

Compliance Certificate



MOHAMMADULLAH & ASSOCIATES
CHARTERED SECRETARIES & CONSULTANTS

Office

Suite: B6, Samata Tower
House: 47/B, Road: 2, Chand Housing
Mohammadpur, Dhaka-1207

Contact

Phone: +880 1713 333 224
E-mail: smullah1955@gmail.com

Report to the Shareholders of Prime Islami Life Insurance Limited on Compliance on the Corporate Governance Code

We have examined the compliance status to the Corporate Governance Code by Prime Islami Life Insurance Limited (the "Company") for the year ended on 31 December 2023. This Code relates to the Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969; of the Bangladesh Securities and Exchange Commission.

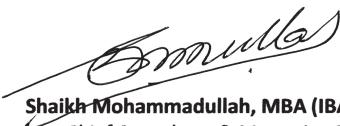
Such compliance with the Corporate Governance Code is the responsibility of the Company. Our examination was limited to the procedures and implementation thereof as adopted by the Management in ensuring compliance to the conditions of the Corporate Governance Code.

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

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

- The Company has complied with the conditions of the Corporate Governance Code as stipulated in the above mentioned Corporate Governance Code issued by the Commission;
- The Company has complied with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) as required by this Code;
- Proper books and records have been kept by the company as required under the Companies Act, 1994, the securities laws and other relevant laws; and
- The Governance of the company is satisfactory except condition no. 1(7) of the Corporate Governance Code.




Shaikh Mohammadullah, MBA (IBA), LLB, FCS
Chief Consultant & Managing Partner

Dhaka, 3 October 2024

Compliance Report on BSEC Notification

The Pattern of shareholding as on 31st December 2023

(i) Shareholdings of Parent/ Subsidiaries/ Associate companies and other related parties Nil
(ii) Directors/ Executives/Shareholders holding ten percent (10%) or more voting rights: Nil

Sl. No.	Directors/Executives/Shareholders holding ten percent (10%) or more voting rights:	No. of shares hold	Percentage (%) of shareholding position
1	Mr. Mohd. Akhter	6,10,405	2.00
2	Ms. Nargis Akhter Adel	12,20,807	4.00
3	Ramisha BD Limited	6,94,928	2.28
4	Apsara Holding Limited	6,41,125	2.10
5	Noman Corporation	6,11,000	2.00
6	Gumti Textile Ltd.	6,10,501	2.00
7	Binimoy Construction Company	6,12,000	2.01
8	Salvo Alkali Chemical Industry	6,11,000	2.00
9	Technip Corporation	6,12,000	2.01
10	Mr. Mohammad Touhidur Rahman, FCA	Nil	Nil
11	Mr. Md. Abdul Quddus	Nil	Nil
12	Dr. A F M Aowrangazab	Nil	Nil
13	Mr. Md. Shamsul Alam, Chief Executive Officer	Nil	Nil
14	Mr. Md. Nasir Uddin Senior Executive Vice President & Chief Financial Officer	Nil	Nil
15	Mr. Abul Hasnat Mohammed Shamim Senior Vice President & Company Secretary	Nil	Nil
16	Mr. Md. Bashir Ahmed Senior Vice President & Head of Internal Audit, Compliance & Control	Nil	Nil
17	Executives:	Nil	Nil
18	Shareholders holding ten percent (10%) or more voting rights	Nil	Nil

Compliance Status on BSEC Notification

Status of compliance for the year ended 31st December 2023 with conditions imposed by the Commission's Notification no.BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:

(Report under Condition No. 9.00)

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1.	Board of Directors			
1(1)	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).	✓		The Board of the Company comprise of 12 (twelve) director including 3(three) independent directors
1(2)	Independent Directors			
1(2) (a)	At least one fifth (1/5) of the total number of directors in the Company's board of director shall be independent directors.	✓		3(three) independent directors
1(2) (b)	'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;	✓		
1(2) (b) (ii)	who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and parents or holding entities who holds one percent (1%) or more shares of the total paid-up shares of the company on the basis of family relationship and his or her family members also shall not hold above mentioned shares in the company;	✓		
1(2) (b) (iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	✓		
1(2) (b) (iv)	who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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 does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary or associated companies;	✓		
1(2) (b) (vii)	who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code;	✓		
1(2) (b) (viii)	Who is not independent director in more than 5 (five) listed companies.	✓		
1(2) (b) (ix)	who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan or any advance to a bank or a Non-Bank Financial Institution (NBFI); and	✓		
1(2) (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	✓		
1(2) (c)	The independent director(s) shall be appointed by the Board and approved by the shareholders in the Annual General Meeting (AGM);	✓		
1(2) (d)	The post of independent director(s) cannot remain vacant for more than 90(ninety) days and	✓		
1(2) (e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years which may be extended for 1 (one) tenure only.	✓		
1(3)	Qualification of Independent Director :-			
1(3) (a)	Independent director shall be a knowledgeable individual with integrity who	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	is able to ensure compliance with financial laws, regulatory requirements and corporate laws and can make meaningful contribution to the business;	✓		
1(3) (b)	Independent Director shall have following Qualification.			
1(3) (b) (i)	Business Leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association; or			N/A
1(3) (b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having minimum paid-up capital of Tk. 100.00 million or of a listed company; or	✓		1 (One) Independent Director
1(3) (b) (iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law; or			N/A
1(3) (b) (iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or not;	✓		1 (One) Independent Director
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	✓		1 (One) Independent Director

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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;			
1(3) (c)	The Independent Director(s) shall have at least 10 (ten) years of experiences in any field mentioned in clause (b);	✓		
1(3) (d)	In special cases, the above qualification or experiences may be relaxed subject to prior approval of the commission.			N/A
1(4)	Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer:-			
1(4) (a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals;	✓		
1(4) (b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company;	✓		
1(4) (c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company;	✓		
1(4) (d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer;	✓		
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.	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5)	Directors' Report to Shareholders:-			
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;			N/A
1(5) (v)	A discussion on continuity of any extraordinary activities and their implications (gain or loss);			N/A
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;	✓		
1(5) (vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instruments;	✓		
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.;	✓		
1(5) (ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statements;	✓		
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;	✓		

Compliance Status on BSEC Notification - Continued

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

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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;	✓		No bonus share or stock dividend has been declared as interim dividend during the year 2023.
1(5) (xxii)	The total number of Board meetings held during the year and attendance by each director;	✓		
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);	✓		
1(5) (xxiii)(b)	Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, Head of Internal Audit 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);	✓		
1(5) (xxiv)	In case of appointment/re-appointment of a Director 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/her expertise in specific functional areas.	✓		
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:			
1(5) (xxv)(a)	accounting policies and estimation for preparation of financial statements;	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(5) (xxv) (b)	changes in accounting policies and estimation, if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes;	✓		
1(5) (xxv) (c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof;	✓		
1(5) (xxv) (d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario;	✓		
1(5) (xxv) (e)	briefly explain the financial and economic scenario of the country and the globe;	✓		
1(5) (xxv) (f)	risks and concerns issues related to the financial statements, explaining such risk and concerns mitigation plan of the company; and	✓		
1(5) (xxv) (g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e., actual position shall be explained to the shareholders in the next AGM;	✓		
1(5) (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No. 3(3) shall be disclosed as per Annexure-A; and	✓		
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.	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
1(6)	Meetings of the Board of Directors			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant angladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code.	✓		
1(7)	Code of Conduct for the Chairperson, other Board members and Chief Executive Officer			
1(7) (a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No. 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company;		✓	Under process of implementation. Extremly sorry for delay and request for the consideration of delay
1.7. (b)	The code of conduct as determined by the NRC shall be posted on the website of the company including, among others, prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; and independency.		✓	Under process of implementation. Extremly sorry for delay and request for the consideration of delay
2	Governance of Board of Directors of Subsidiary Company			
2 (a)	Provisions relating to the composition of the Board of Directors of the holding company shall be made applicable to the composition of the Board of Directors of the subsidiary company.	✓		
2 (b)	At least 1 (one) independent director on the Board of Directors of the holding company shall be a director on the Board of Directors of the subsidiary company.	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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.	✓		
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.	✓		
2 (e)	The Audit Committee of the holding company shall also review the Financial Statements, in particular the investments made by the Subsidiary Company.	✓		
3.0	Managing Director (MD) or Chief Executive Officer (CEO), Chief Financial Officer (CFO), Head of Internal Audit and Compliance (HIAC) and Company Secretary (CS)			
3 (1)	Appointment			
3 (1) (a)	The Board shall appoint a Managing Director (MD) or Chief Executive Officer (CEO), a Company Secretary (CS), a Chief Financial Officer (CFO) and a Head of Internal Audit and Compliance (HIAC);	✓		
3 (1) (b)	The positions of the Managing Director (MD) or Chief Executive Officer (CEO), Company Secretary (CS), Chief Financial Officer (CFO) and Head of Internal Audit and Compliance (HIAC) shall be filled by different individuals;	✓		
3 (1) (c)	The MD or CEO, CS, CFO and HIAC of a listed company shall not hold any executive position in any other company at the same time;	✓		
3 (1) (d)	The Board shall clearly define respective roles, responsibilities and duties of the CFO, the HIAC and the CS;	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
3 (1) (e)	The MD or CEO, CS, CFO and HIAC shall not be removed from their position without approval of the Board as well as immediate dissemination to the Commission and stock exchange(s).	✓		
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.	✓		
3(3)	Duties of Managing Director (MD) or Chief Executive Officer (CEO) and Chief Financial Officer (CFO)			
3(3) (a)	The MD or CEO and CFO shall certify to the Board that they have reviewed financial statements for the year and that to the best of their knowledge and belief:			
3(3) (a) (i)	these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading; and	✓		
3(3) (a) (ii)	these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;	✓		
3(3) (b)	The MD or CEO and CFO shall also certify that there are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or in violation of the code of conduct for the company's Board or its members;	✓		
3(3) (c)	The certification of the MD or CEO and CFO shall be disclosed in the Annual Report.	✓		
4	Board of Directors' Committeee:-			
	For ensuring good governance in the company, the Board shall have at least following sub-committees:			

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
4 (i)	Audit Committee	✓		
4 (ii)	Nomination and Remuneration Committee.	✓		
5	Audit Committee:-			
5 (i)	Responsibility to the Board of Directors.			
5(i) (a)	The company shall have an Audit Committee as a sub-committee of the Board;	✓		
5(i) (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(i) (c)	The Audit Committee shall be responsible to the Board; the duties of the Audit Committee shall be clearly set forth in writing.	✓		
5 (2)	Constitution of the Audit Committee			
5 (2)(a)	The Audit Committee shall be composed of at least 3 (three) members;	✓		
5 (2)(b)	The Board shall appoint members of the Audit Committee who shall be 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;	✓		
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	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	to hold office before expiration of the term of service, thus making the number of the Committee members to be lower than the prescribed number of 3 (three) persons, the Board shall appoint the new Committee member to fill up the vacancy immediately or not later than 1 (one) month from the date of vacancy in the Committee to ensure continuity of the performance of work of the Audit Committee			
5 (2)(e)	The company secretary shall act as the secretary of the Committee;	✓		
5 (2)(f)	The quorum of the Audit Committee meeting shall not constitute without at least 1 (one) independent director.	✓		
5(3)	Chairperson of the Audit Committee			
5(3) (a)	The Board shall select 1 (one) member of the Audit Committee to be Chairperson of the Audit Committee, who shall be an independent director;	✓		
5(3) (b)	In the absence of the Chairperson of the Audit Committee, the remaining members may elect one of themselves as Chairperson for that particular meeting, in that case there shall be no problem of constituting a quorum as required under condition No. 5(4)(b) and the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	✓		
5(3) (c)	Chairperson of the Audit Committee shall remain present in the Annual General Meeting (AGM):	✓		
5(4)	Meeting of the Audit Committee			
5(4)(a)	The Audit Committee shall conduct at least its four meetings in a financial year.	✓		

Compliance Status on BSEC Notification - Continued

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

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
5(5) (k)	Review Management Letters/ 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 results.	✓		
5(5) (m)	Oversee whether the proceeds raised through Initial Public Offering (IPO) or Repeat Public Offering (RPO) or Rights Share Offer have been utilized as per the purposes stated in relevant offer document or prospectus approved by the Commission:	✓		
5(6)	Reporting of the Audit Committee			
5(6)(a)	Reporting to the Board of Directors			
5(6)(a) (i)	The Audit Committee shall report on its activities to the Board of Directors.	✓		
5(6)(a) (ii)	The Audit Committee shall immediately report to the Board of Directors on the following findings, if any:-			
5(6)(a)(ii)(a)	Report on conflicts of Interests.	✓		
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;	✓		
5(6)(a)(ii)(c)	suspected infringement of laws, regulatory compliances including securities related laws, rules and regulations; and	✓		
5(6)(a)(ii)(d)	any other matter which the Audit Committee deems necessary shall be disclosed to the Board immediately;	✓		
5(6)(b)	Reporting to the Authorities: If the Audit Committee has reported to the Board about anything which has material impact on the	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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.	✓		
5.(7)	Reporting to the Shareholders and General Investors:- Report on activities carried out by the Audit Committee, including any report made to the Board under condition No. 5(6)(a)(ii) above during the year, shall be signed by the Chairperson of the Audit Committee and disclosed in the annual report of the issuer company.	✓		
6	Nomination and Remuneration Committee (NRC).			
6(1)	Responsibility to the Board of Directors			
6 (1)(a)	The company shall have a Nomination and Remuneration Committee (NRC) as a sub-committee of the Board;	✓		
6 (1)(b)	The NRC shall assist the Board in formulation of the nomination criteria or policy for determining qualifications, positive attributes, experiences and independence of directors and top level executive as well as a policy for formal process of considering remuneration of directors, top level executive;	✓		
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).	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(2)	Constitution of the NRC			
6(2)(a)	The Committee shall comprise of at least three members including an independent director;	✓		
6(2)(b)	All members of the Committee shall be non-executive directors;	✓		
6(2)(c)	Members of the Committee shall be nominated and appointed by the Board;	✓		
6(2)(d)	The Board shall have authority to remove and appoint any member of the Committee;	✓		
6(2)(e)	In case of death, resignation, disqualification, or removal of any member of the Committee or in any other cases of vacancies, the board shall fill the vacancy within 180 (one hundred eighty) days of occurring such vacancy in the Committee;	✓		
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;	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		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:	✓		
6(4)	Meeting of the NRC			
6(4) (a)	The NRC shall conduct at least one meeting in a financial year;	✓		
6(4) (b)	The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;	✓		
6(4) (c)	The quorum of the meeting of the NRC shall be constituted in presence of either two members or two third of the members of the Committee, whichever is higher, where presence of an independent director is must as required under condition No. 6(2)(h);	✓		
6(4) (d)	The proceedings of each meeting of the NRC shall duly be recorded in the minutes and such minutes shall be confirmed in the next meeting of the NRC.	✓		
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	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:			
6(5) (b)(i)(a)	the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;	✓		
6(5)(b)(i)(b)	the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and	✓		
6(5) (b)(i)(c)	remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;	✓		
6(5) (b)(ii)	devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;	✓		
6(5) (b)(iii)	identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;	✓		
6(5) (b)(iv)	formulating the criteria for evaluation of performance of independent directors and the Board;	✓		
6(5) (b)(v)	identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and	✓		
6(5) (b)(vi)	developing, recommending and reviewing annually the company's human resources and training policies;	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
6(5) (c)	The company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.	✓		
7	External or Statutory Auditors.			
7(1)	The issuer company shall not engage its external or statutory auditors to perform the following services of the company, namely:-			
7(1)(i)	appraisal or valuation services or fairness opinions;	✓		
7(1)(ii)	financial information systems design and implementation;	✓		
7(1)(iii)	book-keeping or other services related to the accounting records or financial statements;	✓		
7(1)(iv)	broker-dealer services;	✓		
7(1)(v)	actuarial services;	✓		
7(1)(vi)	internal audit services or special audit services;	✓		
7(1)(vii)	any service that the Audit Committee determines;	✓		
7(1)(viii)	audit or certification services on compliance of corporate governance as required under condition No. 9(1); and	✓		
7(1)(ix)	any other service that creates conflict of interest.	✓		
7(2)	No partner or employees of the external audit firms shall possess any share of the company they audit at least during the tenure of their audit assignment of that company; his or her family members also shall not hold any shares in the said company:	✓		
7(3)	Representative of external or statutory auditors shall remain present in the Shareholders' Meeting (Annual General Meeting or Extraordinary General Meeting) to answer the queries of the shareholders.	✓		

Compliance Status on BSEC Notification - Continued

Condition No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
8	Maintaining a website by the Company.			
8(1)	The company shall have an official website linked with the website of the stock exchange.	✓		
8(2)	The Company shall keep the website functional from the date of listing.	✓		
8(3)	The company shall make available the detailed disclosures on its website as required under the listing regulations of the concerned stock exchange(s).	✓		
9	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	✓		

Compliance Status on BSEC Notification - Continued

The number of Board Meeting and the attendance of Directors during the year 2023 were as follows:

SL.	Name of the Directors	Position	Total Attended	Remarks
01.	Mr. Mohd. Akhter	Chairman	9	
02.	Commodore Jobair Ahmad (E), ndc (Retd.) BN Represents Salvo Alkali Chemical Industry	Vice Chairman	1	
03.	Mr. A.B.M. Fakhruzzaman Khan Alternate of Ms. Nargis Akhter Adel	Director	7	
04.	Mr. Md. Ashaduzzaman Represents Ramisha BD Limited	Director	9	
05.	Mr. Md. Noman Hasan Bhuiyan Represents Noman Corporation	Director	7	
06.	Mr. M. Kamran Hamid Represents Technip Corporation	Director	8	
07.	Mr. A. K.M. Abul Mansur Chowdhury Represents S.B. Corporation	Director	8	
08.	Mr. Md. Arif Hossain Rony Represents Binimoy Construction Company	Director	9	
09.	Mr. A.K.M. Monirul Islam	Director	3	
10.	Mr. Muhammad Muniruzzaman Mozumder	Director	4	
11.	Mr. Motaleb Hossain Represents Apsara Holding Ltd.	Director	4	
12.	Mr. Mohammad Touhidur Rahman, FCA	Independent Director	8	
13.	Mr. Md. Abdul Quddus	Independent Director	6	
14.	Dr. A. F. M. Aowrangazab	Independent Director	9	

Compliance Certificate



MOHAMMADULLAH & ASSOCIATES
CHARTERED SECRETARIES & CONSULTANTS

Office

Suite: B6, Samata Tower
House: 47/B, Road: 2, Chand Housing
Mohammadpur, Dhaka-1207

Contact

Phone: +880 1713 333 224
E-mail: smullah1955@gmail.com

Report to the Shareholders of Prime Islami Life Insurance Limited on Compliance on the Corporate Governance Guidelines Issued by Insurance Development & Regulatory Authority (IDRA)

We have examined the compliance status to the Corporate Governance Guideline by Prime Islami Life Insurance Limited (the "Company") for the year ended on 31 December 2023. This Guideline relates to the Notification No. 53.03.0000.075.22.025.2020.230, dated 19 October 2023; of Insurance Development and Regulatory Authority.

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.

This is a scrutiny and verification and an independent audit on compliance of the conditions of the Corporate Governance Guideline.

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

- The Company has complied with the conditions of the Corporate Governance Guideline as stipulated in the above mentioned Corporate Governance Guideline issued by the Insurance Development and Regulatory Authority (IDRA);
- The compliance of Corporate Governance Guideline is satisfactory except condition no. 6.5, which is partially implemented.

Dhaka, 3 October 2024




Shaikh Mohammadullah, MBA (IBA), LLB, FCS
Chief Consultant & Managing Partner

Compliance Status on IDRA Guideline

Status of compliance for the year ended 31st December 2023 with conditions imposed by the Insurance Development & Regulatory Authority (IDRA) Ref: no.53.03.0000.075.22.025.2020.230 dated 19 October 2023 is presented below:

Clause No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		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	✓		
6.	The Board and its Directors			
6.1	Composition of the Board The Board shall consist of at best 20 (twenty) members with minimum 2 (two) independent directors.	✓		The Board of the Company comprise of 12 (twelve) directors including 3 (three) independent directors
6.2	Board of Directors and its Directors The Company should have a policy of appointing and reappointing 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 3 (three) years which can be extended for 1 (one) term only. After period of one term, he can be eligible for reappointment.	✓		

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	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.	✓		Partially Implemented
7	Committees of the Board			
7.1	To ensure good governance in the company , the Board should have at least the following committees: 1. Audit Committee. 2. Nomination & Remuneration Committee. 3. Investment Committee. 4. Risk Management committee and 5.Policy holder protection & Compliance Committee.	✓		The Board at its 208th meeting held on 06 November 2023 formed the above Committee.
7.2	Audit Committee A. The committee shall review the financial statements as well as oversee the functions of internal and external auditors.	✓		
	B. Formation of Audit Committee 1. The Committee shall consist of 3 (three) members; 2. It comprises of 1 (one) Non- executive director other than the chairman of the Board and 1 (one) independent director 3. All members should have the literacy about accounting and at least 1 (one) member should have	✓		

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put V in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	<p>10 (ten) years relevant experience.</p> <p>4. Member vacancy shall be filled within 1 (one) month.</p> <p>5. Company Secretary shall act as the Secretary of the committee.</p>			
	<p>C. The Chairman of The Committee</p> <p>1. Independent director shall be the chairman of the committee</p> <p>2. In case of absence of Chairman other member can act as chairman but one independent director shall be present in the meeting.</p> <p>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>	✓		
	<p>D. Meeting of the committee</p> <p>1. At least 4 (four) meeting shall be conducted. Meeting can be held with the requisition of any member in case of any emergency.</p> <p>2. The quorum of the meeting shall be minimum 2 and two third members including one Independent Director.</p>	✓		
	<p>E. Role of the Audit Committee</p> <p>The Board shall form a Term of Reference (ToR) of the as per this guideline</p>			Under Process of Implementation
	<p>F. Rights of the Committee</p> <p>The committee shall have the unrestricted access to all relevant data, reports, documents and information along with the chief executive, intered Audit Committee, actuary and others Concerned officers.</p>	✓		
	<p>G. Report of the committee</p> <p>1. The committee shall report to the Board of its regular activities.</p> <p>2. It shall also report the board for any sensitive issued as defined in the guidelines.</p>	✓		

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	03. 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 4 (four) members including 1 (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	✓		
	C. Chairperson of NRC 1. The board shall appoint 1 (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 2 (two) meeting shall be conducted. 2. Chairperson can hold any meeting on emergency basis. 3. The quorum of the meeting shall be minimum of 2 and two third members including 1 (one) independent director.	✓		

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
	E. Role of NRC The Board shall form a Term of Reference (ToR) of the committee as per this guideline.			Under Process of Implementation
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 5 (five) members in the committee including one chairman 2. The quorum of the meeting shall be 3 (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.	✓		
	C. Role of Committee The board shall form a Term of Reference (ToR) of the committee as per this guideline.			Under Process of Implementation
10	Risk Management committee			
	A . 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 1 (one) independent director. One shall be the chairman of the committee. moreover 1 (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.	✓		
	B. Role of Committee The board shall form a Term of Reference of the committee as per this guideline.;			Under Process of Implementation

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put V in the appropriate column)		Remarks (if any)
		Complied	Not complied	
11	Policy holder Protection & Compliance Committee			
	A. The committee as the sub-committee of the board shall oversee the investment portfolio of the company.	V		
	B. Composition of the committee and its meeting 1. The committee shall consist of at least 3 (three) members including 1 (one) independent director. One shall be the chairman of the committee. Moreover 1 (one) from audit committee. 2. The quorum of the meeting shall be 2 (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.	V		
	C. Role of the Committee The board shall form a Term of Reference of the Committee as per this guideline			Under Process of Implementation
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.	V		Appointment of CIO, 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.	V		
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.	V		

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
12.3	Appointment of Actuaries : Actuaries shall be appointed by the Board in accordance with Insurance Act-2010.	✓		
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.			Under Process of Implementation
14	Disclosure information of the Board and its committees:			
	A statement of remuneration paid to the directors including independent directors; 1. Company shall keep record of proceeding of the board meeting and shall disclose in appropriate case. 2. Code of conduct of all employees including the chairman of the board, its member and CEO shall published. 3. Shall disclose among others a. Number of board meeting and its committee meeting held b. Name of the mandatory Committees. c. Details of remuneration paid to directors including independent director d. Relevant other information.	✓		Code of conduct & Other relevant information are available in annual report.
15	Related Party Transactions			
	A statement that proper books of account of the issuer company have been maintained; 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.	✓		

Compliance Status on IDRA Guideline - Continued

Clause No.	Title	Compliance Status (Put ✓ in the appropriate column)		Remarks (if any)
		Complied	Not complied	
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			
	1. The Company should have a website. 2. Relevant information shall be updated in website such as a. Annual Report along with audited financial statements. b. Feature of the various insurance policy. c. Contact information of all key persons including Chairman, all Chairmen of sub – committee, Directors, CEO, adviser and all officers. d. Any other information as advised by the Authority.	✓		The company has website: www.primeislamife.com.bd
19	Annual Corporate Governance Compliance Statement			
	The company shall submit an annual compliance statement with the authority by 31st January of the following year.	✓		company will be submit to the authority after completion the audit