the Auditors' Report, together with the Audited Financial Statements of the Company, for the year ending December 31, 2015 for your valued consideration, approval and adoption.

A Challenging Year – Building the 3G Competitive Advantage

2015 was another excellent year for Grameenphone despite fierce market competition, regulatory uncertainties and a difficult operating environment. The Company continued its enviable track record as the market leader in Bangladesh whilst maintaining its position as the most reliable mobile network in the country. Grameenphone's strong performance in 2015 was on the back of simplified customer-centric market initiatives, strong mobile data growth with enhanced customer experience, better pricing strategies, and attractive campaigns.

Despite challenges from various corners, Grameenphone registered significant subscriber growth with more than 5.2 million new subscribers, to reach a total subscriber base of 56.7 million as of December 2015. Grameenphone has 15.7 million active internet users with each customer using more than 300 MB of data on an average a month, which was less than 100 MB in 2013 just prior to launching 3G. As a result, healthy revenue growth continued that helped Grameenphone surpasses the BDT 100 billion mark for the second consecutive year. The Company continued to generate a strong level of free cash flow while increasing the capital expenditure in order to maintain the leading network quality.

On its transformation journey from a voice communications Company to a digital service provider, Grameenphone has made significant investment in network infrastructure in 2015, aggressively promoted 3G development through noteworthy initiatives, and established a strong competitive advantage in the market. A number of collaborative efforts were also initiated with strategic partners towards cost effectively building a more sustainable ecosystem whilst providing optimal network coverage.

In 2015, Grameenphone embarked on strengthening its rural footprint and distribution channels, and introducing innovative VAS, customised tariff plans and low-end bundled smart phone offers. Moving forward, similar endeavors will be intensified with the aim of providing value propositions to the different customer groups.

Grameenphone launched a platform for ICT start-ups—GP Accelerator—as a platform for digital start-ups to find a foothold in the ICT industry and explore innovations and ideas freely. Through this process, Grameenphone will also have access to fresh talents who can take innovative digital services to the customers.

Grameenphone continues to be a partner in Bangladesh's ongoing journey towards economic and social well-being, and remains committed to contributing towards the sustainable development of the country through its corporate responsibility and sustainability initiatives.

A look back at 2015 –Socio-Economic Profile of Bangladesh

Despite the slowdown of emerging economies, Bangladesh's economic condition continues to be stable. The economy faced several macro-financial developments in 2015, some of which were positive, while others were not so favourable. Stability in microeconomic indicators, controlled inflation, continued inward remittances, record high foreign exchange reserves, and reduced government borrowing from banks helped the economy withstand the volatility from the global financial market. However, the resilience in economic initiatives was fraught throughout the year by faltering political stability, weak global markets, with lingering infrastructural constraints.

Bangladesh is at the threshold of a new era of growth and opportunity. In spite of the limitations, there is no doubt, Bangladesh offers an attractive business potential compared to many South Asian Economies. Sitting on a strategic location with lower labour cost and a growing export market, Bangladesh is still among investors' preference countries. Responding to expectations, the Government is also frequently liberalising business regimes to the investors' advantage. However, political uncertainty and instability, relatively volatile domestic business cycle and unsupportive policy environment discourage both public and private investment initiatives as well as inflow of FDI. Moving forward, the biggest challenge remains ensuring durable political stability. This is a precondition for accelerated, inclusive, and sustainable economic growth.

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Telecommunication Industry Scenario

Against the backdrop of see-sawing competition, 2015 has been a very hectic and eventful year for the telecommunication sector of Bangladesh. Unprecedented growth of Internet, followed by an 80% mobile penetration rate has created a base for commendable achievement for the industry in 2015. The total mobile subscriber base reached to 133 million while Internet subscriber reached to 54 million at an annual growth rate of 28%. Fierce competition compelled operators to introduce innovative products and services by lowering the cost of ownership of a mobile and internet connection, which ultimately benefited the consumers. Launching of attractive campaigns and promotions throughout the year and bundling subscriptions with handsets, helped customers overcome the affordability barrier. The price of smartphones came down significantly. However; it needs to be lowered further to gain the internet utilisation dividend.

Grameenphone, along with the other operators, was deeply focused in expanding 3G coverage across the country. More than 475 Upazilas are now under Grameenphone 3G coverage. A notable achievement was to bring the former enclave 'Dohogram' under the Grameenphone 3G network, which was gratefully acknowledged by the Government and highly appreciated by all. As per BTRC information, more than 95% of internet subscribers access the internet through their mobile devices. Due to the competitive market pressure, price of data has declined and operators had to focus more on 'value creation' by offering customised services. Focus on adjacent mobile-services has enabled Grameenphone to be the frontline advocate by taking advantage of its cutting edge network strength. Grameenphone has launched applications on education, health and agriculture that propel the aspiration of the government's 'Digital Bangladesh' ambitions. Amidst all these developments, the telecom sector has matured and new business dynamics have emerged. Recent development around the 'Robi-Airtel' merger will potentially create a new competitive landscape. Now, it is to be seen how the telecom industry responds to this new business equation.

Mobile Financial Services (MFS) continued to experience phenomenal growth in 2015 with average daily transaction of around BDT 430 crore and 1.25 crore of active accounts. Mobile operators are playing an 'enabler' role to render the service, lending their distribution network and telecom services towards their banking partners. It is worth mentioning that the Bangladesh Bank is currently in the process of furnishing a new MFS guideline, where MNOs are pursuing for a market-oriented partnership model which would maximise customer benefits and welfare.

Telecom Regulatory Environment

The Telecom Regulatory environment continues to remain unpredictable and uncertain in the context of unresolved and long pending regulatory issues. The telecom industry has time and again sought for some sort of predictability and certainty of the regulatory regime for a favorable and investment-friendly climate. To cope up with the changed landscape, the government regulatory authorities strive to continue its persistent efforts to strengthen its grip on the industry.

A notable number of initiatives took place in 2015. The rigorous work on National Telecom Policy (NTP), Tariff & Service Directives, Tower Sharing Licensing Guidelines, Spectrum auction are few among many. The NTP is on the verge of being placed in the Cabinet while the principle of MNP implementation is about to be finalised. Frequency allocation in absence of a consistent spectrum policy and roadmap had been a major concern for the industry. The BTRC took initiatives for spectrum auction in 2015 to sell frequency blocks in the 1800 and 2100 MHz bands that ultimately did not take place. Without a level-playing field, long term roadmap and technology neutrality, it is feared that any new auction will produce sub-optimal results and loss of economic value for the country. SIM sale and re-registration through NID and biometric verification had been another critical initiative in 2015. Though it is thought to slow down gross net addition, the whole industry is committed to comply with this Government direction. Additionally, the BTRC has initiated a fresh audit on Grameenphone, whereas previous audit (for the period inception to 2011) issues are still pending at the High Court. Grameenphone is committed to facilitate a lawful, procedurally proper and transparent BTRC Audit.

High taxation, instability and unpredictability in the taxation regime are considered to be major barriers for the expansion of the industry. In 2015-16 Fiscal Year, Government has imposed 3% supplementary duty in one hand, and on the other hand, Development Surcharge & Levy Bill, 2015 has also been passed in the Parliament to impose further 1% surcharge on call charges. Imposition of additional taxes limiting the operators' ability to reduce price as well as making them extra cautious for new investments. Any additional tax will further worsen the financial health of the already susceptible and worried sector.

Industry Outlook and Possible Future Developments

Merger and acquisition in the telecom sector is likely to develop a new market dynamics for 2016. Competition is expected to keep intensifying, leading to more innovative products and services in the coming years. Data hungry applications will boost the internet adoption rate that will enable the consumers to find more value adding services. Operators will be investing more to

expand their 3G coverage in the deep rural areas in parallel to improving the quality of service. Bundling of voice and data services will be more prominent to counter the eroding price point and attract consumers to use more services.

Operators will be looking to venture into new partnerships with other vertical industries in order to increase the value of communication services. Responding to market conditions, Grameenphone in this regard aspires to transform itself as a digital service provider. The e-commerce market is flourishing and consumers' confidence in mobile financial services is gradually increasing. These two will have a significant impact on the trade of digital goods and services, provided a favorable policy and framework 'ecosystem' is in place. Cyber security will be one of the major areas where the Government and the industry will need to work hand in hand in the coming days. The cooperation across the verticals will be crucial, both at the policy and at the industry level to develop and stimulate the sector.

We appreciate the Government's initiatives in resolving issues around the industry. However, the unresolved and long-pending issues will still be major concerns from investors, which would cause them to be more cautious and conservative. The Government's positive support towards the industry by resolving pending issues and addressing the policies in the right spirit would certainly help to regain the confidence of the investors and create an investment-friendly regulatory climate.

Capital Market Overview

Market recovery of 2014 was short lived as it went back in the red during the year. Heavy losses from few large companies and underperformance of the financial sector were the major factors that caused the declining trend in the market. Sell pressure on foreign funds was also noticeably visible during the period.

In the Dhaka Stock Exchange (DSE), the broad- and free-float weighted index DSEX declined 4.84% (235.32 points) against 14.03% gain of last year and closed at 4,629.64 points. Daily average turnover value was low with 15.35% decline compared to last year.

Grameenphone share price decreased by 30.09%, closing at BDT 253.00 at year end with a daily average turnover value worth BDT 96.58 million (BDT 9.66 crore). Grameenphone stock experienced the highest value at BDT 369.20 and the lowest at BDT 236.10 during the year. Grameenphone's market capitalisation on 31 December 2015 stood at BDT 341.63 billion (BDT 34,163 crore) on the DSE, representing 13.27% of the total equity market capitalisation.

Driving Simplicity and Value for Money

Grameenphone led the shift towards data and digital services from traditional voice and SMS based services by enriching its product portfolio. For Grameenphone, 2014 was to make 3G accessible and affordable for all, and, in line with our ambition, we were the first operator to expand coverage in all 64 districts within the first quarter of 2014. In 2015, we had been driving customer-centricity and continuing the momentum gained in 2014 to drive our 'Internet for All' ambition.

As a part of our customer-centric initiatives, we have simplified our tariff plan portfolio. We have also introduced special tariff on recharge to make our offers more affordable and accessible. Flexi-Plan was launched to give advanced users even more freedom to design their own packages in a very easy to use and attractive web interface. Our single port proposition, where all Grameenphone services are now available under a single port *121#, is the best example of customer-centricity. The aim was to make our products & services easy to find, easy to buy, and easy to use for our customers. This is one simple step towards simplification in order to be truly loved by customers. Under this initiative, we have simplified the customer journey through - new One-Stop Self-Service solution *121# USSD Menu, 121 simple IVR Menu and Simplified product/offer reply SMS.

As to make 'Internet for All' a reality, we have made the default PAYGo, the most affordable proposition in the industry. After the tremendous success of 1 Taka internet in 2014, we have followed that up with Daily 1 Taka Social Pack where customers can access Facebook, Messenger and Comoyo by paying only 1 Taka.

We have also enriched our utility product portfolio by introducing Weekly, Bi-Weekly and Monthly Social Packs, with focus on Facebook, and an advanced utility pack such as Video Pack where customers can access YouTube and two other local content streaming services. Two new internet scratch cards have also been introduced to make the journey easier for first time internet users. We have launched Emergency Data Loan to ensure that our existing customers can continue to access internet even when they are out of balance. To offer the best internet experience we have also opened up our speed restriction and invested significant efforts to improve our customers' overall internet experience.

To boost data subscriber acquisition in 2015, we launched the revolutionary onboarding platform 'EasyNet' to get non-data users to start using the internet in a way which is as easy as dialing a USSD code. Using EasyNet, interested non-data users can learn about the internet through easy to access video tutorials and try out different internet services for free in a completely worry-free manner.

321 is now the short code for the new VAS portfolio. One Code and 1 Taka Daily – for the first time in Bangladesh! We introduced this exciting New Year surprise containing five major value added services – Welcome Tunes, Breaking News, Sports Alert, Religious services and Health Tips at 1 Taka/day for each service instead of regular charge of 2 Taka/SMS. We have ended 2015 by reaching 10 Million subscriber mark for our welcome tune service.

Getting Closer to Our Customers

Grameenphone makes its best efforts to optimise customer experience, providing the best value for their money while maintaining the best mobile network in the country. We strongly believe that our success depends on how passionately our customers promote us. We have the ambition to take our services to a new height where customers feel the convenience of our ‘state-of-the-art’ self-service, call center, and physical touch points. A highly energetic team of over 2,500 members are working 24/7, 365 days a year to make our customers’ lives easier and enjoyable. With the right passion, people, and technology we are continuously excelling to be, and remain, the most customer-centric mobile operator in Bangladesh.

Our Adjacent Business

i) ‘MobiCash’ Financial Services

Grameenphone is committed to the impact financial services can have on Bangladesh by driving financial inclusion. Alongside, Grameenphone also believes it is an exciting opportunity to ‘empower society’ with access to financial services. In that context, the Company continued to expand its Mobile Financial Service (MFS) activities throughout 2015. During the year, MFS experienced strong growth, strengthened partnerships with banks and expanded its active retail base. Grameenphone is still operating in a model where it largely serves as a distribution partner for partner banks. In addition, Grameenphone has tested and expanded on its wallet use. As of today, Grameenphone’s own wallet can be used for utility bill payments, mobile top-ups and train tickets. The MFS Regulatory regime is going through another wave of change and a draft regulatory framework has been proposed by the Bangladesh Bank. Though, unpredictability around the final regulations would affect Grameenphone’s future strategy and actions, the Company chooses to believe in this industry, the potential impact, and therefore, has every intention to engage strongly and expand its activities in the MFS space.

ii) Infrastructure Services

Grameenphone is providing ‘Shared Telecom Infrastructure’ products and services, as per BTRC guidelines, to other telecom operators as well as other businesses like WiMAX operators, NTTNs, ISPs, etc. Currently, the Company has agreements with all the major telecom operators, NTTNs, WiMAX operators, ISPs and other BTRC licensees. Its prime objective is to make optimum use of national resources and reduce cost, by sharing infrastructure, transmission capacity, and OPEX with customers.

By the end of 2015, Infrastructure Services has shared more than 3,000 sites with different telecom operators. As frame agreements on BTS-sharing with the mobile operators expired, the agreements have been renewed for another 10 years. Various initiatives were taken to boost up customer satisfaction.

With the widest, best-maintained network infrastructure, Grameenphone has retained its leading role in infrastructure sharing. Recently, the industry has observed some transformations in this business. Grameenphone has taken these changes into consideration to sustain its leading position.

Apart from sharing passive telecommunication infrastructure with others, Grameenphone has been sharing sites from other mobile operators as well. This enables Grameenphone to reduce stress on CAPEX investment. By the end of 2015, Grameenphone has sought more than 350 sites from different mobile operators.

Strengthened 3G Footprint with Ambition to Deliver Super Network

2015 has been the year that saw Grameenphone strengthened its 3G network footprint with increased capacity. The ambition was to support the strategic goal of empowering society with ‘Internet for All.’ The total number of 3G sites in 2015 reached up to 5,831, covering almost all the upazilas of Bangladesh. The ambition is 10,000 3G sites by mid-2016.

The total data consumption at the end of 2015 was more than 2.5 times than that of 2014 while 89% of the total data volume consumed was across the 3G network.

Core capacity has been almost tripled to enhance the internet experience for customers. Alongside capacity expansion, ‘Dual-Carrier HSPA’ feature has been deployed, which means double speed for the customers with the right type of device.

For 3G-voice service, another feature known as HD voice has been deployed for better speech quality. To enhance indoor 3G experience, more than 350 3G small cells have also been delivered at customer premises.

The effort to enhance network strength was also made across the existing 2G network. GP has ensured 2G sites at more than 10,000 locations in 2015. Core voice capacity has been increased by 24%. This helped cater to the high volume traffic during the two Eid occasions with negligible congestion. SMS capacity has also been increased by introducing new cloud based platform for six major Value Added Services.

The overall provisioning capacity has been enhanced to support the increasing number of provisioning requests for smaller data packs. More than 4,000 new channels for 121 call center have been added.

One of the major deliveries during 2015 was the deployment of the common billing platform for pre-paid and post-paid connections. This deployment will help GP design packages and campaigns for all customers in a more agile manner.

There have been challenges posed by nature a number of times in 2015. The nor'wester storm in April disturbed the national grid power line severely. While all operators were struggling with the unavailability of commercial power, the Grameenphone network stood strong through improvisation and extended efforts from the technology personnel.

There have been focused drives on network quality enhancement. For quality assessment and drive improvement, a new competitive quality benchmarking system has been deployed countrywide. Significant network optimisations have been carried out to deliver the best quality network with special focus on Dhaka City. GP's technology team has also directly participated in the BTRC-initiated QoS (Quality of Service) drive test. In that exercise, Grameenphone demonstrated service parameters well within the regulatory guidelines and network performances was found to be significantly sound and satisfactory.

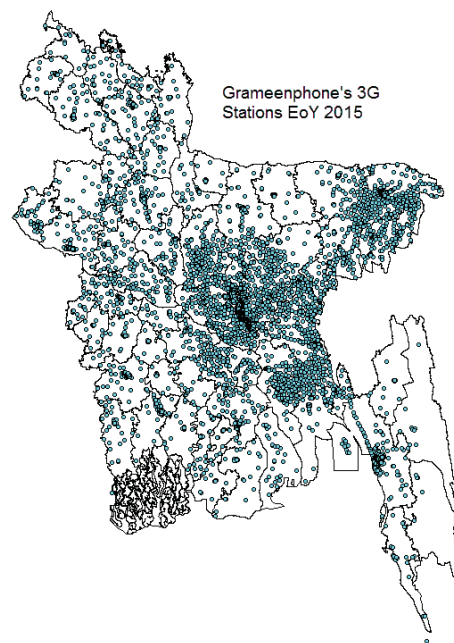
Becoming Digital with Agile and Capable Employees

Grameenphone's success is derived from the continued devotion, dedication and fidelity of its lifeline workforce. Grameenphone has a capable and agile team of 3,002 permanent employees who are also highly engaged and committed to rise to peak performance. As a socially-responsible employer, the Company believes its people make the difference. The Company puts continuous efforts to build the right organisation culture and structure that help deliver the desired value for the customers and the stakeholders.

The Employee Engagement index (75) is now better than the global high performing norm (72). Grameenphone ranked as the number one employer within Bangladesh's Telecom Industry in an independent survey last year.

In 2015, 2,250 employees were trained in operational and leadership capabilities. Based on Telenor's global strategic workforce planning and development initiatives, Grameenphone has also focused on developing critical capabilities, both by onboarding highly skilled resources from local and international markets, as well as investing in the right development programs.

In an effort to deliver more value to the customers, we are transforming our organisation structures, work processes and policies to be closer to our markets as well as being more performance-orientated. Along with that, Grameenphone also plans to be more 'Digital' in the coming years by further digitalising. As an organisation, the Company pursues its journey for continuous improvement. With a view to becoming a world-class organisation, the Company will continue to invest in creating the right organisational culture around its values, performance, leadership and engagement.



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Corporate Responsibility (CR) – Touching Lives in the Societies

As a responsible corporate citizen, Grameenphone acknowledges its' role in contributing to the development of communities in Bangladesh. As a result, Grameenphone exists just not to serve the customers with products or services of value, but also to bring about a positive response to social issues that affect Bangladesh's upward mobility. In 2015, we were involved in multiple initiatives that brought about positive results in the education and health standards of the underprivileged community. At the same time, Grameenphone acknowledges the importance of creating awareness about safe internet usage. As a result, Grameenphone has reached out to students and parents across the country with Safe Internet messages. Detailed information on the initiatives of the Company towards CR activities is provided in the Corporate Responsibility section of the Annual Report on page 18.

Towards a Greener Future

Our climate is changing very fast and affecting the Earth adversely with its consequences. As a conscious corporate entity, Grameenphone continually strives to reduce the environment and climate impact of its operations. The Company is committed to the continuous deployment of enhanced sustainable solutions for an energy-efficient and environment-friendly network. Our 'Climate Change' initiatives ultimately aid in the country's efforts to offset the effects of global warming. Initiated as early in 2008, Grameenphone has an environmental roadmap which aims to promote a low-carbon emission society, and our first priority is to take responsibility for the excess CO₂ emissions generated by our own operations. Grameenphone has set a target of reducing 30% carbon emission intensity (CO₂) within 2017 from the business, considering 2011 as the baseline. Detail about this strategy and information on some other climate activities of the Company are provided in the Climate Change section of the Annual Report on page 20.

Health, Safety, Security and Environment (HSSE)

Grameenphone's HSSE approach is very sensible, scientific and up-to-date. To ensure international standards of occupational health, safety, security, and environment, Grameenphone continuously works to maintain and improve a compliant working environment for employees and business partners. This is done in line with Telenor principles and laws of the land, which enables a safe working environment that yields productivity and efficiency.

As a part of continual improvement, in 2015, emphasis was given on keeping Lost Time Injury Frequency (LTIF) to a minimal (<0.32) by emphasising on reducing the contributory factors to road traffic accidents. This is a very difficult task in a country like Bangladesh considering the road traffic management and safety behaviour in general. Under the campaign of 'Towards Zero', a comprehensive Road Traffic Training and awareness program had been planned and organised across the country for all Territory Officers of Grameenphone. A number of Occupational Health and Safety training and awareness sessions were organised for the employees throughout the year addressing ergonomics, fire safety and earthquake, employee fitness, work-life balance, stress management and healthy living etc.

Directors' Responsibilities for Financial Statements

The Board is responsible to present a fair, balanced and understandable assessment of the Company's position and prospect 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) & 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 that good business is good development and vice versa. And with that spirit, the Board of Directors of Grameenphone remains committed to high standards of governance in cultivating a responsible organisation that adopts and practices in accordance with the principles and recommendations of the Corporate Governance Guidelines 2012 of the Bangladesh Securities and Exchange Commission (BSEC) and internal Corporate Governance Principles. The Board recognises that maintaining good corporate ethics is critical to business integrity and performance, and key to delivering shareholders' value on a sustainable basis.

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 the BSEC. In this connection, 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

Business activities of GP are not organised on the basis of differences in related products and services or variations in geographical areas of operations. GP essentially provides similar products and services to customers across the country. GP, however, reviews revenue performance of different services, which have been disclosed under notes to the Financial Statements.

Total revenue for 2015 was BDT 104.8 billion (BDT 10,475 crore) with 2.0% increase compared to the previous year. The growth in revenue was mainly driven by data & VAS, partly offset by lower voice revenue. Infrastructure services, mobile financial services and device sales had considerable contribution in yearly revenue growth.

Total data & VAS revenue has increased by 44.3% from 2014 with 66.0% increase in data revenue. Growth in data services revenue was mainly driven by 3G coverage expansion, increased mobile data users and usage growth in 2015. SMS, MMS and content services revenue increased by 31.0% from last year.

Despite 10.0% growth in subscription base, voice traffic revenue decreased by 3.9% in 2015 from last year. Intense price competition throughout the year with promotional voice tariffs resulted slowdown of voice revenue despite solid growth in outgoing minutes compared to last year.

Interconnection revenue is generated from the incoming traffic through the calls generated from outside GP network. Interconnection revenue was stable in 2015 compared to last year resulted from increase in incoming minutes from international operators, partly counterbalanced by decrease in incoming minutes from local operators.

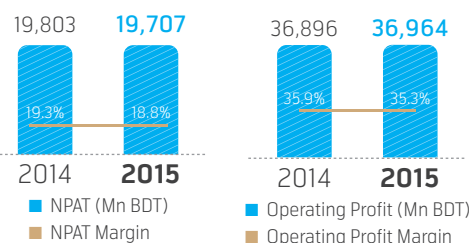
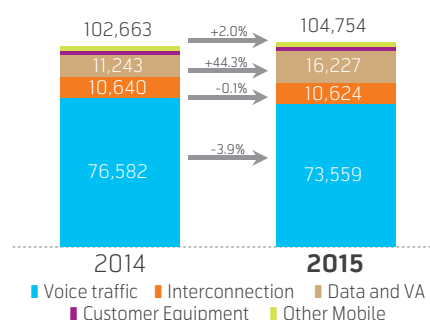
Other mobile revenue includes revenues mainly from telecom infrastructure sharing, mobile financial services, broadband internet revenue etc.

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

• 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 2015 was BDT 67.8 billion with 3.1% increase compared to last year. The increase is mainly due to higher depreciation & amortisation and content cost, partly offset by lower operation & maintenance and subscriber acquisition cost.

Total Revenue (In million BDT)



As a combined effect of the revenue growth and increase in operating expenses, operating profit for the year 2015 remained stable with BDT 68 million increase from last year. Profit before tax also remained at the 2014 level with BDT 67 million increase. Net profit margin for the year 2015 was 18.8% compared to 19.3% in last year. Net profit after tax decreased by 0.5% due to higher income tax expense in 2015 resulted from one-off positive adjustment for prior years in 2014. As a result, Earnings Per Share (EPS) for the year 2015 stood at BDT 14.59 compared to BDT 14.67 of 2014.

- 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 GP 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 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 2015.
- No remuneration was paid to the Directors apart from their Board meeting attendance fees. During the year, the Company has paid a total amount of BDT 430,215 as Board meeting attendance fees. However, payments to Foreign Directors, not remitted as yet, have been provided for in the accounts of the relevant year.
- There is no significant deviations in operating result of this year compared to last year's operating result.
- The key operating and financial data for the last five years has been disclosed in the Annual Report on page 50.
- GP has declared interim dividend and recommended final dividend for the year 2015.
- During 2015, a total of 10 (Ten) 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 December 31, 2015 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 2015 and recommended the appropriation as mentioned in the 'Appropriation of Profit' table below:

Figures in '000 BDT

	2015	2014
Profit available for Appropriation*		
Profit/ (Loss) after tax	19,694,040	19,697,026
Other comprehensive income (loss), net of tax	(866,785)	-
Un-appropriated profit brought forward from previous year	9,444,993	9,327,317
Total Amount available for Appropriation	28,272,248	29,024,343
Appropriation		
Final Dividend Paid for Previous Year	8,776,950	6,751,500
Interim Dividend Paid for Current Year	10,802,400	12,827,850
Closing Retained Earnings at year end (before Proposed Final Dividend)	8,692,898	9,444,993
Proposed Final Dividend for the year 2015 (60% cash) (in 2014: 65% cash)	8,101,800	8,776,950
Retained Earnings after Proposed Dividend	591,098	668,043

*Based on separate Financial Statements of Grameenphone Ltd.

Growth in 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 2015 was BDT 464.8 billion (BDT 46,481 crore). During 2015 alone, the Company contributed BDT 51.1 billion (BDT 5,113 crore) to the national exchequer which represents about 49% of Grameenphone's total revenue of 2015. Grameenphone has paid BDT 14.6 billion (BDT 1,456 crore) corporate taxes during 2015. Such contribution is expected to grow further with the expansion and growth of the Company in the years ahead.

Dividend

For the year ended December 31, 2015, the Board of Directors of the Company has paid an Interim Cash Dividend @ 80% of the paid-up capital amounting to BDT 10,802,400,176 which was BDT 8 per share of BDT 10.00 each. Now, the Directors are pleased to recommend a Final Cash Dividend @ 60% of the paid-up capital amounting to BDT 8,101,800,132 which is BDT 6 per share of BDT 10 each for the year 2015 out of the divisible profits of the Company for consideration and approval of the Shareholders for distribution. Inclusive of the Interim Dividend of 80% paid already, this would make a cumulative total dividend @ 140% of the paid-up capital of the Company which represents 96% of the Profit After Tax for the year 2015 amounting to BDT 18,904,200,308.

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. Sigve Brekke, Telenor Mobile Communications AS, Director & Chairman
2. Mr. Hans Martin Hoegh Henrichsen, Telenor Mobile Communications AS, Director
3. Mr. Hakon Bruaset Kjol, Telenor Mobile Communications AS, Director
4. Mr. Pal Wien Espen, Telenor Mobile Communications AS, Director
5. Mr. Tore Johnsen, 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. Dr. Jamaluddin Ahmed FCA, Independent Director
10. Ms. Rokia Afzal Rahman, Independent Director

One of our Independent Directors, Dr. Jamaluddin Ahmed FCA will complete his 2nd term in office in March 2016. Under the BSEC's Corporate Governance Guidelines 2012, an Independent Director may continue as such for a maximum of two terms of 3 years each. Accordingly, we consider replenishing the position of Independent Director in time as required under the mentioned guidelines.

In this context, The Board records its profound appreciation for the outstanding services rendered by Dr. Jamaluddin Ahmed FCA as a member of the Board. His contributions as Chairman of the Board Audit Committee have vastly helped the Board discharge its governing responsibilities towards the Company. At this occasion, the Board also extends its warm wishes to Dr. Jamaluddin Ahmed FCA in his future undertakings.

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. Sigve Brekke
2. Mr. M Shahjahan
3. Mr. Pal Wien Espen
4. Ms. Rokia Afzal Rahman

Brief profiles of the Directors being proposed for re-appointment are given on page 27 of the Annual Report, which fulfill condition 1.5 (xxii) of the Corporate Governance Guidelines of BSEC.

Appointment of Auditors

As per the Companies Act 1994 and the Articles of Association of GP, the statutory auditors of the Company, Rahman Rahman Hugu, Chartered Accountants, shall retire in this AGM. The Firm, being eligible, has offered their willingness to be re-appointed. The Board recommends their re-appointment for the year 2016 and continuation till the next AGM at a fee of BDT 2 million (Taka Two million only) plus VAT.

Risk and Concern

Risk management is always a high priority issue in Grameenphone. We identify and manage risks to reduce the uncertainty associated with executing our business strategies and maximising opportunities that may arise. Risks can take various forms and can have material adverse impact on the Company's reputation, operations, human resources and financial performance. The Company has a well defined risk management manual and process to mitigate enterprise level risks. This aspect is discussed more elaborately at the 'Enterprise Risk Management' section of the Annual Report on page 47.

Prospects in 2016 and beyond

Following the ongoing digital drive, the mobile market of Bangladesh is expected to expand in terms of internet usage. Government policies now place greater emphasis on the internet being a key driver of growth. Smartphone adoption is exploding quarter on quarter, and the country's love for social media has notably increased. To that end, we strongly hold on to our ambition of bringing 'Internet for All' and becoming Bangladesh's most preferred mobile internet provider for the mass market. We have also made significant investment in our infrastructure to bring the best and most consistent high-speed mobile internet network to our customers in 2015. It is our intention to continue in this momentum and bring 90% of the country's population under the Grameenphone network by the end of the first quarter of 2016, with the addition of 1,700 new 3G sites reaching 7,500 3G network site. Furthermore, by end of the second quarter in June 2016, almost everyone in Bangladesh will be covered under the Grameenphone 3G network with 10,000 3G network sites. Major 2G upgrades are also a part of this aggressive programme.

Several new digital services will enter the market within a short time, which we expect will open new windows of opportunity in education, health, banking and other services, and drive growth in the internet business. Grameenphone is preparing its network to take the lead and hold it on by confronting the upcoming challenges.

We aspire to bring more innovative data-centric solutions for customers by driving our innovation agenda with more affordable call and internet plans, competitive smart device bundles and price plans, as well as introduce innovative digital services through strategic partnerships in the days ahead. To ensure long term sustainability of the business, more favourable regulatory reforms, through a consultative and collaborative approach, are anticipated in the coming years.

Acknowledgement

The performance of the Company in 2015 is itself a tribute to the pledge, promise, energy and hard work of our Directors, Management and employees. Our employees remain an essential lifeline for the Company, while our customers are the driving force that helps us stay afloat and try to go beyond expectations. The Board of Directors also recognises that the outstanding achievement of the year was possible also because of the support of the innumerable stakeholders – the shareholders, partners, vendors, collaborators and media who have kept the Company on the right track through their continuous feedback, motivation and close engagement. Accordingly, on this august occasion, the Board profoundly acknowledges the cooperation and assistance that it has received from the Government of Bangladesh; the Ministry of Posts, Telecommunications and Information Technology (MoPT); Bangladesh Telecommunication Regulatory Commission (BTRC); Bangladesh Railway (BR); Bangladesh Bank (BB); Board of Investment (BOI); Registrar of Joint Stock Companies & Firms (RJSC); Chief Controller of Export & Import; Bangladesh Securities and Exchange Commission (BSEC); Dhaka Stock Exchange Ltd. (DSE); Chittagong Stock Exchange Ltd. (CSE); Central Depository Bangladesh Limited (CDBL); GP's Bankers, Insurers and financial institutions; and other business partners through 2015. It is because of their support and inspiration that Grameenphone has been able to attain the lofty heights it finds itself today. Most of all, the Board would like to acknowledge our 56.7 million customers for their unwavering support and loyalty.

Grameenphone's ever-growing network, services and technologies are positioned to serve as a springboard to the success of the people of Bangladesh, not just for the unconnected rural and poor to begin connecting to the world, but also for the burgeoning startup communities and talented youth in the country. Our experience tell us that this community and their ideas will shape the digital generation of Bangladesh and take the country forward.

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



Sigve Brekke

Chairman

February 07, 2016

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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 is presented below:

(Report under condition no. 7.00)

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)	✓		There are 10 (Ten) members in the Company Board
1.2	Independent Directors			
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
1.2 (ii)	Independent Director means a Director:			
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	None		No vacancy occurred
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 Chairman and CEO are different individuals with clearly defined roles and responsibilities.
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
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 50 of the Annual Report
1.5 (xix)	Reason for non declaration of Dividend	None		Does not arise
1.5 (xx)	The number of Board meetings held during the year and attendance by each Director	✓		Included in the Directors' Report
1.5 (xxi)	Pattern of shareholding and name wise details (disclosing aggregate number of shares):			
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 -
1.5 (xxii)	In case of the appointment/re-appointment of a director, disclose:			
1.5 (xxii) (a)	a brief resume of the director	✓		Given on Page 27 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 30 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
3	Audit Committee			
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 Audit Committee Charter duly approved by the Board.
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	✓		One member of the Audit Committee is Independent Director

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 vacancy occurred
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	✓		
3.2 (ii)	Chairman of the Audit Committee shall remain present in the AGM	✓		Was present in the AGM held in 2015
3.3	Role of Audit Committee			
3.3 (i)	Oversee the financial reporting process	✓		The Audit Committee Charter clearly defines the role of the Audit Committee 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 2015
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		

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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 49 of the Annual report
4	External / Statutory Auditors			
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 -
5	Subsidiary Company			
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		GP 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 -
6	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:			
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

Condition No.	Title	Compliance Status ("√" has been put in the appropriate column)		Remarks (If any)
		Complied	Not Complied	
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	√		The CEO and CFO have duly certified to the Board
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 -
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 73 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 December 31, 2015

Name of Directors	Number of meetings held whilst a Board member	Meetings attended	Remarks
Mr. Sigve Brekke	10	2	Granted leave of absence
Mr. Hans Martin Hoegh Henrichsen	10	10	
Mr. Tore Johnsen	10	9	Granted leave of absence
Mr. Hakon Bruaset Kjol	10	6	Granted leave of absence
Mr. Pal Wien Espen	10	8	Granted leave of absence
Mr. M Shahjahan	10	9	Granted leave of absence
Mr. Md. Ashraful Hassan	10	10	
Ms. Parveen Mahmud	10	7	Granted leave of absence
Dr. Jamaluddin Ahmed FCA	10	5	Granted leave of absence
Ms. Rokia Afzal Rahman	10	8	Granted leave of absence

Annexure-III

The Pattern of Shareholding as on December 31, 2015

Name of Shareholders	Status	Shares Held	Percentage
i) Parent/Subsidiary/Associate Companies			
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%
ii) Directors, Chief Executive Officer, Chief Financial Officer, Company Secretary, Head of Internal Audit and their spouses and minor children			
Mr. Sigve Brekke	Chairman	-	-
Mr. Hans Martin Hoegh Henrichsen	Board Member	-	-
Mr. Pal Wien Espen	Board Member	-	-
Mr. Hakon Bruaset Kjol	Board Member	-	-
Mr. Tore Johnsen	Board Member	-	-
Mr. M Shahjahan	Board Member	-	-
Mr. Md. Ashraful Hassan	Board Member	-	-
Ms. Parveen Mahmud	Board Member	-	-
Dr. Jamaluddin Ahmed FCA	Board Member	-	-
Ms. Rokia Afzal Rahman	Board Member	-	-
Mr. Rajeev Sethi	Chief Executive Officer	-	-
Mr. Dilip Pal	Chief Financial Officer	-	-
Mr. Hossain Sadat	Company Secretary	376	0.00%
Mr. Hasan Faisal	Acting 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)			
Mr. Medhat EL Hussein	Chief Technology Officer	-	-
Mr. Erlend Prestgard	Head of Strategy	-	-
Mr. Saurabh Prakash	Head of Commercial Transformation & Projects	-	-
Mr. Mahmud Hossain	Chief Corporate Affairs Officer	-	-
Mr. Yasir Azman	Chief Marketing Officer	-	-
iv) Shareholders holding ten percent or more Voting Interest			
Telenor Mobile Communications AS	-	753,407,724	55.80%
Grameen Telecom	-	461,766,409	34.20%

ANNEXURE-IV

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

Business Office:
Block : F, Rania Avenue
Apurba Gardenia
House # 530, (5th floor)
Bashundhara R/A, Dhaka - 1229
Bangladesh

Phones : 01730 340 340
01552 108 522
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: muqtadir@muqtadirbd.com
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VAT Reg : 19041063900

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 31st December 2015. These guidelines relate to the Notification no. SEC/CMRRCD/2006-158/134/Admin/44 dated 7th 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 only and not an expression of opinion or audit on the Financial Statements of the Company.

In our opinion and to the best of our information and according to the explanations 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.



Al-Muqtadir Associates
Chartered Secretaries & Consultants

Dhaka, February 07, 2016

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