

IDRA Corporate Governance Certificate and Code



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Report to the Shareholders of Crystal Insurance Company Limited

On

Compliance on the Corporate Governance Code issued by IRDA

As per the corporate governance guidelines issued by Insurance Development and Regulatory Authority (IDRA), we have examined the compliance status to the guideline by Crystal Insurance Company Limited ("the Company") for the year ended 31 December 2023. This guideline relates to the notification no. 53.03.0000.075.22.025.2020.230 dated 19 October 2023 of IDRA ("the authority").

The authority has developed the guideline based on Insurance Act, 2010; Insurance Development and Regulatory Authority Act, 2010 (section 15 of the act) as well as National Insurance Policy, 2014 [clause 2.5(47)] to ensure good governance in the company.

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 guidelines. This is a scrutiny and verification and an independent audit on compliance of the conditions of the 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:

- a) the Company has complied with the conditions of the Corporate Governance Guidelines as stipulated in the above-mentioned guideline issued by the authority as per **Annexure- A**; and
- b) The Governance of the Company is satisfactory.

For **Jobair Satter & Co.**
Chartered Accountants

Mohammad Jobair Rahman Khan FCA
Managing Partner

Dhaka, 10 March 2024

Enclosure: Annexure A is the integral part of this certificate.

Crystal Insurance Company Limited Compliance status of Corporate Governance Guidelines issued by IDRA

Clause No.	Particulars	Compliance status		Remarks
		Complied	Not complied	
5	Governance framework			
	Governance frame work should have a system which ensure the rights of the shareholders, stakeholders and policyholders 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 14(fourteen) directors including 4(four) independent directors.
	6.2. The Board and its directors fitness 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. the 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 a cooling period of 1(one) term, he can be eligible for reappointment. C. Qualification of independent director- There are some qualification and experience shall be construed as qualification of independent director.	√		
	6.4. Role of the Board The core responsibility of the Board is to guide the company for efficient and effective management for attaining long term goal of the company. In this regard, the Board shall formulate the policies and governance guidelines.	√		
	6.5. Code of Conduct of the Board The Board shall formulate a code of Conduct for all employees including the chairman, directors and Chief Executive Officer.	√		
7	Committees of the Board			
	7.1. To ensure good governance in the company, the Board should have the following committees- (1) Audit Committee; (2) Nomination & Remuneration Committee; (3) Investment Committee; (4) Risk Management Committee; and (5) Policyholder Protection& Compliance Committee.	√		The Board at its 103 rd meeting held on 17 December 2023 formed the following committees- (3) Investment Committee; (4) Risk Management Committee; and (5) Policyholder Protection& Compliance Committee. The Audit Committee and Nomination & Remuneration Committee are already in place.
	7.2. Audit Committee A. The committee shall review the financial statements as well as oversea 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 19one) member should have 10(ten) year relevant experience. (4) Member vacancy shall be filled within 1(one) month; (5) The Company Secretary shall perform the Investment Committee; (4) Risk Management Committee; and (5) Policyholder Protection& Compliance Committee. role of secretary.	√		

Clause No.	Particulars	Compliance status		Remarks
		Complied	Not complied	
	C. The Chairman of the Audit Committee (1) Independent Director shall be the chairman of the committee; (2) Other member can act as the Chairman of the meeting but an independent director shall be present there; (3) The Chairman of the Audit Committee shall attend the AGM; (4) in the absence of the chairman, other members of the committee can attend the AGM, but the reason of absence of the chairman shall be minute in the AGM minutes.	√		The chairman of the Audit Committee was present in the last AGM.
	D. Meeting of the committee (1) At least 4(four) meeting shall be conducted. Meeting can be held with the requisition of any members in case of any emergency; (2) the quorum of the meeting shall be minimum of 2 and 2/3 rd members including 1(one) independent director.	√		
	E. Role of the Audit Committee The Board shall form a Terms of Reference (ToR) of the committee as per this guideline.	√		
	F. Rights of the committee The committee shall have the access to the information related to its function.	√		
	G. Report of the committee (1) The committee shall report to the Board of its regular activities; (2) It shall also report the board for any sensitive issued as defined in the guidelines; (3) It shall report to the authority in appropriate case as defined in the guideline; (4) It shall also report the shareholders and publish in the annual report.	√		There was no unusual matter to be reported.
8	Nomination & Remuneration Committee			
	A. Nomination & Remuneration Committee (NRC) shall assist the board in evaluating 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.	√		
	C. Chairperson of NRC (1) The board shall appoint 1(one) director as the chairperson of the committee; (2) Members can select a chairman in the absence of the chairperson of the committee, but reasons for absence 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 2/3 rd members including 1(one) independent director.	√		
	E. Role of NRC The Board shall form a Terms of Reference (ToR) of the committee as per this guideline.	√		
9	Investment Committee			
	A. The committee as the sub- committee of the board shall oversee the investment portfolio the company.			

Clause No.	Particulars	Compliance status		Remarks
		Complied	Not complied	
	B. Composition of the committee and its meeting (1) The board shall nominate at least 5(five) members in the committee including on 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 (CIO) and Chief Risk Officer (CRO) can be invited in the meeting.	√		The committee was formed accordingly on 17 December 2023 but, none of the meeting could be held in 2023 due to limitation of time as informed by the management.
	C. Role of the committee The Board shall form a Terms of Reference (ToR) of the committee as per this guideline.	√		The management informed that the preparation of ToR is under process and will be fully compliant under the guidelines in the year 2024.
10	Risk Management Committee			
	The committee shall act as sub-committee of the board to assist the board in minimizing the risk.	√		
	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). CEO shall be the member of the committee as ex-officio. CFO, Chief Investment Officer (CIO) and Chief Risk Officer (CRO) can be invited in the meeting; (3) Company Secretary shall act as the secretary of the committee.	√		The committee was formed accordingly on 17 December 2023 but, none of the meeting could be held in 2023 due to limitation of time as informed by the management.
	C. Role of the committee The Board shall form a Terms of Reference (ToR) of the committee as per this guidelines.	√		The management informed that the preparation of ToR is under process and will be fully compliant under the guidelines in the year 2024.
11	Policyholder Protection & Compliance Committee			
	A. The committee shall act as sub-committee of the board to assist the board in minimizing the grievance of the policyholders.	√		
	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. (2) The quorum of the meeting shall be 2(two). Members can select a chairman in the absence of the chairperson of the committee, but reasons for absence of regular chairman shall be minutes; (3) Company Secretary shall act as the secretary of the committee.	√		The committee was formed accordingly on 17 December 2023 but, none of the meeting could be held in 2023 due to limitation of time as informed by the management.
	C. Role of the committee The Board shall form a Terms of Reference (ToR) of the committee as per this guideline.	√		The management informed that the preparation of ToR is under process and will be fully compliant under the guidelines in the year 2024.
12	Senior Management & Key Personnel			
	(1) The company shall appoint CEO, CFO,CS,CIO,CRO and HIAC; (2) they should be qualified persons; (3) Board shall determine role and responsibilities of them; (4) They shall not be appointed in any other company as executive position.	√		We have not been provided with the information of CIO and CRO.
	12.3. Appointment of Actuaries			Not applicable for the company as the company operates non-life business.
13	Other committees			
	The company should have other committees like Corporate Social Responsibility (CSR), (Environment, Social and Governance (ESG), Integrity & Ethics Committee, Reinsurance & Restoration Committee, Asset Liability Management Committee.		√	

Clause No.	Particulars	Compliance status		Remarks
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14	Disclosable information of the Board and its committees			
	(1)Company shall keep record of the 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 members and CEO shall be published; (3) Shall disclose among others- a.No. of meeting of board and its committee held' b.Name of the mandatory committees; c. Details of remuneration paid to directors including independent directors; d. relevant other information.	√		Nothing has been disclosed in the website. Some partial information is available in annual report.
15	Related Party transactions			
	The company should have a policy to identify the related party transactions and conducting the transactions.		√	
16	Corporate Social Responsibility			
	The company must have some CSR activities and these shall be published in annual report.	√		
17	Policies of the company			
	In addition to the above policies, the following policies will help to establish good governance better.			
	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; Sudhachar Policy; Gender equality Policy; Human Resource Management Policy; Monetary 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 financials; b. Feature of the various insurance policy; c. Contact information of all key persons including chairman, all chairman of sub-committee, directors, CEO, advisor; d. Any other information as advised by the authority.	√		The company has website: https://crystalbdinsurance.com/ Contact information as prescribed are not available in the website.
19	Corporate governance compliance statement on annually			
	The Company shall submit a annual compliance statement with the authority by 31 January of the following year.	√		We have been provided with the report dated 31 January 2024, but it could not be verified whether it has been submitted duly as it has no seal of the authority.