



Statement of Corporate Governance

Corporate Governance is about commitment to values and ethical business conduct. It is also about how an organization is managed vis-à-vis the corporate and business structures, its culture, policies and the manner in which it deals with various stakeholders. Timely and accurate disclosure of information about the Company's financial position, performance and ownership is part of effective corporate governance.

The organization conducts business in a fair, transparent and ethical manner which is the bedrock of good Corporate Governance. The Company is fully committed to follow sound Corporate Governance practices and uphold the highest business standards in conducting its business. The Company's governance framework encompasses not only regulatory and legal requirements but also several voluntary practices aimed at maximizing the stakeholders' value ethically and on a sustainable basis. The Company's Corporate Governance architecture has been strengthened through various policies, frameworks and codes adopted by the Company. The Company is committed to conduct business with the highest standards of compliance, integrity, honesty, fairness and responsible business practices with zero tolerance for fraud or illegal acts.

1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE

The Company's philosophy on Corporate Governance has been influenced by its Promoters, Sena Kalyan Sangstha (SKS) of Bangladesh Armed Forces, which has already emerged as one of the most viable business outfits of Bangladesh. The Company endeavors to adhere to the well-established and proven practices of SKS in maintaining corporate culture and the spirit in managing the business. Corporate Governance at the Company is not just adherence to legal statutes, mandatory rules and guidelines; it is the Company's philosophy to observe the spirit behind the effort.

The Company believes in nurturing its long-term commitment and sustainable relationships with Policyholders, Shareholders and other stakeholders and views Corporate Governance as a continuous journey towards sustainable value creation for all the stakeholders and is driven by its values of People, Empathy, Passion, Integrity, Performance and Customer First.

The Company endeavors to abide by its value system guided by the principles of accountability, honesty, transparency, quality of service, anticipating customer priorities and exceeding

their expectations and timely disclosure of matters of interest to the stakeholders and ensuring thorough compliance with the applicable laws and conducting business in the best ethical manner. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from the SKS.

The Company is not only committed to follow the Corporate Governance practices embodied in various regulatory provisions, but is constantly striving to adopt and adhere to the emerging best practices and benchmarking itself against such practices.

The Board of Directors has taken cognizance of various regulatory changes in the overall governance framework and remains committed to ensure that the spirit of governance permeates to all spheres of the Company's business. The Company has complied with the applicable provisions of the Companies Act, 1994, Rules, Regulations & Corporate Governance Guidelines of IDRA, BSEC's Corporate Governance Code- 2018, Listing Regulations- 2015 of Stock Exchanges, Articles of Association of the Company and in accordance with good governance practices.

2. GOVERNANCE STRUCTURE

The Company has a multi-tier governance structure, comprising of Board of Directors (either through full Board or through various Board constituted Committees) at the apex followed by personnel/executives at the top management, senior management, middle management and operating management positions. The core roles of the stakeholders of the Company follow this structure. These roles, in turn, determine the core responsibilities of each stakeholder in view of strengthening effective management of the Company.

Key elements of said Governance structure in the Company include the following:

- Seeking to conform to applicable laws, at all times;
- Number of Board meetings more than the statutory requirement, including a meeting dedicated to discussing strategy and operating plan;
- Board is composed of directors from military services with substantial experience, who are able to provide appropriate guidance to the executive management as required;

- Independent directors from diverse backgrounds with outstanding track record and reputation;
- Pre-Audit Committee meetings of Chairperson of Audit Committee with Statutory auditors, Internal auditor and members of executive management who are the process owners;
- Separate meeting of independent directors without presence of non-independent directors or executive management;
- Confidential Board evaluation process where each Board member evaluates the performance of every other Directors, Committees of the Board, the Chairman of the Board and the Board;
- Complete and detail information provided to Board members, sufficiently before the meetings, to enable them to evaluate matters brought to the Board carefully so that discussions are meaningful;
- Adoption of governance policies by the Board which are in line with the best practice;

It is the Company's belief that all stakeholders should have access to complete information regarding its position to enable them to accurately assess its future potential. The Company disseminates information on its operations and initiatives on a regular basis. The Company's website linked with the website of the Regulators & Exchanges (www.senakalyanicl.com) serves as a key awareness facility for all its stakeholders, allowing them to access information at their convenience. It provides comprehensive information on the Company's strategy, financial performance, operational performance and the latest press releases.

3. BOARD INDEPENDENCE & GOVERNANCE

Good Governance not only depends upon laws but also upon the personal qualities of those who govern. The Board of Directors of the Company are responsible for ensuring fairness, transparency and accountability of the Company's business operations and they provide appropriate directions, with regard to leadership, vision, strategies, policies, monitoring, supervision, accountability to shareholders and to achieve greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance. The Board plays a pivotal role in creation of

stakeholders' value and ensures that the Company adopts sound and ethical business practices and that the resources of the Company are optimally used. The Board periodically reviews and approves the strategy and oversees the decisions of the Management.

SKICL's Board makes independent judgments and decisions, with directors appointed through a transparent and regulatory-compliant procedure. To enhance the independence of our Board, we have ensured that our Board is adequately represented by Independent Directors—every four Non-Executive Directors are represented by one Independent Director, which makes a total of two Independent Directors on our Board. In the spirit of transparency and compliance, this meets the requirements prescribed under IDRA's & BSEC's corporate governance guidelines.

The Board plays a key role in setting the strategic direction of the Company. The Board acts as an independent check and balance to the executive management team, providing continuous oversight of material matters whose primary responsibility is the conduct of the business. The Directors of the Company are eminent personalities having diverse experience and, significant expertise in the fields of insurance, marketing, technology, accounting & auditing, investment, risk management, consumer insights, corporate planning, strategy, law & governance, banking, finance, alternate dispute resolution business advisor and economics. This diversity encourages robust debate and dialogue at Board and committee-level meetings to ensure that appropriate and effective judgment and supervisory guidance are provided to the management in facilitating the delivery of the Company's strategic objectives.

a) Composition/ Size of the Board and Category

The Company's Board is constituted in compliance with the provisions of the Act and Rules made thereunder, Companies Act-1994, Guidelines of IDRA and BSEC, Listing Regulations, Articles of Association of the Company and in accordance with good governance practices. The Board has an optimum combination of Non-Executive and Independent Directors. The Board consists of a total of nine (9) directors, including seven (7) directors nominated by SKS and two (2) independent directors. All directors are non-executive directors.

Board Diversity and Expertise

The Board has identified following skills/expertise/competencies for the effective functioning of the Company.



The Composition of the Board of Directors of the Company with their qualification, field of specialization/core skills/expertise is as set out in the below table:

| Name | Position | Qualification | Field of Specialization/ Involvement in other organization |
|---|------------------------------------|--|---|
| Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil | Chairman & Nominated Director | B. Sc, MDS, M phil | Sena Kalyan Sangstha- Chairman |
| Cdre A.F.M Rafiqul Islam(L), ndu,psc,BN | Vice-Chairman & Nominated Director | B. Sc (EEE) & Masters of Defense Studies (MDS) | Sena Kalyan Sangstha- Director General, Business Division-7 |
| Air Cdre Md Shaharul Huda, BSP, ndc, psc | Nominated Director | Masters of Defense Studies (MDS), MSc, M phil (part-1) | Sena Kalyan Sangstha- Director General, Business Division-7 |
| Brig Gen Mohd Muinul Haq Mamun, psc | Nominated Director | MSc (Engr) | Sena Kalyan Sangstha- Director General, Business Division-5 |
| Brig Gen Rezwan, ndc, psc | Nominated Director | Masters of Defense Studies (MDS) | Sena Kalyan Sangstha- Director General, Business Division-6 |
| Brig Gen Md Abudur Rahim, BGBM,G+ | Nominated Director | MSc | Sena Kalyan Sangstha- Director General, Business Division-8 (RED) |
| Brig Gen Md Humayun Kabir, psc | Nominated Director | Masters of Defense Studies (MDS) | Sena Kalyan Sangstha- Director General, Business Division-2 |
| Mr. M. M. Mostafa Bilal | Independent Director | MBA- Major in Finance, IBA, University of Dhaka | The UAE-Bangladesh Investment Company Limited- Managing Director (CC) |
| Mr. Kazi Ahmad Pervez | Independent Director | MBA- Major in Finance, IBA, University of Dhaka | Adjunct Faculty Member- BUP & BAUST |

The Brief Profile of Directors is hosted on the website of the Company and can be viewed at <https://www.senakalyanicl.com/board-of-directors/> .

Diversity of Board Committees:

| Name | Position in the Board | Executive Committee | Risk Management/ Claims Committee | Audit Committee | Nomination & Remuneration Committee | Investment Committee | Policyholder protection & Compliance Committee |
|---|------------------------------------|---------------------|-----------------------------------|-----------------|-------------------------------------|----------------------|--|
| Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil | Chairman & Nominated Director | | | | | | |
| Cdre A.F.M Rafiqul Islam(L), ndu,psc,BN | Vice-Chairman & Nominated Director | Chairman | | | | | Chairman |
| Air Cdre Md Shaharul Huda, BSP, ndc, psc | Nominated Director | | Chairman | Member | | Member | |
| Brig Gen Mohd Muinul Haq Mamun, psc | Nominated Director | Member | | | Member | Member | |
| Brig Gen Rezwan, ndc, psc | Nominated Director | | Member | | Member | Member | |
| Brig Gen Md Abudur Rahim, BGBM,G+ | Nominated Director | | | | | | Member |
| Brig Gen Md Humayun Kabir, psc | Nominated Director | | | Member | | | |
| Mr. M. M. Mostafa Bilal | Independent Director | | Member | Chairman | Member | | Member |
| Mr. Kazi Ahmad Pervez | Independent Director | | | Member | Chairman | Chairman | |
| Brig Gen Shafique Shamim, psc (Retd.) | Managing Director & CEO | Member | | | | Member | |

b) Board Nomination and Election Process

In relation to the selection and appointment of new Director, SKICL follows the Articles of Associations of the Company. The Board of Directors of the Company shall be composed of 7 (seven) Nominated Directors; 4 (four) members from the Board of Sena kalyan Sangstha and 3 (three) members from the Management of Sena Kalyan Sangstha as nominated by Sena Kalyan Sangstha for so long as they hold their positions in the Sena Kalyan Sangstha and upon ceasing for any reason to hold that position they will automatically cease to be directors of the Company.

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|--|
| Major General Md Habib Ullah, SGP, SPP, ndc, afwc, psc, M Phil |
| Cdre A.F.M Rafiqul Islam(L), ndu,psc,BN |
| Air Cdre Md Shaharul Huda, BSP, ndc, psc |
| Brig Gen Mohd Muinul Haq Mamun, psc |
| Brig Gen Rezwan, ndc, psc |
| Brig Gen Md Abudur Rahim, BGBM,G+ |
| Brig Gen Md Humayun Kabir, psc |

SKICL’s Independent Directors (Non-Executive):

The Board received recommendations from various sources for highly capable and seasoned professionals, and they are appointed by the board, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the Company and finally approved by the shareholders in the AGM.

| |
|-------------------------|
| Mr. M. M. Mostafa Bilal |
| Mr. Kazi Ahmad Pervez |

The Directors are appointed/re-appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled by the Board as nominated by SKS in accordance with the stipulations of the Articles of SKICL. Minimum shareholding of the Directors’ would be as per the Articles of Associations of the Company.

c) Policy on Removal of Directors

Although all the directors of the Company except the independent director are nominated by the SKS, if any director needs to be removed, it can be done through

the Articles of Association of the Company. However, no such incident has happened in the company since its establishment.

d) SKICL’s Policy for Induction of Directors

All new Directors appointed to the Board attend a formal induction programme to familiarize themselves with the Company’s strategy and aspiration, understanding of the line of businesses and corporate functions, key financial highlights, audit, compliance and risk management.

The programme is conducted by the Managing Directors & CEO/Company Secretary and also provides the new Directors with an information kit regarding disclosure obligations of a Director, Board Charter, Code of Ethics, and the Constitution of the Company, Board Committees’ Terms of Reference, and Schedule of Matters Reserved for the Board, amongst others.

Changes to the Board of Directors must be reported to Insurance Development and Regulatory Authority (IDRA), Bangladesh Securities and Exchange Commission (BSEC), the Stock Exchanges and all Insurance Companies.

e) Board’s Effectiveness Policy

Directors possess a wide range of skills and experience over an array of professions, businesses and services. All the Non-Executive Directors are nominated by Sena Kalyan Sangstha except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the Company’s activities are always conducted with adherence to stringent and the highest possible ethical standards and in the best interests of all stakeholders.

None of the Directors of the Board, except the Managing Director & CEO, are involved in the day-to-day operations of the Company; rather, they provide their valuable insights and guidance to the management in the meeting of the Board and its committees.

Broadly, the responsibilities of Board leadership include the followings:

- Reviewing and approving overall business strategy, as well as organization structure, developed and recommended by management;
- Ensuring that decisions and investments are consistent with long-term strategic goals;

- Ensuring that SKICL is operated to preserve its financial integrity and in accordance with policies approved by the Board;
- Overseeing, through the Audit Committee, the quality and integrity of the accounting and financial reporting systems, disclosure, controls & procedures and internal controls;
- Providing oversight in ensuring that SKICL's risk appetite and activities are consistent with the strategic intent, operating environment, effective internal controls, capital sufficiency and regulatory standards;
- Overseeing, through the internal Risk Management Committee, the establishment and operation of an independent risk management system for managing risks on an enterprise-wide basis, the adequacy of the risk management function (including ensuring that it is sufficiently resourced to monitor risk by the various risk categories and that it has appropriate independent reporting lines) and the quality of the risk management processes and systems;
- Reviewing any transaction for the acquisition or disposal of material assets;
- Ensuring that the necessary human resources are in place to meet its objectives, as well as appointing and removing executive officers, as deemed necessary;
- Reviewing management performance and ensuring that management formulates policies and processes to promote fair practices and high standards of business conduct by staff;
- Establishing corporate values and standards, emphasizing integrity, honesty and proper conduct at all times with respect to internal dealings and external transactions, including situations where there are potential conflicts of interest;
- Providing a balanced and understandable assessment of SKICL's performance, position and prospects, and this extends to interim and other price-sensitive public reports, and reports to regulators;
- Ensuring that obligations to shareholders and others are understood and met; and
- Maintaining records of all meetings of the Board and Board Committees, in particular records of discussion on key deliberations and decisions taken.

f) Chairman

The Chairman of the Board of Sena Kalyan Sangstha will become the Chairman of the Board of the Company. He is a Non-executive Director, the Board considers that the Chairman works independently.

The Chairman serves as the primary link between the Board and Management, and works with the CEO and Company Secretary to set the agenda of the Board Meeting. He provides leadership to the Board and ensures that the Board works effectively and discharges its responsibilities efficiently.

Roles and Responsibilities of the Chairman

The primary role of the Chairman is to ensure that the Board is effective in its task of setting and implementing the Company's direction and policy. The principal structures of the role of the Chairman comprise the following:

- Providing leadership to the Board;
- Taking responsibility for the Board's composition and development;
- Ensuring proper information for the Board;
- Planning and conducting Board meetings effectively;
- Getting all Directors involved in the Board's work;
- Ensuring the Board's focus on key tasks;
- Engaging the Board in assessing and improving its performance;
- Overseeing the induction and development of Directors; and
- Supporting the Managing Director & CEO.

The Chairman of the Board shall be responsible for the management, development and effective performance of the Board of Directors and provides leadership to the Board for all aspects of the Board's functions. The Chairman is responsible for leadership of the Board. In particular, he will:

- Ensure effective operations of the Board and its committees in conformance with the highest standards of corporate governance;
- Ensure effective communication with shareholders, governments and other relevant constituencies and ensure that the views of these groups are understood by the Board;

- Set the agenda, style and tone of Board discussions to promote constructive debate and effective decision making;
- Ensure that all Board Committees are properly established, composed and operated;
- Support the Managing Director & CEO in strategy formulation and more broadly, provide support and give advice;
- Ensure an effective relationship among Directors, acting as the principal conduit for communication and issues relating to business strategy, plan acquisitions and corporate governance;
- Establish a harmonious and open relationship with the Managing Director & CEO;
- Ensure that Board Committees are properly structured and all corporate governance matters are fully addressed; and
- Encourage active engagement by all members of the Board.

g) Criteria for Appointment of Independent Directors

As per the Corporate Governance Code of Bangladesh Securities and Exchange Commission (BSEC), at least two or one-fifth of the total directors of the Board and as per the Corporate Governance Guidelines of Insurance Development & Regulatory Authority (IDRA), two directors shall be Independent Directors.

In the opinion of the Board, all the Independent Directors of the Company fulfill the conditions specified in the IDRA'S Guideline and BSEC's Code. Thus, in compliance with these Guidelines/Codes, two (2) Directors out of the total nine (9) Directors are independent, having no share or interest in SKICL. The independence of the respective Independent Directors is confirmed during selection and appointment and they remain committed to continue with such independence throughout their tenure.

The Company complies with all regulations of BSEC and IDRA in obtaining approval for the appointment or re-appointment of Independent Directors.

Role of Independent Directors

The Independent Directors bring an independent judgment to bear on the Board's deliberation and objectivity in the Board's decision making process. The Independent Directors participate constructively and

actively in the Committees of the Board in which they are members. The Independent Directors are committed to acting in what they believe is in the best interest of the Company and its stakeholders.

The Independent Directors bring a wide range of experience, knowledge and judgment as they draw on their varied proficiency in economics, finance, management, law and public policy. This wide knowledge of both, their field of expertise and boardroom practices help foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

h) Written Code of Conduct for the Chairperson, other Board members and CEO

The Board of Directors of SKICL is committed to the highest standards of conduct in their relationship with SKICL's employees, customers, members, shareholders, regulators and public. The Code provides a set of guiding principles to help us make the right decisions. This refers to conducting our business in accordance with all applicable laws and regulations and also represents our commitment to the spirit of the law. Our actions should reflect SKICL's values, demonstrate ethical leadership and promote a work environment that upholds SKICL's reputation for integrity, ethical conduct and trust. This Code is intended to provide a statement of the fundamental principles applicable to our Directors.

Our Directors are encouraged to bring forth questions about particular circumstances that may involve one or more of the provisions of this Code to the Chairman of the Board.

Ethics and Compliance

The Board is committed to establish the highest levels of ethics and compliance. This commitment is reflected in its Code of Conduct that covers, among other issues, the following areas:

- Their relationship with and responsibilities to SKICL;
- Their relationship with and responsibilities to customers;
- Compliance with laws and regulations;
- Acting in a professional and ethical manner;
- Protection of business assets;
- Disclosure of conflicts of interest;

- Prohibition of any conduct involving dishonesty, fraud, deceit or misrepresentation including insider trading.

In compliance with the Corporate Governance Guidelines/ Codes of IDRA and BSEC, the Board has prescribed a Code of Conduct for the Chairman, other members of the Board, and the CEO of the Company.

The complete Code of Conducts are available in the Company's website, link of which are: <https://www.senakalyanicl.com/wp-content/uploads/2024/01/SKICL-Code-of-Conducts-for-BOD.pdf>.

i) Annual Appraisal/Performance Evaluation of the Board, its Committees, Chairperson and Individual Directors

The Company has in place a Board approved performance evaluation framework which lays down Guidelines for annual performance evaluation of the Board, its committee(s), Chairperson and individual Directors.

Pursuant to the provisions of the BSEC's corporate governance codes and IDRA's corporate governance guidelines, the Company with the approval of its Board of Directors on the basis of Board Nomination and Remuneration Committee has put in place an evaluation framework for evaluation of the Board, its Committees, Chairperson and individual Directors.

Some of the key factors against which the Board's performance is assessed:

- Discharge of responsibilities and obligations
- Effectiveness in overseeing the material issues
- Providing strategic supervision
- Quality and timeliness of information flow between the management and the Board for decision-making

The evaluation of the Board, Board Committees, Chairperson and the Directors is carried out through circulation of different questionnaires, for each group through the survey.

Evaluation of Board

The performance of the Board is assessed based on its roles, responsibilities and obligations, relevance of Board discussions, attention to strategic issues, performance on key areas, providing feedback to executive management, and assessing the quality, quantity and timeliness of the

flow of information between the management and the Board to effectively and reasonably perform their duties.

Evaluation of Board Committee(s)

Board committees are evaluated based on an assessment of the clarity with which their mandate is defined, the effective fulfillment of terms of reference and the effectiveness of their deliberations/recommendations in contributing to the functioning/decisions of the Board.

Evaluation of Chairperson

The evaluation criteria for the Chairperson of the Board besides the criteria for assessment of all Directors, focuses incrementally on leadership abilities, effective management of meetings, preservation of interest of stakeholders, ability to guide the Company in key matters and knowledge & understanding of relevant areas.

Evaluation of Directors

The evaluation of Directors is assessed on the basis of their participation, contribution and guidance to Board and understanding of areas in their capacity as its members.

Results of Evaluation

The Board Nomination and Remuneration Committee evaluated performance of the Board as a whole and individual director including chairperson of the Board. In a separate meeting of Independent Directors, performance of Non-independent Directors and of the Board as a whole was evaluated. Performance of the Chairperson was evaluated taking into account the views of Non-executive Directors.

At the Board meeting held on 18 December 2023, the results of the performance evaluation for the year 2023 was discussed and the Board determined that the performance evaluation of Board, its Committees, Chairperson and individual Directors was satisfactory.

The Board suggested special discussions on some business and performance-related matters. The outcome of the Board evaluation is discussed with the members of the Board Nomination & Remuneration Committee and the Board of Directors of the Company. In addition, the requisite actionable(s) arising from the outcome of Board evaluation are communicated to the respective stakeholders within the Company.

j) Training and Continuing Development Program of Directors (including Independent Directors)

A formal letter of appointment is given to Independent Directors at the time of appointment which lays the role and duties of Independent Director.

As part of general practice of SKICL, all new Directors (including Independent Directors) are inducted to the Board with a formal orientation. The Directors are encouraged to interact with the members of Senior Management as part of their induction program. The Managing Director/Company Secretary presents an overview of the Company's strategy, operations, products, markets, board composition and guidelines, matters reserved for the board and our key risks and risk management strategies. This enables the Directors to get a thorough understanding of the Company, its people, values and culture which facilitate their active participation in overseeing the performance of the Management. The Managing Director & CEO also outline the Director's role, powers, duties and responsibilities, including the Company's code of conduct, compliance obligations of Companies Act, IDRA's & BSEC's regulations, and other relevant applicable regulations. The Board also attends offsite strategic meetings to gain a deeper understanding and continuous engagement with management regarding the company's strategic direction.

In addition, the Directors are constantly updated on information relating to the Company's development and industry development through discussion at Board meetings with the Senior Management team.

The Board ensures that it has a structured director learning and education program for its members. This programme shall ensure members have access to an appropriate continuing education programme and are kept up to date with current business, industry, regulatory and legislative developments and trends that will affect the Company's business operations.

Every member of the Board has access to the Managing Director & Company Secretary's advice or services about Board processes and any clarification on applicable rules and regulations. The MD & CS cover a multitude of tasks and responsibilities acting as a mediator and providing advice on economic and social sustainability matters as well.

k) Financial and accounting knowledge and expertise of Directors

All the directors except the independent directors of the Company are currently serving in the Bangladesh Armed

Forces, so they have various knowledge and experience in finance, economy, management, business administration, marketing and law matters. This ensures that together, they formulate the right policy for the development of the business while having the specialized skills and the ability to foresee developments across a larger perspective and with enough independence to audit the management in a balanced manner.

Among others, Mr. M. M. Mostafa Bilal, Independent Director & Chairman of Audit Committee of SKICL, who is serving in UAE as Managing Director (CC) and holds Master's Degree in Finance from IBA, University of Dhaka and Mr. Kazi Ahmad Pervez, Independent Director of SKICL, who is serving as a Adjunct Faculty Member in different Business Schools including BUP & BAUST. They provide guidance in matters applicable to accounting, audit and law related issues to ensure compliance and reliable financial reporting.

Respective qualifications of the Directors are appended in Directors' profile on page nos. 41-50 of this annual report.

l) Chairman & Managing Director/CEO of the Company are different persons

The Chairman of the Board is not the Chief Executive of the Company. The Chairman and the Managing Director & CEO are different individuals. The Chairman is a Non-executive Director while the Managing Director is an Executive, ex-officio of the Company. The role of the Chairman and the Managing Director & CEO are independent and separate, however, they have a very positive and constructive working relationship between them.

m) Criteria for Appointment of Managing Director & CEO

The Managing Director & CEO is appointed by the Board subject to the approval of IDRA and the consent of the shareholders in the Annual General Meeting. The Managing Director & CEO does not hold the same position in another listed company.

The Managing Director & CEO is the key person and is responsible for running the business of the Company. He is also responsible for formulating as well as implementing Board strategy and policy. The Managing Director is responsible for establishing and executing the Company's operating plan that is necessary to achieve the Company's objectives. He has overall control on the Company's day-to-day affairs and is accountable to the Board for the financial and operational performance of the Company.

Background of the Managing Director & CEO of SKICL

Brig Gen Shafique Shamim, psc (retd), CII (cert), ABIA is the Managing Director and CEO of Sena Kalyan Insurance Company Limited. After having 27 years of commissioned service in the Army, he retired as a Brigadier General. Brig Shamim Commanded an Infantry Brigade and an Infantry battalion and held important staff appointments at Army and Division Headquarters. He held instructional assignments in significant training and research institutions of the Army including Defence Services Command and Staff College, Mirpur. He has 3 years of experience with the United Nations Organization (UN) in Mozambique, Liberia and West Africa including the appointment of Senior Military Advisor in West Africa.

He joined Sena Kalyan Insurance Company Limited as the Deputy Managing Director and Head of Operations on 01 August 2013 and took over the responsibility of the Managing Director & CEO on 10 March 2017. He has acquired essential qualifications on Non-Life Insurance including Certificate and Post Graduate Diploma from Bangladesh Insurance Academy and certificate from Chartered Insurance Institute of UK. He has been awarded by Tyser & Co, UK twice for his outstanding results in the Insurance Certificate Course and Insurance Diploma Course (ABIA) of Bangladesh Insurance Academy (BIA).

The Major Roles & Responsibilities of the Managing Director & CEO

-  Ensures compliance with related regulatory guidelines and circulars
-  Fulfills duties as delegated by the board
-  Plans, executes and achieves targets set by the board
-  Appointment and appraisal of the employees

The other roles and responsibilities of the Managing Director & CEO are:

- To act as the Chief Executive Officer reporting to the Board of Directors;
- To remain accountable to the Board for the overall performance of the Company;

- To develop annual business plan;
- To implement the Board's policies, decisions and strategies in effective manner;
- To report to the Board on progress against the strategic and annual business plan on a regular basis;
- To coordinate the overall management, corporate planning and business development;
- To ensure the compliances of law, rules and regulations for good corporate governance;
- To ensure appropriate internal audit and internal audit control process;
- To develop and implement a risk management plan for underwriting insurance business;
- Comply with the activities of Articles Association of the Company;
- Above all to concentrate towards Transparency, Accountability, Reliability, value enhancement and Reputation.
- The Managing Director & CEO acts as a direct liaison between the Board and the Management of the company, and communicates to the Board on behalf of the Management; and
- The Managing Director & CEO also communicates on behalf of the Company to the employees, Government authorities and other stakeholders including shareholders, IDRA, BSEC & regulatory bodies.

n) Annual evaluation of Managing Director & CEO by the Board

The Board of Directors evaluates the Managing Director & CEO's performance based on the goals set for him, considering the company's vision and mission at the beginning of each year. The annual financial budget and other job objectives are discussed, reviewed and finalized by the Board at the start of the financial year. The Board considers financial and non- financial goals during the appraisal.

Evaluation based on financial performance

At the end of each quarter, the Managing Director & CEO is evaluated based on the financial targets. The evaluation is done based on both:

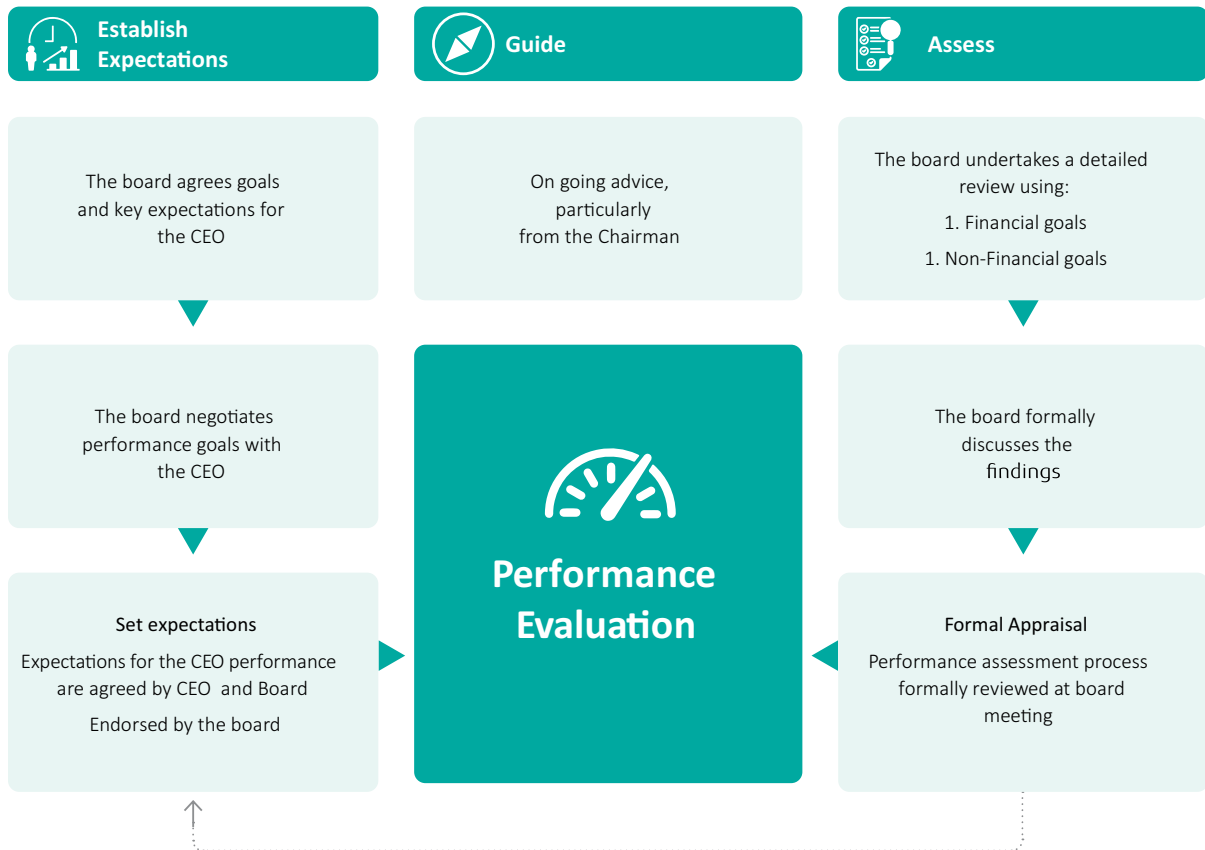
- Achievement of targets against budget;
- Achievement of targets against the achievement of those targets in the previous year.

Evaluation based on non-financial goals

The Managing Director & CEO is also evaluated based on non-financial goals in an ongoing basis. The non-financial

criteria includes, but are not constricted to things such as:

- The confidence of the shareholders in the CEO, as reflected in the stock price of the Company;
- The relationship of the Company with the regulators;



o) Company Secretary- Bridge between Board and Management

The primary link between the Board and the Management is served by the Company Secretary (CS). The CS is responsible for ensuring that good governance standards are implemented by the Company at all times. CS, sets the agenda for board meetings and ensures that the board works effectively. Every member of the Board has access to the CS’s advice or services about Board processes and any clarification on applicable rules and regulations. CS covers a multitude of tasks and responsibilities acting as a mediator and providing advice on economic and social sustainability matters as well. He is also acting as bridge

between the regulators/stakeholders and the Company.

Background of the Company Secretary of SKICL

Mr. M. M. Sajedul Islam, FCS holds the position of Company Secretary of Sena Kalyan Insurance Company Limited. He joined the Company in March 2022. As a Professional Chartered Secretary, he possesses wide knowledge in the area of corporate affairs and holds the Fellow Membership of the Institute of Chartered Secretaries of Bangladesh (ICSB). Prior to joining at SKICL, he served two different public listed Financial Institutions in various capacities and is experienced with managing IPO & Rights of those FIs.

p) Key Roles and Responsibilities of CS, CFO and HIAC

Key roles and responsibilities of Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit & Compliance (HIAC) are highlighted below:

| Roles and Responsibilities of the Company Secretary (CS) | Roles and Responsibilities of the Chief Financial Officer (CFO) | Roles and Responsibilities of the Head of Internal Audit & Compliance (HIAC) |
|--|---|--|
| Ensures compliance & manages the corporate governance framework | Responsible for overall financial management | Ensures proper internal control system |
| Oversees, conducts induction trainings for newly elected directors | Regulates, supervises and implements accounting & audit requirements | Checks compliance to internal and external regulation |
| Statutory reporting to Bangladesh Bank and other regulatory bodies | Ensures overall accuracy of budgetary & financial control system | Coordinates analysis of risk in different area of operations |
| Conscience of the company | Alerts of any irregularity concerning financial system | Prepares annual audit plans based on the result of the risk analysis |
| Liaison with outside Stakeholders for company affairs | Ensures proper tax management and compliance system | Prepares audit programs and approaches that meet the objectives of audit |
| Manages and administers board meetings | Liaison with external auditor & oversee the audit procedure | Prepares draft audit report and conduct exit meetings |
| Ensures compliance with legal requirements | Prepares and circulates statutory annual report to stakeholders | Prepares final audit reports and circulate the reports |
| Mediator between board and management | Assists in corporate tax planning & ensures effective tax management | Conducts special investigation on the megaton of fraud |
| Liaison with external regulators and advisers | Statutory reporting to IDRA, Bangladesh Bank and others regulatory bodies | Works on special projects as assigned by CEO or Audit Committee |

q) Key Roles and Responsibilities of CIO and CRO

As per the IDRA's Corporate Governance Guidelines, the Board of Directors determined the roles and responsibilities of Chief Investment Officer (CIO) and Chief Risk Officer (CRO), which are highlighted below:

| Roles and Responsibilities of the Chief Investment Officer (CIO) | Roles and Responsibilities of the Chief Risk Officer (CRO) |
|--|---|
| Oversees the implementation of the investment policy | Assists the Company in effective operation of the risk management programme by performing specialized analysis and quality reviews. |
| Periodically updating the Board on the Company's investment activities. | Reports to the Managing Director details on the risk exposures and the actions taken to manage the exposures. |
| Reviews the investment strategies adopted from time to time and giving suitable directions as needed in the best interest of the Company. | Advises to the Company with regard to risk management decisions in relation to strategic and operational matters. |
| Supervises the asset allocation strategy to ensure financial liquidity, security and diversification through liquidity contingency plan and asset liability management policy. | Reviews of the Company's risk management and operational risk related policies/frameworks and identification of internal and external risk, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risk or any other risk as may be determined by the Committee. |
| Overseeing the assessment, measurement and accounting for other than temporary impairment in investments in accordance with the policy adopted by the Company. | To review the solvency position of the Company on a regular basis. |
| Reviews the broker policy and making suitable amendments from time to time. | To monitor and review regular updates on business continuity. |
| Reviewing counter party/ intermediary exposure norms. | To maintain a group-wide and aggregated view on the risk profile of the Company in addition to the solo and individual risk profile for all categories of risk including insurance risk, market risk, credit risk, liquidity risk, operational risk, compliance risk, legal risk, reputation risk, etc. |
| Mediator between board and management | Conducts special investigation on the megaton of fraud |
| Liaison with external regulators and advisers | Works on special projects as assigned by CEO or Audit Committee |

(q) CEO, CFO, CS, HIAC, CIO & CRO will not hold executive positions in any other company at the same time

The CEO, CFO, CS, HIAC, CIO & CRO of Sena Kalyan Insurance Company Limited are not simultaneously holding executive positions in any other company.

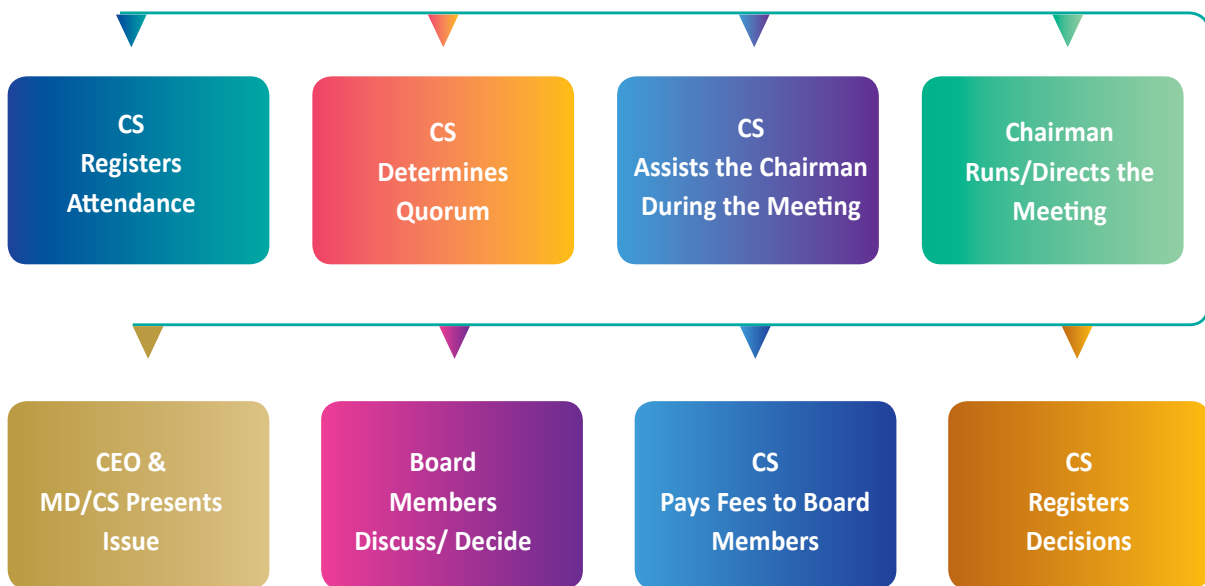
4. BOARD SYSTEMS, PROCEDURES AND COMMITTEES

(a) Process of holding Board meetings

The Board meets at least four (4) times a year, once in every 3 (three) months, inter-alia, to discuss and review the financial results, business policies, strategies etc. The maximum interval between two Board meetings is not more than 3 months. Additional Board Meetings are held

by the Company as and when the Company needs Board’s instruction and guidance. However, in case of business exigency or an urgent matter, approval of the Board is sought through resolution by circulation, which is noted in the subsequent Board Meeting.

The Company circulates the Board/Committee Meeting agenda and related notes/documents well in advance which provides for quick and easy accessibility. As a practice, the Company Secretary reports the compliance status of all the laws applicable to the Board of Directors on quarterly basis. All significant decisions taken by the Board/ Committee Members are communicated to the functional heads of the concerned departments. The Board/Committee Members are apprised of the action taken or proposed to be taken by the Company on the observations/directions given in the previous meeting.



(b) Board Meetings held and Minutes kept as per Bangladesh Secretarial Standards

The meetings of the Board of Directors are held on a regular basis at Sena Kalyan Insurance Company Limited. Management provides information, references and agenda wise working papers to all Directors for consideration within stipulated time. The Chairman of the Board of Directors allows sufficient time for the Directors to consider each agenda prudent and freely discuss and express opinions to adopt accurate decisions for the interest of the shareholders.

Resolutions taken by the Board are recorded. Minutes

of a Board meeting is signed by the Chairman of the meeting and copy of minutes is submitted to Insurance Development & Regulatory Authority (IDRA) within 30 (Thirty) days from the date of meeting. The decisions taken in the Board meeting are disseminated by the Company Secretary to whom such decision relates.

All Board meetings such as Convening of a Meeting, Frequency of Meetings, Quorum, Attendance at Meetings, Chairman, Passing of Resolution by Circulation, Minutes and Disclosure are being maintained in accordance with the requirements under Bangladesh Secretarial Standards-1 (BSS-1) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB).

(c) Attendance in Board of Directors and Committee Meetings

During the financial year under reporting total five (5) Board Meetings, four (4) Audit Committee Meetings and one (2) Nomination & Remuneration Committee Meetings were held and the attendance of the Directors are noted below:

| Name of Directors | Attendance at 10th AGM | Board | | Executive Committee | | Risk Management Committee/Claims Committee | | Audit Committee | | Nomination & Remuneration Committee | | Investment Committee | | Policyholder Protection & Compliance Committee | | Changes During 2023 with the date of Board Acceptance | |
|---|------------------------|----------------|-------------------|---------------------|-------------------|--|-------------------|-----------------|-------------------|-------------------------------------|-------------------|----------------------|-------------------|--|-------------------|---|---------|
| | | Total Meetings | Meetings Attended | Total Meetings | Meetings Attended | Total Meetings | Meetings Attended | Total Meetings | Meetings Attended | Total Meetings | Meetings Attended | Total Meetings | Meetings Attended | Total Meetings | Meetings Attended | Joining | Leaving |
| Maj Gen Md. Habib Ullah, SGP, SPP, ndc, afwc, psc, M phil | x | 2 | 2 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 20/Sep/23 | - | |
| Cdre A.F.M Rafiqul Islam (L), ndu, Psc, BN | x | 3 | 3 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 10/May/23 | - | |
| Air Cdre Md Shaharul Huda, BSP, ndc, psc | v | 5 | 4 | ... | ... | ... | 3 | ... | ... | ... | ... | ... | ... | ... | - | - | |
| Brig Gen Mohd Muinul Haq Mamun, psc | v | 5 | 5 | ... | ... | ... | ... | ... | 2 | 2 | ... | ... | ... | ... | - | - | |
| Brig Gen Rezwan, ndc, psc | x | 2 | 2 | ... | ... | ... | ... | ... | 1 | 1 | ... | ... | ... | ... | 20/Sep/23 | - | |
| Brig Gen Abdur Rahim, BGBM, G+ | x | 1 | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 18/Dec/23 | - | |
| Brig Gen Humayun Kabir, psc | x | 0 | 0 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 18/Dec/23 | - | |
| Mr. M. M. Mostafa Bilal | v | 5 | 5 | ... | ... | ... | 4 | 4 | 1 | 1 | ... | ... | ... | ... | - | - | |
| Mr. Kazi Ahmad Pervez | x | 0 | 0 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 18/Dec/23 | - | |
| Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng | v | 3 | 3 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | - | 20/Sep/23 | |
| Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc | v | 1 | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | - | 10/May/23 | |
| Brig Gen Md Rashidul Alam, BGBMS, PBGMS | v | 1 | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | - | 10/May/23 | |
| Brig Gen Md Shakhawat Hossain, ndu, psc | v | 3 | 3 | ... | ... | ... | 4 | 2 | ... | ... | ... | ... | ... | ... | - | 20/Sep/23 | |
| Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc | v | 1 | 1 | ... | ... | ... | ... | ... | 1 | 1 | ... | ... | ... | ... | 10/May/23 | 20/Sep/23 | |
| Brig Gen Md Hasan Jahangir, SUP, ndc, psc | x | 5 | 3 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | - | 18/Dec/23 | |
| Brig Gen Md. Abu Bakar Siddique Khan, ndc, afwc, psc, G+ | x | 1 | 1 | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | ... | 20/Sep/23 | 18/Dec/23 | |
| Barrister Ahamed Ihteyaz Thamid | v | 5 | 4 | ... | ... | ... | 4 | 4 | 2 | 1 | ... | ... | ... | ... | - | 18/Dec/23 | |

(d) Key Policies with regard to Remuneration of Directors, Senior Management and Employees

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee (NRC) of the Board, evaluates the remuneration of the Directors, Senior Management and all officers and decides the same in accordance with the remuneration policy of the Company. The overall objective of the Company’s remuneration policy is to establish a framework for attracting, retaining and motivating employees, and creating incentives for delivering long term performance within established risk limits. Accordingly, performance of each incumbent is judged, not on what is achieved, but also on how it is achieved as well as alignment to Company’s value. The quality and commitment of our human capital is fundamental of Company’s success and protecting general shareholders’ interest. The overall objective of the Company’s remuneration policy is to establish framework for attracting, retaining and motivating employees, and crating incentives for delivering long-term performance within established risk limits. The Board of Directors time to time reviews and evaluates the remuneration paid to all level of employees, directors and others.

(e) Directors’ Remuneration

Directors are not eligible for any other remuneration other than the attendance fee for the Board and its committee Meetings. During the year 2023, a total amount of Tk. 3,27,556/= (included VAT & Tax) was paid to the Directors as Remuneration/ Meeting Attendance Fees. Details of the Directors’ attendance record are shown in page no. 109.

(f) Remuneration of Managing Director and CEO

The Managing Director & Chief Executive Officer of the Company received the annual remuneration as per the guideline IDRA.

Managing Director & CEO’s remuneration has been presented on page no. 259 of this Annual Report.

(g) Attendance of CS, CFO and HIAC in Board Meeting

As per the IDRA’s Corporate Governance Guidelines and BSEC’s Corporate Governance Code, the CS and CFO of the Company attended the meetings of the Board.

However, as per the IDRA’s Corporate Governance Guidelines, the Head of Internal Audit and Compliance (HIAC), Chief Investment Officer (CIO) and Chief Risk Officer (CRO) attend

the meeting if any matter related to their activities are included in the agenda or agenda of the meeting.

The above concerned officers shall not attend the said board meeting if there is an agenda or agenda related to their personal matter of any of the said officers.

(h) Key Activities of the Board in 2023

The following table shows a breakdown of the matters considered by the Board in 2023, in addition to business agenda.

Quarterly-wise overview of the Board’s main activities in 2023

| | |
|--------------------|--|
| January – March | <ul style="list-style-type: none"> • Authorization of Financial Statements and Annual Report 2022 • Adoption of Directors’ Report of 2022 • Dividend declaration for 2022 • Appointment of Statutory and Corporate Governance Auditors and determination of Audit Fees • Holding Annual General Meeting |
| April – June | <ul style="list-style-type: none"> • Endorsement of First Quarter Financial Statements 2023 (January – March) |
| July – September | <ul style="list-style-type: none"> • Endorsement of Second Quarter Financial Statements 2023 (April – June) • Opening Mohakhali Branch at SKS Shopping Complex Level 2 Mohakhali Dhaka 1206 |
| October – December | <ul style="list-style-type: none"> • Endorsement of Third Quarter Financial Statements 2023 (July – September) • Opening Dinajpur Branch • Approval of Budget for the year 2024 • Revised the Rules of the Provident Fund of SKICL • Approved various policies of the Company as per Insurer Corporate Governance Guideline, 2023 issued by IDRA. |

(i) Directors’ Report on Preparation and Presentation of Financial Statements and Corporate Governance

The Companies Act, 1994, requires the Directors to prepare financial statements for each accounting year.

The Board of Directors accepts the responsibility for the preparation of the financial statements (as well as the quarterly financial statements), maintaining adequate records for safeguarding the assets of the Company, preventing and detecting fraud and/or other irregularities, selecting suitable accounting policies and applying those policies consistently and making reasonable and prudent judgments and estimates where necessary.

The Board of Directors are also responsible for the implementation of the best and the most suitable corporate governance practices. A separate statement of the Directors' responsibility for financial reporting and corporate governance has been presented on page no. 199 of this Annual Report.

(j) Information Applied to the Board

Sena Kalyan Insurance Company Limited has incorporated its Governance Framework pursuant to the guidelines prescribed in the Code of Best Practices on Corporate Governance issued by the Insurance Development and Regulatory Authority (IDRA) and Bangladesh Securities and Exchange Commission (BSEC).

SKICL has adopted all applicable laws, policies, rules and regulations in our Corporate Governance System and maintains a zero-tolerance policy in compliance. A list of such external and internal regulations/ policies are outlined below:

| Internal Framework | Internal Framework |
|---|--|
| The Companies Act, 1994; | Articles of Association; |
| The Insurance Act 2010; | Code of Conduct for the employees & the Board; |
| The Insurance Rules 1958; | Board and Board Sub Committee Charters; |
| Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 1987; | Relevant approved Manual of the Company. |
| Corporate Governance Guideline-2018 issued by the Bangladesh Securities and Exchange Commission (BSEC); | - |
| Corporate Governance Code-2018 issued by the Insurance Development and Regulatory Authority (IDRA); | - |
| Policies, Procedures, Directives of IDRA & BSEC; | - |
| Listing regulations 2015 of Stock Exchanges. | - |
| Relevant instructions of RJSC | - |
| Income Tax Ordinance, 1984 | - |
| Income Tax Rules, 1984 | - |
| The Value Added Tax and Supplementary Duty Act, 2012 | - |
| The Value Added Tax and Supplementary Duty Rules, 2016 | - |

Additionally, we have engaged experienced professionals in positions of Company Secretary, Chief Financial Officer and Head of Internal Audit & Compliance who play vital roles in our Corporate Governance System.

(k) Disclosure of Board Committees

As per the Corporate Governance Guidelines of IDRA and Corporate Governance Code of BSEC, the Board of Directors have constituted Six committees namely – Executive Committee, Risk Management /Claims Committee, Audit Committee, Nomination & Remuneration Committee, Investment Committee, Policyholder Protection & Compliance Committee which enables the Board to deal with specific areas / activities that need a closer review and to have an appropriate structure to assist in the discharge of their duties and responsibilities.

The Committees of the Board meet at regular intervals and have the requisite subject expertise to handle and resolve matters expediently. Minutes of the Committee Meetings are circulated and placed before the Board of Directors in the subsequent Board Meeting for their noting. The Company Secretary acts as a secretary to all the Committees of the Board.

Detailed composition, meetings and other information of all the Committees of the Board are herein below:

Executive Committee

The Board of Directors does the strategic planning and decision-making for their organizations according to the mission, vision and values of the organization. The executive committee of the Company is a smaller group with close ties through leadership who can get together, often within short notice, to address pressing issues that affect the organization substantially, such as an emerging crisis. The executive committee has the power to act on behalf of the full board.

The Board Executive Committee was last reconstituted on 18 December 2023 and the members of Executive Committee are:

| Name | Status in the Board | Position in the Committee |
|---|-------------------------|---------------------------|
| Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN | Nominated Director | Chairman |
| Brig Gen Mohd Muinul Haq Mamun, psc | Nominated Director | Member |
| Brig Gen Shafique Shamim, psc (Retd.) | Managing Director & CEO | Member |

The Roles and Responsibilities of Executive Committee:

- Executive committee provides organizational direction for the CEO and on behalf of the Board. It is responsible for overseeing the regular implementation of board policies and making sure that the management is establishing and maintaining good governance practices.
- Tracks and considers financial positions, performance, set goals, make strategic plans, and provides with operational directives to the CEO and senior management.
- Holds meetings regularly and recommends on issues to be forwarded for Board’s decisions.

Risk Management Committee/Claims Committee:

Risk Management Committee/Claims Committee handling is the process by which an insurance company processes and pays claims in accordance to the terms and conditions specified in the insurance contracts. The process generally comprises registering new claims, selecting the surveyor, setting and revising reserves, obtaining essential information to assess, manage and settle the claim, making reinsurance and other recoveries, and reviewing and closing claim files.

The Risk Management Committee/Claims Committee was last reconstituted on 18 December 2023 and the members of the Committee are:

| Name | Status in the Board | Position in the Committee |
|--|----------------------|---------------------------|
| Air Cdre Md Shaharul Huda, BSP, ndc, psc | Nominated Director | Chairman |
| Brig Gen Md Rezwan, ndc, psc | Nominated Director | Member |
| Mr. M. M. Mostafa Bilal | Independent Director | Member |

The Roles and Responsibilities of Risk Management Committee/Claims Committee:

- Claims Committee ensures that effective management of claim handlings and governance is fully integrated and effectively implemented.
- Develops, recommends and implements policies with respect to the management of claims with particular reference to the need to try to minimise losses.
- Ensures that the claims reporting phase proceeds as smoothly as possible. Provide and ensure a

swift, efficient and technically knowledgeable claim service.

- Monitors the outstanding claims, class wise and their ageing on a monthly basis.
- Investigates into and accordingly make timely recommendations to the Board on:
 - (a) Major claims solicitation decisions and the amounts involved.
 - (b) Any unforeseen trends in claims settlement emanating from a class of risks and/or an individual risk.
- With respect to payment of claims:
 - (a) Ensure that only valid claims are paid.
- Other responsibilities as delegated by the Board.

Audit Committee

The primary role of the Audit Committee is overseeing the financial reporting process and disclosure of financial information, reviewing the financial statements before submission to the Board, reviewing adequacy of internal control systems and reviewing findings of internal investigations and recommending appointment/ removal of statutory auditors & compliance auditors and fixing their remuneration.

The Audit Committee of the Board was last reconstituted on 18 December 2023 in compliance with the condition of the BSEC’s Corporate Governance Code-2018 and IDRA’s Corporate Governance Guidelines-2023. All the Members of the Audit Committee have the required qualifications and expertise to be a member of the Committee and possess requisite knowledge of accounting and financial management.

The Major Roles and Responsibilities of Audit Committee:

- Oversees the financial reporting process.
- Monitors choice of accounting policies and principles.
- Monitors Internal Control Risk Management process.
- Oversees hiring and performance of external auditors.
- Reviews along with the management, the annual financial statements before submission to the board for approval.

- Reviews along with the management, the quarterly and half yearly financial statements before submission to the board for approval.
- Reviews the adequacy of internal audit function.
- Reviews statement of significant related party transactions submitted by the management.
- Reviews Management Letters/Letter of internal Control weakness issued by statutory auditors.

(i) Financial Expert in the Audit Committee

All the Members of the Audit Committee have the required qualifications and expertise for appointment in the Committee and possess requisite knowledge of accounting, financial management and laws.

(ii) Proportion of Independent Directors in the Audit Committee

The Audit Committee of SKICL has been formed pursuant to the BSEC’s Corporate Governance Code- 2018 and IDRA’s Corporate Governance Guidelines-2023.

The Board of Directors have been very meticulous in the formation of the Audit Committee, which consist of 4 (four) members. All the members are financially literate and possess the required qualifications in keeping with the spirit & objectives as laid down in the regulatory directives.

The present members of the Audit Committee are:

| Name | Position in the Committee |
|--|---------------------------|
| Mr. M. M. Mostafa Bilal | Chairman |
| Air Cdre Md Shaharul Huda, BSP, ndc, psc | Member |
| Brig Gen Md Humayun Kabir, psc | Member |
| Mr. Kazi Ahmad Pervez | Member |

Mr. M. M. Sajedul Islam, FCS, Company Secretary is also the Secretary of the Audit Committee. The Head of Internal Audit concurrently reports to the Managing Director & CEO as well as to the Audit Committee.

(iii) Reporting of Internal Auditor to the Audit Committee

The Company’s internal control system was commensurate with its size and business nature. The system minimized operational risks through effective control, systemic review and ongoing audit. The internal

auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

The Company internalized its legal and technical appraisal functions to ensure optimum control. The Company’s multi-level authorization structure ensured that higher exposure levels were duly authorized by personnel and committees with requisite experience and authority. Training programs and guidelines helped to implement linkage between goals and operations.

The Board has ultimate responsibility for establishing an effective system of internal control. The internal control system holds all business risks, including financial, operational and strategic risks. To mitigate all the risks as well as to establish control environment, the board holds its meeting regularly with comprehensive agenda dealing with all major aspects of business. There is an internal control and compliance department directly reporting to the Board Audit Committee, which looks after compliance with the organizational policies by different departments.

A separate report on Internal Control has been given on page nos. 186 and 187 of this report.

(iv) Report by the Audit Committee to the Board about the matters related to Conflict of Interest

The Audit Committee reports directly to the Board of Directors and under certain circumstances, can also report to the IDRA & BSEC.

The Audit Committee shall immediately report to the Board of Directors in the following cases:

- On conflict of interest;
- Suspected and presumed fraud or irregularity or material defect in the internal control system;
- Suspected infringement of laws, including securities-related laws, rules and regulations and
- Any other matter which should be disclosed to the Board of Directors immediately

No such issues arose at SKICL during the year ended on 31 December 2023.

(v) Presence of the Chairman of the Audit Committee at the AGM

The Chairman of the Audit Committee is an Independent Director and was present at the last (10th) Annual General Meeting of the Company.

A separate report on the activities of the Audit Committee has been presented on the page no. 188 of this annual report.

Nomination and Remuneration Committee (NRC)

Pursuant to the Corporate Governance Code of BSEC & Corporate Governance Guidelines of IDRA, the Board of Directors of Sena Kalyan Insurance Company Ltd. have duly constituted a Nomination and Remuneration Committee (NRC). The NRC assists the Board in formulating the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of Directors and other top-level executives. The NRC also assists the Board to formulate policy for the formal and continued process of considering remuneration/ honorarium for Directors and top-level executives. A separate report on the activities of the Nomination and Remuneration Committee (NRC) has been presented on the page no. 191 of this annual report.

The members of Nomination and Remuneration Committee (NRC) are:

| Name | Status in the Board | Position in the Committee |
|-------------------------------------|----------------------|---------------------------|
| Kazi Ahmad Pervez | Independent Director | Chairman |
| M. M. Mostafa Bilal | Independent Director | Member |
| Brig Gen Mohd Muinul Haq Mamun, psc | Nominated Director | Member |
| Brig Gen Md Rezwan, ndc, psc | Nominated Director | Member |

The Major Roles and Responsibilities of Nomination and Remuneration Committee (NRC):

- To assist the Board in developing and administering a fair and transparent procedure for setting policies on the remuneration of the senior management of the company.
- Determining the remuneration packages.
- Review the Performance Evaluation Reports (PER) of senior management of the company.
- Review and oversee the Company's overall human resources strategy.

Investment Committee

As per Corporate Governance Guidelines issued by IDRA, the Sena Kalyan Insurance Company Limited (SKICL) has

an Investment committee. The committee consists of five (05) members including one independent director, who is the Chairman of the Committee. The Chief Executive Officer (CEO) is an ex-officio member of the Committee.

Investment committee (IC) are:

| Name | Status in the Board | Position in the Committee |
|--|-------------------------|---------------------------|
| Mr. Kazi Ahmad Pervez | Independent Director | Chairman |
| Air Cdre Md Shaharul Huda, BSP, ndc, psc | Nominated Director | Member |
| Brig Gen Md Rezwan, ndu, psc | Nominated Director | Member |
| Brig Gen Mohd Muinul Haq Mamun, psc | Nominated Director | Member |
| Brig Gen Shafique Shamim, psc (Retd.) | Managing Director & CEO | Member |

Roles and Responsibilities of Investment committee:

- The Investment Committee should prepare an effective Investment Policy in due compliance with investment related provisions of Insurance Act 2010 and recommend to the Board of Directors for approval.
- The Committee should have the access to all information, data, documents, reports etc. relating to the investment of the Company.
- The Committee should monitor and report to the Board of Directors including review of investment and return on investment on a monthly basis.
- The investment risk will be taken into consideration before making the investment to ensure the suitability of the investment.
- The Committee will ensure that SKICL should invest in appropriate portfolios and review the investment risk and performance on a quarterly basis with a view to ensuring timely and proper repayment of company's liabilities.
- The Committee ensures that necessary measures are taken to reduce investment risk.
- The Committee may take appropriate expert advice if necessary before making the investment.
- The Committee will ensure maintenance of required solvency and advise the Board of Directors in this regard.

- The Investment Committee will make sure that the funds of the insurance company are not invested for the benefit of any member of the Board of Directors.
- The Committee ensures that capital losses on investments are properly accounted for in the financial statements.
- The committee will oversee the rental income account for the use of fixed assets and the payment of rent.
- The Committee will ensure the proper safeguard of assets of the company through supervision.
- The Committee shall carry out any other investment related responsibilities as assigned by the Board of Directors.

Policyholder Protection & Compliance Committee

The Policyholders Protection Committee has been constituted in line with provisions of IDRA's CG Guidelines.

The Members of the Policyholders Protection Committee are:

| Name | Status in the Board | Position in the Committee |
|---|----------------------|---------------------------|
| Cdre A.F.M Rafiqul Islam (L), ndu,psc, BN | Nominated Director | Chairman |
| Mr. M. M. Mostafa Bilal | Independent Director | Member |
| Brig Gen Md Abdur Rahim, BGBM, G+ | Nominated Director | Member |

Roles and Responsibilities of Policyholders Protection committee:

- Putting in place proper procedures and effective mechanism to address complaints and grievances of policyholders including mis-selling by intermediaries.
- Ensuring compliance with the statutory requirements as laid down in the regulatory framework.
- Reviewing the mechanism at periodic intervals.
- Ensuring adequacy of "material information" to the policyholders to comply with the requirements laid down by the authority both at the point of sale and periodic intervals.

- Reviewing the status of complaints at periodic intervals.
- Details of grievance at periodic intervals in such formats as may be prescribed by the authority.
- Providing details of insurance ombudsman to the policyholders.
- Monitoring of payments of dues to the policyholders and disclosure of unclaimed amount thereof.
- Review of regulatory reports to be submitted to various authorities.
- To review the standard operating procedures for treating the customer fairly including timeframes for policy and claims servicing parameters and monitoring implementation thereof.
- To review the framework for awards given by Insurance Ombudsman/Consumer Forums. Analyze the root cause of customer complaints, identify market conduct issues and advise the management appropriately about rectifying systemic issues, if any.
- To review all the awards given by Insurance Ombudsman/ Consumer Forums remaining unimplemented for more than three (3) months with reasons therefore and report the same to the Board for initiating remedial action, where necessary.
- To review claim report including status of outstanding claims with ageing of outstanding claims.
- To review repudiated claims with analysis of reasons.
- Monitoring of the implementation of the approved proposals under IDRA's Sandbox Regulation.

(I) Independence of the Chairman of all Board Committee

All the Non-Executive Directors are nominated by SKS except for the Independent Directors. All the Directors bring forth independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the Company's activities are always conducted with adherence to stringent and the highest possible ethical standards and in the best interests of all stakeholders. The Chairmen of the Committees are selected by the Board. The Board considers that the Chairmen of the committees are independent. None of the directors of the Board, are involved in the day-to-day

operations of the Company, rather they provide their valuable insights and guidance to the management in the meeting of the Board and its committees.

(m) Board Meeting on Strategy

As a part of annual strategy planning process, the Board Strategy Meeting is held to deliberate on various subject matters related to strategic planning. This serves the purpose of providing a platform for the Board Members to bring their expertise to various strategic initiatives, while also providing an opportunity for them to understand detailed aspects of execution and challenges relating to the specific theme. The Board of Directors usually meet once in a year to discuss the above.

The Board of Directors are also updated periodically on the implementation of strategic initiatives and business plans. The Board Strategy Meeting was held on 31 December 2023, in Sena Kalyan Sangstha at SKS Tower (10th Floor) to review the business strategy of the Company including regulatory reforms and digital initiatives undertaken by the Company.

The Board Strategy Meeting is attended by the Management Committee Members and respective Senior Management Personnel of the Company. All the Directors of the Company were present in the Board Strategy Meeting.

5. MANAGEMENT COMMITTEE AND ITS SUB-COMMITTEES

To ensure that the Company’s vision and mission are adhered to, we have our Management Committee, depicted below, who are entrusted to set objectives and lead from the front. On the back of the Board’s exemplary guidance, the Management and its various sub-committees determines SKICL’s strategic objectives such as areas of business focus; policies, monitoring and process improvements.

(a) Management Committee (MANCOM)










Members of the Management Committee are:

| Name & Designation | Management Committee (MANCOM) | Corporate Social Responsibility (CSR) Committee | Environmental, Social & Governance (ESG) Committee | Integrity & Ethics Committee | Reinsurance & Retrocession Committee | Asset Liability Management (ALM) Committee |
|---|-------------------------------|---|--|------------------------------|--------------------------------------|--|
| Brig Gen Shafique Shamim, psc (Retd.) Managing Director & CEO | Chairman | Chairman | | | | |
| Col Md Abue Masud, PBGM (Retd) Head of Corporate Affairs | Member | Member | Chairman | Chairman | | |
| Sqn Ldr Md. Mostafa Zaman (Retd) Head of Admin | Member | | Member | | | |
| Mr. Pronab Kumar Saha Head of Underwriting | Member | | | | | |
| Mr. Maloy Kumar Saha Chief Financial Officer | Member | Member | | | Member | Chairman |
| Mr. Tajul Islam Head of Claims & Re-Insurance | Member | | | | Chairman | |
| Mr. M. M. Sajedul Islam, FCS Company Secretary | Member | Member | Member | Member | | |
| Mr. Md Shakhawat Hossain Head of IT | Member | | | | | Member |
| Ms. Khadiza Khanom Mili Head of HR | Member | | | Member | | |
| Mr. Belal Hossain DVP-Underwriting | Member | | | | Member | Member |
| Ms. Lasmin Akter Head of Internal Audit & Compliance | Member | | | | | Member |

(b) Management Review And Responsibilities

Responsibilities /Activities of the Management Committee

The Company has a multi-tier management structure, comprising at the apex followed by personnel/ executives at the top management, senior management, middle management and junior management positions to ensure the following activities:

| | | |
|--|--|---|
|  <p>Strategic supervision is provided by the Board;</p> |  <p>Control and implementation of Company's strategy is achieved effectively;</p> |  <p>Operational management remains focused on implementation;</p> |
|  <p>Information regarding the Company's operations and financial performance is made available to the stakeholders;</p> |  <p>Delegation of decision making with accountability is achieved;</p> |  <p>Financial and operating control and integrity are maintained at an optimal level;</p> |
|  <p>Risk is suitably evaluated and dealt with;</p> |  <p>Compliance with applicable acts and regulations is achieved;</p> |  <p>Corporate culture that recognizes and rewards adherence to ethical standards is developed.</p> |

This multi-tier management structure, besides ensuring greater management accountability and credibility, also facilitates increased autonomy of businesses, performance discipline and development of business leaders, leading to enhance public confidence.

Other Committees of SKICL

As per the Corporate Governance Guidelines of IDRA, to achieve the objectives and requirements of the Company, the Company has constituted the following committees and the Board of Directors have clearly

defined the responsibilities of the committees.

- Asset Liability Management (ALM) Committee
- Reinsurance and Retrocession Committee
- Integrity and Ethics Committee
- ESG (Environmental, Social, and Governance) Committee
- Corporate Social Responsibility (CSR) Committee

Asset Liability Management Committee (ALCO)



Risks Managed



Interest Rate Risk


Liquidity Risk


Credit Risk



Operational Risk


Regulatory Compliance




Achievement Highlights

- Implemented a robust asset allocation strategy that maximizes returns while aligning with the company's risk tolerance
- Successfully identified and mitigated potential risks through comprehensive stress testing and scenario analysis.
- Instituted effective liability management practices, aligning policyholder obligations with investment returns. This has not only strengthened our ability to meet future obligations but has also improved the overall efficiency of our liability structure
- Maintained a steadfast commitment to regulatory compliance, ensuring that the ALM practices align with industry standards and regulatory requirements. This has resulted in positive feedback from regulatory bodies and underscores our commitment to transparency and sound financial governance.



Notable Activities of 2023

- Monitoring and managing interest rate risks to ensure that the company's assets and liabilities are appropriately matched.
- Adjusting the duration of the investment portfolio based on interest rate expectations
- Regularly evaluating the credit quality of the investment portfolio to ensure it aligns with the company's risk tolerance and investment policy.
- Analyzing the company's insurance liabilities and managing risks associated with changing policyholder behavior and market conditions.
- Ensuring effective communication with key stakeholders, including regulators, executives, and board members.
- Periodically reviewing and updating the investment policy to reflect changes in market conditions, regulations, and the company's risk appetite.



Functions

- To evaluate various types of risks, including interest rate risk, credit risk, liquidity risk, and market risk.
- To quantify the impact of these risks on the company's financial position and solvency.
- To develop and review the company's ALM strategy, taking into account the company's financial goals, risk tolerance, and regulatory requirements.
- To establish policies and guidelines for managing assets and liabilities in line with the company's risk appetite and regulatory requirements.
- To analyze the company's liabilities, including insurance liabilities and other obligations.
- To develop strategies to manage and match the duration and cash flow characteristics of assets with liabilities.

Reinsurance & Retrocession Committee



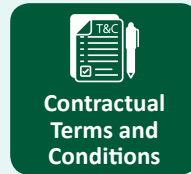
Risks Managed



Risk
Identification



Underwriting
Standards



Contractual
Terms and
Conditions



Risk Monitoring
and Reporting



Achievement Highlights

- Successfully analyzed and optimized the reinsurance portfolio to enhance risk management strategies, resulting in improved financial stability and resilience against catastrophic events.
- Implemented innovative retrocession strategies to minimize costs while maintaining comprehensive coverage, leading to significant cost savings for the company.
- Implemented proactive claims management strategies in collaboration with reinsurers, resulting in streamlined claims processes, faster settlements, and an improved overall claims experience for policyholders.
- Established a proactive approach to market monitoring, staying abreast of emerging trends, and adjusting reinsurance and retrocession strategies accordingly to maintain a competitive edge in the industry.



Notable Activities of 2023

- Develop and review reinsurance and retrocession policies and strategies aligned with the company's overall risk management objectives.
- Establish risk tolerance levels and guidelines for reinsurance placements.
- Evaluate the company's risk exposure and identify areas where reinsurance or retrocession may be necessary.
- Conduct thorough risk analysis for various lines of business and geographical regions.
- Review and negotiate reinsurance and retrocession contracts to ensure they align with the company's objectives and risk appetite.
- Evaluate contract terms, pricing, and coverage to optimize value.



Functions

- To develop reinsurance and retrocession policies aligned with the company's risk appetite and business objectives.
- To formulate strategic plans for reinsurance and retrocession activities.
- To evaluate the company's risk exposure and identify areas where reinsurance and retrocession can be effective in mitigating risks.
- To analyze the current insurance portfolio to determine the adequacy of coverage and identify potential gaps.
- To market research and identify potential reinsurance and retrocession partners.
- To maintain strong relationships with reinsurers.

Integrity & Ethics Committee



Risks Managed



Achievement Highlights

- Successfully developed and implemented a comprehensive code of conduct tailored to the insurance industry, outlining ethical standards and guidelines for employees, agents, and other stakeholders.
- Established a robust whistleblower protection program, ensuring confidentiality and protection for individuals reporting unethical practices, thereby encouraging a transparent and accountable work environment.
- Introduced a structured ethical decision-making framework to guide employees and stakeholders in navigating complex ethical dilemmas, promoting consistent and principled decision-making.
- Instituted a recognition and rewards program to acknowledge individuals and teams that demonstrated exemplary ethical behavior and compliance, reinforcing a positive ethical culture.



Notable Activities of 2023

- Establish and maintain a confidential reporting mechanism for employees to report unethical behavior or concerns without fear of retaliation.
- Ensure the protection of whistleblowers and investigate reported concerns promptly.
- Organize workshops or seminars that focus on ethical decision-making processes, including case studies and real-world scenarios.
- Develop and enforce policies to manage and disclose potential conflicts of interest among employees.
- Conduct regular reviews to identify and address conflicts of interest within the organization.
- Hold regular meetings to discuss and address ethical issues within the organization.
- Keep members informed about industry trends and regulatory changes affecting ethics.
- Recognize and reward employees who consistently uphold the company's ethical standards.
- Link ethical behavior to performance evaluations and promotions.



Functions

- To establish and maintain a confidential reporting mechanism for employees to report unethical behavior or concerns without fear of retaliation.
- To ensure the protection of whistleblowers and investigate reported concerns promptly.
- To organize workshops or seminars that focus on ethical decision-making processes, including case studies and real-world scenarios.
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- To link ethical behavior to performance evaluations and promotions.

Environmental, Social & Governance (ESG) Committee



Risks Managed



Risk
Identification



ESG
Integration



Scenario
Analysis



Continuous
Monitoring



Achievement Highlights

- Launched and supported various community-focused initiatives, including volunteer programs, donations, and partnerships with local organizations, positively impacting the social fabric of the communities in which the company operates.
- Instituted inclusive hiring practices, diverse training programs, and mentorship initiatives to foster a workplace culture that values diversity and promotes equal opportunities for all employees.
- Implemented initiatives to engage employees in ESG efforts, foster a sense of responsibility and pride in contributing to the company's sustainability goals, and encourage innovative ideas from the workforce.



Notable Activities of 2023

- Drafting, reviewing, and updating the company's ESG policies to ensure alignment with industry's best practices and evolving standards.
- Engaging in community outreach programs and philanthropic initiatives that contribute to environmental conservation, social development, and community well-being.
- Establishing partnerships with organizations, NGOs, or industry groups to share best practices, collaborate on sustainability initiatives, and collectively address industry's-wide challenges.
- Staying informed about evolving ESG regulations and ensuring the company's compliance with relevant standards and requirements.



Functions

- To implement risk management strategies to mitigate ESG-related risks.
- To identify opportunities for the company to contribute positively to the communities it serves.
- To implement initiatives that address societal needs and promote social responsibility.
- To regularly review and update ESG policies and practices to reflect evolving industry standards and best practices.
- To seek opportunities for continuous improvement in the company's ESG performance.

Corporate Social Responsibility (CSR) Committee



Risks Managed



Achievement Highlights

- Successfully executed community outreach programs, contributing to the improvement of local communities where the company operates.
- Established partnerships with non-profit organizations to address social issues such as education, healthcare, and poverty alleviation.
- Implemented diversity and inclusion programs to foster a workplace culture that values and embraces differences.
- Conducted training sessions and workshops to promote awareness and sensitivity towards diversity issues among employees.
- Established and enforced a comprehensive code of ethics, ensuring that the company conducts its business with integrity and transparency.
- Developed and implemented measures to prevent corruption, bribery, and unethical business conduct.
- Successfully integrated CSR considerations into the company's overall business strategy and decision-making processes.
- Demonstrated the positive impact of CSR initiatives on the company's reputation, customer loyalty, and long-term sustainability.



Notable Activities of 2023

- Identify and support community projects and initiatives that align with the company's values and priorities.
- Develop and manage philanthropic programs, including donations, grants, and sponsorships, focusing on areas such as education, healthcare, and poverty alleviation.
- Develop and implement diversity and inclusion initiatives within the company.
- Support organizations and programs that promote diversity and equal opportunities.
- Integrate ethical considerations into the company's investment portfolio.
- Invest in projects and companies that align with social and environmental responsibility.
- Ensure that the company's business practices adhere to ethical standards and principles.
- Conduct regular audits to assess and improve ethical compliance.
- Develop and implement plans for managing corporate crises and communicating transparently with stakeholders during challenging times.



Functions

- To develop a comprehensive CSR strategy aligned with the company's values, business objectives, and stakeholder expectations.
- To engage with internal and external stakeholders, including employees, customers, communities, and regulatory bodies, to understand their expectations and concerns regarding CSR.
- To identify and support community projects and initiatives that address social needs and contribute to sustainable development.
- To establish partnerships with non-profit organizations and community groups.
- Facilitate and encourage employee involvement in volunteer programs and community service.
- Recognize and reward employees for their CSR contributions.

Performance Review

The Managing Director & CEO is responsible for setting financial targets as well as operational and management goals for the members of the ManCom. Both short-term and long-term goals form part of the performance management of all senior executives. Long-term goals are directly linked with the Company's vision. Short-term goals are generally directly linked to the objectives of the Company. The Managing Director & CEO and the Evaluation Committee conduct a detailed review of the performance of senior executives against these goals on an annual basis at the end of each year.

(c) Appointment and Remuneration of the Senior Management/Officials

Employees at the rank of Deputy Vice President and above are considered senior management and all their appointments and benefits are approved by the Board.

6. TRANSPARENCY AND INTERNAL AUDIT FUNCTIONS

(a) Establishment of Internal Audit Department in the Company

The Board takes responsibility for the oversight of SKICL's business and management, including risk management and putting up internal controls. The Directors state that the systems of internal control are sound and have been implemented and monitored effectively.

The system minimized operational risks through effective control, systemic review and on-going audit. There is an internal control and compliance department directly reporting to the Board Audit Committee, which looks after compliance with the organizational policies by different departments.

The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings referred to the Audit Committee of the Board.

(b) Written Role and Responsibility of the Head of Internal Audit

The Head of Internal Audit (HIA) is the key person who is responsible for ensuring the appropriate level of assurance in relation to the operation of internal controls, risk management and governance. Hence, appropriate governance arrangements would include the HIA having direct, unrestricted access to the accountable officer;

a service level agreement (or similar) in place; and a strong audit committee in operation. The duties and responsibilities will also include oversee the following functions:

| | |
|----|---|
| 1. | Financial reporting including disclosures |
| 2. | Internal control |
| 3. | Internal audit |
| 4. | Compliance with relevant ethical requirements, in particular independence and objectivity |
| 5. | The statutory audit or external audit |
| 6. | Remedial actions |

(c) Statement of Directors' Responsibility to Establish Appropriate System on Internal Controls

The Company has taken proper steps and sufficient care in building a system of internal control, which is reviewed, evaluated and updated regularly. The internal audit department of the Company conducts periodic audit to provide reasonable assurance that the established policies and procedures of the Company were consistently followed. However, a Statement of Directors' responsibility to establish appropriate system on internal controls has been presented on page no. 199 of this report.

(d) Review of the Adequacy of Internal Control System

SKICL has an adequate system of internal controls for business processes, with regard to operations, financial reporting, fraud control, compliance with applicable laws and regulations, etc. These internal controls and measures are developed as a part of the principles of good governance and are accordingly implemented within a framework of appropriate checks and balances.

Your Company ensures that a reasonably effective internal control framework operates throughout the organization, which provides assurance with regard to safeguarding the assets, reliability of financial and operational information, compliance with applicable statutes, execution of the transactions as per the authorization and compliance with the internal policies of the Company.

The internal audit adopts a risk-based audit approach and conducts regular audits of all the branches/offices of the Company and evaluates on a continuous basis, the adequacy and effectiveness of the internal control

mechanism, adherence to the policies and procedures of the Company as well as the regulatory and legal requirements. The internal audit department places its findings before the Audit Committee of the Board of Directors at regular intervals. The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of internal control systems and suggests improvement for strengthening the control systems according to the changing business needs from time to time.

(e) Report of the Internal Audit to the Audit Committee

The internal auditors undertook a comprehensive audit of all functional areas and operations, their findings/reports referred to the Audit Committee of the Board for appropriate actions/review.

7. TRANSPARENCY & DISCLOSURE COMPLIANCES

(a) Particulars of Purchase/ Sale of Goods/ Materials/ or Services by the Company for/ to Directors and/ or their Relatives etc.

No such issues arose at SKICL during the year ended 31 December 2023.

(b) Disclosure in the Annual Report about Related Party Transaction

In the ordinary course of business, related party transactions take place with other entities that fall within the term related party as defined in IAS 24: Related Party Disclosure. A statement on the related party transactions has been disclosed under item no. 34 of the notes of the financial statements.

(c) Disclosure regarding Compliance of International Financial Reporting Standard (IFRS)

In accordance with the Bangladesh Securities & Exchange Commission's Corporate Governance Code- 2018, the management of Sena Kalyan Insurance Company Limited has followed the principles of IFRS consistently in preparation of the financial statements to that extent as applicable to the Company. Some requirements of Insurance Act 2010 and Insurance Rules 1958 and regulations contradict with those of financial instruments and general provision standards of IFRS. As such, the SKICL has departed from those contradictory requirements of IFRS in order to comply with the rules and regulations of IDRA.

(d) Disclosure regarding Compliance of ICSB Secretarial Standards

The Company has complied with the applicable Secretarial Standards adopted by the 'Institute of Chartered Secretaries of Bangladesh (ICSB)'.

(e) Adverse Remarks in the Auditors' Report

The audit report 2023 contained no adverse observations of the activities by the Statutory Auditors of the Company.

(f) Certification of Annual Financial Statements by the CEO & CFO

The Managing Director & CEO and Chief Financial Officer provide a certification on annual basis to the Board of Directors under Condition No.3 (3) (C) of the Corporate Governance Code- 2018 of BSEC. The CEO and CFO's declaration to the Board is appended on page no. 155.

(g) Presentation of Financial Statements on the Website

The Company's financial results and official news releases have been displayed on the Company's website and also on the websites of the Dhaka Stock Exchange and Chittagong Stock Exchange.

(h) Information relating to Compliance Certificate

Mahfel Huq & Co., Chartered Accountants have certified that the Company has complied with the conditions/guidelines of Corporate Governance as stipulated under BSEC's Corporate Governance Code- 2018 and IDRA's Corporate Governance Guideline-2023. The said certificate forms part of this Annual Report as an annexure to the Corporate Governance Report of the Board of Directors.

(i) Disclosure made to the prospective foreign/ local investors

SKICL made relevant mandatory disclosure in its financial statements and all price sensitive information under the regulatory framework, including compliance with the provisions of International Financial Reporting Standards (IFRS) as adopted in Bangladesh, besides that it submits all the reports/statements regularly, which are required to submit to the regulators as well as the other stakeholders of the Company and also displayed on the Company's website and on the websites of the Dhaka and Chittagong Stock Exchanges for the prospective foreign/ local investors.

(j) Disclosure Pertaining to the Remuneration Package of Directors in the Annual Report

The remuneration for the Non-executive, Independent Directors of the Company would be a sitting fee for attending each meeting of the Board/Committee as approved by the Board from time to time within the limits as provided under the Act and related rules.

Directors including independent directors are paid a fee of Tk. 7,000/- plus VAT & Tax only for attending board meetings and Tk. 4,000/- plus VAT & tax per committee meeting.

The details of attendance along with the amount of remuneration of Directors in the meeting of the Board and its committees have been presented in Annexure-II of the Directors' Report. The amount of remuneration paid to the Directors is also disclosed in Note No. 29.04 of the audited financial statements.

8. SHAREHOLDERS INFORMATION & VALUE ENHANCEMENT

Pattern of shareholdings as on 31st December 2023 are given below:

On the basis of Shareholders types:

| Group Name | No. of shareholders | No. of Shares | Percent (%) |
|--|---------------------|-------------------|---------------|
| Sponsor | 1 | 24,000,000 | 60.00 |
| General Public | 57,752 | 12,524,562 | 31.31 |
| Financial Institutions & other Companies | 283 | 3,475,438 | 8.69 |
| Foreign | 0 | 0 | 00.00 |
| Total: | 58,036 | 40,000,000 | 100.00 |

(a) Number of Shareholdings (Parent/ Subsidiary/ Associated Companies and Other Related Parties)

The shareholding position of each Sponsor of the Company has been presented in Annexure-iii on page no. 110 of this annual report.

(b) Shares held by Directors/ Executives and Relatives of Directors/ Executives

Shares held by the Directors/ Executives and relatives of Directors/ Executives of the Company have been shown in Annexure-iii on page no. 110 of this annual report.

(c) Shares held by Ten Percent (10%) or more Voting Interests in the Company

The shareholding position of ten percent (10%) or more voting interests in the Company has been shown in Annexure-iii on page no. 110 of this annual report.

(d) Redressal of Investors Complaints

SKICL has a formal complaint and recommendation management process that is open to all stakeholders including both investors and customers. A dedicated complaints cell are headed by a senior member of the management for dealing with complaints and recommendations. These can be dropped in the complaint box kept at all SKICL branches or sent to SKICL's email address: info@senakalyanicl.com.

Company Secretariat Department of SKICL is engaged to redress the complaints of the Shareholders and Investors' related to dividends and other share related matters.

The department also observes the monthly status of the number of shares in the dematerialized form. The policy of redressal of clients' complaint has been presented on the page no. 153 of this annual report.

(e) Growth/ Net Worth of the Company during the last 5 years

Key operating and financial data of last preceding 5 (five) years have been shown under the heading of Operational and Financial Highlights on page no. 74 of this annual report.

(f) Cash/ Stock Dividend Paid for the last 5 years

The Company started its journey in early 2013 and commenced to pay the dividend to its shareholders since 2015, thereafter the Company has been paying dividends regularly. The historical record of payment of dividend has been given on page no. 88 of this annual report as general disclosure to the stakeholders of the Company.

(g) EPS of the Company for the last 5 years

The Earnings per Share (EPS) for the year 2023 stood at Tk. 3.42 in place of Tk. 2.86 in the previous year.

The last preceding 5 (five) years EPS have been shown under the heading of Operational and Financial Highlights on page no. 74 of this annual report.

(h) Periodic Reminders to Shareholding who have not encashed their dividend

In case of unpaid/unclaimed dividend, we serve our shareholders from our share department throughout the year on the working days. We also try to communicate with them with the addresses available to send the dividend properly.

(i) To view the level of Shareholders' Satisfaction and Confidence toward the Company

Market value added statement gives a picture of the Company's performance evaluated by the capital market investors through the share price of the Company. This statement depicts the difference between the market value of a company and the capital contributed by the investors.

The level of Shareholders satisfaction and confidence toward the Company has been shown under the heading of Market value added (MVA) statement which has been included on page no. 86 of this annual report.

(j) Means of Communication with the Shareholders

As the owners of SKICL, our shareholders are one of our main Stakeholders. In order to accommodate shareholders information, we regularly communicate with them across various channels – Stock Exchanges, face-to-face meetings, Website, Print Media etc.

9. STAKEHOLDERS' VALUE ENHANCEMENT

Identification of stakeholders is the key to understanding the expectations from the Company and as such helps pave the pathway towards delivering value and fulfilling those expectations. While shareholders, customers, developers, depositors, suppliers, employees and the government are the prime stakeholders; the regulators, local community, and the environmentally interested groups complete the stakeholder circle of SKICL.

(a) Policy to Encourage Employee's Participation in Management

Employees are considered SKICL's most valuable asset and key to SKICL's continued success. Employees are deemed key stakeholders as they drive SKICL's business forward. They want to grow with the company and build their career as the company progresses.

The employees (officers/ executives/ management personnel) are the main participant in the management

decision and they are guided by the principle of individual opportunity, responsibility and reward based on merit.

(b) Payment to Vendors on Time

SKICL pays its vendors on time and the procurement policy is to maintain a good business relationship with all its service providers and material suppliers.

(c) Payment of Taxes to the Govt. / Authorities on time

As a responsible corporate body, SKICL continues to remain transparent in adherence with the local direct and indirect tax requirements and has contributed BDT 45.70 million to the national exchequer as Value Added Tax (VAT), Supplementary Duty (SD) & Income Tax. Also, SKICL maintains timely submission of VAT return, withholding tax return, income tax return & related all others required return in due time.

The Company's contribution to the national exchequer has been given on page no. 88 of this annual report.

(d) Dispute/ Default in Respect of Payment of Govt. Taxes

As a Bangladesh Armed Forces Company, there were no Dispute/ Default in Respect of Payment of Govt. Taxes issues in Sena Kalyan Insurance Company Limited.

(e) Policy of Supply Chain Management

The Management of SKICL rigorously follows up its internal procurement policy and upgrades the policy regularly to ensure strong control and fair treatment of suppliers. Details has been given on page no. 65 of this annual report.

(f) Timely Reporting with Adequate Disclosures

The Management of SKICL is very sincere about timely regulatory reporting. It has a central reporting cell to ensure sending of various reports to Insurance Development & Regulatory Authority, Bangladesh Securities and Exchange Commission, Stock Exchanges, NBR and other regulatory authorities.

The Company disseminates all the Price Sensitive Information (PSI) along with quarterly and annual Financial Statements very promptly with adequate disclosures to protect the minority interest and to remain one of the country's best-complied companies.

10. CORPORATE SOCIAL RESPONSIBILITY (CSR)

(a) Policy of CSR

Sena Kalyan Insurance Company is a concern of Sena Kalyan Sangstha. The Company is building an image in the insurance sector of Bangladesh. Although the youngest Company, the Company continues to expand its CSR / welfare activities throughout the year and continuously follows its CSR policy. The depth of the Company's dedication to the service of humanity is far-reaching and unbelievable, but the ultimate truth.

To confirm Transparency and accountability, this Company of the present generation is completely unrivaled and irresistible. This Company is always ready and determined to win the hearts of people to provide insurance services. The report of Corporate Social Responsibility has been given on page no. 211 of this annual report.

(b) Particulars of the Forestation and Plantation of Trees

At SKICL, we have been relentlessly promoting green insurance for such businesses. As a prudent, forward-looking practice, we take up only those projects that are environmentally-compliant and sustainable. We are also pursuing paper-less operations, even as we firmly believe that saving on and optimizing the use of resources are a key towards achieving a sustainable environment, both internally and externally. That's why, we promote the use of emails, meetings through video conferencing and the intranet for internal communication.



(c) Policy to Prevent Employment of Child Labour in Company's Plants

The Company always prevented from appointing child employees. There is no scope for the employment of child labor as per service rules of the Company.

(d) Whether Employees and their Immediate Family Members take part in the Community Welfare Initiative of the Company

At SKICL, we earnestly believe that it's the responsibility of the privileged to help the deprived community of the society in order to help them get a better life. We believe that our people are our core assets. In this context, we reinforce our human resource capacities and capabilities in ensuring a motivated and loyal workforce, while also simultaneously providing them with dependable career progression benefits. For our other key stakeholders, we maintain an ongoing dialogue with them, informing them of key developments, while also disseminating information on material developments.

(e) Scheme Maintain under CSR Programs

Sena Kalyan Insurance has always been a very supportive organization towards the deprived and struggling community of the society. At SKICL, we earnestly believe that it's the responsibility of the privileged to help the deprived community of the society in order to help them getting a better life. As Corporate Social Responsibility (CSR) activities, SKICL has been introduced like PROVASH Schools for Autistic children of Retired Armed Forces Personnel, Cancer Centre at CMH Dhaka and other institutions related to defense services are providing financial support from CSR fund. Besides, all types of humanitarian helps are also given from CSR fund through SKS.

11. CORPORATE OBJECTIVES, GOVERNANCE INITIATIVES/ RECOGNITIONS

(a) Vision and Mission Statement of the Company in the Annual Report

The Vision and Mission statement of the Company has been given on page no. 18 of this annual report.

(b) Overall Strategic Objectives

The strategic objectives of the Company have been given on page no. 19 of this annual report.

(c) Core Values and Code of Conduct/ Ethical Principles

The core values and code of conduct/ ethical principles of the Company have been given on page nos. 18 & 21 of this annual report.

(d) Directors’ Profiles and their Representation on the Board of other Companies & Organization

The brief resume of the Directors have been included on page nos. 41 to 50 of this Annual Report and as well as their representation on Board of other Companies & organization has also been given in the page no. 51 of the report.

(e) Award

Since its inception in 2013, Sena Kalyan Insurance Company Limited has been leading the winds of change in the insurance industry of Bangladesh in terms of service standard, innovative products and legislative restructuring. Being the pioneer has enabled SKICL to achieve many milestones, many of which are first of its kind in the insurance industry of Bangladesh. For the good corporate governance practices in the Company, it has been receiving various awards from the beginning.

Sena Kalyan Insurance Company Limited has been awarded the prestigious ICAB 23rd National Award for the Best Presented Annual Reports-2022 under the Insurance (General) category. The Institute of Chartered Accountants of Bangladesh (ICAB) has organized the award ceremony.

Sena Kalyan Insurance Company Limited has been awarded the prestigious 13th ICMAB Best Corporate Award-2022 for the best performance of the organization under the General Insurance category. The Institute of Cost and Management Accountants of Bangladesh (ICMAB) has organized the award ceremony.

Sena Kalyan Insurance Company Limited (SKICL) has won the prestigious “9th ICSB National Award for Corporate Governance Excellence, 2021” under the General Insurance Category, for its outstanding corporate governance practices as well as transparency and accountability in overall management. The Institute of Chartered Secretaries of Bangladesh (ICSB) has organized the award ceremony.

12. TIMELINESS IN ISSUING FINANCIAL STATEMENTS AND HOLDING AGMs

SKICL conducts an Annual General Meeting once in a year as per IDRA & BSEC guidelines and time allowed under Companies Act-1994. The Company ensures effective interaction with the members at the Annual General Meeting. The Directors pay special attention in answering

the various queries raised by the members at the Annual General Meeting.

As required under “Bangladesh Secretarial Standard-2” issued by ICSB, particulars of last three Annual General Meetings are disclosed hereunder:

10th Annual General Meeting:

| | |
|-------------------------|---|
| Date & Time: | 09 May 2023 at 11:00 AM. |
| Venue: | The AGM was held on virtually by using digital platform. |
| Participants: | 79 Shareholders which represent 2,41,88,892 shares being 60.47% of paid-up shares of the Company. |

Resolutions were passed by the shareholders on the following:

a) Ordinary Resolutions:

- i. Consideration and adoption of Directors’ Report, Audited Financial Statements for the year ended December 31, 2022 and the Auditors’ Report thereon;
- ii. Dividend @ 12% cash;
- iii. Appointment/re-appointment of Directors;
- iv. Appointment of FAMES & R, Chartered Accountants as statutory auditors and appointment of Mahfel Huq & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC’s Corporate Governance Code- 2018.

b) Special Resolution:

- i. Approved the asset purchase transactions between Sena Kalyan Insurance Company Limited and Sena Kalyan Sangstha.

9th Annual General Meeting:

| | |
|-------------------------|---|
| Date & Time: | June 20, 2022 at 11:00 AM. |
| Venue: | The AGM was held on virtually by using digital platform. |
| Participants: | 114 Shareholders which represent 24,010,091 shares being 60.03% of paid-up shares of the Company. |

Resolutions were passed by the shareholders on the following:

a) Ordinary Resolutions:

- i. Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2021 and the Auditors' Report thereon;
- ii. Dividend @ 12% cash;
- iii. Appointment/re-appointment of Directors;
- iv. Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors and appointment of ARTISAN, Chartered Accountants as a professional to provide the certificate on compliance on the BSEC's Corporate Governance Code- 2018.

b) Special Resolution:

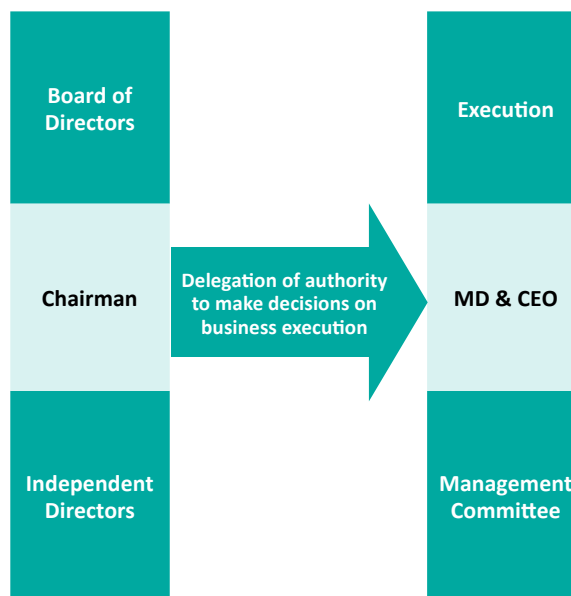
- i. To amend Article no. 89 of the Articles of Association of the Company.

8th Annual General Meeting:

| | |
|---------------|---|
| Date & Time: | June 24, 2021 at 11:00 AM. |
| Venue: | SKS Tower (12 th Floor), Dhaka-1206. |
| Participants: | 7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paid-up shares of the Company. |

Resolutions were passed by the shareholders on the following:

- i). Consideration and adoption of Directors' Report, Audited Financial Statements for the year ended December 31, 2020 and the Auditors' Report thereon;
- ii). Dividend @ 10% cash;
- iii). Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors and re-appointment of Ahmed Zaker & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC's Corporate Governance Code- 2018.



13. DELEGATION OF AUTHORITY

This separation of duties strengthens the oversight functions of the Board of Directors and delegation of authority regarding business execution to the Managing Director & CEO's with the aim to accelerate the SKICL's decision-making process.

14. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As a listed Company, SKICL must comply with the IDRA's Corporate Governance Guidelines and BSEC's Corporate Governance Code (CGC), which requires the Company to provide a statement in the Annual Report disclosing the extent to which it has complied with these Guidelines/Codes. The status of compliance shall be certified by a practicing Professional Accountant/Secretary. The tables summarizing SKICL's compliances are provided in Annexure-C of this report. Mahfel Huq & Co., Chartered Accountants have certified that the Company complied with the guidelines/conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines/Codes of IDRA & BSEC, which have been annexed on page nos. 156 & 169 of this report.

15. RISK MANAGEMENT

As Sena Kalyan Insurance continues to invest in new ways to gain a better understanding of the dynamic and constantly changing risk environment, it remains at the forefront of risk and resilience, enhancing risk mitigation

strategies for businesses, governments and the civil society as well as informing the public policy agenda at large. A detailed report on risk management framework has been described on page no. 195 and notes 2.40 of the Financial Statements on page no. 246 of this report.

16. GOING CONCERN

The accompanying financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the satisfaction of liabilities in the normal course of business without significant fluctuation in value. The accompanying financial statements do not include any adjustments, which indicate that Sena Kalyan Insurance Company Limited is unable to continue as a going concern.

17. DIVIDEND DISTRIBUTION POLICY

SKICL is devoted to driving superior value creation for all its stakeholders through an appropriate capital strategy, the focus will continue to be on sustainable returns for long-term value creation ensuring the immediate, as well as long-term needs of the business.

Accordingly, we have formulated a dividend distribution policy in line with the Directive of Bangladesh Securities and Exchange Commission's (BSEC) No. BSEC/CMRRC/2021-386/03, dated on 14 January 2021. This policy seeks to lay down a broad framework for the distribution of dividend by the Company to its shareholders.

The detail dividend distribution policy of the Company has been disclosed on page no. 200 of this annual report and available in the Company's website, link of which is: <https://www.senakalyanicl.com/wp-content/uploads/2022/04/Dividend-Distribution-Policy-of-SKICL.pdf>.



The Managing Director & CEO of Sena Kalyan Insurance Company Limited handed over the Sponsor's dividend cheque to the Respected Chairman of the Board of the Company.

18. SUMMARY OF UNPAID OR UNCLAIMED DIVIDEND

Unclaimed dividends are kept in a separate bank account and disbursed to the shareholder upon a legitimate claim. Now additionally in pursuant to the directive on "Dividend Distribution and management of Unpaid and Unclaimed Dividend" of Bangladesh Securities and Exchange Commission's, notification no. BSEC/CMRRC/2021-386/03, dated 14 January 2021, SKICL will continue to maintain a Separate Bank Account to keep an unclaimed dividend for a period of 3 (three) years from the date of approval in AGM. After elapse of the aforementioned period, if any Dividend remains unclaimed will be transferred to Capital Market Stabilization Fund (CMSF) established by Bangladesh Securities Exchange Commission. Later on, in case of any claim, SKICL will verify and arrange to collect the unclaimed dividend and handover to the respective shareholders.

Since SKICL was listed on the stock exchanges in 2021, we will transfer unclaimed dividends including the undistributed IPO shares of the Company beyond 3 (three) years to CMS Fund in due course.

Summary of unclaimed dividends and undistributed IPO shares of the Company are given hereunder (As of December 2023):

| Period | Undistributed IPO Shares | | Unclaimed Cash Dividends | | |
|-----------------------------------|--------------------------|---------------------|--------------------------|---------------------|----------------------|
| | Group Name | No. of Shareholders | No. of Shares | No. of Shareholders | Amounts in Taka |
| Up to 1 year (for the year 2021) | | 3 | 58 | 15,549 | 6,33,709.02 |
| Up to 2 years (for the year 2022) | | - | - | 8,356 | 461,826.60 |
| Total | | 3 | 58 | 23,905 | 1,095,535.62* |

*Excluding bank charges

We always try our level best to complete the dividend distribution process within the time schedule. At first, we distribute all the dividends through BEFTN and within 3 to 4 working days, we receive the returned BEFTN report from the respective Bank. Then, we sort out the data and issue dividend warrants and request the shareholders through DSE & CSE to collect the physical

dividend warrants within a specified time. Thereafter, for those who fail to collect their dividend physically, we send the warrants to their respective addresses through courier. But finally, some of the warrants return as the shareholders do not correctly mention their addresses in the BO set up. As a result, last year a portion of dividends remain undistributed. We have also failed to distribute the IPO's shares against 3 shareholders due to close BO accounts.

19. ANTI-MONEY LAUNDERING COMPLIANCE

In order to ensure the proper execution of Anti Money Laundering compliance, we have a Central Compliance Unit (CCU) and nominated officers in each Branch for analysis and control purpose. Central Compliance Unit (CCU) works directly under the Chief Executing Officer (CEO) of the Organization. CCU issues the instructions to be followed by the Head Office and the Branches. These instructions are prepared combining the issues related to monitoring of transactions, internal control, self-assessment report, policies and procedures from the point of preventing money laundering and terrorist financing. As per the instructions of Bangladesh Financial Intelligence Unit (BFIU), the Central Compliance Unit (CCU) of SKICL is comprised of the following Personnel:

- Maloy Kumar Saha—Chief Anti Money Laundering Compliance Officer (CAMLCO) and Chief of CCU.
- Pronab Kumar Saha—Member of CCU & Head of Underwriting Department.
- Tajul Islam—Member of CCU & Head of Claim & Re-Insurance Department.
- Md Shakhawat Hossain—Member of CCU & Head of IT Department.

Mr. Maloy Kumar Saha, CFO has been appointed as a Chief Anti Money Laundering Compliance Officer (CAMLCO) in our company. Similarly the senior underwriting officers of the branches have been appointed as a Branch Anti Money Laundering Compliance Officer (BAMLCO). CCU addresses the prevention of money laundering & terrorist financing activities under the Money Laundering Prevention Act-2012 and the Anti Terrorism Act-2013 (Amended). This includes an AML/CFT risk assessment and practices, procedures and controls for establishing business relationship, KYC procedures and ongoing transaction monitoring for detecting suspicious transactions/policy activity, regularly monitors and ensures reporting to BFIU. Each BAMLCO has to prepare Self Assessment Report annually on the basis of BFIU's Master Circular 27 section 7.1 and as per section 1.4 has to organize semiannual

meeting and training for all the employees on AML and CFT. CCU has to analyze all the Self Assessment Report and provide the recommendations to the Managing Director and the Board of Directors of SKICL.

20. CORPORATE POLICIES

The Company has formulated and implemented the following policies supporting good governance under the requirements of IDRA and other regulatory bodies:

(a) Particulars of Whistle Blowing Policy

The Company is committed to high standards of conduct for its employees. The Company has in place Whistle Blowing Policy ("the Policy") to encourage employees to report matters without the risk of subsequent victimization, discrimination or disadvantage. The Policy provide a formal mechanism to its employees for communicating instances of breach of any statute, actual or suspected fraud on the accounting policies and procedures adopted for any area or item, acts resulting in financial loss or loss of reputation, leakage of information in the nature of Unpublished Price Sensitive Information (UPS), misuse of office, suspected/actual fraud and criminal offences. Such complaints are investigated and addressed through a formalized procedure.

The Policy provides for a mechanism to report such concerns to the Chairperson of the Executive Committee of the Company or to the Chief of Whistle Blowing committee of the Company through specified channels.

The Executive Committee of the Board on a quarterly basis reviews the Policy and cases reported thereunder. The Policy complies with the requirements of IDRA and others regulatory bodies.

During the year under review, no employee of the Company had to take a grievance to the Executive Committee. All complaints were duly investigated and disposed of by the Chief Whistle Blowing Committee.

The Policy is periodically communicated to the employees through email communications. The Policy is also hosted on the website of the Company and can be viewed at <https://www.senakalyanicl.com/wp-content/uploads/2024/01/Whistle-Blowing-Policy-of-SKICL.pdf>

(b) Employees Code of Conduct

The Company is committed to conduct its business with highest standards of compliance and ethical conduct. The Company has in place the Employees Code of Conduct

("the Code") to summarize the standards of business conduct that must guide the actions of the employees at all times. The Code aims that all employees of the Company observe highest standard of integrity, honesty, fairness, discipline, decorum and ethical conduct while working for the Company as well as while representing the Company.

Company and to comply with the Corporate Governance Guidelines of IDRA, the Board has prescribed a Code of Conduct for the employees of the Company.

The complete Code of Conducts for the employees are available in the Company's website, link of which is: <https://www.senakalyanicl.com/wp-content/uploads/2024/01/SKICL-Code-of-Conduct.pdf>

For the best practices of corporate governance in the

(c) Policy of Redressal

Insurance being a service industry, clients' satisfaction is one of the foremost importance issue in maintaining existing client base and for new business thereby to achieve satisfactory business growth in the long run. Sena Kalyan Insurance Company Limited (SKICL) always attends to its clients complaints whether related to its services or claim statement.

At SKICL, the Company encourages its clients to come forward with any complaint they may have and the top management is completely accessible to all of them. Complaints can be lodged with the management in writing, over telephone, by e-mail. During regular meetings with its clients of various types, the management actively solicits the clients' views on the Company's services, shortcomings, if any, and their suggestions. Clients views and complaints are discussed at the management committee meeting held at Head Office and also with concerned Branch Managers.

Process of Redressal of SKICL

| Shareholder's Perspective | Customers' Perspective | Employees' Perspective |
|--|--|---|
| <p>SKICL redressal system covers the following issues:</p> <ul style="list-style-type: none"> (i) Receiving the complaints about non-receipt of dividend warrant, dividend intimation letter, cash dividend; transfer of shares from suspense account to the shareholders BO account; clarification of any price-sensitive information over telephone; (ii) Grievance for not receiving of Annual Report, queries about and clarification on recent or upcoming price-sensitive information over telephone, etc. (iii) Any investors may lodge their complaint related to their investment in the Company through formal letter, our official e-mail ID i.e. share@senakalyanicl.com or phone call to the Company Secretary and/ or Share Department. We focus in addressing those complaints within the shortest possible time. | <p>Customers are one of the key stakeholders of our organization. We are very much conscious about customers' demand and always ready to serve them our best as per our Customers Service Policy. We also address up our customers' queries and complaints through our corresponding department.</p> <p>All the complaints are centrally handled by the Secretary Department.</p> <p>In 2023, we received 04 complaints from customers of various branches and all the problems were solved successfully through proper investigation and remedial action. Those problems were solved within same day.</p> | <p>Employees are the main resource of the Company. We are committed to provide comfortable work environment to our employees for enriching their productivity. To resolve undesirable issues in the workplace and create a conducive and gender sensitive working environment. We have separate Grievance Handling Policy and Anti- Harassment Policy. Our Human Resources Department takes necessary measures to redress if any adverse situation arises.</p> <p>In 2023, we didn't receive any significant complain related to our employees.</p> |

Internal Committee for redressal of complaints

The Company has constituted a Committee for redressal and timely management of any harassment complaints. The Internal Committee has a minimum 50% women representatives. The Internal Committee has a senior woman leader as the presiding officer of the Committee.

(c) Other Policies:

The Company has formulated and implemented the following policies supporting good governance under the requirements of IDRA and other regulatory bodies:

| | | | |
|---|--|---|---|
|  Asset and Liability Management Policies |  Underwriting Policy, Reinsurance Policy |  Insurance Claims Payment Related Policy |  Corporate Social Responsibility (CSR) Policy |
|  Integrity Strategy, Gender Equality Policy |  Human Resource Management Policy |  Policy on Induction of Directors and Professional Development |  Board's Performance Evaluation Policy |
|  Selection of New Directors and Board Membership Criteria/ Policy |  Risk Management Policy |  Accounting Policies |  Anti-Corruption Policy |
|  Anti-Discrimination Policy |  Information Technology Policy. | | |

The Company continues to focus on building trust with shareholders, regulators, policyholders, employees, customers, suppliers, statutory authorities and other stakeholders based on the principles of good corporate governance viz. integrity, environment, equity, transparency, fairness, sound disclosure practices, accountability and commitment to values.

Annexure-A

**[As per condition No. 1(5) (xxvi) of BSEC's CG Code]
Sena Kalyan Insurance Company Limited
Declaration by CEO and CFO**

Date: 07 February 2024

The Board of Directors
Sena Kalyan Insurance Company Ltd.
SKS Tower (12th Floor)
7 VIP Road, Mohakhali, Dhaka-1206

Subject: Declaration on Financial Statements for the year ended on 31st December, 2023.

Dear Sir(s),

Pursuant to the condition No. 1(5) (xxvi) imposed vide the Commission's Notification No. BSEC/ CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 under section 2CC of the Securities and Exchange Ordinance, 1969 we do hereby declare that:

- (1) The Financial Statements of Sena Kalyan Insurance Company Ltd. for the year ended on 31st December, 2023 have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in the Bangladesh and any departure there from has been adequately disclosed;
- (2) The estimates and judgments related to the financial statements were made on a prudent and reasonable basis, in order for the financial statements to reveal a true and fair view;
- (3) The form and substance of transactions and the Company's state of affairs have been reasonably and fairly presented in its financial statements;
- (4) To ensure above, the Company has taken proper and adequate care in installing a system of internal control and maintenance of accounting records;
- (5) Our internal auditors have conducted periodic audits to provide reasonable assurance that the established policies and procedures of the Company were consistently followed; and
- (6) The management's use of the going concern basis of accounting in preparing the financial statements is appropriate and there exists no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern.

In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December, 2023 and that to the best of our knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements collectively present true and fair view of the Company's affairs and are in compliance with existing accounting standards and applicable laws.
- (ii) There are, to the best of knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board of Directors or its members.

Sincerely yours,



Brig Gen Md Shafique Shamim, psc (Retd)
Managing Director & CEO



Maloy Kumar Saha
Chief Financial Officer



Mahfel Huq & Co.
Chartered Accountants
The first registered accounting firm in independent Bangladesh



An independent member firm of AGN International

BGIC Tower (4th Floor)
34, Topkhana Road
Dhaka-1000, Bangladesh
Tel: +88-02-223351948,223383143
Fax: +88-02-9571005
E-mail : info@mahfelhuq.com
Web: www.mahfelhuq.com

Annexure-B

[Certificate as per condition No. 1(5)(xxvii)]

**REPORT TO THE SHAREHOLDERS
OF
SENA KALYAN INSURANCE COMPANY LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE CODE**

We have examined the compliance status to the Corporate Governance Code of **SENA KALYAN INSURANCE COMPANY LTD.** for the year ended on 31st December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of the Bangladesh Securities and Exchange Commission.

Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Code as well as the provisions of relevant Bangladesh Secretarial Standards (BSS) as adopted by Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Corporate Governance Code.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- b) The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- c) Proper books and records have been kept by the Company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the Company is satisfactory.

Dhaka, 11 February, 2024

Howlader Mahfel Huq, FCA
For and on behalf of **Mahfel Huq & Co.**
Chartered Accountants

Annexure-C

[As per condition No. 1(5)(xxvii)]

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

(Report under Condition No. 9)

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|--|--|--------------|--|
| | | Complied | Not Complied | |
| 1 | BOARD OF DIRECTORS: | | | |
| 1(1) | Size of the Board of Directors: The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty) | ✓ | | Board comprises 9 Members including 2 Independent Directors |
| 1(2) | Independent Directors: | | | |
| 1(2) (a) | At least 2 (two) or one fifth (1/5) of the total number of Directors in the Company's Board, whichever is higher, shall be Independent Directors; | ✓ | | 2 (two) Independent Directors namely: (1). Mr. M.M. Mostafa Bilal and (2). Mr. Kazi Ahmad Pervez |
| 1(2)(b) | Independent Director means a Director: | | | |
| 1(2)(b)(i) | Who either does not hold share in the company or holds less than one (1%) shares of the total paid-up shares of the company; | ✓ | | Followed |
| 1(2)(b)(ii) | who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the Company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company; | ✓ | | Followed |
| 1(2)(b)(iii) | who has not been an executive of the company in immediately preceding 2 (two) financial years; | ✓ | | Followed |
| 1(2)(b)(iv) | who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies; | ✓ | | Followed |
| 1(2)(b)(v) | who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange; | ✓ | | Followed |
| 1(2)(b)(vi) | who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market; | ✓ | | Followed |
| 1(2)(b)(vii) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code; | ✓ | | Followed |
| 1(2)(b)(viii) | who is not independent director in more than 5 (five) listed companies; | ✓ | | Followed |
| 1(2)(b)(ix) | who has not been reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and" | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|--|---|--------------|---|
| | | Complied | Not Complied | |
| 1(2)(b)(x) | Who has not been convicted for a criminal offence involving moral turpitude; | ✓ | | Followed |
| 1(2)(c) | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM): Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company; | ✓ | | Mr. M.M Mostafa Bilal has been reappointed and Mr. Kazi Ahmad Pervez has been appointed by the Board and will be approved by the shareholders in the next Annual General Meeting (AGM). |
| 1(2)(d) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and | ✓ | | Followed |
| 1(2)(e) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only. | ✓ | | Followed |
| 1(3) | Qualification of Independent Director: | | | |
| 1(3)(a) | Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business; | ✓ | | Followed |
| 1(3)(b) | Independent director shall have following qualifications: | | | |
| 1(3)(b)(i) | Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or | | | N/A |
| 1(3)(b)(ii) | Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid up capital of Tk. 100.00 million or of a listed company; or | ✓ | | Mr. M.M. Mostafa Bilal is a Managing Director (CC) of UAE-Bangladesh Investment Company Limited. |
| 1(3)(b)(iii) | Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or” | | | N/A |
| 1(3)(b)(iv) | University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or | | | Mr. Kazi Ahmad Pervez has been working as a University Teacher for the last 24 years. |
| 1(3)(b)(v) | Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification; | ✓ | | N/A |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|--------------|---|
| | | Complied | Not Complied | |
| 1(3)(c) | The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b); | ✓ | | Mr. M. M. Mostafa Bilal has 17 years of working experience mainly in Banking and Finance Sector and Mr. Kazi Ahmad Pervez has 24 years of working experience as a University Teacher. |
| 1(3)(d) | In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission. | | | N/A |
| 1(4) | Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer: | | | |
| 1(4)(a) | The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals; | ✓ | | Followed |
| 1(4)(b) | The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company; | ✓ | | Followed |
| 1(4)(c) | The Chairperson of the Board shall be elected from among the non-executive directors of the company; | ✓ | | Followed |
| 1(4)(d) | The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer; | ✓ | | Followed |
| 1(4)(e) | In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | | | N/A |
| 1(5) | The Directors' Report to Shareholders: | | | |
| 1(5)(i) | An industry outlook and possible future developments in the industry; | ✓ | | Followed |
| 1(5)(ii) | The segment-wise or product-wise performance; | ✓ | | Followed |
| 1(5)(iii) | Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any; | ✓ | | Followed |
| 1(5)(iv) | A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable; | ✓ | | Followed |
| 1(5)(v) | A discussion on continuity of any extraordinary activities and their implications (gain or loss); | ✓ | | Followed |
| 1(5)(vi) | A detailed discussion on related party transactions along with a statement showing amount, nature of related party, nature of transactions and basis of transactions of all related party transactions; | ✓ | | Followed |
| 1(5)(vii) | A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments; | | | N/A |
| 1(5)(viii) | An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering (RPO), Rights Share Offer, Direct Listing, etc.; | | | N/A |
| 1(5)(ix) | An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements; | | | N/A |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|---|--|--------------|------------------------------|
| | | Complied | Not Complied | |
| 1(5)(x) | A statement of remuneration paid to the directors including independent directors; | ✓ | | Followed |
| 1(5)(xi) | A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity; | ✓ | | Followed |
| 1(5)(xii) | A statement that proper books of account of the issuer company have been maintained; | ✓ | | Followed |
| 1(5)(xiii) | A statement that appropriate accounting policies have been consistently applied in preparation of the financial statements and that the accounting estimates are based on reasonable and prudent judgment; | ✓ | | Followed |
| 1(5)(xiv) | A statement that International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh, have been followed in preparation of the financial statements and any departure there from has been adequately disclosed; | ✓ | | Followed |
| 1(5)(xv) | A statement that the system of internal control is sound in design and has been effectively implemented and monitored; | ✓ | | Followed |
| 1(5)(xvi) | A statement that minority shareholders have been protected from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly and have effective means of redress; | ✓ | | Followed |
| 1(5)(xvii) | A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern, if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed; | ✓ | | Followed |
| 1(5)(xviii) | An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained; | | | N/A |
| 1(5)(xix) | A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized; | ✓ | | Followed |
| 1(5)(xx) | An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year; | | | N/A |
| 1(5)(xxi) | Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend; | ✓ | | Followed |
| 1(5)(xxii) | The total number of Board meetings held during the year and attendance by each director; | ✓ | | Followed |
| 1(5)(xxiii) | A report on the pattern of shareholding disclosing the aggregate number of shares (along with name-wise details where stated below) held by :- | ✓ | | Annex # iii, page no. 110 |
| 1(5)(xxiii)(a) | Parent or Subsidiary or Associated Companies and other related parties (name-wise details); | | | N/A |
| 1(5)(xxiii)(b) | Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit and Compliance and their spouses and minor children (name-wise details); | ✓ | | page no. 110 |
| 1(5)(xxiii)(c) | Executives; and | ✓ | | |
| 1(5)(xxiii)(d) | Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details); | ✓ | | |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|-------------------|--|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 1(5)(xxiv) | In case of the appointment or reappointment of a director, a disclosure on the following information to the shareholders:- | | | |
| 1(5)(xxiv)(a) | A brief resume of the director; | ✓ | | Followed |
| 1(5)(xxiv)(b) | Nature of his or her expertise in specific functional areas; and | ✓ | | Followed |
| 1(5)(xxiv)(c) | Names of companies in which the person also holds the directorship and the membership of committees of the Board;' | ✓ | | N/A |
| 1(5)(xxv) | A Management's Discussion and Analysis signed by CEO or MD presenting detailed analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on :- | ✓ | | Page no. 111 |
| 1(5)(xxv)(a) | Accounting policies and estimation for preparation of financial statements; | ✓ | | Followed |
| 1(5)(xxv)(b) | Changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes; | | | N/A |
| 1(5)(xxv)(c) | Comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof; | ✓ | | Followed |
| 1(5)(xxv)(d) | Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario; | ✓ | | Followed |
| 1(5)(xxv)(e) | Briefly explain the financial and economic scenario of the country and the globe; | ✓ | | Followed |
| 1(5)(xxv)(f) | Risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and | ✓ | | Followed |
| 1(5)(xxv)(g) | Future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM; | ✓ | | Followed |
| 1(5)(xxvi) | Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; | ✓ | | Page no.155 |
| 1(5)(xxvii) | The report as well as certificate regarding compliance of conditions of this Code as required under condition No. 9 shall be disclosed as per Annexure-B and Annexure-C; | ✓ | | Page no. 156,157 |
| 1(5)(xxviii) | The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality. | ✓ | | Followed |
| 1(6) | Meetings of the Board of Directors: The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code. | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 1(7) | Code of Conduct for the Chairperson, other Board members and Chief Executive Officer: | | | |
| 1(7)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company; | ✓ | | Followed |
| 1(7)(b) | The code of conduct as determined by the NRC shall be posted on the website of the Company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency. | ✓ | | Followed |
| 2. | GOVERNANCE OF BOARD OF DIRECTORS OF SUBSIDIARY COMPANY: | | | |
| 2(a) | Provisions relating to the composition of the Board of the holding Company shall be made applicable to the composition of the Board of the subsidiary company; | | | N/A |
| 2(b) | At least 1 (one) independent director on the Board of the holding company shall be a director on the Board of the subsidiary company; | | | N/A |
| 2(c) | The minutes of the Board meeting of the subsidiary company shall be placed for review at the following Board meeting of the holding company; | | | N/A |
| 2(d) | The minutes of the respective Board meeting of the holding company shall state that they have reviewed the affairs of the subsidiary company also; | | | N/A |
| 2(e) | The Audit Committee of the holding company shall also review the financial statements, in particular the investments made by the subsidiary company. | | | N/A |
| 3. | MANAGING DIRECTOR (MD) OR CHIEF EXECUTIVE OFFICER (CEO), CHIEF FINANCIAL OFFICER (CFO), HEAD OF INTERNAL AUDIT AND COMPLIANCE (HIAC) AND COMPANY SECRETARY (CS): | | | |
| 3(1) | Appointment: | | | |
| 3(1)(a) | The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC); | ✓ | | Followed |
| 3(1)(b) | The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals; | ✓ | | Followed |
| 3(1)(c) | The MD or CEO, CS, CFO and HIAC of a listed Company shall not hold any executive position in any other company at the same time; Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately; | ✓ | | Followed |
| 3(1)(d) | The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS; | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 3(1)(e) | The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s). | | | N/A |
| 3(2) | Requirement to attend Board of Directors' Meetings: The MD or CEO, CS, CFO and HIAC of the company shall attend the meetings of the Board: Provided that the CS, CFO and/or the HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters. | ✓ | | Followed |
| 3(3) | Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO): | | | |
| 3(3)(a) | The MD or 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 : | | | |
| 3(3)(a)(i) | these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and | ✓ | | Followed |
| 3(3)(a)(ii) | these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws; | ✓ | | Followed |
| 3(3)(b) | The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the Company's Board or its members; | ✓ | | Followed |
| 3(3)(c) | The certification of the MD or CEO and CFO shall be disclosed in the Annual Report. | ✓ | | Followed |
| 4. | BOARD OF DIRECTORS' COMMITTEE: | | | |
| 4(i) | Audit Committee; and | ✓ | | page no. 133 |
| 4(ii) | Nomination and Remuneration Committee. | ✓ | | page no. 135 |
| 5. | AUDIT COMMITTEE: | | | |
| 5(1) | Responsibility to the Board of Directors: | | | |
| 5(1)(a) | The company shall have an Audit Committee as a sub-committee of the Board; | ✓ | | Formulated |
| 5(1)(b) | The Audit Committee shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the Company and in ensuring a good monitoring system within the business; | ✓ | | Followed |
| 5(1)(c) | The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing. | ✓ | | Followed |
| 5(2) | Constitution of the Audit Committee: | | | |
| 5(2)(a) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | | Formulated |
| 5(2)(b) | The Board shall appoint members of the Audit Committee who shall be nonexecutive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | ✓ | | Followed |
| 5(2)(c) | All members of the audit committee should be "financially literate" and at least 1(one) member shall have accounting or related financial management background and 10 (ten) years of such experience; | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|--|--------------|------------------------|
| | | Complied | Not Complied | |
| 5(2)(d) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | ✓ | | Followed |
| 5(2)(e) | The company secretary shall act as the secretary of the Committee; | ✓ | | Followed |
| 5(2)(f) | The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director. | ✓ | | Followed |
| 5(3) | Chairperson of the Audit Committee: | | | |
| 5(3)(a) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | ✓ | | Followed |
| 5(3)(b) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes. | ✓ | | No such event occurred |
| 5(3)(c) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM) | ✓ | | Followed |
| 5(4) | Meeting of the Audit Committee: | | | |
| 5(4)(a) | The Audit Committee shall conduct at least its four meetings in a financial year | ✓ | | Followed |
| 5(4)(b) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | | Followed |
| 5(5) | Role of Audit Committee: | | | |
| 5(5)(a) | Oversee the financial reporting process; | ✓ | | Followed |
| 5(5)(b) | Monitor choice of accounting policies and principles; | ✓ | | Followed |
| 5(5)(c) | Monitor Internal Audit and Compliance process to ensure that it is adequately resourced, including approval of the Internal Audit and Compliance Plan and review of the Internal Audit and Compliance Report; | ✓ | | Followed |
| 5(5)(d) | Oversee hiring and performance of external auditors; | ✓ | | Followed |
| 5(5)(e) | Hold meeting with the external or statutory auditors for review of the annual financial statements before submission to the Board for approval or adoption; | ✓ | | Followed |
| 5(5)(f) | Review along with the management, the annual financial statements before submission to the Board for approval; | ✓ | | Followed |
| 5(5)(g) | Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval; | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|--------------------|---|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 5(5)(h) | Review the adequacy of internal audit function; | ✓ | | Followed |
| 5(5)(i) | Review the Management's Discussion and Analysis before disclosing in the Annual Report; | ✓ | | Followed |
| 5(5)(j) | Review statement of all related party transactions submitted by the management; | ✓ | | Followed |
| 5(5)(k) | Review Management Letters or Letter of Internal Control weakness issued by statutory auditors; | ✓ | | Followed |
| 5(5)(l) | Oversee the determination of audit fees based on scope and magnitude, level of expertise deployed and time required for effective audit and evaluate the performance of external auditors; and | ✓ | | Followed |
| 5(5)(m) | Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission | ✓ | | Followed |
| 5(6) | Reporting of the Audit Committee: | | | |
| 5(6)(a) | Reporting to the Board of Directors: | | | |
| 5(6)(a)(i) | The Audit Committee shall report on its activities to the Board. | ✓ | | Followed |
| 5(6)(a)(ii) | The Audit Committee shall immediately report to the Board on the following findings, if any:- | | | |
| 5(6)(a)(ii)(a) | Report on conflicts of interests; | | | N/A |
| 5(6)(a)(ii)(b) | Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; | | | N/A |
| 5(6)(a)(ii)(c) | Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and | | | N/A |
| 5(6)(a)(ii)(d) | Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately; | | | N/A |
| 5(6)(b) | Reporting to the Authorities: | | | |
| | If the Audit Committee has reported to the Board about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for three times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | | | N/A |
| 5(7) | Reporting to the Shareholders and General Investors: | | | |
| | Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company. | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|--|---|--------------|--|
| | | Complied | Not Complied | |
| 6. | NOMINATION AND REMUNERATION COMMITTEE (NRC): | | | |
| 6(1) | Responsibility to the Board of Directors: | | | |
| 6(1)(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a subcommittee of the Board; | ✓ | | Followed |
| 6(1)(b) | The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive; | ✓ | | Followed |
| 6(1)(c) | The Terms of Reference (ToR) of the NRC shall be clearly set forth in writing covering the areas stated at the condition No. 6(5)(b). | ✓ | | Followed |
| 6(2) | Constitution of the NRC: | | | |
| 6(2)(a) | The Committee shall comprise of at least three members including an independent director; | ✓ | | Followed |
| 6(2)(b) | At least 02 (two) members of the Committee shall be non-executive directors; | ✓ | | Followed |
| 6(2)(c) | Members of the Committee shall be nominated and appointed by the Board; | ✓ | | Followed |
| 6(2)(d) | The Board shall have authority to remove and appoint any member of the Committee; | ✓ | | Followed |
| 6(2)(e) | In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee; | | | Independent Director Barrister Ahamed Ihteyaz Thamid resigned from the Company on 10 th December, 2023 and Mr. Kazi Ahmad Pervez was appointed by the Board as an Independent Director on 18 th December 2023. |
| 6(2)(f) | The Chairperson of the Committee may appoint or co-opt any external expert and/or member(s) of staff to the Committee as advisor who shall be non-voting member, if the Chairperson feels that advice or suggestion from such external expert and/or member(s) of staff shall be required or valuable for the Committee; | ✓ | | No such event occurred |
| 6(2)(g) | The company secretary shall act as the secretary of the Committee; | ✓ | | Followed |
| 6(2)(h) | The quorum of the NRC meeting shall not constitute without attendance of at least an independent director; | ✓ | | Followed |
| 6(2)(i) | No member of the NRC shall receive, either directly or indirectly, any remuneration for any advisory or consultancy role or otherwise, other than Director's fees or honorarium from the company. | ✓ | | Followed |
| 6(3) | Chairperson of the NRC: | | | |
| 6(3)(a) | The Board shall select 1 (one) member of the NRC to be Chairperson of the Committee, who shall be an independent director; | ✓ | | Followed |
| 6(3)(b) | In the absence of the Chairperson of the NRC, the remaining members may elect one of themselves as Chairperson for that particular meeting, the reason of absence of the regular Chairperson shall be duly recorded in the minutes; | ✓ | | No such event occurred |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|-------------------|--|---|--------------|-------------------------|
| | | Complied | Not Complied | |
| 6(3)(c) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders | ✓ | | Followed |
| 6(4) | Meeting of the NRC: | | | |
| 6(4)(a) | The NRC shall conduct at least one meeting in a financial year; | ✓ | | Followed |
| 6(4)(b) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | ✓ | | No such event occurred. |
| 6(4)(c) | The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2) (h); | ✓ | | Followed |
| 6(4)(d) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC. | ✓ | | Followed |
| 6(5) | Role of the NRC: | | | |
| 6(5)(a) | NRC shall be independent and responsible or accountable to the Board and to the shareholders; | ✓ | | Followed |
| 6(5)(b) | NRC shall oversee, among others, the following matters and make report with recommendation to the Board: | | | |
| 6(5)(b)(i) | Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following: | | | |
| 6(5)(b)(i)(a) | The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully; | ✓ | | Followed |
| 6(5)(b)(i)(b) | The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and | ✓ | | Followed |
| 6(5)(b)(i)(c) | Remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals; | ✓ | | Followed |
| 6(5)(b)(ii) | Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality; | ✓ | | Followed |
| 6(5)(b)(iii) | Identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board; | ✓ | | Followed |
| 6(5)(b)(iv) | Formulating the criteria for evaluation of performance of independent directors and the Board; | ✓ | | Formulated |
| 6(5)(b)(v) | Identifying the Company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and | ✓ | | Identified |
| 6(5)(b)(vi) | Developing, recommending and reviewing annually the company's human resources and training policies; | ✓ | | Followed |
| 6(5)(c) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | ✓ | | Followed |

| Condition No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|---------------|---|---|--------------|--|
| | | Complied | Not Complied | |
| 7. | EXTERNAL OR STATUTORY AUDITORS: | | | |
| 7(1) | The issuer Company shall not engage its external or statutory auditors to perform the following services of the Company, namely: | | | |
| 7(1)(i) | Appraisal or valuation services or fairness opinions; | ✓ | | Followed |
| 7(1)(ii) | Financial information systems design and implementation; | ✓ | | Followed |
| 7(1)(iii) | Book-keeping or other services related to the accounting records or financial statements; | ✓ | | Followed |
| 7(1)(iv) | Broker-dealer services; | ✓ | | Followed |
| 7(1)(v) | Actuarial services; | ✓ | | N/A |
| 7(1)(vi) | Internal audit services or special audit services; | ✓ | | Followed |
| 7(1)(vii) | Any service that the Audit Committee determines; | ✓ | | Followed |
| 7(1)(viii) | Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and | ✓ | | Followed |
| 7(1)(ix) | Any other service that creates conflict of interest. | ✓ | | Followed |
| 7(2) | No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company | ✓ | | Followed |
| 7(3) | Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders. | ✓ | | Followed |
| 8. | MAINTAINING A WEBSITE BY THE COMPANY: | | | |
| 8(1) | The Company shall have an official website linked with the website of the stock exchange. | ✓ | | Followed |
| 8(2) | The Company shall keep the website functional from the date of listing. | ✓ | | Followed |
| 8(3) | The Company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s). | ✓ | | Followed |
| 9. | REPORTING AND COMPLIANCE OF CORPORATE GOVERNANCE: | | | |
| 9(1) | The company shall obtain a certificate from a practicing Professional Accountant or Secretary (Chartered Accountant or Cost and Management Accountant or Chartered Secretary) other than its statutory auditors or audit firm on yearly basis regarding compliance of conditions of Corporate Governance Code of the Commission and shall such certificate shall be disclosed in the Annual Report. | ✓ | | Followed |
| 9(2) | The professional who will provide the certificate on compliance of this Corporate Governance Code shall be appointed by the shareholders in the Annual General Meeting. | ✓ | | The professional who provided the certificate for the year 2023 was appointed in the last AGM (10 th AGM) |
| 9(3) | The directors of the Company shall state, in accordance with the Annexure-C attached, in the directors' report whether the Company has complied with these conditions or not. | ✓ | | Followed |



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The first registered accounting firm in independent Bangladesh



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Annexure-D

[Certificate as per Serial No. 19(2) of Insurer Corporate Governance Guideline, 2023]

REPORT TO THE REGULATOR AND SHAREHOLDERS
OF
SENA KALYAN INSURANCE COMPANY LIMITED
ON COMPLIANCE ON THE CORPORATE GOVERNANCE GUIDELINE ISSUED BY IDRA

We have examined the compliance status to the Corporate Governance Guideline of **SENA KALYAN INSURANCE COMPANY LTD.** for the year ended on 31st December 2023. This Guideline relates to the Circular No. 53.03.000.075.22.025.2020.230 dated 19 October 2023 of the Insurance Development and Regulatory Authority (IDRA).

Such compliance with the Corporate Governance Guideline 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 instructions of the Corporate Governance Guideline.

We state that we have obtained all the information and explanations, which we have required, and after due scrutiny and verification thereof, we report that, in our opinion:

- a) The Company has complied with the instructions of the Corporate Governance Guideline as stipulated in the above mentioned Corporate Governance Guideline issued by IDRA;
- b) The Company has complied with the provisions of the relevant Act, Rules and Regulations of the Country as required by this Guideline;
- c) Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- d) The Governance of the company is satisfactory.

Dhaka, 18 February, 2024

Howlader Mahfel Huq, FCA
For and on behalf of **Mahfel Huq & Co.**
Chartered Accountants

Annexure-E

[As per serial No. 12.1 of IDRA's CG Guidelines]
Sena Kalyan Insurance Company Limited
Declaration by CEO

CEO'S CERTIFICATE FOR COMPLIANCE OF THE CORPORATE GOVERNANCE GUIDELINES OF IDRA

I, Brig Gen Md Shafique Shamim, psc (Retd), Managing Director & CEO of Sena Kalyan Insurance Company Limited, hereby certify, to the best of my ability, knowledge and belief that no transactions have been made during the year 2023 by the Company which are fraudulent, illegal or in violation of the Company's code of conduct.

Sincerely yours,

7 February 2024
Dhaka

A handwritten signature in black ink, appearing to be 'Shamim', written in a cursive style.

Brig Gen Md Shafique Shamim, psc (Retd)
Managing Director & CEO

Annexure-F

Status of compliance regarding the guidelines imposed by the Insurance Development and Regulatory Authority's (IDRA) Circular No. 53.03.000.075.22.025.2020.230 dated 19 October 2023.

(Report under Serial No. 19 of IDRA's CGG)

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|--------------|---|--|--------------|--|
| | | Complied | Not Complied | |
| 6. | BOARD OF DIRECTORS: | | | |
| 6.1 | Formation of Board of Directors: The maximum number of Directors of that company shall, Notwithstanding anything contained in the memorandum of association or articles of association of the company, not exceed 20 (twenty) and in that case 12 (twelve) shall be sponsor Directors, 6(six) shall be Directors holding public share and 2 (two) shall be independent Directors. | ✓ | | Board comprises 9 Members including 2 Independent Directors |
| 6.2 | Board of Directors: The Company shall have procedures for the appointment and re-appointment of directors. | ✓ | | This procedure is mentioned in the Articles of Association of the Company. |
| 6.2.(a) | Qualifications of Directors: A Director, | | | |
| 6.2(a)(1) | Who has not been declared insolvent by a competent court and has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or financial institution in Bangladesh or elsewhere. | ✓ | | No such event occurred |
| 6.2(a)(1)(2) | Who has not been convicted in any criminal offence or involved in any fraud, financial crime or any other illegal activity. | ✓ | | No such event occurred |
| 6.2(a)(1)(3) | Who has been found guilty of violating the rules, regulations or discipline of Bangladesh or any other regulatory body. | ✓ | | No such event occurred |
| 6.2(a)(1)(4) | Who has not been found guilty on any legal proceedings. | ✓ | | No such event occurred |
| 6.2(a)(1)(5) | Who has not been found to be insurance agent, intermediary, salaried agent, auditor, consultant or actuary in Bangladesh or elsewhere. | ✓ | | No such event occurred |
| 6(2)(b)(1) | The Chairman and the Vice-Chairman of the Board or Directors of the Company shall be elected by following clause no. 79 of Insurance Act-2010. | ✓ | | Followed |
| 6(2)(b)(2) | In absence of Chairman, Vice Chairman will be the Chairman. | | | No such event occurred |
| 6(2)(b)(3) | In case of absence of both Chairman and Vice-Chairman in the meeting, the Board of Directors shall elect one Non-Executive Director who will act as the Chairman. | | | No such event occurred |
| 6(2)(b)(4) | In the case of serial no. (2) & (3), it must be mentioned in the minutes of the meeting. | | | No such event occurred |
| 6(3) | Independent Directors: | | | |
| 6(3)(a) | Independent Director is a Director, | | | |
| 6(3)(a)(1) | who is not hold any share of the Company. | ✓ | | Followed |
| 6(3)(a)(2) | who or whose family members are not sponsors or directors or nominee directors or shareholders of the company. | ✓ | | No such event occurred |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|-------------|--|--|--------------|---|
| | | Complied | Not Complied | |
| 6(3)(a)(3) | who or whose family members are not sponsors, Directors, Shareholder Director or Nominated Director of any Associate, Sister Concern Institute, Subsidiary Institute or Parent Company. | ✓ | | No such event occurred |
| 6(3)(a)(4) | who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder director of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who does not hold any share of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company. | ✓ | | No such event occurred |
| 6(3)(a)(5) | who has not been an executive or advisor of the company in immediately preceding 2 (two) financial years. | ✓ | | No such event occurred |
| 6(3)(a)(6) | who does not have any financial or other relationship, whether pecuniary or otherwise, with the Insurance company or its subsidiary or associated companies. | ✓ | | No such event occurred |
| 6(3)(a)(7) | who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years as an Independent Director of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit. | ✓ | | No such event occurred |
| 6(3)(a)(8) | who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI) | ✓ | | No such event occurred |
| 6(3)(a)(9) | who has not been convicted for a criminal offence involving moral turpitude | ✓ | | No such event occurred |
| 6 (3)(b)(1) | The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM) | ✓ | | The re-appointment of Mr. M. M. Mostafa Bilal and appointment of Mr. Kazi Ahmad Pervez will be approved by the Shareholders in the next AGM. |
| 6(3)(b)(2) | The post of independent director(s) cannot remain vacant for more than 90 (ninety) days | ✓ | | No such event occurred |
| 6(3)(b)(3) | The tenure of office of an independent director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only: Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e., three years from his or her completion of consecutive two tenures [i.e. six years]: Provided further that the independent director shall not be subject to retirement by rotation as per the Company's act, 1994 (18 no act of the year of 1994), Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure. | ✓ | | Mr. Mostafa Bilal has been re-appointed by the Board as well as has been given consent by BSEC. And Mr. Kazi Ahmad Pervez has been appointed by the Board as well as has been given consent by BSEC. |
| 6(3)(c) | Qualification of Independent Director: Independent director shall be a knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business. Qualifications and experience in the following matters will be considered as the qualifications of an impartial director- | | | |
| 6(3)(c)(1) | Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale-2015, who has at least educational background of bachelor degree in economics or commerce or business or Law; or | | | N/A |

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|------------|---|---|--------------|---|
| | | Complied | Not Complied | |
| 6(3)(c)(2) | University Teacher who has at least educational background of bachelor degree in economics or commerce or business or Law; or | ✓ | | Mr. Kazi Ahmad Pervez studied in business administration from IBA. |
| 6(3)(c)(3) | Professional who- <ul style="list-style-type: none"> ■ An Advocate who is or was practicing at least in the High Court Division of Bangladesh Supreme Court ■ CA or CPA ■ ICMA or CMA/CIMA ■ CFA ■ Actuary ■ Chartered Secretary or equivalent qualification ■ Professional Accreditation in Insurance (Example FCII,ACII,FLMIL,ABIA) Any other Professional qualification which is determined by Authority; or | | | N/A |
| 6(3)(c)(4) | Actuarial science or finance and accounts or management or economics or Authority prescribed any other educational qualification. [Note: The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (2),(3),(4)] | ✓ | | Mr. Kazi Ahmad Pervez has been working as a University teacher for the last 24 years. |
| 6(3)(c)(5) | Any person who has 15 years of experience in senior management position in private or multinational company, but in this case he has to take prior approval from the Authority. | ✓ | | Mr. M. M. Mostafa Bilal is a Managing Director (CC) of UAE-Bangladesh Investment Company Ltd. (UBICO) and he has 17 years' experience in the higher management position at different organizations. |
| 6(3)(c)(6) | Any person who was a CEO or MD of an approved bank or insurance or financial institution and retired at least three years from that position. | | | N/A |
| 6(4) | Role of the Board of Directors: <ul style="list-style-type: none"> ■ Formulating and implementing institutional business material direction, policies, strategies and risk management policies; ■ Taking action accordingly considering capital requirements, income and expenditure, insurer and shareholder expectations and potential profit and loss; ■ To confirm that all circulars, policies and acts should be followed strictly; ■ Formulating and controlling various structures to identify the problem and take the necessary action for solving; ■ Encouraging employees to report any violation of circular, policy or law by implementing whistle blowing policy and various other policies; ■ Identifying, monitoring and resolving conflicts of interest of directors, employees and shareholders; ■ Related party transaction and any other transaction should be monitored and controlled; ■ Ethics and good governance practices should be encouraged and related issues should be identified and addressed. | ✓ | | Implementing and following |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|------------|---|--|--------------|------------------------|
| | | Complied | Not Complied | |
| 6(5) | Code of Conduct of Board of Directors: | | | |
| 6(5)(a) | The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) for the Chairperson of the Board, other board members and Chief Executive Officer of the company and it includes prudent conduct and behavior; confidentiality of information; conflict of interest; compliance with laws, rules and regulations; working environment with employees, customers, suppliers and stakeholders; | ✓ | | Formulated |
| 6(5)(b) | All board members and senior executives must ensure compliance with the Code of Conduct on an annual basis by providing a signed declaration. All Boards should maintain standards of code of conduct and impose obligations on all officers/employees of the company to uphold those standards. | ✓ | | Ensured and imposed |
| 7 | BOARD OF DIRECTORS' COMMITTEES: | | | |
| 7(1) | For ensuring good governance in the company, the Board shall have at least following sub-committees: (1) Audit Committee; (2) NRC; (3) Investment Committee; (4) Risk Management Committee; (5) Policyholder protection & Compliance Committee. | ✓ | | Formulated |
| 7(2) | Audit Committee: | | | |
| 7(2)(a) | The company shall have an Audit Committee as a subcommittee of the Board and it shall assist the Board in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business. | ✓ | | Formulated |
| 7(2)(b) | Constitution of the Audit Committee: | | | |
| 7(2)(b)(1) | The Audit Committee shall be composed of at least 3 (three) members; | ✓ | | Composed |
| 7(2)(b)(2) | The Board shall appoint members of the Audit Committee who shall be non- executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director; | ✓ | | Followed |
| 7(2)(b)(3) | All members of the audit committee should be "financially literate" and at least 1 (one) member shall have accounting or related financial management background with 10 (ten) years of such experience; | ✓ | | Followed |
| 7(2)(b)(4) | When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee; | ✓ | | No such event occurred |
| 7(2)(b)(5) | The company secretary shall act as the secretary of the Committee. | ✓ | | Followed |
| 7(2)(c) | Chairperson of the Audit Committee: | | | |
| 7(2)(c)(1) | The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director; | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|------------|---|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 7(2)(c)(2) | In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting; the reason of absence of the regular Chairperson shall be duly recorded in the minutes. There should be at least one Independent Director present in the meeting; | ✓ | | Followed |
| 7(2)(c)(3) | Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM); Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM. | ✓ | | Followed |
| 7(2)(d) | Meeting of the Audit Committee: | | | |
| 7(2)(d)(1) | The Audit Committee shall conduct at least its four meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee; | ✓ | | Followed |
| 7(2)(d)(2) | The quorum of the meeting of the Audit Committee shall be constituted in presence of either two members or two-third of the members of the Audit Committee, whichever is higher, where presence of an independent director is a must. | ✓ | | Followed |
| 7(2)(e) | Role of the Audit Committee: | | | |
| 7(2)(e)(1) | Ensuring appropriate internal control over financial reporting, including evaluating the insurer's accounting policy, practices and reviewing financial reporting and disclosures therein. | ✓ | | Followed |
| 7(2)(e)(2) | Audit committee shall evaluate the whole financial statements and check, if the statements are being prepared in accordance to the rules, acts, policies and standard accounting; | ✓ | | Followed |
| 7(2)(e)(3) | Oversee hiring and performance of external auditors | ✓ | | Followed |
| 7(2)(e)(4) | Determine the audit fee based on the audit plan, scope and scope of work, efficiency and time required for an effective audit | ✓ | | Followed |
| 7(2)(e)(5) | Review the results of external audits and evaluate the impact of audits on financial reporting and internal controls, take necessary corrective actions and review the performance of external auditors; | ✓ | | Followed |
| 7(2)(e)(6) | Assess the efficiency and effectiveness of the internal audit structure and review the internal audit plan report prepared by the internal audit team and take necessary corrective action; | ✓ | | Followed |
| 7(2)(e)(7) | To check whether the findings and recommendations of internal audit are properly considered by the management; | ✓ | | Followed |
| 7(2)(e)(8) | Evaluate of internal control, risk management, employee awareness of responsibility, regular communication and assess if the complaint is addressed or not; | ✓ | | Followed |
| 7(2)(e)(9) | To review and present to the Board the necessary actions taken/to be taken by the management in consideration of reports relating to fraud, deficiencies in internal control or problems identified by the internal and external auditors and inspector(s) of the regulatory authority; | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|--|--|--------------|------------------------|
| | | Complied | Not Complied | |
| 7(2)(e)(10) | To review whether the laws, regulations and instructions made by the authorities and other bodies and the internal rules and policies approved by the board are being followed; | ✓ | | Followed |
| 7(2)(e)(11) | Carry out the objectives and functions set by the Board of Directors and evaluate the committee's own performance regularly. | ✓ | | Followed |
| 7(2)(f) | Rights of Audit Committee: The Audit Committee shall have unfettered access to all relevant data, reports, documents and information along with the Chief Executive, Internal Audit Committee / Head of Structure, Actuary and all concerned officers. | ✓ | | Ensured |
| 7(2)(g) | Reporting of the Audit Committee: | | | |
| 7(2)(g)(1) | The Audit Committee shall report on its activities to the Board. | ✓ | | Followed |
| 7(2)(g)(2) | The Audit Committee shall immediately report to the Board of Directors, if the situation is- > Report on conflicts of interests; > Suspected or presumed fraud or irregularity or material defect identified in the internal audit and compliance process or in the financial statements; > Suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations or business losses ; > Any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately. | ✓ | | Followed |
| 7(2)(g)(3) | Reporting to the Authorities: If the Audit Committee has reported to the Board and the Management about anything which has material impact on the financial condition and results of operation and has discussed with the Board and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to the Commission, upon reporting of such matters to the Board for two times or completion of a period of 6 (six) months from the date of first reporting to the Board, whichever is earlier. | ✓ | | No such event occurred |
| 7(2)(g)(4) | Reporting to Shareholders and General Investors: Report on activities carried out by the Audit Committee, including any report of the Audit Committee submitted to the Board of Directors to be published in the annual report of the said financial year. | ✓ | | Followed |
| 8 | NOMINATION & REMUNERATION COMMITTEE (NRC): | | | |
| 8(a) | The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board and the NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration (wherever applicable); of directors, top level executive; | ✓ | | Followed |
| 8(b) | Constitution of the NRC: | | | |
| 8(b)(1) | Members of the Committee shall be nominated and appointed by the Board; | ✓ | | Followed |
| 8(b)(2) | The Committee shall comprise of at least four members including an independent director. All members shall be non-executive directors; | ✓ | | Followed |

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|-------------|--|--|--------------|--|
| | | Complied | Not Complied | |
| 8(b)(3) | The Chairperson of the Board of Directors may be included in this committee. But he shall not hold the post of Chairperson of this Committee; | ✓ | | Followed |
| 8(b)(4) | The Board of Directors shall have power to appoint and remove any member from the Committee. However, the reason for removal shall be clearly recorded in the minutes of the meeting of the Board of Directors; | ✓ | | Followed |
| 8(b)(5) | In case of death, resignation, disqualification or removal of any member of the Committee or in case of any vacancy, the Board of Directors shall fill up the vacancy within 180 (one hundred and eighty) days from the date of vacancy of the Committee. | ✓ | | Mr. Kazi Ahmad Pervez has been appointed by the Board in place of Barrister Ahmed Ihteyaz Thamid within the stimulated time. |
| 8(b)(6) | The company secretary shall act as the secretary of the Committee; | ✓ | | Followed |
| 8(b)(7) | The chairperson of the committee may appoint or co-opt as advisors among the external experts and/or staff members who are not affiliated with the said company or cannot vote on the committee, as necessary or in the evaluation of personnel or relevant matters. | ✓ | | Followed |
| 8(c) | Chairperson of the NRC: | | | |
| 8(c)(1) | The Board shall elect a Director as Chairperson of the Committee; | ✓ | | Followed |
| 8(c)(2) | In the absence of the Chairperson, the remaining members shall elect one person from among themselves as Chairperson for that meeting. However, the reason for the absence of the regular Chairperson shall be duly recorded in the minutes; | ✓ | | Followed |
| 8(c)(3) | The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders: Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM. | ✓ | | Followed |
| 8(d) | Meeting of the NRC: | | | |
| 8(d)(1) | The NRC shall conduct at least two meetings in a financial year; | ✓ | | Followed |
| 8(d)(2) | The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC; | ✓ | | Followed |
| 8(d)(3) | The quorum of the meeting shall be the presence of two members of the committee or two thirds of the members, whichever is higher. Provided that the said meeting must be attended by an independent director; | ✓ | | Followed |
| 8(d)(4) | The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC; | ✓ | | Followed |
| 8(d)(5) | NRC members shall not directly or indirectly receive any honorarium/ remuneration other than director's fee or honorarium from the Company except in an advisory or consulting role. | ✓ | | Followed |
| 8(e) | Role of the NRC: | | | |
| 8(e)(1) | The NRC shall perform its duties in accordance with the terms of reference prescribed by the Board of Directors. NRC is accountable to the Board of Directors and shareholders; | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|----------------|---|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 8(e)(2) | The NRC shall monitor the following matters and submit a report/ recommendation to the Board of Directors: | | | |
| 8(e)(2)(a) | To propose to the Board of Directors a policy regarding the remuneration/remuneration of Directors, Senior Management considering the following matters: | | | |
| 8(e)(2)(a)(1) | The remuneration/remuneration structure should be reasonable which will help in recruiting and retaining competent employees in the company; | ✓ | | Followed |
| 8(e)(2)(a)(2) | The Remuneration policy will be transparent and it will be sufficient to increase the performance of the employees; | ✓ | | Followed |
| 8(e)(2)(a)(3) | The structure of remuneration will be uncomplicated and the rationale and administration of the structure will be straightforward; | ✓ | | Followed |
| 8(e)(2)(a)(4) | Determinants of rewards, potential value of rewards and identification and elimination of risks, identification of efficient officers and employees in the success of the company and strategy of awarding etc. should be clearly mentioned in the policy. | ✓ | | Followed |
| 8(e)(2)(b) | To recommend to the Board of Directors by identifying those who are eligible to be appointed in the top executive positions according to the prescribed criteria; | ✓ | | Followed |
| 8(e)(2)(c) | Formulation the criteria for evaluating of performance of independent directors and board of directors; | ✓ | | Followed |
| 8(e)(2)(d) | Identifying the needs of the company and determining the criteria for selection, transfer, replacement and promotion of employees in various departments; and | ✓ | | Followed |
| 8(e)(2)(e) | Annual review of the company's human resources and training policies, including recommendations for improvement; | ✓ | | Followed |
| 8(e)(3) | The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report. | ✓ | | Followed |
| 9 | INVESTMENT COMMITTEE : | | | |
| 9(a) | There will be an Investment Committee as a sub-committee of the Board of Directors for supervision of the Company's investment portfolio in the interest of customers, shareholders and stakeholders. | ✓ | | Followed |
| 9(b) | Constitution of the Investment Committee and its meetings: | | | |
| 9(b)(1) | Board of Directors consisting of at least 5 (five) members of Investment Committee and the committee members shall appoint one director as chairman; | ✓ | | Followed |
| 9(b)(2) | The quorum of the meeting of the Committee shall be constituted in presence of three members. The Chief Executive Officer will be an ex-officio member of the Committee. However, he shall have no voting power at the meeting. Company Chief Finance Officer, Chief Investment Officer and Chief Risk Officer shall invited to attend the meeting to assist the committee. | ✓ | | Followed |
| 9(b)(3) | The company secretary shall act as the secretary of the Committee and the proceedings of each meeting of the Committee shall duly be recorded in the minutes. | ✓ | | Followed |
| 9(c) | Role of Investment Committee: | | | |
| 9(c)(1) | Prepare an effective investment policy in due compliance with the investment related provisions of the Insurance Act, 2010 and recommend to the Board of Directors for its approval; | ✓ | | Followed |
| 9(c)(2) | Investment committee shall have right to all types of information, documents, reports etc related to the investment of the insurer. | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|------------|--|--|--------------|------------------------|
| | | Complied | Not Complied | |
| 9(c)(3) | The committee will monitor and review the investment and investment related income on monthly basis and will inform it to the Board of Directors; | ✓ | | Followed |
| 9(c)(4) | Before investing, considering the investment risk will ensure the suitability of the investment; | ✓ | | Followed |
| 9(c)(5) | Ensure investment with a view to timely and properly repayment to the insurer and review the investment related risk and performance on a quarterly basis, | ✓ | | Followed |
| 9(c)(6) | Ensure that necessary measures shall be taken to reduce the investment risks; | ✓ | | Followed |
| 9(c)(7) | The Committee may, if necessary, take the advice of suitable experts; | ✓ | | No such event required |
| 9(c)(8) | Ensure maintenance of necessary solvency and advise the Board of Directors in this regard; | ✓ | | Followed |
| 9(c)(9) | Ensure that funds of the insurer shall not invest for the benefit of any member of the Board of Directors, | ✓ | | Followed |
| 9(c)(10) | Ensure that capital losses on investments shall disclose in the financial statements. | ✓ | | Followed |
| 9(c)(11) | Oversee the use of fixed assets and the accounting of rental income if any; | ✓ | | Followed |
| 9(c)(12) | Supervise the protection of assets of the insurer; | ✓ | | Followed |
| 9(c)(13) | Perform any other investment related duties as may be assigned by the Board of Directors. | ✓ | | Followed |
| 10 | RISK MANAGEMENT COMMITTEE: | | | |
| 10(a) | The Risk Management Committee shall be a sub-committee of the Board of Directors to play an effective role in implementing the strategies and action plans formulated by the Board of Directors to mitigate the cited and potential risks and to properly discharge the responsibilities of the Board of Directors in this regard. | ✓ | | Followed |
| 10(b) | Constitution of the Risk Management Committee and its meetings: | | | |
| 10(b)(1) | The Board of Directors shall consist of 3 (three) directors including at least 1 independent director. The members of the Committee shall appoint 1 Director as Chairman. At least 1 (one) member of the Risk Management Committee shall be selected from among the members of the Audit Committee. In the absence of the Chairperson of the Risk Management Committee, the remaining members may elect one person from among themselves as the Chairperson of the meeting. But in that case, the reason of the absence of the regular Chairperson shall be duly recorded in the minutes of the meeting; | ✓ | | Followed |
| 10(b)(2) | The quorum of the meeting of the Committee shall be constituted in presence of two members. However, the Committee may call upon the Chief Executive Officer, Chief Financial Officer, Chief Investment Officer and Chief Risk Officer to assist the Committee; | ✓ | | Followed |
| 10(b)(3) | The Company Secretary shall act as the secretary of the Committee; | ✓ | | Followed |
| 10(b)(4) | The members of the committee shall have proper understanding and knowledge about the insurer's business, management, risks and related matters and responsibilities and duties as the committee members. The Committee members may invite risk management experts to Committee meetings from time to time. However, in that case, the experts shall not have voting rights. | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|------------|--|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 10(c) | Role of the Risk Management Committee: | | | |
| 10(c)(1) | It is the responsibility of the Risk Management Committee to determine the risks of various activities of the organization and to formulate and ensure proper implementation of appropriate strategies for controlling them. The risk management committee will review the risk management policies and procedures of the organization and take measures to revise them if necessary. The Risk Management Committee shall take the effective prevention and control risk management procedure. Risk management policies and procedures: There should be a clear and well-documented policy for risk management. The definition and classification of the risks to which the company is exposed and the procedure for determining the risk limits for each risk shall be included in the insurer's written policy. Processes should be in place for risk identification, assessment, monitoring and reporting including internal models. | ✓ | | Followed |
| 10(c)(2) | Determining risk thresholds and evaluating cost-benefit comparisons and qualitative reviews of identified risks and reporting to the Board. | ✓ | | Followed |
| 10(c)(3) | Conducting overall supervision including determination of institutional risk for all risks such as insurance risk, current context risk, liquidity risk, business risk, compliance risk, legal risk etc. | ✓ | | Followed |
| 10(c)(4) | To provide necessary advice to the Board on corporate strategy, mergers and acquisitions and business risk mitigation decisions. | ✓ | | Followed |
| 10(c)(5) | Monitoring and reviewing updated information on relevant matters including business continuity. | ✓ | | Followed |
| 10(c)(6) | Adoption/preparation of appropriate action plans in existing systems to mitigate risks. | ✓ | | Followed |
| 10(c)(7) | Assisting the company in doing the required solvency margin provided by the authorities by reviewing the solvency margin of the company and knowing how to resolve the same with details of the risks identified and submitting reports to the Board. | ✓ | | Followed |
| 11 | POLICYHOLDER PROTECTION & COMPLIANCE COMMITTEE: | | | |
| 11(a) | There shall be a Policyholder Protection & Compliance Committee as a sub-committee of the Board of Directors to review the grievances of the Insurers for quick settlement and protection of interests and to carry out the duties assigned by the Board of Directors in this regard. | ✓ | | Followed |
| 11(b) | Constitution of Policyholder Protection & Compliance Committee and its meetings: | | | |
| 11(b)(1) | The Committee shall consist of 3 (three) directors including at least 1 independent director and the committee members will appoint 1 director as Chairman. | ✓ | | Followed |
| 11(b)(2) | The quorum of the meeting of the Committee shall be constituted in presence of two members. In the absence of the chairperson of the committee, the remaining members may elect one person from among themselves as the chairperson of the meeting. However, in that case the reason for the absence of the regular Chairperson shall be duly recorded in the minutes of the meeting; | ✓ | | Followed |
| 11(b)(3) | The Company Secretary shall act as the secretary of the Committee; | ✓ | | Followed |
| 11(c) | Role of the Policyholder Protection & Compliance Committee: | | | |
| 11(c)(1) | To review customer complaints and providing recommendations to the Board of Directors for the purpose of speedy resolution of complaints and overseeing the implementation of complaint resolution activities in accordance with the policy; | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|------------|--|--|--------------|---|
| | | Complied | Not Complied | |
| 11(c)(2) | To submit regular reports to the Board of Directors regarding the number, nature, time of settlement and details of the complaints of the insured; | ✓ | | Followed |
| 11(c)(3) | Defining service level agreements, clear claim servicing parameters, standard operating procedures etc; | ✓ | | Followed |
| 11(c)(4) | Method of escalating the settlement of insurance complaints, including outstanding ones with details of complaints, matters to be done in the case of insurance claims, implementation of laws, regulations and authority decisions related to customer service and taking necessary measures to ensure the commitment given by the Company; | ✓ | | Followed |
| 11(c)(5) | To oversee the implementation of various initiatives undertaken by the company to inform customer awareness and insurance related knowledge. | ✓ | | Followed |
| 12 | SENIOR MANAGEMENT AND KEY PERSONNEL : | | | |
| 12(a) | The Board of Directors should have a policy of recruiting qualified and competent senior management/key personnel for the day-to-day management of the insurance company and retaining them in the company; | ✓ | | These are included in the in the Company's Service Rule |
| 12(b) | Recruitment of Senior Management and Key Personnel: | | | |
| 12(b)(1) | The company will have senior management/key personnel positions such as: Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) etc. ; | ✓ | | Followed |
| 12(b)(2) | Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO) and Head of Internal Audit and Compliance (HIAC) – these posts shall be filled by various qualified persons; | ✓ | | Followed |
| 12(b)(3) | Board of Directors shall determine the roles, responsibilities and duties of Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) etc; | ✓ | | Followed |
| 12(b)(4) | The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS), Chief Investment Officer (CIO), Chief Risk Officer (CRO) and Head of Internal Audit and Compliance (HIAC) will not hold executive positions in any other company at the same time. | ✓ | | Followed |
| 12(c) | Requirements to attend the Board of Directors Meetings: The Chief Executive Officer (CEO), Chief Financial Officer (CFO), Company Secretary (CS) of the Company shall attend the Board meetings; Provided that the Head of Internal Audit and Compliance (HIAC), Chief Investment Officer (CIO) and Chief Risk Officer (CRO) will attend the meeting if any matter related to their activities is included in the agenda or agenda of the meeting. Provided further that the concerned officer shall not attend the said board meeting if there is an agenda or agenda related to his personal matter of any of the said officers. | ✓ | | Followed |
| 12.1 | Managing Director/Chief Executive Officer (CEO): | | | |
| 12(1)(a) | The Board of directors shall appoint the Chief Executive Officer of the insurer in accordance with the "Insurance Companies (Appointment and Removal of Chief Executive Officers) Rules, 2012; | ✓ | | Followed |
| 12(1)(b) | The Chief Executive Officer shall regularly provide reports to the Board of Directors containing clear, understandable, accurate, timely and relevant information. The Chief Executive Officer shall inform the Board of Directors as soon as possible if any matter requiring the consideration, decision or approval of the Board of Directors comes to his attention; | ✓ | | Followed |

| Serial No. | Title | Compliance Status (Put ✓ in the appropriate column) | | Remarks (if any) |
|-----------------|--|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 12(1)(c) | The Chief Executive Officer shall be accountable to the Board of Directors for his performance and his direction, management and performance of the Company; | ✓ | | Followed |
| 12(1)(d) | In addition to the above, the following matters shall be included in the role and responsibilities of the Chief Executive Officer- | | | |
| 12(1)(d)(1) | To assist the Board of Directors in formulating and promoting a clear vision and direction of the Company. | ✓ | | Followed |
| 12(1)(d)(2) | To provide leadership in achieving the vision and goals set by the Board of Directors, | ✓ | | Followed |
| 12(1)(d)(3) | To ensure compliance with legal and regulatory frameworks to the day-to-day professional and administrative activities of the insurer in addition to the framework set by the Board of Directors; | ✓ | | Followed |
| 12(1)(d)(4) | To ensure development and implementation of all functions and strategies including risk management and internal controls; | ✓ | | Followed |
| 12(1)(d)(5) | To assist the Board of Directors in developing policies, procedures and governance to ensure effective implementation of the Company's strategy; | ✓ | | Followed |
| 12(1)(d)(6) | To evaluate the performance of other executive leadership including department heads of the company; | ✓ | | Followed |
| 12(1)(d)(7) | The Chief Executive Officer shall certify that, to the best of his ability, knowledge and belief that no transactions have been made during the year by the Company which are fraudulent, illegal or in violation of the company's code of conduct and this certification will be disclosed in the annual report. | ✓ | | Followed |
| 12(2) | Responsibilities of Senior Management and Key Personnel: The Board of Directors shall determine and ensure adherence to the Charter of Duties for each position, clarifying and defining the roles, responsibilities and duties of the Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO), Chief Investment Officer (CIO), Chief Risk Officer (CRO), Head of Internal Audit and Compliance (HIAC) and Senior Management & Key Personnel. | ✓ | | Followed |
| 12(3) | Appointed Actuaries: | | | |
| 12(3)(a) | To appoint an Actuary in accordance with the Insurance Act 2010 and the rules made there under; | | | N/A |
| 12(3)(b) | Actuarial valuations of financial matters arising from the insurance scheme shall be carried out by the appointed actuary, as applicable, in accordance with the rules and regulations of the authorities; | | | N/A |
| 12(3)(c) | The appointed actuary should not hold any position within or outside the insurer which may create a conflict of interest or compromise professional impartiality; | | | N/A |
| 12(3)(d) | If the appointed Actuary is not a salaried employee of the company, the Board must determine whether there is a potential conflict of interest from the outside actuary (such as whether the employing firm provides audits or other services to the insurer). If any potential conflict of interest exists, Board should take appropriate measures to control it; | | | N/A |
| 12(3)(e) | The appointed actuary should be able to report to the external auditor on important matters; | | | N/A |
| 12(3)(f) | The role and responsibilities of the appointed actuary should include the following: | | | |
| 12(3)(f)(1) | Determining or relating to proper actuarial valuation and appropriate technical provisions and providing feedback; | | | N/A |

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|--------------|---|--|--------------|---------------------|
| | | Complied | Not Complied | |
| 12(3)(f)(2) | To provide professional advice or certification to the Board on the following matters: <ul style="list-style-type: none"> > To measure whether technical provisions are in compliance with valuation framework or not. > To identify and quantify the organizational risks and taking appropriate risk mitigation measures. > To check the financial position. > Required Solvency Margin. > Accuracy of Premium and surrender Values. > Management of Participating Funds including impact analysis of conditions arising from strategies and policies. > Other regulations related to product development/innovation, reinsurance including risk mitigation and risk management. | | | N/A |
| 13. | OTHER COMMITTEES OF INSURANCE COMPANIES: To achieve the objectives and requirements of the insurance company, the Company may constitute the following committees and the Board of Directors shall clearly define the responsibilities of the committees. <ul style="list-style-type: none"> > Corporate Social Responsibility (CSR) Committee > ESG (Environmental, Social, and Governance) Committee > Integrity and Ethics Committee > Reinsurance and Retrocession Committee > Asset Liability Management (ALM) Committee | ✓ | | Followed |
| 14 | DISCLOSURE OF INFORMATION REGARDING BOARD OF DIRECTORS AND COMMITTEE MEETINGS: | | | |
| 14(1) | Meeting of the Board of Directors: The company shall record, preserve and disclose the minutes of its meetings where applicable; | ✓ | | Followed |
| 14(2) | The Code of Conduct of all Employees including Chairman of the Board, Members of the Board and Chief Executive Officer will be disclosed on the Company's website. | ✓ | | Followed |
| 14(3) | The Board of Directors/Board shall disclose the following matters in conducting their meetings: | | | |
| 14(3)(a) | Number of meetings of the Board of Directors and Committees in a financial year; | ✓ | | Disclosed |
| 14(3)(b) | Details of the composition of the Board of Directors and the names of the mandatory committees, qualifications, competencies and areas of specialization (if any), status of directors etc. | ✓ | | Disclosed |
| 14(3)(c) | Particulars of remuneration paid to all directors (including independent directors), if any; | ✓ | | Disclosed |
| 14(3)(d) | Other relevant information. | ✓ | | Disclosed |
| 15 | RELATED PARTY TRANSACTIONS: | | | |
| 15(a) | To ensure proper management of insurers and protection of interests of insurers and stakeholders, to approve and conduct related party transactions in a specified manner, to identify related party transactions and to formulate necessary policies on the following matters: | | | |
| 15(a)(1) | Definition of transactions and specific procedures for transactions in insurance business; | ✓ | | Followed |
| 15(a)(2) | Method of pricing; | ✓ | | Followed |
| 15(a)(3) | List of matters requiring approval from the Authority, any other policy-making body (where applicable), the insurer's audit committee, board/board of directors, shareholders; | ✓ | | Followed |
| 15(a)(4) | Related party transactions related matters; | ✓ | | Followed |
| 15(b) | Avoid related party transactions as far as possible; | ✓ | | Followed |