

CORPORATE GOVERNANCE



INFORMATION ABOUT CORPORATE GOVERNANCE

The maintenance of effective corporate governance remains a key priority of the Board of Pragati Insurance PLC. To ensure clarity about Directors' responsibilities towards the shareholders, corporate governance must be dynamic and focused on the business objectives of the Company and should create a culture of openness and accountability. Pragati Insurance PLC. considers that its corporate governance practices comply with all the aspects of BSEC Notification No. BSEC/CMMRRCD/2006-158/207/Admin/80 dated 03 June 2018.

In addition to establishing high standards of corporate governance, Pragati Insurance PLC. also emphasizes best governance practices in all of its activities. The role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary and Chief Financial Officer, and of different Board Committees allow Pragati Insurance PLC. to achieve excellence in best corporate governance practices.

BOARD OF DIRECTORS

Composition

The Board of Pragati Insurance PLC. considers that its membership should comprise Directors with an appropriate mix of skills, experience and personal attributes that allow the Directors, individually and the Board, collectively, to discharge their responsibilities and duties under the law efficiently and effectively, understand the business of the company and assess the performance of the management. The Board of Pragati Insurance PLC. comprises of nineteen Directors who possess a wide range of skills and experience across a spectrum of professions, business and service. All of them are nominated by their respective institutions except for four independent directors. Each of the Directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of Directors ensures that the activities of the company are always conducted with adherence to strict and highest possible ethical standards and in the best interests of the stakeholders. The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if any, are filled in by the Board in accordance with the stipulations of the Companies Act, 1994, Notification by BSEC and Articles of Association of the Company. In addition, one third of the directors retires from the board every year in the AGM, but remain eligible for re-election.

SUB-COMMITTEES

In compliance with the Corporate Governance Code-2018 issued by Bangladesh Securities and Exchange Commission (BSEC) and Insurers Corporate Governance Guidelines- 2023 issued by Insurance Development and Regulatory Authority (IDRA); the Board of Directors of Pragati Insurance PLC. has formed the following sub-committees:

1. Audit Committee

S.N	Name of Directors	Status	Remarks
01	Mr. Muhammad Jamaluddin	Ind. Director/Chairperson	Resigned
02	Mr. A.S.M. Mohiuddin Monem	Co-Chairman	Existing
03	Mr. Tabith Awal	Member	Resigned
04	Mr. Md. Sarwar Kamal	Member	Existing
05	Mr. Nasir Latif	Member	Existing
06	Mr. Mahbub Anam	Member	New Chairperson

2. Nomination & Remuneration Committee

S.N	Name of Directors	Status	Remarks
01	Mr. Muhammad Jamaluddin	Ind. Director/Chairperson	Resigned
02	Syed M. Altaf Hussain	Member	Existing
03	Mr. Mohammed Abdul Awwal	Member	Existing
04	Hazi Nigar Jahan Chowdhury	Member	Existing
05	Mr. Mahbub Anam	Member	New Chairperson

3. Finance & Investment Committee

S.N	Name of Directors	Status	Remarks
01	Mr. Nasir Latif	Chairman	Existing
02	Mr. Tabith Awal	Co-Chairman	Resigned
03	Mr. Md. Syedur Rahman	Member	Existing
04	Haji Nigar Jahan Chowdhury	Member	Existing
05	Mr. A.S.M. Mohiuddin Monem	Member	Existing
06	Mr. Tajwar M. Awal	Member	Existing
07	Syed Sehab Ullah Al-Manjur (CEO)	Member	Resigned

4. Risk Management Committee

S.N	Name of Directors	Status	Remarks
01	Mr. Tajwar M. Awal	Chairman	Existing
02	Syed Muhammad Jan	Member	Existing
03	Mahbub Anam	Member	Existing

5. Claim and Policyholder Protection & Compliance Committee

S.N	Name of Directors	Status	Remarks
01	Mr. Md. Syedur Rahman	Chairman	Existing
02	Mr. Mohammed Abdul Malek	Co-Chairman	Existing
03	Mr. Nasir Latif	Member	Existing
04	Mr. Md. Mushfiqur Rahman	Member	Existing
05	Mr. Mahbub Anam	Member	Existing

CODE OF CONDUCT OF THE CHAIRPERSON/CHAIRMAN, OTHER BOARD MEMBERS AND CHIEF EXECUTIVE OFFICER

The Chairperson/Chairman, other Board members, Chief Executive Officer (CEO), Chief Investment Officer and Chief Risk Officer of the company shall act within the authority conferred upon them, in the best interests of the company and observe the following:

Prudent conduct and behavior

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer shall act honestly, ethically, in good faith and in the best interest of the company. Whilst carrying out the duties, the Chairman, other Board members and Chief Executive Officer shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Company from time to time. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.

Confidentiality

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should conduct themselves so as to meet the expectations of operational transparency of the stakeholders while at the same time maintaining confidentiality of information in order to foster a culture conducive to good decision making. "Confidential information" includes, amongst others, all information of the Company not authorized by the management of the company for public dissemination. All confidential information must be held in confidence, unless authorized by the Board or otherwise permissible in accordance with the Code; or the same is part of the public domain at the time of disclosure; or is required to be disclosed in accordance with applicable laws.

Conflict of interest.

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer shall not enter into any transaction which is or may likely to have a conflict with the interest of the company.

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should disclose to the Board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company.

All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

Compliance with Laws, Rules and Regulations

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

Prohibition of Insider Trading

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer shall comply with all laws, rules and regulations governing trading in the shares of the Company and the Company's code of conduct for prohibition of insider trading in dealing with the securities of the Company which, inter alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by Bangladesh Securities Exchange Commission, Dhaka Stock Exchange PLC. and Chittagong Stock Exchange PLC., in so far as they relate to prohibitions on insider trading.

Relationship with Environment

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should cause the company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the company, with all regulations regarding the preservation of the environment of the industry it operates in.

The company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

Relationship with Employees

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should strive for causing the company to maintain cordial employee relations. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should cause the company to build competency based human resource systems and maintain human resource policies that have been directed at managing the growth of the organization efficiently. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

Relationship with Customers

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should ensure that the company is committed to supply products and services of the highest quality standards backed by efficient after sales service consistent with the requirements of the customers to ensure their total satisfaction. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should ensure that company will properly engage in product advertising, publicity and sales promotion activities to avoid misleading the customers. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should ensure that the company will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society.

Relationship with Suppliers

This Code contains general requirements applicable to all suppliers to company. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in the Code is meant to supersede any specific provision in a particular contract, and to the extent there is any inconsistency between the Code and any other provision of a particular contract, the other provision will

prevail. The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should act in the best interest of the company. Accordingly, the Chairman, other Board members and Chief Executive Officer should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the Chairman, other Board members and Chief Executive Officer's obligation to act in the best interest of the Company.

Independency

The Chairperson/Chairman, other Board members, Chief Executive Officer, Chief Investment Officer and Chief Risk Officer should remain independent in all respects. The Chairman, other Board members and Chief Executive Officer should act impartial to the employees, customers, suppliers, shareholders and other stakeholders.

ROLES AND RESPONSIBILITIES OF THE CHAIRMAN

The principal role of the Chairman of the Board is to manage and to provide leadership to the Board of Directors of the Company. The Chairman is accountable to the Board and acts as a direct liaison between the Board and the management of the Company, through the Chief Executive Officer (CEO). In particular, he will:

1. Chair the meeting of the Board of Directors and Shareholders of the Company.
2. Establish good corporate governance practices and procedures and promote the highest standards of integrity, probity and corporate governance throughout the Company and particularly at the Board level.
3. Ensure that all Board committees are properly established, composed and operated.
4. Ensure that there is effective communication with shareholders and that each Director develops and maintains an understanding of the shareholders' views.
5. Set, in consultation with the Chief Executive Officer, the Board meeting schedule and agenda to take full account of the important issues facing the Company and ensure that adequate time is available for thorough discussion of critical and strategic issues.
6. Ensure that the Board is properly briefed on issues arising at Board meetings and receives, in a timely manner, adequate information which must be accurate, clear, complete and reliable, to fulfill its duties, such as reports on the Company's performance, the issues, challenges and opportunities facing the Company and matters reserved to it for decision.
7. Ensure that the strategies and policies agreed by the Board are effectively implemented by the Chief Executive and the management of the Company.
8. Support the Chief Executive Officer in the development of strategy and, more broadly, support and advise the Chief Executive Officer.
9. In consultation with the CEO, determine the date, time and location of the annual meeting of shareholders and develop the agenda for the meeting.
10. Review and sign minutes of Board meetings.

ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is committed to the company seeking to achieve superior financial performance and long term prosperity, while meeting stakeholder's expectations of sound corporate governance practice. The Board

determines the corporate governance arrangements for the company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all places those arrangements which it considers are in the best interest of the company and its shareholders, and consistent with its responsibilities to other stakeholders. The Board of Directors is in full control of the company's affairs and is also fully accountable to the shareholders. It firmly believe that the success of the company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of Pragati Insurance PLC. sets out its strategic focus and oversees the business and related affairs of the company. The Board also formulates the strategic objectives and policy framework for the company. In discharging the above responsibilities, the Board carries out, the following functions as per the charter of the Board: determines, monitors and evaluates strategies, policy, management performance criteria and business plan; Periodic and timely reporting to the shareholders on the affairs, progress and performance of the company; Ensuring proper decision making and accountability structure throughout the Company so that the staff down the line is fully accountable to the corporate management; Delegation to Board Committees and management and approval of transactions in excess of delegated level; Approval of annual budgets including major capital expenditure proposals; Critical evaluation of all proposals which require Board's approval and/or directives; Regular review of financial performance and overdue situation; Appointment and evaluation of the performance of the top management positions; Ensuring that the senior management team has the necessary skill and experience to perform their function effectively, in the best interest of the Company; Monitoring the adequacy, appropriateness and operation of internal controls.

ROLES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

Chief Executive Officer shall, subject to direction, supervision and control of the Board of Directors, have the following roles and responsibilities in addition to the responsibilities defined in the Articles of Association of the Company:

1. Develop a strategic plan to advance the company's mission and vision and promote revenue, profitability and growth as an organization.
2. Conduct the affairs of the Company in accordance with the practices and procedures adopted by the Board and promote the highest standards of integrity, probity and corporate governance within the Company.
3. Recommend yearly budget for Board approval and prudently manage the organization's resources within those budget guidelines according to current laws and regulations.
4. Ensure that the Company conducts all of its business activities in compliance with legal, regulatory and Company policy, controls and standards.
5. Review activity reports and financial statements to determine progress and status in attaining objectives and revise objectives and plan in accordance with prevailing conditions.
6. Lead the management in the day-to-day running of the Company's business in accordance with the business plans and within the budgets.
7. Implement, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Company's objectives.
8. Maintain regular dialogue with the Chairman on important and strategic issues facing the Company and ensures bringing these issues to the Board's attention.
9. Ensure that the management gives appropriate priority to providing reports to the Board which contains relevant, accurate, timely and clear information necessary for the Board to fulfill its duties.

10. Lead the communication program with the shareholders.
11. The CEO shall along with CFO certify the Board that:
 - (i). they have reviewed financial statements for the year and that to the best of their 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 together present a 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 violation of the company's code of conduct.
12. Evaluate performance of top executives of the Company for compliance with established policies and objectives of the company and contributions in attaining objectives.
13. Effectively manage the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations.
14. Put in place adequate operational planning and financial control systems.
15. Represent the company to major customers and professional associations.
16. Promote the company to local and international communities
17. Take remedial action where necessary and inform the board of significant changes;
18. Other roles and responsibilities as assigned by the Board of Directors.

ROLES AND RESPONSIBILITIES OF THE CHIEF FINANCIAL OFFICER

1. Financial Strategy and Planning

- **Developing financial strategy:** The CFO is responsible for crafting the Company's overall financial strategy, ensuring it aligns with the organization's business goals and objectives.
- **Long-term financial planning:** Overseeing the long-term financial planning of the Company, which includes budgeting, forecasting, and financial modeling to ensure the company meets its financial targets.
- **Capital structure management:** Deciding on the appropriate mix of debt, equity, and internal financing to meet the Company's capital needs while balancing cost and risk.

2. Financial Reporting and Analysis

- **Financial reporting:** The CFO ensures that accurate, timely financial statements are prepared in compliance with accounting standards and regulatory requirements. This includes income statements, balance sheets, and cash flow statements.
- **Analysis and insights:** Providing management with regular financial analysis and insights to support decision-making, including performance metrics, variance analysis, and key performance indicators (KPIs).
- **Internal and external reporting:** Overseeing internal financial reporting to senior management and external reporting to regulatory authorities, shareholders, and other stakeholders.

3. Risk Management

- **Identify and manage financial risks:** The CFO is responsible for identifying financial risks, including market risk, credit risk, liquidity risk, and operational risk, and implementing strategies to mitigate them.
- **Hedging and risk controls:** Developing strategies to hedge against financial risks, including interest rate risks, currency fluctuations, and commodity price volatility.
- **Compliance with regulations:** Ensuring the company adheres to all financial regulations, including tax laws, securities regulations, and accounting standards.

4. Treasury and Cash Management

- **Cash flow management:** Overseeing the company's cash flow and ensuring there is sufficient liquidity to meet operational and investment needs.
- **Investment management:** Deciding on short- and long-term investments, ensuring the organization's capital is utilized effectively to generate returns.
- **Bank relationships:** Managing relationships with banks and financial institutions to secure financing, optimize cash management, and manage working capital.

5. Budgeting and Forecasting

- **Budget creation:** Leading the budgeting process, collaborating with other departments to create a comprehensive financial plan for the company.
- **Financial forecasting:** Regularly updating financial forecasts based on actual performance, industry trends, and market conditions.
- **Cost control:** Monitoring expenses across the organization and ensuring that costs are controlled to meet financial targets.

6. Financial Control and Internal Systems

- **Oversee internal controls:** Ensuring the proper financial controls are in place to prevent errors, fraud, and mismanagement of company resources.
- **Audit and compliance:** Coordinating with internal and external auditors to ensure the organization's financial processes comply with applicable laws and accounting standards.
- **Improve financial processes:** Continuously improving financial processes and systems to increase efficiency, reduce costs, and ensure accuracy in financial reporting.

7. Leadership and Management

- **Leadership of the finance team:** Leading and managing the finance department, including accountants, financial analysts, and other finance professionals.
- **Cross-functional collaboration:** Collaborating with other executive team members, including the CEO, COO, and the board of directors, to ensure alignment on business goals and financial strategies.
- **Talent development:** Identifying and developing financial talent within the company, fostering a culture of professional growth and continuous improvement.

8. Strategic Decision Support

- **Support for strategic decisions:** The CFO plays a critical role in supporting strategic decisions such as mergers and acquisitions, partnerships, and major capital expenditures. They conduct financial due diligence and provide recommendations based on financial data.
- **Business performance:** Assessing the company's financial performance and providing insights into operational improvements, profitability, and growth opportunities.
- **Investor relations:** Communicating the financial health and performance of the company to investors, analysts, and other key stakeholders. This includes presenting financial results and strategies to the board and shareholders.

9. Tax Strategy and Compliance

- **Tax planning and strategy:** Developing and overseeing the company's tax strategy, ensuring the organization minimizes its tax liabilities while remaining compliant with tax laws and regulations.
- **Tax reporting and compliance:** Ensuring that the company submits accurate tax returns on time and complies with local, national, and international tax regulations.

10. Mergers, Acquisitions, and Fundraising

- **Mergers and acquisitions:** The CFO plays a central role in evaluating and executing mergers and acquisitions, including financial due diligence, valuations, and integration planning.
- **Raising capital:** Responsible for overseeing fundraising activities, whether through debt or equity, including negotiations with investors and lenders.
- **Strategic partnerships:** Identifying and evaluating opportunities for strategic partnerships that will enhance the company's financial position and growth prospects.

11. Technology and Innovation in Finance

- **Financial technology:** Overseeing the implementation of financial technologies, such as ERP systems, financial modeling software, and automation tools, to improve efficiency and reduce errors.
- **Data-driven decisions:** Leveraging data analytics and business intelligence tools to improve financial decision-making and provide strategic insights to other executives.

12. Board and Shareholder Communication

- **Board presentations:** Regularly presenting to the board of directors on financial performance, risks, and strategic financial matters.
- **Shareholder communication:** Maintaining communication with shareholders and investors, keeping them informed about the company's financial status and long-term strategy.

ROLES, RESPONSIBILITIES & DUTIES OF A CHIEF INVESTMENT OFFICER (CIO)

1. Investment Strategy & Asset Allocation

- ▶ Develop overall investment strategy aligned with the insurer's objectives
- ▶ Design asset allocation across:
 - Bonds (very important for insurers)
 - Equities
 - Real estate
 - Alternative investments
- ▶ Balance risk vs. return while matching liabilities

2. Asset-Liability Management (ALM)

- ▶ Ensure investments match policyholder obligations (claims, maturities)
- ▶ Manage duration and cash flows to avoid liquidity shortages
- ▶ Work closely with actuarial teams

3. Portfolio Management

- ▶ Oversee the investment portfolio performance
- ▶ Monitor market conditions and rebalance assets
- ▶ Approve major investment decisions

4. Risk Management

- ▶ Identify and manage:
 - Market risk
 - Credit risk
 - Liquidity risk
- ▶ Ensure diversification to reduce exposure
- ▶ Conduct stress testing and scenario analysis

5. Regulatory Compliance

- ▶ Ensure investments comply with insurance regulations
- ▶ Follow capital adequacy and solvency requirements
- ▶ Prepare reports for regulators

6. Investment Performance Monitoring

- ▶ Track returns against benchmarks
- ▶ Evaluate performance of:
 - Internal fund managers
 - External asset managers
- ▶ Adjust strategy if targets are not met

7. Treasury & Liquidity Management

- ▶ Maintain sufficient liquidity for:
 - Claims payments
 - Operational expenses
- ▶ Manage cash flows efficiently

8. Team Leadership & Governance

- ▶ Lead investment and treasury teams
- ▶ Establish strong governance and internal controls
- ▶ Coordinate with:
 - CEO
 - CFO
 - Risk and actuarial departments

9. Market Research & Economic Analysis

- ▶ Analyze:
 - Interest rates
 - Inflation
 - Financial markets
- ▶ Identify new investment opportunities

10. Stakeholder Communication

- ▶ Report to board of directors on investment performance
- ▶ Explain strategy, risks, and outlook
- ▶ Maintain transparency with regulators and auditors

ROLES, RESPONSIBILITIES & DUTIES OF A CHIEF RISK OFFICER (CRO)

1. Enterprise Risk Management (ERM)

- ▶ Develop and implement an Enterprise Risk Management (ERM) framework
- ▶ Identify all key risks across the organization
- ▶ Create a structured approach to manage and monitor risks

2. Risk Identification & Assessment

- ▶ Identify major risk categories:
 - Insurance/underwriting risk
 - Market risk
 - Credit risk
 - Operational risk
 - Liquidity risk
- ▶ Assess likelihood and impact of each risk

3. Risk Measurement & Monitoring

- ▶ Develop risk models and metrics
- ▶ Monitor risk exposure continuously
- ▶ Use tools like:
 - Risk dashboards
 - Key Risk Indicators (KRIs)

4. Capital & Solvency Management

- ▶ Ensure adequate capital to absorb potential losses
- ▶ Support solvency and financial stability
- ▶ Work closely with actuarial and finance teams

5. Regulatory Compliance

- ▶ Ensure compliance with insurance regulations (e.g., solvency rules)
- ▶ Liaise with regulators and auditors
- ▶ Prepare risk-related regulatory reports

6. Risk Mitigation Strategies

- ▶ Develop strategies to reduce risk exposure, such as:
 - Reinsurance arrangements
 - Diversification
 - Hedging
- ▶ Implement internal controls and policies

7. Stress Testing & Scenario Analysis

- ▶ Conduct stress tests to evaluate extreme situations
- ▶ Analyze impact of:
 - Economic downturns
 - Natural disasters
 - Large claim events
- ▶ Recommend contingency plans

8. Corporate Governance & Risk Culture

- ▶ Promote a risk-aware culture across the organization
- ▶ Ensure proper risk governance structures
- ▶ Advise board and senior management on risk matters

9. Reporting & Communication

- ▶ Report risk exposures and trends to:
 - Board of Directors
 - Risk Committee
 - Senior management
- ▶ Translate complex risk issues into clear insights

10. Coordination with Other Departments

- ▶ Work closely with:
 - Underwriting
 - Investment
 - Finance
 - Actuarial teams
- ▶ Ensure risk considerations are integrated into all decisions

Roles, Responsibilities, and Duties of the Company Secretary

1. Regulatory Compliance:

- Ensuring compliance with the provisions of the Companies Act, Insurance Act, BSEC regulations, and other applicable laws.
- Assisting the company in complying with the Corporate Governance Code issued by BSEC.
- Maintaining liaison with regulatory authorities like BSEC, RJSC, DSE/CSE, IDRA, and others.

2. Support to the Board:

- Organizing meetings of the Board of Directors and its committees (e.g., Audit Committee, NRC).
- Preparing and circulating meeting agendas and minutes, and maintain records of Board decisions.
- Advising the Board on governance, legal, and compliance matters.
- Ensuring timely disclosures and filings to regulators and stock exchanges.

3. Statutory Responsibilities:

- Maintaining statutory books and registers (register of members, directors, etc.).
- Filing statutory returns (e.g., annual returns, financial statements, changes in directors/ shareholding).
- Acting as custodian of corporate records and company seal.

4. Communication and Disclosure:

- Ensure timely disclosure of material information to shareholders and regulators.
- Manage communication between the company, shareholders, and other stakeholders.
- Facilitate the holding of the Annual General Meeting (AGM) and Extra-Ordinary General Meetings (EGMs).

5. Ethics and Good Governance:

- Promote ethical business conduct and adherence to governance principles.
- Assist in implementing and monitoring the company's code of conduct and corporate policies.

Roles and Responsibilities of the Head of Internal Audit and Compliance

1. Internal Audit Oversight

- **Develop and implement audit plans:** Responsible for creating annual or periodic internal audit plans that align with the organization's risk management objectives.
- **Conduct internal audits:** Oversee and manage the audit process, ensuring that audits are conducted efficiently, effectively, and in a timely manner.
- **Identify risks:** Evaluate internal controls, financial reporting, operations, and compliance to identify any gaps, inefficiencies, or risks.
- **Audit reporting:** Prepare audit reports that outline findings, risk areas, and recommendations for improvement. These reports are typically shared with senior management and the audit committee.
- **Follow-up on audit findings:** Ensure that corrective actions are taken in response to audit findings and recommendations.

2. Compliance Management

- **Ensure regulatory compliance:** Ensure that the organization adheres to all relevant laws, regulations, and industry standards. This includes monitoring compliance with local, regional, and international laws.
- **Design compliance programs:** Develop, implement, and maintain effective compliance programs and policies to minimize legal and regulatory risks.
- **Training and awareness:** Educate employees about compliance requirements and the importance of adhering to policies and regulations through training and awareness programs.
- **Monitor and assess compliance:** Regularly assess and monitor the effectiveness of compliance programs, ensuring they remain up-to-date and effective in addressing current risks.

3. Risk Management

- **Assess risk exposure:** Work closely with senior management and the risk management team to assess risks across various functions of the business.
- **Advise on risk mitigation:** Provide guidance on strategies and practices to mitigate risks related to fraud, financial reporting errors, or regulatory breaches.
- **Monitor emerging risks:** Keep an eye on industry trends, new regulations, and emerging risks to ensure the company adapts proactively.

4. Internal Control and Governance

- **Strengthen internal controls:** Work to ensure that effective internal control systems are in place to safeguard company assets, ensure accuracy in financial reporting, and prevent fraud.
- **Promote good governance:** Act as a key player in promoting good corporate governance practices within the organization.
- **Collaborate with other departments:** Work with departments such as legal, finance, and operations to ensure a cohesive approach to governance, audit, and compliance activities.

5. Leadership and Management

- **Lead the audit and compliance teams:** Supervise and lead internal audit and compliance professionals, providing mentorship, guidance, and development opportunities.
- **Report to senior leadership:** Provide regular updates to the CEO, CFO, audit committee, or board of directors on audit and compliance matters, risks, and actions taken.
- **Liaison with external auditors:** Coordinate and collaborate with external auditors during the annual audit process.

6. Strategic Planning

- **Align audit and compliance goals with organizational strategy:** Ensure that the audit and compliance functions support the company's long-term strategic objectives and contribute to overall business success.
- **Continuous improvement:** Advocate for the continuous improvement of audit and compliance practices, adopting new technologies or methodologies as appropriate.

7. Investigations and Fraud Prevention

- **Investigate suspicious activities:** Oversee investigations into potential fraud, misconduct, or violations of company policy, ensuring thorough and impartial reviews.
- **Develop anti-fraud strategies:** Create and enforce strategies aimed at detecting and preventing fraudulent activities within the organization.

KEY CSR INITIATIVES OF PRAGATI INSURANCE PLC.

Pragati Insurance PLC., a leading general insurance company in Bangladesh, is deeply committed to Corporate Social Responsibility (CSR). Their CSR initiatives focus on ethical business practices, community development, environmental sustainability, and employee welfare.

1. Ethical Business Practices

- **Transparency and Integrity:** The company emphasizes ethical conduct and anti-corruption measures across all levels, cultivating a culture of honesty and transparency.
- **Quality Employment:** Pragati Insurance ensures a transparent recruitment process and invests in employee skill development and career advancement through training and guidance.

2. Environmental Sustainability

- **Resource Conservation:** Pragati Insurance maintains a standard working environment that encourages the reduction of resource wastage, such as minimizing unnecessary energy consumption and paper printing.

3. Support for Sports and Cultural Activities

- **Sponsorship and Consultancy:** The company actively participates in promoting sports in Bangladesh by sponsoring and providing consultancy for various sporting events, contributing to the development of youth and national sports.

4. Disaster Relief and Welfare

- **Prime Minister's Relief Fund:** Pragati Insurance has been involved in social development and capacity-building processes through contributions to the Prime Minister's Relief and Welfare Fund, assisting those affected by economic and natural disasters.

Conclusion

Pragati Insurance PLC.'s CSR initiatives reflect a strong commitment to ethical business practices, community development, environmental sustainability, and employee welfare. Through various programs and partnerships, the company strives to make a positive impact on society and contribute to the nation's growth and development.

CERTIFICATION OF CEO AS PER CGG OF IDRA

The Board of Directors
Pragati Insurance PLC.

Subject: CEO's Certification as per Corporate Governance Guideline for the year ended on December 31, 2025.

Pursuant to the condition No. 12.1(7) of the Insurance Development and Regulatory Authority's "Insurer's Corporate Governance Guideline 2023" (Letter No. 53.03.0000.075.22.025.2020.230, dated October 19, 2023), I hereby declare that:

1. The financial statements for the year ended December 31, 2025, have been prepared in compliance with International Accounting Standards (IAS) or International Financial Reporting Standards (IFRS) as applicable in Bangladesh and any departures there from has been adequately disclosed.
2. The estimates and judgments used in the financial statements were made prudently and reasonably to present a true and fair view.
3. The company has taken proper and adequate care in maintaining accounting records.
4. The Internal Auditors have conducted periodic audits that provide reasonable assurance that the company's established policies and procedures were consistently followed.
5. The company has ensured the development and implementation of all activities and strategies, including risk management and establishing a system of internal control.
6. The insurer's day-to-day operations and administrative activities are conducted in alignment with the framework set by the Board of Directors, as well as the existing legal and regulatory framework.
7. Management's use of the going concern basis of accounting in preparing the financial statements is appropriate, and no material uncertainty exists regarding the company's ability to continue as a going concern.

In this regard, I Certify that:-

I have reviewed the financial statements for the year ended December 31, 2025, and to the best of my knowledge and belief:

- a. The statements do not contain any materially untrue statement, omit any material fact, or contain statements that might be misleading.
- b. The statements collectively present a true and fair view of the company's affairs and comply with existing accounting standards and applicable laws.

Furthermore, to the best of my knowledge and belief, no transaction has been made by the Company during the year which are fraudulent, illegal, or in violation of the code of conduct.

Sincerely,



Syed Sehab Ullah Al-Manjur, ACII (UK)
Chief Executive Officer

COMPLIANCE REPORT ON BSEC NOTIFICATION

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 and BSEC/CMRRCD/2009- 193/66/PRD/148 dated 16 October 2023 issued under section 2CC of the Securities and Exchange Ordinance, 1969 (XVII of 1969).

(Report under Condition No. 9)

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1	Board of Directors:			
1(1)	Size of the Board of Directors The total number of members of a company's Board of Directors (hereinafter referred to as "Board") shall not be less than 5(five) and more than 20 (twenty).	√	–	–
1(2)	Independent Directors All companies shall have effective representation of independent directors on their Boards, so that the Board, as a group, includes core competencies considered relevant in the context of each company; for this purpose, the companies shall comply with the following:-			
1(2)(a)	At least 2(two) directors or one-fifth (1/5) of the total number of directors in the company's Board, whichever is higher, shall be independent directors; any fraction shall be considered to the next integer or whole number for calculating number of independent director(s): Provided that the Board shall appoint at least 1(one) female independent director in the Board of Directors of the company;	√	–	Complied as per Insurance Act 2010.
1(2)(b)	Without contravention of any provision of any other laws, for the purpose of this clause, an "independent director" means a director--			
1(2)(b)(i)	who either does not hold any share in the company or holds less than one percent (1%) shares of the total paid-up shares of the company;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√	–	–
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/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 reported as a defaulter in the latest Credit Information Bureau (CIB) report of Bangladesh Bank for nonpayment of any loan or advance or obligation to a bank or a financial institution; and	√	–	–
1(2)(b)(x)	Who has not been convicted for a criminal offence involving moral turpitude.	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		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); Provided that the Board shall appoint the independent director, subject to prior consent of the Commission, after due consideration of recommendation of the Nomination and Remuneration Committee (NRC) of the company;	√	–	–
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; Provided that a former independent director may be considered for reappointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenure [i.e. six years]; Provided further that the independent director shall not be subject to retirement by rotation as per the কোম্পানী আইন, ১৯৯৪ (১৯৯৪ সনের ১৮ নং আইন) (Company Act, 1994). Explanation: For the purpose of counting tenure or term of independent director, any partial term of tenure shall be deemed to be a full tenure.	√	–	–
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)(i)	Independent director shall have following qualifications: Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk.100.00 million or any listed company or a member of any national or international chamber of commerce or registered business association; or	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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 Explanation: Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO), Additional or Deputy Managing Director (AMD or DMD), Chief Operating Officer (COO), Chief Financial Officer (CFO), Company Secretary (CS), Head of Internal Audit and Compliance (HIAC), Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.	√	–	–
1(3)(b)(iii)	Former or existing official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law: Provided that in case of appointment of existing official as independent director, it requires clearance from the organization where he or she is in service; or	√	–	–
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);	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(3)(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	–	–	No such deviation occurred.
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;	√	–	–
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.	–	–	No such deviation occurred.
1(5)	The Directors' Report to Shareholders			
	The Board of the company shall include the following additional statements or disclosures in the Directors' Report prepared under section 184 of the Companies Act, 1994 (Act No. XVIII of 1994) :-			
1(5)(i)	An Industry outlook and possible future developments in the industry.	√	–	–
1(5)(ii)	The Segment-wise or product-wise performance.	√	–	–
1(5)(iii)	Risks and concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√	–	–
1(5)(iv)	A discussion on Cost of Goods sold, Gross Profit Margin and Net Profit Margin, where applicable;	√	–	–
1(5)(v)	A Discussion on continuity of any extraordinary activities and their implications(gain or loss);	–	–	No such item exists.
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;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(5)(vii)	A statement of utilization of proceeds raised through from public issues, rights issues and/or through any others instruments;	–	–	No such item exists.
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.;	–	–	No such event occurred.
1(5)(ix)	An explanation on any significant variance occurs between Quarterly Financial performance and Annual Financial Statements;	–	–	No such event occurred.
1(5)(x)	A statement of remuneration paid to the directors including independent directors;	√	–	–
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;	√	–	–
1(5)(xii)	A statement that proper books of account of the issuer company have been maintained;	√	–	–
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;	√	–	–
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;	√	–	–
1(5)(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored;	√	–	–
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;	–	–	N/A
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 thereof shall be disclosed;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		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;	–	–	N/A
1(5)(xix)	A statement where key operating and financial data of at least preceding 5 (five) years shall be summarized.	√	–	–
1(5)(xx)	An explanation on the reasons if the issuer company has not declared dividend (cash or stock) for the year;	–	–	N/A
1(5)(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend;	–	–	N/A
1(5)(xxii)	The total number of Board meetings held during the year and attendance by each director;	√	–	9 meeting with average 74.31% attendance
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:-			
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);	√	–	–
1(5)(xxiii)(c)	Executives; and	√	–	–
1(5)(xxiii)(d)	Shareholders holding ten percent (10%) or more voting interest in the company (name-wise details). Explanation: For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer and Head of Internal Audit and Compliance.	–	–	N/A
1(5)(xxiv)	In case of the appointment or reappointment of a director, a disclosure on the company shall disclose 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	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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:			
	(a) accounting policies and estimation for preparation of financial statements;	√	–	–
	(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;	√	–	–
	(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;	√	–	–
	(d) compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	√	–	–
	(e) briefly explain the financial and economic scenario of the country and the globe;	√	–	–
	(f) risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	√	–	–
	(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;	√	–	–
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 .	√	–	–
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;	√	–	–
1(5)(xxviii)	The Directors' report to the shareholders does not require to include the business strategy or technical specification related to products or services, which have business confidentiality.	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
1(6)	Meeting 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 (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;	√	–	–
	(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

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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:			
	(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);	√	–	–
	(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;	√	–	–
	(c)The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time: Provided that CFO or CS of any listed company may be appointed for the same position in any other listed or non-listed company under the same group for reduction of cost or for technical expertise, with prior approval of the Commission: Provided further that the remuneration and perquisites of the said CFO or CS shall be shared by appointing companies proportionately;	√	–	–
	(d)The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	√	–	–
	(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 HIAC shall not attend such part of a meeting of the Board which involves consideration of an agenda item relating to their personal matters.	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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 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:-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			
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.	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(2)(b)	The Board shall appoint members of the Audit Committee who shall be non-executive directors of the company excepting Chairperson of the Board and shall include at least 1 (one) independent director;	√	–	–
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. Explanation: The term “financially literate” means the ability to read and understand the financial statements like statement of financial position, statement of comprehensive income, statement of changes in equity and Cash Flow Statement and a person will be considered to have accounting or related financial management expertise if he or she possesses professional qualification or Accounting or Finance graduate with at least 10 (ten) years of corporate management or professional experiences.	√	–	–
5(2)(d)	When the term of service of any Committee member expires or there is any circumstance causing any Committee member to be unable to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 60 (sixty) days from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee;	–	–	No such event occurred
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;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
5(3)(b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	–	–	No such event occurred
5(3)(c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting(AGM). Provided that in absence of Chairperson of the Audit Committee, any other member from the Audit Committee shall be selected to be present in the annual general meeting (AGM) and reason for absence of the Chairperson of the Audit Committee shall be recorded in the minutes of the AGM.	√	–	–
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its five meetings in a financial year; Provided that any emergency meeting in addition to regular meeting may be convened at the request of any one of the members of the Committee;	√	–	–
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 The Audit Committee shall:-			
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;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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;	√	–	–
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; Provided that the management shall disclose to the Audit Committee about the uses or applications of the proceeds by major category (capital expenditure, sales and marketing expenses, working capital, etc.), on a quarterly basis, as a part of their quarterly declaration of financial results; Provided further that on an annual basis, the company shall prepare a statement of the proceeds utilized for the purposes other than those stated in the offer document or prospectus for publication in the Annual Report along with the comments of the Audit Committee.	–	–	N/A
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;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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;	–	–	No such event occurred
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;	–	–	No such event occurred
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	–	–	No such event occurred
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	–	–	No such event occurred
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.	–	–	No such event occurred
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.	–	–	No such event occurred
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 sub-committee of the Board;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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;	√	–	–
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)	At least 02 (two) 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;	√	–	–
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;	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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; Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.	√	–	–
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;	–	–	N/A
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.	√	–	–
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:			

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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 should not engage its external or statutory auditors to perform the following services of the company; namely:-			

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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;	–	–	N/A
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	√	–	–
7(1)(ix)	Any other service that creates conflict of interest.	–	–	N/A
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: Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members.	√	–	–
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).	√	–	–

Condition No.	Title	Compliance Status		Remarks (if any)
		(Put ✓ in the appropriate column)		
		Complied	Not complied	
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.	√	–	–
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.	√	–	–