



MOLLAH QUADIR YUSUF & CO.
CHARTERED ACCOUNTANTS

**Certificate on Compliance to the Corporate Governance Guideline-2023 of
Purabi General Insurance Company Limited**

**[Certificate as per Condition No. 19(2) of Corporate Governance Guideline- 2023
issued by Insurance Development and Regulatory Authority (IDRA)]**

We have examined the compliance status to the Corporate Governance Guideline by **Purabi General Insurance Company Limited** for the year ended on **31 December 2023**. This Guideline relates to the Memo No. 53.03.0000.075.22.025.2020.230 dated 19 October 2023 issued to implement the Section 15 of the Insurance Act 2010 and Schedule 2.5 of Sub - schedule 47 of National Insurance Policy 2014 of Insurance Development and Regulatory Authority (IDRA).

Such Compliance with the Corporate Governance Guideline is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring Compliance to the conditions of the Corporate Governance Guideline -2023.

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

- The Company has complied with the conditions of the Corporate Governance Guideline -2023 as stipulated in the above-mentioned Corporate Governance Guideline issued by the IDRA;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, Insurance Act, 2010 and other applicable laws and regulations;
- The Corporate Governance of the company is satisfactory.

Place: Dhaka
Date: July 28, 2024

Md. Musfiquur Rahman FCA
Partner
Mollah Quadir Yusuf & Co.
Chartered Accountants
ICAB Enrolment No: 1023

Enclosure: Annexure A is the part of this certificate.



Compliance status of Corporate Governance Guidelines issued by IDRA

Annexure- A

Clause No.	Title	Compliance Status		Remarks
		Complied	Not Complied	
5	Governance framework			
	Governance framework should have a system which ensure the rights of the shareholders and policy holders through designing appropriate policy	✓		Governance framework/structure of PGIC ensure the rights of the shareholders and policy holders through designing appropriate policy & components.
6	The Board and its Directors			
6.1	Composition of the Board The Board shall consist of at best 20 (twenty) members with minimum 02 (two) independent directors.	✓		The Board of the Company comprise of 08 (eight) directors and 03 (three) independent directors.
6.2	Board of Directors and its Directors The Company should have a policy of appointing and re-appointing of directors emphasizing on the Insurance Act, 2010. The policy should include the disqualification for selecting directors, section of Chairman and Vice-chairman. Reasons for absence of Chairman and Vice –chairman in the meeting shall be recorded in the minutes;	✓		
6.3	Independent Director A. There should prerequisites for selecting independent director. B. (i). The Board shall appoint the independent director and shareholder in the general meeting shall ratify the appointment. (ii). Post of the independent director shall not remain vacant for more than 90 days. (iii). Tenure of the independent director shall be for 03 (three) years which can be extended for 01 (one) term only. After period of one term, he can be eligible for reappointment. C. Qualification of Independent director There are some qualification and experience shall be construed as qualification of independent director.	✓		
6.4	Role of the Board The core responsibility of the Board is to guide the company for efficient and effective management for attaining long term goal of the company. In this regard, the Board shall formulate the policies and governance guidelines.	✓		
6.5	Code of Conduct of the Board The Board shall formulate a code of conduct for all employees including the Chairman, Directors and Chief Executive Officer.	✓		

7	Committees of the Board			
7.1	<p>To ensure good governance in the company, the Board should have at least the following committees:</p> <ol style="list-style-type: none"> 1. Audit Committee. 2. Nomination & Remuneration Committee. 3. Investment Committee. 4. Risk Management committee and 5. Policy holder protection & Compliance Committee. 	✓		<p>The Board at its 190th meeting held on 28th December, 2023 formed the following Committee-</p> <ol style="list-style-type: none"> 1. The Audit Committee 2. Nomination and Remuneration Committee 3. Investment Committee 4. Risk Management Committee 5. Policy holder protection & Compliance Committee. is already in place.
7.2	<p>Audit Committee</p> <p>A. The committee shall review the financial statements as well as oversee the functions of internal and external auditors.</p>	✓		
	<p>B. Formation of Audit Committee</p> <ol style="list-style-type: none"> 1. The Committee shall consist of 3 (three) members. 2. It comprises of 01 (one) non-executive director other than the chairman of the Board and 01 (one) independent director. 3. All members should have the literacy about accounting and at least 01 (one) member should have 10 (ten) years relevant experience. 4. Member vacancy shall be filled within 01 (one) month. 5. Company Secretary shall act as the Secretary of the committee. 	✓		
	<p>C. The Chairman of The Committee</p> <ol style="list-style-type: none"> 1. Independent director shall be the chairman of the committee. 2. In case of absence of Chairman other member can act as chairman but one independent director shall be present in the meeting. 3. The chairman of the audit committee shall attend the meeting, in case of absence of the chairman any member may be selected to attend the AGM, but the reason of absence shall be minute in the AGM minutes. 	✓		<p>The Chairman of the Audit Committee presents at the last AGM.</p>
	<p>D. Meeting of the committee</p> <ol style="list-style-type: none"> 1. At least 04 (four) meeting shall be conducted. Meeting can be held with the requisition of any member in case of any emergency. 2. The quorum of the meeting shall be minimum 02 and two third members including one Independent Director. 	✓		

	E. Role of the Audit Committee The Board shall form a Term of Reference (ToR) of the Audit Committee as per this guideline.	✓		
	F. Rights of the Committee The committee shall have the unrestricted access to all relevant data, reports, documents and information along with the chief executive, internal Audit Committee, actuary and others Concerned officers.	✓		
	G. Report of the committee 1. The committee shall report to the Board of its regular activities. 2. It shall also report the board for any sensitive issued as defined in the guidelines. 3. It shall report to the authority in appropriate case as defined in the guidelines. 4. It shall also report the shareholders and publish in the annual report.	✓		
8.	Nomination & Remuneration Committee			
	A. Nomination & Remuneration Committee shall assist the board in evaluation and determining the role and remuneration of employees including the senior management.	✓		
	B. Formation of NRC 1. Committee members shall be appointed by the Board. 2. At least there shall be 04 (four) members including 01 (one) Independent Director. 3. Chairman of the board can be included in the committee but he shall not be appointed as the chairman of the committee. 4. Board can appoint, remove any members and reasons for removal shall be minutes. 5. Vacancy of any member shall be filled within 180 (one hundred and eighty) days. 6. Company Secretary shall act as the Secretary of the committee.	✓		NRC Committee consist of 05 (five) Members including 02 (two) Independent Director
	C. Chairperson of NRC 1. The board shall appoint 01 (one) director as the chairman of the committee. 2. Members can select a chairman in the absence of the chairman of the committee, but reason of regular chairman shall be minutes.	✓		

	3. Chairperson shall attend the AGM for responding any queries of the shareholders.			
	D. Meeting of NRC 1. At least 02 (two) meeting shall be conducted. 2. Chairperson can hold any meeting on emergency basis. 3. The quorum of the meeting shall be minimum of 02 and two third members including 01 (one) independent director.	✓		
	E. Role of NRC The Board shall form a Term of Reference (ToR) of the committee as per this guideline.	✓		
9.	Investment Committee			
	A. The committee as the sub -committee of the board shall oversee the investment portfolio of the company.	✓		
	B. Composition of the committee and its meeting 1. The board shall nominate at least 05 (five) members in the committee including one chairman. 2. The quorum of the meeting shall be 03 (three). CEO shall be the member of the committee as ex-officio. CFO, Chief Investment Officer and Chief Risk Officer can be invited in the meeting.	✓		A Committee consist of 06 (Six) members was reconstituted on 28 th December, 2023.
	C. Role of Committee The board shall form a Term of Reference (ToR) of the committee as per this guideline.	✓		
10	Risk Management committee			
	The committee shall act as the sub-committee of the board to assist the board in minimizing the risk.	✓		
	A. Composition of the committee and its meeting 1. The committee shall consist of at least 3 (three) members including 01 (one) independent director. One shall be the chairman of the committee. Moreover 01 (one) from audit committee. 2. The quorum of the meeting shall be 2 (two). CEO shall be the member of the committee as ex-officio. CFO, Chief Investment officer and Chief Risk Officer can be invited in the meeting. 3. Company Secretary shall act as the Secretary of the committee.	✓		A Committee consist of 05 (Five) members was constituted on 28 th December, 2023.
	B. Role of Committee The board shall form a Term of Reference of the committee as			The Management informed that the preparation of ToR is under process.

	per this guideline.			
11.	Policy holder Protection & Compliance Committee			
	A. The committee as the sub-committee of the board shall oversee the investment portfolio of the company.	✓		
	B. Composition of the committee and its meeting 1. The committee shall consist of at least 3 (three) members including 01 (one) independent director. 01 (one) shall be the chairman of the committee. Moreover 01 (one) from audit committee. 2. The quorum of the meeting shall be 02 (two). Member can select a chairman in the absence of the chairman of the committee but reason for absence of regular chairman shall be minutes. 3. Company Secretary shall act as the Secretary of the committee.	✓		A Committee consist of 05 (Five) members was formed on 28 th December, 2023.
	C. Role of the Committee The board shall form a Term of Reference of the Committee as per this guideline.	✓		
12.	Senior Management & Key Personnel			
	1. The Board shall appoint CEO, CFO, CS, CIO, CRO and HIAC. 2. They should be qualified person. 3. The Board shall determine their role and responsibilities. 4. They shall not appointed in any other company as executive position.	✓		Appointment of CIO and CRO and their roles are under process.
	12.1 Managing Director/ Chief Executive Officer: The Chief Executive officer shall be appointed by the Board in accordance with Insurance companies (Appointment and removal) Rules 2012.	✓		
	12.2 Responsibilities of Senior Management and Key Personnel: The board shall determine the charter of duties of CEO, CS, CFO, CIO, CRO, HIAC and Senior Management & Key Personnel and implement it.	✓		
	12.3 Appointment of Actuaries:			Not applicable for Non -life Insurance Companies.
13	Other Committees: The company should have other committee like Corporate Social Responsibility (CSR), Environment, Social and Governance (ESG), Integrity and Ethics Committee, Reinsurance & Restoration Committee, Asset Liability Management Committee.		✓	
14	Disclosure information of the Board and its committees:			
	1. Company shall keep record of proceeding of the board meeting and shall disclose in appropriate case.	✓		Code of conduct of Chairman, Board members and CEO's are disclosed in the Company's website. Other relevant

	<p>2. Code of conduct of all employees including the chairman of the board, its member and CEO shall published.</p> <p>3. Shall disclose among others:-</p> <p>a. Number of board meeting and its committee meeting held</p> <p>b. Name of the mandatory Committees.</p> <p>c. Details of remuneration paid to directors including independent director</p> <p>d. Relevant other information.</p>			information are available in annual report.
15	Related Party Transactions			
	The company should have a policy to identify the related party transaction and conducting the transactions.	✓		The Management informed that the policy on related party transaction is under process.
16	Corporate Social Responsibility			
	The Company should have some CSR activities and these shall be published in annual report.			
17	Policies of the Company			
	In addition to the above policies, the following policies will help to establish a good governance.	✓		
17.1	Whistle Blowing policy			
17.2	Other Policies such as- Asset Liability Management Policy, Underwriting Policy, Reinsurance Policy, Insurance Claim Settlement Policy, Code of Conduct of Employees, CSR Policy, Suddachar Policy, Gender Equality Policy, Human Resource Management Policy, Anti - Corruption Policy, Disparity Prevention Policy, ICT Policy.			
			✓	
18	Disclosure initiatives			
	<p>1. The Company should have a website.</p> <p>2. Relevant information shall be updated in website such as</p> <p>a. Annual Report along with audited financial statements.</p> <p>b. Feature of the various insurance policy.</p> <p>c. Contact information of all key persons including Chairman, all Chairmen of sub – committee, Directors, CEO, adviser and all officers.</p> <p>d. Any other information as advised by the Authority.</p>	✓		The company has website: www.purabiinsurance.org
19	Annual Corporate Governance Compliance Statement			
	The company shall submit an annual compliance statement with the authority by 31st January of the following year.	✓		The company duly submitted to the authority within the stipulated time.