

INFORMATION ABOUT CORPORATE GOVERNANCE

CORPORATE GOVERNANCE IS THE SYSTEM BY WHICH COMPANIES ARE DIRECTED AND CONTROLLED BY THE MANAGEMENT IN THE BEST INTEREST OF ALL THE STAKEHOLDERS, THEREBY ENSURING GREATER TRANSPARENCY AND BETTER AND TIMELY FINANCIAL REPORTING.

The maintenance of effective corporate governance remains a key priority of the Board of Reliance Insurance Limited (RIL). To ensure clarity about Directors responsibilities towards the shareholders, corporate governance must be dynamic and focused on the business objectives of the Company and should create a culture of openness and accountability. RIL considers that its corporate governance practices comply with all the aspects of BSEC Notification No. BSEC/CMMRRCD/2006-158/2007/Admin/80 dated 03 June 2018. In addition to establishing high standards of corporate governance, RIL also emphasizes best governance practices in all of its activities. The role of Board of Directors, separate and independent role of Chairman and Chief Executive Officer, distinct role of Company Secretary and Chief Financial Officer, and of different Board Committees allow RIL to achieve excellence in best corporate governance practices.

BOARD OF DIRECTORS

Composition

The Board of RIL considers that its membership should comprise of Directors with an appropriate mix of skills, experience and personal attributes that allow the Directors, individually and the Board, collectively, to discharge their responsibilities and duties under the law efficiently and effectively, understand the business of the company and assess the performance of the management.

The Board of RIL comprises of seventeen Directors who possess a wide range of skills and experience over a range of professions, business and service. All of them are nominated by their respective institutions except for four independent directors. Each of the Directors brings in independent judgment and considerable knowledge to perform their roles effectively. The Board of directors ensure that the activities of the company are always conducted with adherence to strict and highest possible ethical standards and in the best interests of the stakeholders.

The Directors are appointed by the shareholders in the Annual General Meeting (AGM). Casual vacancies, if

any, are filled in by the Board in accordance with the stipulations of the Companies Act, 1994, Notification by BSEC and Articles of Association of the Company. In addition, one third of the directors retires from the board every year in the AGM, but remains eligible for re-election.

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

The Chairperson, other Board members and Chief Executive Officer of the Company shall act within the authority conferred upon them, in the best interests of the Company and observe the following:

Prudent conduct and behavior

- The Chairperson, other Board members and Chief Executive Officer shall act honestly, ethically, in good faith and in the best interest of the Company.
- Whilst carrying out the duties, the Chairperson, other Board members and Chief Executive Officer shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Company from time to time.
- The Chairperson, other Board members and Chief Executive Officer shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
- The Chairperson, other Board members and Chief Executive Officer shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- The Chairperson, other Board members and Chief Executive Officer shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.

Confidentiality

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

Conflict of interest

- The Chairperson, other Board members and Chief Executive Officer shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company.
- The Chairperson, other Board members and Chief Executive Officer should disclose to the Board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company.
- All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

Compliance with Laws, Rules and Regulations

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

Prohibition of Insider Trading

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

Relationship with Environment

- The Chairperson, other Board members and Chief Executive Officer should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the industry it operates in.
- The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

Relationship with Employees

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

Relationship with Customers

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

Relationship with Suppliers

- This Code contains general requirements applicable to all suppliers to Company. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in the Code is meant to supersede any specific provision in a particular contract, and to the extent there is any inconsistency between the Code and any other provision of a particular contract, the other provision will prevail.
- The Chairperson, other Board members and Chief Executive Officer should act in the best interest of the Company. Accordingly, the Chairperson, other

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

Independency

- The Chairperson, other Board members and Chief Executive Officer should remain independent in all material respects.
- The Chairperson, other Board members and Chief Executive Officer should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

THE ROLES AND RESPONSIBILITIES OF THE CHAIRMAN

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

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

THE ROLES AND RESPONSIBILITIES OF THE BOARD

The Board is committed to the company seeking to achieve superior financial performance and long term prosperity, while meeting stakeholder's expectations of sound corporate governance practice. The Board determines the corporate governance arrangements for the company. As with all its business activities, the Board is proactive in respect of corporate governance and puts in all places those arrangements which it considers are in the best interest of the company and its shareholders, and consistent with its responsibilities to other stakeholders.

The Board of Directors is in full control of the company's affairs and is also fully accountable to the shareholders. It firmly believes that the success of the company largely depends on the credible corporate governance practices adopted by the Company. Taking this into consideration, the Board of Directors of RIL sets out its strategic focus and oversees the business and related affairs of the company. The Board also formulates the strategic objectives and policy framework for the company. In discharging the above responsibilities, the Board carries out, the following functions as per the charter of the Board.

- 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 so that the staff down the line is fully accountable to the corporate management.
- Delegation to Board Committees and management and approval of transactions in excess of delegated level
- Approval of annual budgets including major capital expenditure proposals
- Critical evaluation of all proposals which require Board's approval and/or directives
- Regular review of financial performance and overdue situation
- Appointment and evaluation of the performance of the top management positions
- Ensuring that the senior management team has the necessary skill and experience to perform their function effectively, in the best interest of the Company
- Monitoring the adequacy, appropriateness and operation of internal controls.

THE ROLES AND RESPONSIBILITIES OF THE CHIEF EXECUTIVE OFFICER

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

1. Develops a strategic plan to advance the company's mission and vision and to promote revenue, profitability, and growth as an organization.

2. Conducts the affairs of the Company in accordance with the practices and procedures adopted by the Board and promotes the highest standards of integrity, probity and corporate governance within the Company.
3. Recommends yearly budget for Board approval and prudently manages organization's resources within those budget guidelines according to current laws and regulations.
4. Ensures that the Company conducts all of its business activities in compliance with legal, regulatory and Company policy, controls and standards.
5. Reviews activity reports and financial statements to determine progress and status in attaining objectives and revise objectives and plans in accordance with prevailing conditions.
6. Leads the management in the day-to-day running of the Company's business in accordance with the business plans and within the budgets.
7. Implements, with the support of the management, the strategies and policies as approved by the Board and its committees in pursuit of the Company's objectives.
8. Maintains regular dialogue with the Chairman on important and strategic issues facing the Company and ensures bringing these issues to the Board's attention.
9. Ensures that the management gives appropriate priority to providing reports to the Board which contains relevant, accurate, timely and clear information necessary for the Board to fulfill its duties.
10. Leads the communication program with the shareholders.
11. The CEO shall along with CFO certify the Board that:
 - (i). they have reviewed financial statements for the year and that to the best of their knowledge and belief:
 - (a) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - (b) these statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws;
 - (ii) There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
12. Evaluates performance of top executives of the Company for compliance with established policies and objectives of the company and contributions in attaining objectives.
13. Effectively manages the human resources of the organization according to authorized personnel policies and procedures that fully conform to current laws and regulations.
14. Putting in place adequate operational planning and financial control systems.
15. Representing the company to major customers and professional associations.
16. Promotes the company to local and international communities
17. Taking remedial action where necessary and informing the board of significant changes;
18. Other roles and responsibilities as assigned by the Board of Directors.

Board Meetings

The meetings of the Board of Directors of RIL are normally held at the Registered and Corporate Head Office of the Company. The meetings are held frequently to discharge its responsibilities and functions as mentioned above. Meeting is scheduled well in advance and the notice of each Board Meeting is given, in writing, to each Director by the Company Secretary.

The Company Secretary prepares the detailed agenda for the meeting. The Board papers comprising the agenda, explanatory notes and proposed regulations are circulated to the directors in advance for their review. The Members of the Board have complete access of all information of the company enabling them to work efficiently. The Members of the Board are also free to recommend inclusion of any matter in the agenda for discussion. The Company Secretary and Chief Financial Officer and the HIAC always attend the Board Meeting and other senior management is invited to attend Board Meeting to provide additional inputs to the items being discussed by the Board and make necessary presentations.

Properly designed management structure, clearly defined responsibilities, delegation or 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 RIL.

AUDIT COMMITTEE

Composition of Audit Committee

Audit committee of Reliance Insurance Limited is a Sub-Committee of the Board of Directors. Audit Committee comprises of 3 (three) 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 & Compliance Department has direct access to the Committee and the Committee is directly reportable to the Board.

Role of the Audit Committee

According to the Terms of Reference approved by the Board and in compliance with code 5(5) of the Bangladesh Securities and Exchange Commission Notification No.

BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018, the role of the Committee is as follows:

- (i) Oversee the financial reporting process.
- (ii) Monitor choice of accounting policies and principles.
- (iii) Monitor Internal Control Risk management process.
- (iv) Oversee hiring and review performance of external auditors.
- (v) Review along with the management, the annual financial statements before submission to the Board for approval.
- (vi) Review along with the management, the quarterly and half yearly financial statements before submission to the Board for approval.
- (vii) Review the adequacy of internal audit function.
- (viii) Review statement of significant related party transactions submitted by the management.
- (ix) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditors.
- (x) When money is raised through Repeat Public Offering (RPO)/Rights Issue, the Company shall disclose to the Audit Committee about the uses/applications of funds by major category (capital expenditure, sales and marketing expenses, working capital, etc), on a quarterly basis, as a part of their quarterly declaration of financial results. Further, on an annual basis, the Company shall prepare a statement of funds utilized for the purposes other than those stated in the offer document/prospectus.

Meeting and attendance of audit committee

During the year 2021 Audit committee of the Board met four times to discharge their responsibilities. Detail of the meeting and record of attendance of the members are as follows:

Sl. No.	Name of the Director	Audit Committee Meeting		
		Total Meetings held	Meetings Attended	%
01	Mr. Habibullah Khan	1	1	100
02	Mr. Md. Habibur Rahman Mollah FCA	3	3	100
03	Mr. Imran Faiz Rahman	4	3	75
04	Mr. Azizur Rashid FCA	4	4	100

Internal Control and risk management

Although the Board of Directors is ultimately responsible for ensuring that adequate and effective internal control and risk management systems are place but Audit committee of the Board has a vital role to play. Although no system of internal financial control can provide absolute assurance against material misstatement or financial 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.

NOMINATION AND REMUNERATION COMMITTEE (NRC)

NRC Committee of Reliance Insurance Limited comprises Three members. The committee is headed by a director who is an Independent Director of the Company. Members of NRC committee are as follows -

NRC Committee Members

1.	Mr. Anis-Uz-Zaman Khan	Chairperson
2.	Mr. Shamsur Rahman	Member
3.	Mr. Arshad Waliur Rahman	Member

Terms of reference (ToR) of NRC committee in line with the corporate governance Condition no.6 (1) and other compliance as per 6(2) to 6 (5) of BSEC notification no. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3 June 2018 are as follows-

Terms of Reference

1. Purpose

- 1.1 The Committee assists 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.

2. Authority

- 2.1 The Nomination and Remuneration Committee is a Committee of the Board of Reliance Insurance Limited from which it derives its authority and to which it regularly reports.
- 2.2 The Committee has delegated authority from the Board in respect of the functions and powers set out in these Terms of Reference.

3. Constitution

- 3.1 Chairperson
 - a. One member of the NRC to be Chairperson of the Committee appointed by the Board, who shall be an independent director;
 - 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;
 - c. The Chairperson of the NRC shall attend the annual general meeting (AGM) to answer the queries of the shareholders:

Provided that in absence of Chairperson of the NRC, any other member from the NRC shall be

selected to be present in the annual general meeting (AGM) for answering the shareholder's queries and reason for absence of the Chairperson of the NRC shall be recorded in the minutes of the AGM.

3.2 Membership

- a. The Committee shall comprise of at least three members including an independent director;
- b. All members of the Committee shall be non-executive directors;
- c. Members of the Committee shall be nominated and appointed by the Board;
- d. The Board shall have authority to remove and appoint any member of the Committee;
- 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;
- 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;

3.3 Secretary

- a. The company secretary shall act as the secretary of the Committee;

4. Proceedings of Meetings

4.1 Frequency of Meetings

- a. The NRC shall conduct at least one meeting in a financial year;
- b. The Chairperson of the NRC may convene any emergency meeting upon request by any member of the NRC;

4.2 Quorum

- a. 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,
- b. The quorum of the NRC meeting shall not constitute without attendance of at least an independent director;

4.3 Meeting Fees

- a. 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.

4.4 Minutes of Meeting

- a. 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.

5. Role of NRC

5.1 NRC shall be independent and responsible or accountable to the Board and to the shareholders;

5.2 NRC shall oversee, among others, the following matters and make report with recommendation to the Board:

- a. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:

5.2.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;

5.2.2 the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and

5.2.3 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;

- b. devising a policy on Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;

- c. 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;

- d. formulating the criteria for evaluation of performance of independent directors and the Board;

- e. identifying the company's needs for employees at different levels and determine their selection, transfer or replacement and promotion criteria; and

- f. developing, recommending and reviewing annually the company's human resources and training policies;

5.3 The Committee shall report to the Board and disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

ETHICS AND COMPLIANCE

Reliance Insurance Limited provides due importance to the moral concerns in order to make the right ethical decisions in every aspects of its operation. RIL believes that upholding the interest of the customers, employees, regulators and all others stakeholders are very crucial for economic stability of any country. Enforcing a corporate code of ethics requires understanding and active participation by everyone in the Company since the code spells out the expected standards of behavior and sets the operating principles to be followed. Every official ensures that the Company, at all times, maintains high ethical standards and adequate internal control measures are in place to safeguard against unethical practices and irregularities. The Board of Directors of the Company has already introduced high level of Code of Conduct of the Board members. It also monitors strict compliance of the same and record it annually. The Company follows AML & CFT program as per the Guidelines of Bangladesh Bank to prevent fraud and corruption. All tiers of employees are continually trained on the issues.

OTHER COMMITTEES OF THE BOARD

In addition to the Audit Committee & NRC committee of the Board, there are another sub-committees of the Board namely Finance and Asset Management Committee. The main purpose of Finance and Asset Management Committee is to safeguard Company's assets and use and invest those assets in utmost profitable manner.

Finance and Asset Management Committee Members

1.	Ms. Shahnaz Rahman	Chairperson
2.	Mr. Rajiv Prasad Shaha	Member
3.	Ms. Amiran Hossain	Member
4.	Mr. Azizur Rashid FCA	Member

Human Capital

RIL believes that Human capital is vitally important for the Company's success. It is prime asset of the Company. It is the stock of competencies, knowledge and personality attributes embodied in the ability to perform jobs as to produce economic value to the Company. Human capital can be increased through education, training and experience. Reliance insurance Limited has the following policy to increase human capital:

1. Establish and administer transparent policies that enable Company to develop and implement opportunities of recruitment, promotion, remuneration, benefits, rewards and recognition system, transfer and training and performance management system without any regard to age, sex, race, political belief and religion.
2. Create a climate of trust and support within the company which encourage the employees to work well together as a team and at the same time, to encourage them to be innovative and creative in order to achieve company goals.

3. Develop an effective internal communication and involvement mechanism which encourage employees to identify them with the company and its activities.
4. Adopt and institute a planned and systematic approach to anticipated changes and develop plans for preparing employees for technological and environmental changes and accordingly Identify employees' training and developmental needs and provide them with necessary development opportunities for them to advance in their career.
5. Ensure that the employment opportunities conform to the established and acceptable practices of the country.
6. Ensure that there are proper manpower planning and forecasting system in place to ensure that there will be enough people with the right skills and talents to meet company's current and future growths and needs
7. Ensure that people with high capabilities proven by track record reach key management positions regardless of their sex, religion, cast creed, and more importantly age and seniority in addition to putting in place succession plans for all senior management positions in the company.

COMMUNICATION TO SHAREHOLDERS AND STAKEHOLDERS

Reliance Insurance Limited is committed to provide a high standard of communication to its shareholders and other investors so that they can have all information reasonably required to make informed assessments of the company's value and prospects. Some information needs to be communicated immediately in the form of price sensitive information, for which suitable procedures are in place.

Directors of the Company normally attend the Annual General Meeting and shareholders are invited to ask questions during the meeting and to meet Directors after the formal proceedings have been concluded. The Directors appreciate the importance of general shareholders of the Company and use the Company's Annual General Meeting as further opportunities to communicate with them.

It is the company's policy to give the shareholders the opportunity at Annual General Meeting to ask questions about its activities and prospects. The Board also so arranges that shareholders can vote separately on each matter, by proposing separate resolutions for each item to be considered. As in past years, the Chairman of the Company is available to answer questions from shareholders at the Annual General Meeting.

The Company also maintains a corporate website www.eliance.com.bd containing a wide range of information of the Company. The website is updated on regular basis.

MANAGEMENT REVIEW AND RESPONSIBILITIES

The Management of the company is responsible for planning, organizing, staffing, directing, and controlling in order to accomplish the Company's strategic goals. A sound corporate management needs a range of skills and

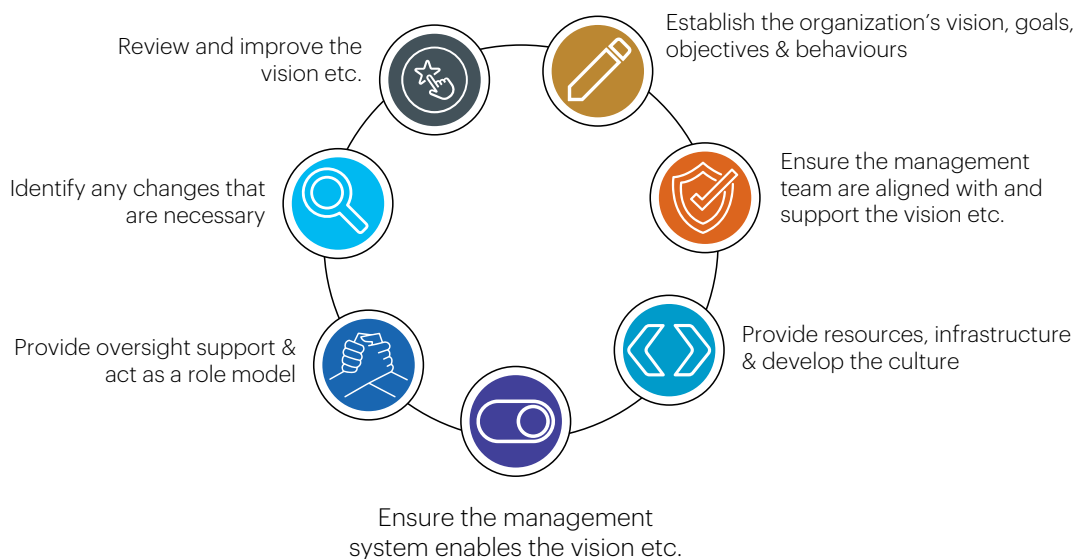
understanding to be able to deal with various business issues. It needs to be of sufficient size and have an appropriate level of commitment to fulfill its responsibilities and duties. The Management is responsible for managing and controlling the company's business and day-to-day operations with the aim of securing significant and sustained increase in the value of the company for its shareholders. The Management also has to ensure that the company's operations are in compliance with the laws and regulations.

It is the Management of who is responsible for establishing and maintaining proper internal control system, the Management having designed such control or caused such control to be designed under its supervision. The Management also has to evaluate the effectiveness of the Company's internal control system and satisfy that the internal control system were effective as of the end of the period under review.

Moreover the Management of the Company shall:

1. Demonstrate its commitment to the establishment, implementation, assessment and continual improvement of the management system and allocate adequate resources to carry out these activities.
2. Communicate to individuals the need to adopt to these individual values, Company's values and behavioral expectations as well as to comply with the requirements of the management system.
3. Foster the involvement of all individuals in the implementation and continual improvement of the management system.
4. Ensure that it is clear when, how and by whom decisions are to be made within the management system and that measurable objectives for implementing the goals, strategies and plans are established through appropriate processes at various levels in the organization.
5. Ensure that the implementation of the plans is regularly reviewed against these objectives and that actions are taken to address deviations from the plans where necessary.
6. Determine the amount of resources necessary and provide resources to carry out the activities of the organization.
7. Establish, implement, assess and continually improve the management system.
8. Determine competence requirements for individuals at all levels and provide training or take actions to achieve the required level of competence. An evaluation of the effectiveness of the actions taken shall be conducted; suitable proficiency shall be achieved and maintained.
9. Ensure that individuals are competent to perform their assigned work and that they understand the consequences for safety of their activities.
10. Ensure that Individuals shall have received appropriate education and training, and shall have acquired suitable skills, knowledge and experience to ensure their competence.
11. Determine, provide, maintain and re-evaluate the infrastructure and the working environment necessary for work to be carried out in a safe manner and for requirements to be met.

MANAGEMENT CYCLE



EVALUATION OF QUARTERLY REPORT

Quarterly Financial Reports

Quarterly Financial Report (QFR) is the interim financial report which is dealt by the International Accounting Standard (IAS) 34. Moreover, it is one of the requirements of Bangladesh Securities and Exchange Commission Corporate Governance Notification No BSEC/CMMRRCD/2006-158/134/Admin/44 dated 07 August 2012. As per IAS 34, interim financial report means a financial report containing either a complete set of financial statements or a set of condensed financial statements for an interim period. The interim financial report is intended to provide an update on the latest complete set of annual financial statements. Audit of the interim financial statements is not required.

Evaluation of Quarterly Reports

As per Bangladesh Securities and Exchange Commission (BSEC) Corporate Governance Notification and also practices of the Company, quarterly financial reports of Reliance Insurance Limited are primarily evaluated by the Audit Committee of the Board along with the Management before submitting to the Board for their final approval. While evaluating, the following events and transactions have been taken into careful considerations since disclosures of the said events and transactions are required if they are significant:

- The write-down of inventories to net realisable value and the reversal of such a write-down;
- Recognition of a loss from the impairment of financial assets, property, plant and equipment, intangible

assets, or other assets, and the reversal of such an impairment loss;

- Acquisitions and disposals of items of property, plant and equipment;
- Commitments for the purchase of property, plant and equipment;
- Litigation settlement;
- Corrections of prior period errors;
- Changes in the business or economic circumstances that affect the fair value of the entity's financial assets and financial liabilities, whether those assets or liabilities are recognized at fair value or amortized cost;
- Any loan default or breach of a loan agreement that has not been remedied on or before the end of the reporting period;
 - Related party transactions;
 - Transfer between levels of the fair value hierarchy used in measuring the fair value of financial instruments;
- Change in the classification of financial assets as a result of a in change in the purpose or use of those assets; and
- Change in contingent liabilities or contingent assets.

Evaluation Results

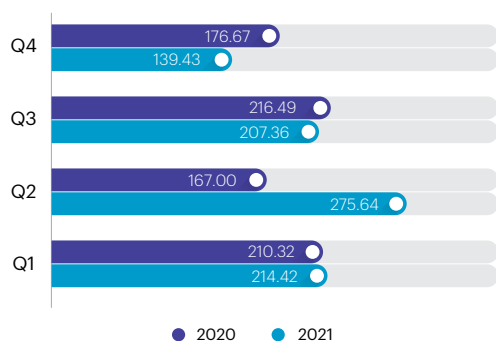
Quarterly evaluation results of the Company for the year 2021 as compared with 2020 are as follows:

Quarterly Analysis

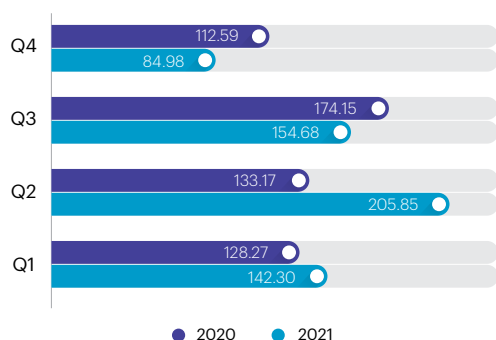
BDT Million

Particulars	2021					2020				
	Q1	Q2	Q3	Q4	Total	Q1	Q2	Q3	Q4	Total
Gross premium income	898.04	825.42	756.92	659.97	3,140.35	825.83	677.35	784.03	716.95	2,937.12
Net premium income	361.15	304.15	305.44	178.14	1,148.87	342.15	229.30	305.25	185.80	1,062.50
Net R/I Commission earned	74.15	55.51	49.74	94.03	273.45	72.00	47.08	59.49	78.75	257.32
Add : Investment & other income	69.56	107.48	63.36	78.56	318.96	67.87	57.86	152.25	99.65	377.64
Total income	504.86	467.14	418.55	350.73	1,741.27	482.02	334.25	517.00	364.20	1,697.46
M. Expenses with Claims (Allocable)	269.52	168.28	191.12	186.29	815.21	249.64	147.20	280.50	171.49	848.84
M. Expenses (Unallocable)	20.92	23.21	20.06	25.02	89.20	22.06	20.04	20.00	16.04	78.14
Total expenses	290.43	191.49	211.18	211.30	904.41	271.70	167.24	300.51	187.53	926.98
Net profit before tax	214.42	275.64	207.36	139.43	836.86	210.32	167.00	216.49	176.67	770.48
Provision for income tax	72.12	69.80	52.69	54.44	249.05	82.05	33.83	42.34	64.08	222.30
Net profit after tax	142.30	205.85	154.68	84.98	587.81	128.27	133.17	174.15	112.59	548.18
Earnings per share (EPS) in taka	1.35	1.96	1.47	0.81	5.59	1.22	1.27	1.66	1.07	5.21

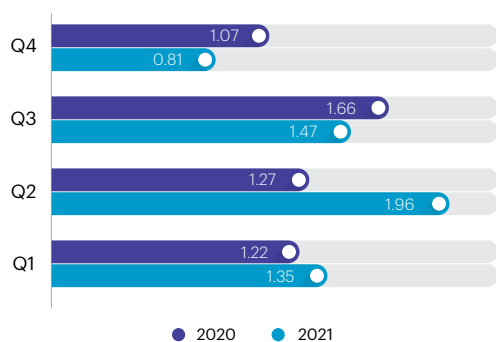
Net Profit Before Tax



Net Profit After Tax



Earnings per share



GOING CONCERN

Financial Statements are normally prepared on the assumption that an enterprise is a going concern and will continue in 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 disclosed. On the other hand Listed Companies are required by BSE to report on its ability to continue as going concern.

The Board of Directors of Reliance Insurance Limited has made annual assessment about whether there exist material uncertainties which may cast significant doubt upon the Company's ability to continue as going concern. The director's 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 from the following indications, which give reasonable assurance as to company's ability to continue as a going concern for the foreseeable future.

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 flows
- Positive key financial ratios
- Consistent payment of dividends
- Credibility in payment of obligations
- Performance growth
- Positive underwriting results and trends

Operating Indications

- No key management turnover
- Good business expansion
- Spread of business across diverse clientele
- Good market reputation and clients satisfaction
- Good Corporate environment and employee satisfaction

Other Indications

- Maintenance of sufficient capital base as required by law
- Strong equity base
- Strong claim Paying Ability (CPA)
- Anticipates no significant change in legislation or government policy

GOOD GOVERNANCE AND RIL

Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions. It starts with a clear strategy for the organization. In good governance, accountability is a fundamental requirement and those charged with the governance have obligations to report, explain and are answerable for the consequences of decisions it has made. In good governance, stakeholders should be able to follow and understand the decision-making process. This means that they will be able to clearly see how and why a decision was made – what information, advice and consultation considered, and which legislative requirements they followed. In good governance, fairness and transparency are always prioritized. Good governance identifies ways to improve company practices and also promotes social good by investing in the society. All men and women should have a voice in decision-making. Reliance Insurance Limited has considered all the said characteristics of good governance and applied in its decision making process. Strong and ethical Board, sound decision making process, equitable men and women representation in the Board, effective management representation in the Board, qualified and professional management, low employees turnover, steady and stable growth, consistence return of investment, compliances of laws and regulations are the instances of good governance realization.