

CORPORATE GOVERNANCE

REPORT ON CORPORATE GOVERNANCE:

Corporate Governance refers to the system by which corporations are directed and controlled. Corporate governance structure specifies the distribution of rights and responsibilities among different participants such as the Board of directors, managers, shareholders, creditors, regulators and other stakeholders and specifies the rules and procedures for making decisions in corporate affairs. Corporate governance provides structure through which corporations / companies set and peruse their objectives. Corporate governance is a mechanism for monitoring the actions, policies and decisions of corporations/companies. It involves alignment of interests among the shareholders.

Corporate Governance Practice:

Standard Insurance Limited (SIL) has given the key priority over the corporate governance practice. Corporate governance is practiced in every level of the management of the Company i.e. from Directors to the junior level employees. It is the Board of directors' responsibilities to implement corporate governance system in the Company and the Board of Directors in Standard Insurance Limited is doing so applying their best knowledge and expertise complying with the rules laid down by the BSEC Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018.

Composition of the Board of Directors:

The Board comprises 11 directors. The Chairman who has been elected from the Board Members. The composition of the Board complies with the rules of IDRA & notification of BSEC. Directors of the Company have talent, required skills and well experience in providing prudent guidance in respect to the operation of the Insurance business. The Chairman and the Chief Executive Officer of the Company are different bodies with separate functions and responsibilities.

Roles and Responsibilities of the Board

The Articles of Association of the Company has given the Board of Directors the extensive power including the day to day management of the Company. The Board is proactive in appropriate application of the corporate governance system and it puts its best effort to extract a positive result that can make the Company well governed and well structured. The Board of Directors has full control over the Company's day to day affairs and is also fully accountable to the shareholders. 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:

- Determine, monitor and evaluate 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.
- Approval of annual budgets including major capital expenditure proposals.
- Critical evaluation of all proposals which requires Board's approval and/or directives.
- Regular review of financial performance and overdue situations.
- 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 control.

Role of the Chairman:

The main function of the Chairman is to preside at Meetings. The Chairman of Standard Insurance Limited is not the Chief Executive of the Company. The Chairman's function is to supervise management and not to be part of it. The Chairman of the Company ensures the existence of an effective strategic planning system and the appropriate consideration of the future development possibilities and also acts as a counselor, adviser and listener to the Chief Executive and, where necessary, other members of the Board.

Role of the Chief Executive Officer:

The Chief Executive Officer is responsible for the administration and daily business of the Company. He is the chief administrative officer of the Company. The Articles of Association of the Company and the guidelines of the IDRA refers his duties and responsibilities to the Company. He implements the Board's strategy and policy as per guidance of the Board of Directors. He looks after the day-to-day business and is accountable to the Board for the financial and operational activities of the Company.

Role of the Company Secretary:

A Company Secretary is the key officer of the Company, he is responsible with regard to ensuring compliance with statutory and regulatory requirements and for ensuring that decisions of the Board of Directors are implemented. The Corporate Governance Guidelines issued by the BSEC also requires a full-fledged Company Secretary distinct from other managers of the Company. The Company Secretary ensures that an organization complies with relevant legislation and regulation, and keeps board members informed of their legal responsibilities. The Company Secretary is the Company's named representative on legal documents and it is his responsibility that the Company and its shareholders operate within the law. It is also his responsibility to register and communicate with the shareholders, to ensure that dividends are paid and to maintain Company's records, such as, lists of Directors and shareholders, and annual accounts.

Board Meeting:

The Directors get together time to time to review the activities of the Company and decide the topics relating to policy and accordingly monitor the progress of the Company. The Companies Act 1994 and Articles of Association of the Company require Board Meeting of the Directors and accordingly Standard Insurance Limited holds the Meeting in time.

Independent Directors:

To comply with the requirements of corporate governance as per BSEC Notification, the Board of Directors appointed 3 (Three) qualified and experienced persons as independent Directors of the Company. The Independent Directors have complied with the following criteria and ensured their duties and responsibilities in the Board as recommended by the BSEC notification:

Qualification of the Independent Directors:

- (i) Independent Directors are qualified and well experienced and able to ensure compliance with financial, regulatory and corporate laws and can make meaningful contribution to business.
- (ii) Name of 3 (Three) Independent Directors of the Company are stated below along with their qualification and background:

Name	Background Qualification	Experience
Engr. Shafiqul Haque Talukder	Civil Engineer	Above 32 Years
Engr. Md. Khalid Hussain Khan	Civil Engineer	Above 34 Years
Engr. Md. Abdus Sabur	Civil Engineer	Above 45 Years

Shareholders:

Standard Insurance Limited believes that the shareholders are not only the owners of the Company but also real advisers of the Company. The shareholders extend their good co-operation and guidelines for the development of the Company and the Management ensures the interest and rights of the

shareholders. The Management communicates their information through the publications of various disclosures, in the Annual General meeting and via website.

On being entered into the register of members, shareholders acquire the following specific rights on the Company:

- (i) Registration as a member
- (ii) Certificate of shares
- (iii) Right to transfer shares according to articles
- (iv) Right to notices, attending meetings and speak, propose vote in person or by proxy
- (v) To obtain copies of memorandum and articles of association
- (vi) To inspect registers maintained by the Company and to get extracts if required
- (vii) To participate in the appointment at the Annual General Meeting of-
 - a) Directors'
 - b) Auditors and
 - c) To fix Auditors remunerations
- (viii) To associate in the declaration of dividend and have right to receive the dividend within the stipulated time
- (ix) To obtain copy of the minutes of Annual General Meetings
- (x) Right to receive-
 - a) Statutory report
 - b) Directors report
 - c) Auditors' report with audited Balance Sheet and Profit & Loss Account before the meeting
- (xi) To call a meeting

The rights of a shareholder are many and Standard Insurance Limited is protecting these rights vigilantly by providing them with all information and support in time.

Standard Insurance Limited is running its operation applying transparency and accountability and maintaining good corporate governance. To fulfill the long-term strategic goal of the stakeholders, Standard Insurance Limited considers and take care of the interest of employees and continue to maintain an excellent relationship with the customers and to maintain a proper compliance with all the applicable legal and regulatory requirements under which the Company carries out its activities.

Financial Indications:

- Positive net current assets
- Fixed term debt with realistic renewal or repayment
- Less reliance on short term borrowing
- Continuous financial support by lenders
- Positive operating cash flow
- Consistent payment of dividend
- Credibility in payment of obligation
- Performance growth

Positive underwriting results and trends:

- Operating indications
- Good business expansion
- Spread of business across, diverse clientele
- Good market reputation and clients satisfaction
- Good corporate environment and employees satisfaction

Other Indications:

- Maintenance of sufficient capital base as required by law strong equity base
- Anticipates no significant change in legislation or
- government policy

Conflicts of Interest:

Board members are aware about the matter of conflicts of interest relating to the Company. In this connection, the Board is interested in adopting a conflict-of-interest policy that prohibits or limits the business transactions with the board members and requires the board members to disclose those potential conflicts. The Board agrees to disclose the conflicts when that occurs for the compliance as corporate governance guided by the related Act and Authority. Any related party transactions or any other matters relating with the conflict of interest is informed to the Board and accordingly presents in the report as a disclosure of the matter.

Appointment to the Board:

The appointment of any new director is made with the consent and approval of the Board of Directors' Meeting and such new director retires in the immediate next Annual General Meeting (AGM). A retired director may offer himself for the re-appointment. Any new appointment to the Board requires information to the Insurance Development & Regulatory Authority, the BSEC and Stock Exchanges.

Regarding appointment of Public Director a gazette was published on July 11, 1994. As per notification, eligible directors holding minimum qualifying shares as may be determined by the Company which should be an amount exceeding taka ten thousand on account of public subscription to the paid-up capital at least 6 months before the date of election under section 15A.

Under section 15B(3); the date, time, place and other particulars of election and the number of Directors to be elected shall be circulated sixty days before such election by advertisement in at least two national daily newspapers. According to the notification nomination in the prescribed form is invited from the eligible shareholders expressing his/her willingness to contest the election of Directors from the public shareholders in the AGM. Elected Public Directors will be appointed for next term.

CONDUCT FOR THE MEMBERS OF THE BOARD:

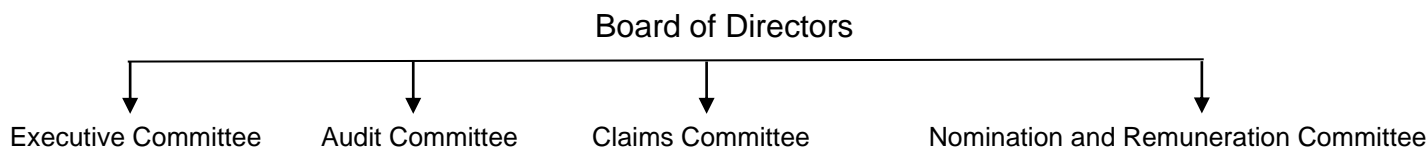
Standard Insurance Limited (SIL) has developed an appropriate code of conduct for The Board of Directors. The Directors of the Board of Standard Insurance Limited follows the code strictly in every step of their behavior. The Board of Directors maintains a good relationship with the employees, customers, members, shareholders, regulator and the public. They guide, supervise and advise the employees in respect of business-related works and extends their cooperative hands as and when required. They are conscious about the rights of the shareholders and customers and careful about preserving those rights. The Board of Directors ensures that the Management is using the Company's assets, property, information and resources for the interest of the Company remaining within the law. They act in good faith and maintain the confidentiality of information entrusted to them.

Appointment of the Chief Financial Officer, the Head of Internal Audit and the Company Secretary and their attendance in the Board Meetings:

The Company has a Chief Financial Officer, a Head of Internal Audit and a Company Secretary. Their duties & responsibilities are separated and the Board of Directors of the Company determined it clearly. The Chief Executive Officer supervises them regularly with the support of the Board and time to time enhance their performance to comply with the requirements of the regulatory authority. The Company Secretary attends the meeting regularly and notes down the matter of the meeting for preparing the minutes. He acts as the bridge between the Board, the Management and the shareholders about the strategic and statutory decisions and their directions too. The Chief Financial Officer and the Head of Internal Audit attend the Meetings of the Board of Directors as and when required and presents the agenda relating to their respective departments.

Board Committees:

Standard Insurance Limited has several Sub committees under the Board. The Board members in their meeting appoint the members for the Sub-committees including the Chairman of committee. After fulfillment of the tenure of the committee, the members of committees are inter changed within the Board members. Every Subcommittee has separate scope of work and the Board approve the terms of references. The Sub-committees are independent and responsible to provide their expertise opinion to the Board. At present, the following Committees are performing their duties on behalf of the Board:



Executive Committee:

Executive Committee looks after the management reports of the branch's performance with the proposals and recommendations of each employee's performance in the Company and also confirms the salary package, promotion, special increments, incentive bonus and other facilities. The Executive Committee also enhances the pay scale of the employee's time to time with the support of the management requirements. The Committee consists of 4 Non executive Directors, who are appointed by the Board of the Company and the Chief Executive Officer too. At least, 3 (Three) Meeting is to be held in a year to confirm the facilities based on the performance of the Company.

Members of the Executive Committee:

Sl. No.	Name of the Members	Position in the Committee
1.	H.T.M Quader Newaz	Chairman
2.	Engr. Shafiqul Haque Talukder	Member
3.	Engr. Md. Khalid Hussain Khan	Member
4.	Mahmuda Begum	Member
5.	Mr. Abdul Matin Sarker	Chief Executive Officer

Chairman of the Executive Committee:

Mr. H.T.M Quader Newaz, Chairman of the committee was appointed by the Board from amongst the directors. He has a vast knowledge in related field and is entrusted with the duty of monitoring the daily management performance with the support of the management.

Audit Committee:

Audit committee of Standard Insurance Limited is the Sub Committee of the Board of Directors. Audit Committee comprises 4(Four) Directors nominated by the Board of Directors. The Committee is headed by a Director who is an Independent Director of the Company. The Chief internal Audit & Control officer has direct access to the Committee and the Committee is directly reportable to the Board. It operates according to the Terms of Reference approved by the Board and in compliance with the Bangladesh Securities and Exchange Commission's Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 03, 2018. Functions and responsibilities of Audit Committee are:

- to review with the management and the external auditors the Company's annual financial statement and related footnotes including external auditors' reports on the financial statements and any significant changes required by the external auditors in the statements prepared by the Management.
- to review legal and regulatory matters that may have a material impact on financial statements, compliance, security or operations of the Company.
- to conduct or authorize investigations into any matters within the committee's scope of responsibilities.

- iv. to review the financial reporting process, the system of internal control and management of financial risk and the Company's processes for monitoring, compliance with laws and regulations and its own code of business conduct.
- v. to review the corrective measures taken by the management as regard the reports relating to fraud and forgery, deficiency in internal control or other similar issues detected by internal and external auditors and inspectors of the Regulatory Authorities.
- vi. to review the activities and organizational structure of internal audit functions and ensure that no unjustified restriction or limitation were made.
- vii. To do any other functions as the Board may require from time to time.

Members of the Audit Committee:

Sl. No.	Name of the Members	Position in the Committee
1.	Engr. Shafiquel Haque Talukder	Chairman
2.	H.T.M Quader Newaz	Member
3.	Hasnat Mosharraf	Member
4.	Engr. Md. Abdus Sabur	Member

Chairman of the Audit Committee:

Mr. Engr. Shafiquel Haque Talukder, Chairman of the committee was appointed by the Board from amongst the non-executive directors. Mr. Engr. Shafiquel Haque Talukder, the Chairman of the audit committee has a vast knowledge, good understanding power, experience in business and management with accounting or finance of the Company matters.

Claims Committee:

Claims or loss handling is the materialized utility of insurance; it is the actual "product" paid for. Claims lodged by insured and then the management of the Company classifies the loss on the basis of the documents & papers with their knowledge and experience. The surveyors undertake an investigation of each claim, usually in close co-operation with the insured, determines if coverage is available under the terms of the insurance contract, and if so, the reasonable monetary value of the claim is approved with the advice/ permission of the Chief Executive Officer / Chairman Claim Committee. The Committee looks after the customer's claims settlement procedure with the support of surveyor's report. The strengths of our claim's settlement Executive lies in its promptness and efficiency. Claims settlements seek quick processes of claims and improve customer satisfaction. In this respect, we always take initiatives to upgrade claims settlement processes and adopt the claims settlement system. Claims Executives' aim are to provide the best customer services.

Members of the Claim Committee:

Sl. No.	Name of the Members	Position in the Committee
1.	Engr. Shafiquel Haque Talukder	Chairman
2.	H.T.M Quader Newaz	Member
3.	Faheem Mosharraf	Member
4.	Husna-Ara Begum	Member
5.	Md. Abdul Matin Sarker	Chief Executive Officer

The Chairman of the Claim Committee:

Mr. Engr. Shafiquel Haque Talukder, Chairman of the committee has been appointed by the Board from amongst the Directors. He has a vast knowledge, good understanding about the business underwriting and claim settlement procedures.

Management Team of the Company:

The Company Management is supervised by the Chief Executive Officer who is responsible for the implementation of the policy and procedures adopted by the Board. Chief Executive Officer Implements

the internal control system, follow-up the day-to-day affairs of the management and also confirms the safety and security of the Company. The Senior Management Team ensures Chief Executive Officer regarding Company's improvement with the compliance of statutory and the regulatory requirements. Chief Executive Officer must presents the Company's financial & business position in each Board Meeting for the Directors understanding and guidance.

Nomination & Remuneration Committee

The Meeting held on 04-08-2020 formed a Remuneration as sub-committee of the Board and the name and terms and condition of the committee rationalized on the third quarter of 2020 as per corporate governance code.

The remunerations paid to all level of employees are determined by the pay scales as approved by the Board of Directors subject to the recommendations of the Nomination and Remuneration Committee. The Nomination and Remuneration Committee recommended the Board for the consideration and final approval of remuneration related policy. Company's Human Resources Department fixes salaries and remuneration to the employees as per set pay scales mentioned above. Management ensured that all employees are remunerated fairly.

The Directors do not get any remuneration. They only get fees for attending Board/Committee Meetings. The Directors received Tk 5,000 for attending Board Meeting and any Committee Meeting as per IDRA circular. Source tax is duly deducted from director's fee.

Chief Executive Officer and other contractual employees receive a negotiated remuneration. Senior Executive and other regular/permanent employees receive remuneration as per board recommended by Nomination and Remuneration Committee (NRC) within the approved pay scales of the company.

Composition of nomination & remuneration committee

SL #	Name of Directors	Position in the Committee
01	Engr. Md. Khalid Hussain Khan	Chairperson
02	Engr. Md. Shafiqul Haque Talukder	Member
03	Engr. Md. Abdus Sabur	Member
04	Md. Abdul Matin Sarker	Chief Executive Officer
05	Mohammad Kowser Munshi	Member Secretary
06	Md. Mohiuddin Al-Mamun	Chief Financial Officer

Terms of Reference (TOR) of Nomination and Remuneration Committee

The role of nomination and remuneration committee is to assist and advise the board to fulfill its responsibilities to the staff of Standard Insurance Limited (SIL) on matters relating to their compensation, bonuses, incentives and also nomination and remuneration issues of the chief executive officer (CEO) other SIL staff.

The nomination and remuneration committee is not a policy making body; it assists the board/EC by implementing board's policy.

Objectives of the Committee include:

- To review and recommend nomination and remuneration of the CEO within the terms of the employment contract triennially following the applicable Insurance Regulations.
- To review the CEO's recommendations regarding remuneration for staff.
- To ensure staff remuneration is aligned with market trends.
- To monitor and review the staff's performance and key performance indicators for the determination of the annual bonus components.
- To review and recommend any incentive plans or ex-gratia payments to SIL staff.

- To review any employee grievance or staff complaints about remuneration.
- To ensure that SIL's remuneration and incentive policies, practices and performance indicators are aligned to the board's vision, values and overall business objectives, and are appropriately designed to:
- Motivate the SIL's staff and the CEO to pursue the long-term growth and success of SIL, and
- demonstrate a clear relationship between the achievement of SIL's objectives and the staff performance and remuneration.

In discharging their responsibilities, the committee members have a duty to act in the best interests of SIL as a whole, irrespective of personal, professional, commercial or other interests, loyalties or affiliations.

Composition and term

- The nomination & remuneration committee is a committee of the board,
- The committee will include at least three members.
- The committee should include one Independent Director.
- The committee will elect its chairperson.
- The board shall approve all appointments to the committee including the of the chairperson.
- Appointment to the committee will be for two years or as determined by the board.
- The duties and responsibilities of a member of committee will be in addition to those duties set out for a director of the board.

Meetings

- One meeting of the nomination and remuneration committee held during 2020.
- The quorum was filled with attendance of at least four members.
- The notice and agenda of the meeting included relevant supporting papers, as appropriate.
- The Committee invited chairperson to attend the meeting as it seems fit, and consult with other persons or seek information it considers necessary, to fulfill its responsibilities.

Secretariat duties

- The company secretary will minute the matters arising from all meetings. The minutes will be ratified by members in attendance/discussion and signed by the chairperson of the committee. It was duly complied.
- The chairperson of the committee will table the outcome of deliberations at the next Board meeting which was also complied.

Voting

- Any matters requiring a decision will be decided by a majority of votes of members present.
- The chairperson shall have a casting vote.

Review of TOR

- The Committee should review the TOR to provide assurance that it remains consistent with the board's objectives and its own responsibilities.
- The Board approves or further reviews terms of reference (TOR).

Management committee (MANCOM)

The board has delegated adequate operational and financial authority to the Chief Executive Officer (CEO) to manage operation of the company. The CEO conducts the affairs of the company through further delegation down the line and in consultation with the management committee. The CEO is responsible for implementation of policies and procedures adopted by the Board.

The overall functions of the company are being carried out by the following 14 departments:

1. Administration
2. Human resources department
3. Establishment & logistic
4. Finance & Accounts
5. Branch control department
6. Claims
7. Re-Insurance
8. Audit & internal control
9. Specialized business & market development
10. Share trade & investment
11. Information technology
12. Public relation & corporate affairs
13. Customer care
14. Board affairs

The management committee is considered to be the highest decision-making authority in the management of the company. The MANCOM is comprised of the chief executive officer and the departmental heads of the company. The members of the management committee are appointed by the board:

Composition of MANCOM	Position
Chief Executive Officer	Chairperson
DMD and Head of Operation	Member
AMD & Head of Specialized Business	Member
Chief Financial Officer	Member
Head of Claims	Member
Head of Accounts	Member
Head of HRD & Administration	Member
Head of Public Relations	Member
Corporate Affairs and Customer Care	Member
Head of Re-insurance Department	Member
Head of Audit and Internal Control	Member
Head of IT	Member
Company Secretary	Member Secretary

In the management committee, all members are well experienced and have dedication for the services to the business partners and the clients who are receiving services of the company. During any crisis moment, they work collectively with a strong bondage in the team. The MANCOM generally meets in regular successions, preferably once in every two months to discuss the business results, to review the prevailing business conditions and discuss implementation of policies conferred on the management from the board. Consensus building as a management style is encouraged in the deliberations of the management committee meetings. The chief executive officer is responsible for implementing the Board's decisions and she uses the management committee as a consultative body to advise and assist her on issues under consideration. The management committee also advises the chief executive officer on new products & markets, major items of capital expenditure and overall supervision of the affairs of the company.

Human Capital:

Despite uncertainty in the market, organizations continue to look at global growth, mergers and acquisitions, evolving technology, regulatory change, and risk management. The landscape is also being shaped by trends including an aging workforce with multiple generations and the reality of distributed work in the cloud. Standard Insurance Limited views its employees as the most valuable capital of the organization with the potential to bring superior results if inspired, led, trained and tasked with the responsibilities in the right way. To achieve the long-cherished objectives by following the principle of merit-based recruitment, Standard Insurance Limited has formulated its HR Policy manual for recruitment and Development of Human Resources duly approved by the Board which is being followed up meticulously to ensure right manpower for right position and developing them.

Human Resource Management:

In order to keep pace with additional human resource requirements and to enhance the employment opportunity in the country, periodic recruitment is given as per need of the Company.

Insurance Risk and its Mitigation:

Insurance is the equitable transfer of risk of a loss, from one entity to another in exchange for payment. It is a form of risk management primarily used to hedge against the risks of a contingent, uncertain loss.

The insurance transaction involves the insured assuming a guaranteed and known relatively small loss in form of payment to the insurer in exchange for the insurer's promise to compensate the insured in the case of a financial loss. The insurance Company indemnifies or compensates the insured in the case of losses only up to the insured's interests. The insurance does not guarantee that Insured Property will remain unharmed or undamaged in any way. The Insurance Company ensures its clients or the insured that if any loss or damage is caused to the insured property it will indemnify the insured either by paying the value of the insured property or at its option by replacing or reinstituting the damaged or destroyed property subject to some terms and conditions.

The Standard Insurance Limited (SIL) operates with the aim of safeguarding the property and ensuring the security of the financial stability of the insured. SIL imparts technical expertise in a professional manner to the clients and loss adjusters and renders connoisseur counsels to minimize losses. In turn, the loss adjusters and clients can improve the risk to a substantial degree and minimize the possibility of the number of misfortunes. It is quick in claim settlements in a proper manner and the handling of salvage after loss by the loss adjusters also contributes much to the reduction of losses.

An organization needs to understand critically the risks to which it is exposed. One incident may cause a chain of damages that become unacceptable to the stakeholders. One type of incident may cause fairly low damage but happen frequently then logically the risk is unacceptable. SIL through its professionals undertakes pre-insurance surveys of large and complicated risks which ultimately facilitate the defense of national property and wealth.

Without an understanding, insurance premiums and other monies spent on managing the wrong risks can be wasted. Furthermore, potential damaging exposures can be missed, leading to direct loss or even destruction of the Company.

Risk management ensures proper understanding of the right level of risk acceptance, risk control and risk related expenditure. Furthermore, the risk and recovery planning expenditure can be neither less nor more, than the organization needs it to be.

The Risks covered by Standard Insurance Limited are well protected by Re-insurance treaty with Sadharan Bima Corporation the only state-owned Insurance Company. The risks which is much higher and seems to beyond the capacity of the Company to indemnify losses if occurs, are transferred to the Re-insurers instantly to obtain facultative protection. SIL, reinsures insurance risks with a number of other renowned insurance Company at home and abroad.

The pre-underwriting inspection of fire hazards on the insured property is of paramount importance. Before accepting risks, it is prudent and essential to have the risks of the subject matter to be inspected for underwriting and reinsurance purposes. On the basis of the pre-inspection report the underwriter may recommend segregation of risk by installation of fire proof door to reduce fire hazards. Recommended fire prevention measures not only reduce fire hazards but also help the insured to get rebate on the rate of premium.

Inspection, surveyor's advice for risk improvement largely contributes towards reducing the possibility of hazards rather than minimizing the extent of loss.

Risk can be considered as a state of nature or a state of the world in which we live. Perceived risk might be zero, whereas the actual risk is not zero. An effective framework for managing risk ensures full identification and awareness of significant risks.

Environmental Policy of Standard Insurance Limited (SIL):

Human activities can have harmful effects on ecological system, climate and public health. Recognizing these, SIL fully supports the principles of its commitment to promoting good environmental practice and sustainability of its activities. It has the commitment to provide quality service in a manner that ensures a safe & healthy workplace for its employees protecting the environment, conserving energy and natural resources. With these policies in place, SIL believe that it can achieve a healthy and safe environment by taking the following measures:

1. Integrate the consideration of environmental concerns and impacts into our decision making and activities.
2. Develop and improve operations and technologies to minimize waste and other pollution, minimize health and safety risks, and dispose of waste safely and responsibly.
3. Minimize energy and water use within our premises and processes in order to conserve supplies and minimize the consumption of natural resources.
4. Try as far as possible to identify and purchase preferable products, supplies and services for all our daily operational needs that do the least damage to the environment.
5. Complied with all applicable environmental regulations.
6. Established procedures to ensure that all employees are knowledgeable in compiling with all applicable environmental laws and regulations. Train all our employees in our environmental program and empower them to contribute and participate.
7. Communicate our environmental commitment to our clients, contractors, suppliers and the community.
8. Strive to continually improve SIL environmental management system and performance & implement corrective actions.

Report on Going Concern:

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue operation for the foreseeable future. Hence, it is assumed that the enterprise has neither the intention nor the need to liquidate or curtail materially the scale of its operations; if such an intention or need exists, the financial statement may have to be prepared on a different basis and, if so, the basis used is to be disclosed. On the other hand, Listed Companies are required by BSEC to report on their ability to continue as going concern.

The Board of Directors of Standard Insurance Limited has made annual assessment about whether there exist material uncertainties which may cast significant concern. The Directors' assessment of whether the Company is a going concern, involves making appropriate inquiries including review of budget, forecast, assumptions and future outcome of inherent uncertainties in existence. The Directors are convinced by some indicators, which give reasonable assurance as to Company's ability to continue as a going concern for the foreseeable future.

Redress of Investors Complaints:

Standard Insurance Limited is committed to maintaining highest standard of conduct and professional behavior in dealing with its shareholders. Share Department of the Company maintains systematic records and information relevant to the shareholders. Share Department officials are always ready to help shareholders whenever in need of share related services like share transfer, transmission, dividend warrant issue, dividend warrant validation etc. Share holders of the Company are also free to raise their claim, if any, throughout the year. Shareholders get opportunities to speak on various issues relating to the operation of the Company at the Annual General Meeting which is held once a year, In the meeting the Chairman/ Chief Executive Officer of the Company with the help of Company Secretary responds to all queries raised by the shareholders instantaneously. Generally, shareholders raise issues relating to utilization of Company's resources, yearly, half yearly and quarterly accounts, business turnover and profitability, declaration of entitlements, issuance of share certificates, share transfer and transmission, changes of shareholders address, non receipt of Annual report, date and time of AGM, minutes of meetings of all AGM/EGM, implementation of decision of the AGM & EGM and so on. It is the responsibility of the Company Secretary to oversee that necessary actions are taken expeditiously so that these issues are resolved to the satisfaction of shareholders.

Redress of Clients Complaints:

Insurance being a service industry, clients' satisfaction is of paramount importance in maintaining existing clientele base and tapping new business, thereby to achieve satisfactory business growth in the long run. Being fully aware of this, Standard Insurance Limited (SIL) always attends its client's complaints - whether related to its services or claim settlement. SIL encourages its clients to come forward with any complaint. Complaints can be lodged with the management in writing, over telephone, by e- mail or through the web site. During regular meetings with its clients of various types, the management actively solicits the clients' views on the Company's services, short- comings, if any, and their suggestions. Client's views and complaints are discussed at the Management Committee meeting held at head office and also during meetings with Branch Managers. This aspect also features prominently at the Annual Conference of the Company.

Internal Control:

The Board is responsible for ensuring that the Company has an adequate and effective control system in place. Although no system of internal financial control can provide absolute assurance against material misstatement loss. The Company's internal control system have been designed to provide the directors with reasonable assurance that assets are safeguarded against unauthorized use by the employees / or management and /or third parties, transactions are authorized and properly recorded and material error and irregularities are either prevented or detected within a reasonable period of time. Properly designed management structure, clearly defined responsibilities, delegation of authorities, establishment of accountability at each level and system of periodic reporting and monitoring performance are the key elements of the internal control framework employed in SIL.

CS, CFO & HIAC:

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

COMPANY SECRETARY (CS)

- Maintain the **necessary** liaison with the relevant offices of the Government, regulatory authorities and other stakeholders on matters of corporate interest in a transparent manner and act as a bridge between the Board, management and shareholders to facilitate good governance in the Company;
- Drive policy compliance awareness among Company employees;
- Perform the duties as per the Power of Attorney of the Company and liaison with external regulators, auditors, lawyers and other relevant authorities for court affairs;
- Compliance with acts, rules, regulations, notifications, guidelines, orders/directives, etc., as issued by the BSEC or Stock Exchange(s) applicable to the conduct of business activities of the Company;
- Disclosure of the Company's Price Sensitive Information (PSI) and other capital market related issues;
- Prepare the Company's Annual Report, holding, managing and administering Board and Committee meetings and annual meetings of shareholders;
- Monitor changes in relevant legislations and the regulatory environment, and taking appropriate actions;
- Filing statutory returns to regulatory bodies, such as RJSC, Bangladesh Bank, Bangladesh Securities & Exchange Commission (BSEC), Stock Exchanges and Central Depository System, etc.;
- Engagement with stakeholders for public affairs of the Company;
- Ensure that appropriate Board procedures are followed, as per Bangladesh Secretarial Standards (BSS), as adopted by ICSB and other guidelines and best practices and advise to the Board on such matters.

CHIEF FINANCIAL OFFICER (CFO) OR FINANCE DIRECTOR (FD)

- Oversee the overall financial management of the Company;
- Ensure overall accuracy of budgetary and financial control system and to monitor the performance of the Company, its flow of funds and adherence to the budget;
- Ensure proper tax management and compliance systems;
- Ensure national regulatory compliances as well as International Accounting Standards and Bangladesh Accounting Standards and responding to the **ever-increasing** regulatory developments, including financial reporting, capital requirements, and corporate responsibility;
- Actively participating in planning and policy-making and fixing business strategies, including **long-term** business plans;
- Liaise with the External Auditor and oversee the audit procedure;
- Prepare statutory Annual Report and circulate to stakeholders within the specified timeframe;
- Trigger and promote timely changes in the financial aspects of the Company with a view to facilitating various business improvement initiatives, like cost reduction, procurement processes, pricing processes and others;
- Act as a steward by protecting vital Company assets, complying with financial regulations, maintaining the books correctly and communicating risk and rewards with Board members and investors;
- CFO acts as a strategist, influencing the Company's future direction and providing financial leadership and alignment of finances with the business to facilitate sustainable business planning and corporate growth.

HEAD OF INTERNAL AUDIT & COMPLIANCE (HIAC)

- Prepare annual audit plans based on the results of risk analysis;
- Prepare audit programs and approaches that meet the objectives of audit that complies with internal control design and testing;
- Ensure that a proper internal control system is in place for smooth operations of the Company;
- Check compliance with internal and external regulations;
- Coordinate the analysis of risk in different areas of operations; Prepare draft audit report and conduct exit meetings to obtain management concurrence and responses;
- Prepare final audit reports and circulate the report to the Board and auditor;
- Conduct special investigation on any allegation of fraud or forgery noticed by the management;
- Perform other duties and special assignment as assigned by the Managing Director or Audit Committee;
- Establish an internal accountability and assurance framework, including how internal audit works with other providers of assurance;
- Develop annually a risk-based internal audit plan for Audit Committee's review and approval;
- Provide technical assistance with investigations and special audits and provide subject-matter expertise as needed;
- Identify loopholes and recommend risk aversion measures and cost savings;
- Maintain a comprehensive system for recording all audit plans, work papers, findings, reports and follow-up audits;
- Recommend revisions and/or additions to policies and procedures in order to improve operations as well as internal controls.