

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 regarding the financial position of the Company, its performance and ownership form 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.

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 letter.

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, Customer First. The Company's vision is to be the leader in the private sector general insurance industry by 2025, by caring for our customers and offering them innovative risk solutions.

The Company endeavours 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 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 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.

Key elements of Corporate Governance in the Company includes 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 and 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 Director, Committees of the Board, the Chairman of the Board and the Board;
- Complete and detailed 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 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.

1. 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

stakeholder 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 BSEC's guidelines, which states that Independent Directors must constitute one-fifth of the total strength of the Board of a publicly listed company.

The Board plays a key role in setting the strategic direction of the Company. The Board also provides continuous oversight of material matters, acting as an independent check and balance for the executive management team, whose main responsibility remains in the management 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.

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



a) Composition 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 comprises of total nine

(9) Directors, out of which seven (7) are Non – Executive Directors and two (2) are Independent Directors.

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
Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng	Chairman & Nominated Director	Masters of Defense Studies (MDS), MBA, MSS	Sena Kalyan Sangstha-Chairman
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc	Vice-Chairman & Nominated Director	Masters of Defense Studies (MDS), P phil (part-1)	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, Welfare Division
Brig Gen Md Shakhawat Hossain, ndu, psc	Nominated Director	Masters of Defense Studies (MDS)	Sena Kalyan Sangstha- Director General, Business Division-1
Brig Gen Md Rashidul Alam, BGBMS, PBGMS	Nominated Director	MBA	Sena Kalyan Sangstha-Director General, Business Division-6
Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc	Nominated Director	MSDS, MBA	Sena Kalyan Sangstha-Director General, HR Division
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director	MSc (Engr)	Sena Kalyan Sangstha-Director General, Business Division-5
Mr. M. M. Mostafa Bilal	Independent Director	MBA- Major in Finance, IBA, University of Dhaka	The UAE-Bangladesh Investment Company Limited-Managing Director (CC)
Barrister Ahamed Ihteyaz Thamid	Independent Director	Bachelor of Law LLB (Honours) University of London	Legal Edge-Associate H & H Eastern Agro Fisheries Limited-Chairman & Managing Director

Diversity of Board Committees:

Name	Position in the Board	Audit Committee	Executive Committee	Claims Committee	Nomination & Remuneration Committee
Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng	Chairman & Nominated Director				
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc	Vice-Chairman & Nominated Director		Chairman		
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Nominated Director	Member		Chairman	
Brig Gen Md Shakhawat Hossain, ndu, psc	Nominated Director	Member	Member		
Brig Gen Md Rashidul Alam, BGBMS, PBGMS	Nominated Director				
Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc	Nominated Director			Member	Member
Brig Gen Mohd Muinul Haq Mamun, psc	Nominated Director				Member
Mr. M. M. Mostafa Bilal	Independent Director	Chairman			
Barrister Ahamed Ihteyaz Thamid	Independent Director	Member			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) 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.

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 Articles of Associations of the Company.

The Directors of SKICL are:

Nominated Non-Executive 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.

Non-executive Independent Directors- The Board received recommendation from various sources for highly capable and seasoned professionals and they are appointed by the board and be approved by the shareholders in the AGM.

c) 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 IDRA, Bangladesh Securities and Exchange Commission (BSEC) and the Stock Exchanges.

d) 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 the Board 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.

e) **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, planned 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.

f) Criteria for Appointment of Independent Directors

As per the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission (BSEC), at least one-fifth of the total directors of the Board shall be Independent Directors.

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

In compliance with BSEC's notification to get approval for the appointment or reappointment of the Independent Director, SKICL will apply through the Commission's Online Regulatory Submission Form.

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 are 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 helps foster varied, unbiased, independent and experienced perspectives. The Company benefits immensely from their inputs in achieving its strategic direction.

g) 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 the 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.

SKICL remains committed to upholding the highest standards of ethics and compliance by its employees. 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 code issued by the BSEC, the Board shall lay down the Code of Conduct of all Board members and annual compliance of the Code has to be recorded.

The complete Code of Conducts are available in the Company's website, link of which are: <https://www.senakalyanicl.com/1478-2/>

h) 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-2018, 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 are carried out through circulation of different questionnaires, for each group through the survey.

Evaluation of Board

The performance of the Board is assessed basis by 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 flow of information between the management and the Board to effectively and reasonably perform their duties.

Evaluation of Board Committee(s)

The evaluation of the Board Committees is based on assessment of the clarity with which their mandate is defined, effective discharge of terms of reference and assessing effectiveness of contribution of their deliberation/ recommendations 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 directors 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 Executive Directors and Non-executive Directors.

At the Board meeting held on July 25, 2022 the results of the performance evaluation for the year 2021 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.

i) Training and Continuing Development Program of 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. The terms and conditions of appointment of Independent Directors are posted on the website of the Company. With a dynamic regulatory scenario, regulatory changes impacting the Company are briefed at every meeting on a quarterly basis.

At the time of appointment of a Director to the Board of the Company, the Director is provided with a Director's handbook comprising the compendium of the role, powers, duties and responsibilities of a Director including code of conduct of the Company, the compliance obligations and disclosure requirements from the Director under the Companies Act, IDRA's & BSEC's regulations, and other relevant applicable regulations. The Board recognizes the importance of ensuring that Directors are continuously being developed to acquire or enhance the requisite knowledge and skills to discharge their duties effectively. 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.

j) Financial and accounting knowledge and expertise of Directors

All the directors except the independent director 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 them, Mr. M. M. Mostafa Bilal, Independent Director & Chairman of Audit Committee of SKICL, who is serving in UAE as Managing Director (CC) and holds Masters Degree in Finance from IBA, University of Dhaka and Barrister Ahamed Ihteyaz Thamid, Independent Director of SKICL, who is serving as a Barrister in Legal Edge- Associate H & H. 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. 26-34 of this annual report.

k) 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 Director. The role of the Chairman and the Managing Director & CEO are independent and separate, however, there's a very positive and constructive work relationship between them.

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.

Role of the Managing Director & CEO

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.



l) 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 include, 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;

m) Management Structure

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



Strategic supervision is provided by the Board;



Control and implementation of Company's strategy is achieved effectively;



Operational management remains focused on implementation;



Information regarding the Company's operations and financial performance is made available to the stakeholders;



Delegation of decision making with accountability is achieved;



Financial and operating control and integrity are maintained at an optimal level;



Risk is suitably evaluated and dealt with;



Compliance with applicable acts and regulations is achieved;



Corporate culture that recognizes and rewards adherence to ethical standards is developed.

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

n) 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 possessed wide knowledge in the area of corporate affairs and holding 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 experienced with managing IPO & Rights of those Fls.

o) Key Roles and Responsibilities of CS, CFO and Head of Internal Audit & Compliance

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

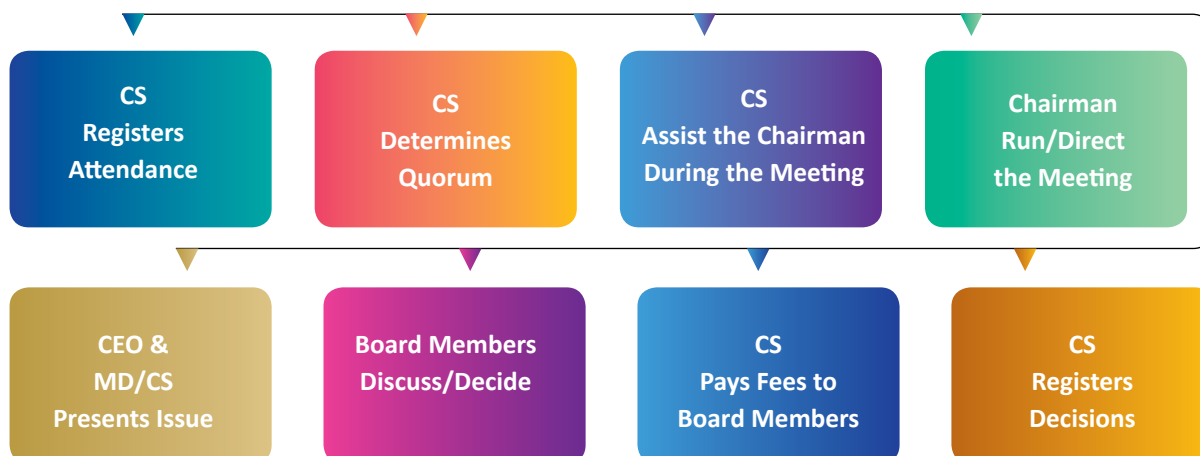
Roles and Responsibilities of the Company Secretary (CS)	Roles and Responsibilities of the Chief Financial Officer (CFO)	Roles and Responsibilities of the Head of Internal Audit & Compliance (HIAC)
Ensures compliance & manages the corporate governance framework	Responsible for overall financial management	Ensure proper internal control system
Oversees, conducts induction trainings for newly elected directors	Regulates, supervises and implements accounting & audit requirements	Check compliance to internal and external regulation
Statutory reporting to Bangladesh Bank and other regulatory bodies	Ensures overall accuracy of budgetary & financial control system	Coordinate analysis of risk in different area of operations
Conscience of the company	Alerts of any irregularity concerning financial system	Prepare 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	Prepare audit programs and approaches that meet the objectives of audit
Manages and administers board meetings	Liaison with external auditor & oversee the audit procedure	Prepare draft audit report and conduct exit meetings
Ensures compliance with legal requirements	Prepares and circulates statutory annual report to stakeholders	Prepare final audit reports and circulate the reports
Mediator between board and management	Assists in corporate tax planning & ensures effective tax management	Conduct 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

2. 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 merit oversight 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 is 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) Attendance in Board of Directors and Committee Meetings

During the financial year under reporting total six (6) Board Meetings, four (4) Audit Committee Meetings and one (1) Nomination & Remuneration Committee Meeting were held and the attendance of the Directors are noted below:

Name of Directors	Attendance at 9 th AGM	Board		Audit Committee		Nomination & Remuneration Committee		Changes During 2022 with the date of Board Acceptance	
		Total Meetings	Meetings Attended	Total Meetings	Meetings Attended	Total Meeting	Meeting Attended	Joining	Leaving
Maj Gen Iftekhar Anis, BSP, awc, afwc, psc, PEng	x	6	3					25 August 2022	-
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc	x	6	4					26 June 2022	-
Air Cdre Md Shaharul Huda, BSP, ndc, psc	x	6	4	4	2			26 June 2022	-
Brig Gen Md Shakhawat Hossain, ndu, psc	x	6	4	4	2			26 June 2022	-
Brig Gen Md Rashidul Alam, BGBMS, PBGMS	x	6	3					26 June 2022	-
Brig Gen AKM Asif Iqbal, BVM, BAMS, ndc	x	6	4			1	1	26 June 2022	-
Brig Gen Mohd Muinul Haq Mamun, psc	x	6	4			1	1	26 June 2022	-
Maj Gen Mohammed Saidul Islam, ndc, psc	√	6	3					09 September 2021	25 August 2022
Air Cdre M Moyeenuddin, ndc, afwc, psc	√	6	2	4	2			10 July 2019	26 June 2022
Brig Gen Mirza Md Enamul Haque, ndc	√	6	2					23 August 2020	26 June 2022
Brig Gen M A Mohy, psc, PEng	√	6	2					23 August 2020	26 June 2022
Brig Gen Md Mustafa Kamal, SGP	√	6	2	4	2			15 July 2020	26 June 2022
Brig Gen Md Jamal Hossain, ndc, afwc, psc	√	6	2					23 August 2020	26 June 2022
Brig Gen Md Shaheen Iqbal, afwc, psc	√	6	2	4	2			15 July 2020	26 June 2022
Mr. M. M. Mostafa Bilal	√	6	4	4	4			09 September 2020	-
Barrister Ahamed Ihteyaz Thamid	√	6	6	4	2	1	1	09 September 2020	-

(c) Key Activities of the Board in 2022

The following table shows a breakdown of the matters considered by the Board in 2022, in addition to business agenda.

Quarter-wise Overview of Main Recurring Board Activities of 2022

Quarter	Activities
January – March	<ul style="list-style-type: none">Follow up the IPO funds
April – June	<ul style="list-style-type: none">Authorization of Financial Statements and Annual Report 2021Adoption of Directors' Report of 2021Dividend declaration for 2021Appointment of Statutory and Corporate Governance Auditors and determination of Audit FeesHolding Annual General MeetingAmend the Articles of Association of the CompanyEndorsement of First Quarter Financial Statements 2022 (January – March)Purchase of office space of SKICL for Chattogram Branch and commercial floor space at SK Business Mart, Tejgaon
July – September	<ul style="list-style-type: none">Endorsement of Second Quarter Financial Statements 2022 (April – June)General guidelines on anti money laundering and terrorist financing
October – December	<ul style="list-style-type: none">Endorsement of Third Quarter Financial Statements 2022 (July – September)Revised the Rules of the Provident Fund of SKICL

(d) 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 accept 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 is 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. 139 of this Annual Report.

(e) Particulars of Whistle Blower Policy

The Company is committed to high standards of conduct

for its employees. The Company has in place Whistle Blower 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 (UPSI), misuse of office, suspected/ actual fraud and criminal offences. Such complaints are investigated and addressed through a formalized procedure.

(f) Information Applied to the Board

SKICL has incorporated its Governance Framework pursuant to the guidelines prescribed in the Code of Best Practices on Corporate Governance issued by the Bangladesh Securities and Exchange Commission (BSEC).

Related Acts, Regulations and Guidelines:

SL No	Particulars
1.	The Companies Act, 1994;
2.	The Insurance Act 2010;
3.	The Insurance Rules 1958;
4.	Securities & Exchange Ordinance-1969 and Securities & Exchange Rules- 1987;
5.	Corporate Governance Code- 2018 issued by the Bangladesh Securities and Exchange Commission (BSEC);
6.	Policies, Procedures, Directives of IDRA & BSEC;
7.	Listing regulations 2015 of Stock Exchanges.

Related internal principles and guidelines:

SL No	Particulars
1.	Articles of Association;
2.	Code of Conduct for the employees & the Board;
3.	Board and Board Sub Committee Charters;
4.	Different approved Manual of the Company.

(g) Disclosure of Board Committees

The Board of Directors have constituted four committees namely – Audit Committee, Executive Committee, Claims Committee and Nomination & Remuneration 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.

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

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 besides recommending appointment/ removal of statutory auditors and fixing their remuneration.

The Audit Committee of the Board was last reconstituted on October 3, 2022 in compliance with the condition 5(2) of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code-2018. 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.

(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 Bangladesh Securities and Exchange Commission's Corporate Governance Code- 2018.

The Board of Directors has been very meticulous in the formation of the Audit Committee, which consists 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
M. M. Mostafa Bilal	Chairman
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Member
Brig Gen Md Shakhawat Hossain, ndu, psc	Member
Barrister Ahamed Ihteyaz Thamid	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. 128 and 129 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 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 2022.

(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 (9th) Annual General Meeting of the Company.

A separate report on the activities of the Audit Committee has been presented on the page no. 130 of this annual report.

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. An executive committee 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 members of Executive Committee are:

Name	Position in the Committee
Cdre Mahmud Hossain, (ND), NPP, BCGMS, ndc, psc	Chairman
Brig Gen Md Shakhawat Hossain, ndu, psc	Member
Brig Gen Shafique Shamim, psc (Retd.)	Member

Claims Committee

Claims 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 members of the Claims Committee are:

Name	Position in the Committee
Air Cdre Md Shaharul Huda, BSP, ndc, psc	Chairman
Brig Gen A K M Asif Iqbal, BVM, BAMS, ndc	Member
Brig Gen Shafique Shamim, psc (Retd.)	Member

Nomination and Remuneration Committee (NRC)

Pursuant to the Corporate Governance Code of Bangladesh Securities and Exchange Commission, the Board of Directors of Sena Kalyan Insurance Company Ltd. has 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. 133 of this annual report.

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

Name	Position in the Committee
Barrister Ahamed Ihteyaz Tamid	Chairman
Brig Gen Mohd Muinul Haq Mamun, psc	Member
Brig Gen A K M Asif Iqbal, BVM, BAMS, ndc	Member

(h) 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.

3. 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 to 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. 139 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 systems are devised as a part of the principles of good governance

and are accordingly implemented within the framework of proper check 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/report referred to the Audit Committee of the Board for appropriate actions/review.

4 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 2022.

(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. 25 of the notes of the financial statements.

(c) Disclosure regarding Compliance of IFRS

In accordance with the Bangladesh Securities & Exchange Commission’s Corporate Governance Code- 2018, Sena

Kalyan Insurance Company Limited management 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 2022 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. 115.

(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

ARTISAN, Chartered Accountants have certified that the Company has complied with the conditions of Corporate Governance as stipulated under BSEC's Corporate Governance Code- 2018. 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.

The Directors including Independent Directors, all being Non-Executive Directors, are given only Meeting Attendance Fee of BDT 5,556 per Meeting of the Board and Committees. 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. 29.03 of the audited financial statements.

5 SHAREHOLDERS INFORMATION & VALUE ENHANCEMENT

Pattern of shareholdings as on 31st December 2022 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	73701	13,289,636	33.22
Financial Institutions & other Companies	334	2,710,364	6.78
Foreign	0	0	00.00
Total:	74036	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. 86 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. 86 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. 86 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 is 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.

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

Key operating and financial data of last preceding 5 (five) years has been shown under the heading of Operational and Financial Highlights on page no. 52 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. 64 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 2022 stood at Tk. 2.86 in place of Tk. 3.83 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. 52 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. 62 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.

6 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 wish to grow with the Company and develop their careers to that they aspire to be, hand-in-hand, whilst 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 citizen, SKICL continues to remain transparent in adherence with the local direct and indirect tax requirements and has contributed BDT 46.98 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. 64 of this annual report.

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

The report of dispute/ default in respect of payment of Govt. taxes has been shown under the heading of Contingent liabilities on page no. 202 of this annual report.

(e) Policy of Supply Chain

Management SKICL rigorously follows up its internal procurement policy and upgrades the policy regularly to ensure strong control and fair treatment of suppliers.

7. CORPORATE SOCIAL RESPONSIBILITY

(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. 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 by providing insurance services.

The report of Corporate Social Responsibility has been given on page no. 151 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 is 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

We prefer to work with enterprises that have a green consciousness and cultivate an emphasis on environmental protection and preservation. They ensure they don't use child labor or engage in practices that are in deviation of the law.

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

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 get a better life. As Corporate Social Responsibility (CSR) activities, SKICL has been introduced like PROYASH 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.

8. 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. 9 of this annual report.

(b) Overall Strategic Objectives

The strategic objectives of the Company have been given on page no. 9 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 no. 11 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. 26 to 34 of this Annual Report and as well as their representation on Board of other Companies & organization has also been given in the page no. 35 of the report.

(e) Award

Since its inception in 2013, Sena Kalyan 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 of the Company, it has been receiving various awards from the beginning.

Sena Kalyan Insurance Company Limited (SKICL) has won the prestigious "9th ICSB National Award for Corporate Governance Excellence, 2021" under the General Insurance Companies Category, for its outstanding corporate governance practices as well as transparency and accountability in overall management.

Since the introduction of the ICSB Corporate Governance Awards, this is the first time a company has won the award in its first year of listing in the general insurance sector.

9. TIMELINESS IN ISSUING FINANCIAL STATEMENTS AND HOLDING AGMs

SKICL holds a General Meeting of members once a year and the meeting is being held within 6 (six) months of completion of the respective financial year, as per the guidelines of BSEC as well as the permitted time limit of the 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:

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) Ordinary 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 (12th Floor), Dhaka-1206.

Participants: 7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paidup 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.

7th Annual General Meeting:

Date & Time: August 12, 2020 at 11:00 AM.

Venue: SKS Tower (12th Floor), Dhaka-1206.

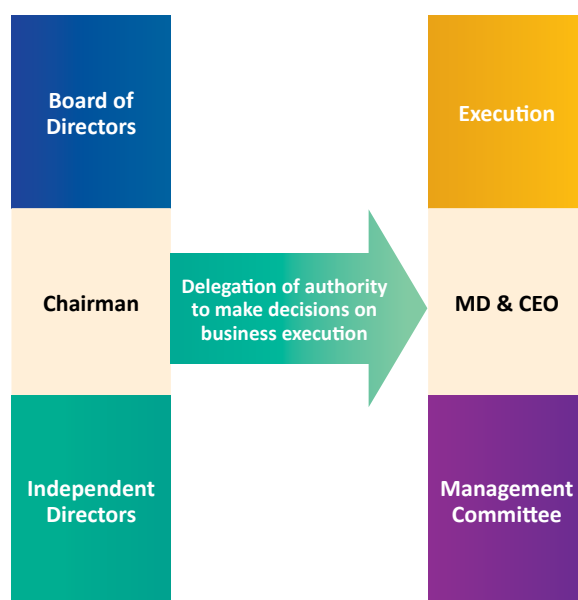
Participants: 7 Nominated Directors of SKS which represent 24,000,000 shares being 100% of paidup shares of the Company.

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, 2019 and the Auditors' Report thereon;
- ii. Dividend @ 10% cash;
- iii. Re-Appointment of Mahfel Huq & Co., Chartered Accountants as statutory auditors and appointment of Ahmed Zaker & Co., Chartered Accountants as a professional to provide the certificate on compliance on the BSEC's Corporate Governance Code- 2018.

10. 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.



11. AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

As a listed Company, SKICL must comply with the 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 the BSEC Code. 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. ARTISAN, Chartered Accountants have certified that the Company complied with the conditions of Corporate Governance as stipulated under the Corporate Governance Guidelines except as stated in the remarks column, which has been annexed on page no. 116 of this report.

12. 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 at notes 2.40 of the Financial Statements on page no. 183 of this report.

13. 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 will be unable to continue as a going concern.

14. 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/CMMRRCD/2021-386/03, dated on January 14, 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. 140 of this annual report and also available in the Company's website.

15. 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, notification no. BSEC/CMMRRCD/2021-386/03, dated January 14, 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 afore-mentioned 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 2022):

Period	Undistributed IPO shares		Unclaimed dividends	
	Nos. of Shareholders	Nos. of Share	Nos. of Shareholders	Amounts in Taka
Up to 1 year	3	58	15,568	669,481.44

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.

16. 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 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. 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. CCU has to prepare Self Assessment Report semiannually on the basis of BFIU's Master Circular 16 section 8.1. CCU organizes quarterly meeting and training for all the employees on AML and CFT.

Annexure-A

**[As per condition No. 1(5) (xxvi)]
Sena Kalyan Insurance Company Ltd.
Declaration by CEO and CFO**

Date: March 14, 2023

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, 2022.

Dear Sir(s),

Pursuant to the code No. 1(5) (xxvi) imposed vide the Commission's Notification No. SEC/ 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, 2022 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.

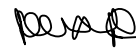
In this regard, we also certify that:

- (i) We have reviewed the financial statements for the year ended on 31st December, 2022 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), CII (cert), ABIA
Managing Director & CEO



Maloy Kumar Saha
Chief Financial Officer

Annexure-B
[Certificate as per condition No.1(5)(xxvii)]
Report to the Shareholders
of
Sena Kalyan Insurance Company Limited
on compliance of the corporate governance code

We have examined the compliance status of the Corporate Governance Code by **Sena Kalyan Insurance Company Limited** for the year ended December 31, 2022. This code relates to the notification no. BSEC/CMRRCD/2006-158/207/ Admin/80 dated June 03, 2018 of the Bangladesh Securities & Exchange Commission (the 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 provision of 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 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.

Date: Dhaka
02 April 2023



Md. Selim Reza FCA, FCS
Partner
ARTISAN-Chartered
Accountants

Annexure-C

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

Status of compliance with the conditions imposed by the Commission's Notification No. SEC/CMRRCD/2006-158/207/ Admin/80 dated 3 June 2018 issued under section 2CC of the 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)	<p>Size of the Board of Directors:</p> <p>The total number of members of the company's Board of Directors shall not be less than 5 (five) and more than 20 (twenty)</p>	✓		Board comprises 9 Members including 2 Independent Directors
1(2)	Independent Directors:			
1(2) (a)	At least one fifth (1/5) of the total number of Directors shall be Independent Directors	✓		2 (two) Independent Directors namely: (1). Mr. M. M Mostafa Bilal and (2). Mr. Ahamed Ihteyaz Thamid
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;	✓		
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;	✓		
1(2)(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2)(b)(iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2)(b)(v)	who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange;	✓		
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;	✓		
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;	✓		
1(2)(b)(viii)	who is not independent director in more than 5 (five) listed companies;	✓		
1(2)(b)(ix)	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); and	✓		
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
1(2)(c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2)(d)	The post of independent director(s) cannot remain vacant for more than 90 (ninety) days; and	✓		
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.	✓		
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;	✓		
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 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	✓		
1(3)(b)(iii)	Former 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; or			N/A
1(3)(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law; or			N/A
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
1(3)(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
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;	✓		
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;	✓		
1(4)(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4)(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		Page no. 71
1(5)(ii)	The segment-wise or product-wise performance;	✓		Page no. 72
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	✓		Page no. 77
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	✓		Page no. 77
1(5)(v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);	✓		Page no. 77
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;	✓		Page no. 77
1(5)(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		Page no. 77
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.;	✓		Page no. 77
1(5)(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		Page no. 78
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	✓		Page no. 78
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;	✓		Page no. 78
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	✓		Page no. 78
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;	✓		Page no. 78
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;	✓		Page no. 78
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	✓		Page no. 78
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;	✓		Page no. 81
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;	✓		Page no. 78

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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;	✓		Page no. 81
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized;	✓		Page no. 81
1(5)(xx)	An explanation on the reasons, if the issuer company has not declared dividend (cash or stock) for the year;	✓		Page no. 82
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;	✓		Page no. 82
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		Page no. 82
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 :-	✓		Page no. 82
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. 86
1(5)(xxiii)(c)	Executives; and	✓		Page no. 86
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details);	✓		Page no. 86
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;	✓		
1(5)(xxiv)(b)	Nature of his or her expertise in specific functional areas; and	✓		
1(5)(xxiv)(c)	Names of companies in which the person also holds the directorship and the membership of committees of the Board;'	✓		
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. 87
1(5)(xxv)(a)	Accounting policies and estimation for preparation of financial statements;	✓		
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;	✓		
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;	✓		
1(5)(xxv)(d)	Compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5)(xxv)(e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5)(xxv)(f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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; and	✓		Page no. 115
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. 116
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.	✓		
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;	✓		
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.	✓		
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);	✓		
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;	✓		
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;	✓		
3(1)(d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		

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.	✓		
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	✓		
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;	✓		
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;	✓		
3(3)(c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4.	BOARD OF DIRECTORS' COMMITTEE:			
4(i)	Audit Committee; and	✓		
4(ii)	Nomination and Remuneration Committee.	✓		
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;	✓		
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;	✓		
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.	✓		
5(2)	Constitution of the Audit Committee:			
5(2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
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;	✓		
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;	✓		

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 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	✓		
5(2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5(2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
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;	✓		
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.	✓		
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM)	✓		
5(4)	Meeting of the Audit Committee:			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year	✓		
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.	✓		
5(5)	Role of Audit Committee:			
5(5)(a)	Oversee the financial reporting process;	✓		
5(5)(b)	Monitor choice of accounting policies and principles;	✓		
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;	✓		
5(5)(d)	Oversee hiring and performance of external auditors;	✓		
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;	✓		
5(5)(f)	Review along with the management, the annual financial statements before submission to the Board for approval;	✓		
5(5)(g)	Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval;	✓		
5(5)(h)	Review the adequacy of internal audit function;	✓		
5(5)(i)	Review the Management's Discussion and Analysis before disclosing in the Annual Report;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
5(5)(j)	Review statement of all related party transactions submitted by the management;	✓		
5(5)(k)	Review Management Letters or Letter of Internal Control weakness issued by statutory auditors;	✓		
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	✓		
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	✓		
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.	✓		
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.	✓		
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;	✓		
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;	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
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).	✓		
6(2)	Constitution of the NRC:			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non- executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
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;			N/A
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;	✓		
6(2)(g)	The company secretary shall act as the secretary of the Committee;	✓		
6(2)(h)	The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;	✓		
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.	✓		
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;	✓		
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;	✓		
6(3)(c)	The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders	✓		
6(4)	Meeting of the NRC:			
6(4)(a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4)(b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
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);	✓		
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.	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
6(5)	Role of the NRC:			
6(5)(a)	NRC shall be independent and responsible or accountable to the Board and to the shareholders;	✓		
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;	✓		
6(5)(b)(i)(b)	The relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
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;	✓		
6(5)(b)(ii)	Devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
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;	✓		
6(5)(b)(iv)	Formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
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	✓		
6(5)(b)(vi)	Developing, recommending and reviewing annually the company's human resources and training policies;	✓		
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.	✓		
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;	✓		
7(1)(ii)	Financial information systems design and implementation;	✓		
7(1)(iii)	Book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	Broker-dealer services;	✓		
7(1)(v)	Actuarial services;	✓		
7(1)(vi)	Internal audit services or special audit services;	✓		
7(1)(vii)	Any service that the Audit Committee determines;	✓		
7(1)(viii)	Audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not Complied	
7(1)(ix)	Any other service that creates conflict of interest.	✓		
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	✓		
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.	✓		
8.	MAINTAINING A WEBSITE BY THE COMPANY:			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The company shall keep the website functional from the date of listing.	✓		
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).	✓		
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.	✓		
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 2022 was appointed in the 9 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.	✓		