

ANNUAL REPORT 2018		SUNLIFE INSURANCE COMPANY LIMITED		
Status of Compliance with the conditions imposed by the Bangladesh Securities and Exchange Commission's Notification No.SEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 issued under section 2CC of the Securities and Exchange Ordinance, 1969 is presented below:				
Our observation on Compliance Status prepared for the year ended on 31st Dec. 2018 of Sunlife Insurance Company Limited, as maintained by the company is mentioned below:				
<b>(Report under Condition No.9)</b>				
Condition No.	Title	Compliance Status		Explanation for Non compliance with the condition
		Complied	Non-Complied	
<b>1</b>	<b>Board of Directors</b>			
1.1	Board's Size (The total number of the Board members shall not be less than 5 and more than 20).	√		
<b>1.2</b>	<b>Independent Directors</b>			
1.2 (a)	At least one fifth (1/5) of total number of directors in the company's Board shall be independent directors, any fraction shall be considered to the next integer or whole number for calculating number of independent director's	√		
<b>1.2</b>	<b>Independent director means a director</b>			
1.2 (b)(i)	Who either does not hold any share in the company or holds less than 1% shares of the total paid-up shares of the Company.	√		The independent Directors have declared their compliances
1.2(b)(ii)	Who is not a sponsor of the company or is not connected with the company's any sponsor or director or nominated director or shareholder of the company or any of its associates, sister concerns, subsidiaries and partners or holding entities who holds 1% or more shares of the total paid-up shares of the company on the basis of family relationship and his/her family members also should not hold above mentioned shares in the company.	√		
Provided that spouse, son, daughter, father, mother, brother, sister, son-in-law and daughter-in-law shall be considered as family members				

1.2(b)(iii)	who has not been an executive of the company in immediately preceding 2 (two) financial years;	√		
1.2(b) (iv)	Who does not have any other relationship, whether pecuniary or otherwise, with the company or its subsidiary/associated companies	√		
1.2(b)(v)	Who is not a member or TREC (Trading Right Entitlement Certificate) holder, director or officer of any stock exchange.	√		
1.2(b)(vi)	Who is not a shareholder, director excepting independent director or officer of any member or TREC holder of stock exchange or an intermediary of the capital market.	√		
1.2 (b)(vii)	Who is not a partner or an executive or was not a partner or an executive during the preceding 3 (three) years of the concerned company's statutory audit firm or audit firm engaged in internal audit services or audit firm conducting special audit or professional certifying compliance of this Code.	√		
1.2(b) (viii)	Who is not independent director in more than 5 (five) listed companies.	√		
1.2 (b) (ix)	Who has not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan any advance to a bank or a Non-Bank Financial Institution (NBFI).	√		
1.2 (b) (x)	Who has not been convicted for a criminal offence involving moral turpitude.	√		
1.2 ( c)	The Independent Directors shall be appointed by board of directors approved by the shareholders in the Annual General Meeting (AGM).	√		
1.2(d)	The post of Independent Director cannot remain vacant for more than 90 (ninety) days;	√		
1.2(e)	The tenure of office of an Independent Director shall be for a period of 3 (three) years, which may be extended for 1 (one) tenure only.	√		
	Provided that a former independent director may be consider for re-appointment for another tenure after a time gap of one tenure, i.e. three years from his or her completion of consecutive two tenures [i.e. six years] . Provided further that the independent director shall not be subject to retirement by rotation as per the (Companies Act 1994)			

<b>1.3</b>	<b>Qualification of Independent Directors</b>			
1.3(a)	Independent Director Shall be a Knowledgeable individual with integrity who is able to ensure compliance with financial laws, regulatory and corporate laws and can make meaningful contribution to business.	√		Complied-Disclosed in Annual Report 2018 Profile of Directors.
<b>1.3(b)</b>	<b>Independent Director shall have following qualification:</b>			
1.3(b) (i)	Business leader who is or was a promoter or director of an unlisted company having minimum paid-up capital of Tk. 100.00 million or any listed company or a member of any national or international chamber of commerce or business association. Or	√		
1.3(b) (ii)	Corporate Leader who is or was a top level executive not lower than Chief Executive Officer or Managing Director or Deputy Managing Director or Chief Financial Officer or Head of Finance or Accounts or Company Secretary or Head of Internal Audit and Compliance or Head of Legal Service or a candidate with equivalent position of an unlisted company having paid-up capital of Tk.100.00 million or of a listed company: or	√		
	<b>Explanation:</b> Top level executive includes Managing Director (MD) or Chief Executive Officer (CEO),Additional or Deputy Managing Director (AMD or DMD),Chief Operating Officer (COO),Chief Financial Officer (CFO),Company Secretary (CS),Head of Internal Audit and Compliance (HIAC),Head of Administration and Human Resources or equivalent positions and same level or ranked or salaried officials of the company.			
1.3(b)(iii)	Former official of government or statutory or autonomous or regulatory body in the position not below 5th Grade of the national pay scale, who has at least educational background of bachelor degree in economics or commerce or business or Law, or	√		
1.3(b)(iv)	University Teacher who has educational background in Economics or Commerce or Business Studies or Law or	√		

1.3(b)(v)	Professional who is or was an advocate practicing at least in the High Court Division of Bangladesh Supreme Court or a Chartered Accountant or Cost and Management Accountant or Chartered Financial Analyst or Chartered Certified Accountant or Certified Public Accountant or Chartered Management Accountant or Chartered Secretary or equivalent qualification.	√		
1.3(c)	The independent director shall have at least 10 (ten) years of experiences in any field mentioned in clause (b)	√		
1.3(d)	In special cases, the above qualifications or experiences may be relaxed subject to prior approval of the Commission.	√		
<b>1.4</b>	<b>Duality of Chairperson of the Board of Directors and Managing Director or Chief Executive Officer</b>			
1.4(a)	The positions of the Chairperson of the Board and the Managing Director (MD) and/or Chief Executive Officer (CEO) of the company shall be filled by different individuals.	√		
1.4(b)	The Managing Director (MD) and/or Chief Executive Officer (CEO) of a listed company shall not hold the same position in another listed company.	√		
1.4(c)	The Chairperson of the Board shall be elected from among the non-executive directors of the company.	√		
1.4(d)	The Board shall clearly define respective roles and responsibilities of the Chairperson and the Managing Director and/or Chief Executive Officer.	√		
1.4(e)	In the absence of the Chairperson of the Board, the remaining members may elect one of themselves from non-executive directors as Chairperson for that particular Board's meeting the reason of absence of the regular Chairperson shall be duly recorded in the minutes.	√		
<b>1.5</b>	<b>The Directors' report to the Shareholders. The directors report shall include the following additional statement</b>			
1.5(i)	An Industry outlook and possible future developments in the industry.	√		
1.5(ii)	Segment-wise or product-wise performance;	√		



1.5(iii)	Risks and Concerns including internal and external risk factors, threat to sustainability and negative impact on environment, if any;	√		
1.5(iv)	A discussion on Cost of goods sold, Gross profit margin and Net profit margin, where applicable;			N/A( applicable)
1.5(v)	A discussion on continuity of any extra-ordinary activities and their implications (gain or loss).			N/A( applicable)
1.5(vi)	A detailed discussion on related party transactions along with a statement showing amount, nature of related party ,nature of transactions and basis of transactions of all related party transactions;	√		
1.5(vii)	A statement of utilization of proceeds raised through public issues, rights issues and/or any other instrument.	Not applicable		
1.5(viii)	An explanation if the financial results deteriorate after the company goes for Initial Public Offering (IPO), Repeat Public Offering ( RPO), Rights Share Offer and Direct Listing etc.	Not applicable		
1.5(ix)	An explanation on any significant variance that occurs between Quarterly Financial performances and Annual Financial Statement.	√		
1.5(x)	A statement of remuneration paid to the directors including independent directors.	√		Disclosed in the Financial Statement as at 31.12.2018 notes no 28
1.5(xi)	A statement that the financial statements prepared by the management of the issuer company present fairly its state of affairs, the result of its operations, cash flows and changes in equity.	√		
1.5(xii)	A statement that proper books of account of the issuer company have been maintained.	√		
1.5(xiii)	A statement that appropriate accounting policies have consistently applied in preparation of the financial statement and that the accounting estimates are based on reasonable and prudent judgment.	√		
1.5(xiv)	A statement that International Accounting Standard (IAS) or International Financial Reporting Standards (IFRS), as applicable in Bangladesh have been followed in preparation of the financial statements and any departure there from has been adequately disclosed.	√		

1.5(xv)	A statement that the system of internal control is sound in design and has been effectively implemented and monitored.	√		
1.5(xvi)	A statement that minority shareholders have been protected from abusive actions by, or in the interest of ,controlling shareholders acting either directly or indirectly and have effective means of redress	√		
1.5(xvii)	A statement that there is no significant doubt upon the issuer company's ability to continue as a going concern ,if the issuer company is not considered to be a going concern, the fact along with reasons there of shall be disclosed	√		
1.5(xviii)	An explanation that significant deviations from the last year's operating results of the issuer company shall be highlighted and the reasons thereof shall be explained.	√		
1.5(xix)	A statement where key operating and financial data of at least preceding 5(five) years shall be summarized.	√		
1.5(xx)	An explanation on the reasons for not declared dividend (cash or stock) for the year.	√		
1.5(xxi)	Board's statement to the effect that no bonus share or stock dividend has been or shall be declared as interim dividend	√		
1.5(xxii)	The total number of Board meetings held during the year and attendance by each director.	√		Disclosed in Director Report to shareholders
<b>1.5(xxiii)</b>	<b>A report on the pattern of shareholding and name wise details (disclosing aggregate number of shares)</b>			
1.5(xxiii) (a)	Parent/subsidiary/associated companies and other related parties (Name wise details).	√		Disclosed in Director Report to shareholders
1.5(xxiii) (b)	Directors, Chief Executive Officer (CEO), Company secretary (CS), Chief Financial Officer (CFO), Head of Internal Auditor (HIA) and their spouses and minor children (Name wise details).	√		
1.5(xxiii) (c)	Executives; and	√		
1.5(xxiii) (d)	Shareholders holding ten percent (10%) or more voting interest (Name wise details).	√		
	<b>Explanation:</b> For the purpose of this clause, the expression "executive" means top 5 (five) salaried employees of the company, other than the Directors, Chief Executive Officer, Company Secretary, Chief Financial Officer, and head of Internal Audit and Compliance			

<b>1.5 (xxiv)</b>	<b>In case of the appointment/re-appointment of a director, disclose</b>		
1.5 (xxiv) (a)	A brief resume of the director.	√	
1.5 (xxiv) (b)	Expertise in specific functional areas.	√	
1.5 (xxiv) (c)	Names of companies in which the person also held the directorship and the membership of committees of the board other than this company.	√	
<b>1.5 (xxv)</b>	<b>A Management's Discussion and Analysis signed by CEO or MD presenting analysis of the company's position and operations along with a brief discussion of changes in the financial statements, among others, focusing on</b>		
1.5 (xxv)(a)	accounting policies and estimation for preparation of financial statements	√	
1.5 (xxv)(b)	changes in accounting policies and estimation ,if any, clearly describing the effect on financial performance or results and financial position as well as cash flows in absolute figure for such changes	√	
1.5 (xxv)(c)	comparative analysis (including effects of inflation) of financial performance or results and financial position as well as cash flows for current financial year with immediate preceding five years explaining reasons thereof.	√	
1.5 (xxv)(d)	compare such financial performance or results and financial position as well as cash flows with the peer industry scenario	√	
1.5 (xxv)(e)	briefly explain the financial and economic scenario of the country and the globe	√	
1.5 (xxv)(f)	risks and concerns issues related to the financials statements, explaining sch risk and concerns mitigation plan of the company	√	
1.5 (xxv)(g)	future plan or projection or forecast for company's operation, performance and financial position, with justification thereof, i.e.; actual position shall be explained to the shareholders in the next AGM;	√	
1.5 (xxvi)	Declaration or certification by the CEO and the CFO to the Board as required under condition No .3(3) shall be disclosed as per <b>Annexure-A</b> ; and	√	

shall be disclosed



1.5 (xxvii)	The report as well as certificate regarding compliance of conditions of this Code as required under condition No 9 shall be disclosed as per <b>Annexure-B</b> and <b>Annexure-C</b>	√		
<b>1.6</b>	<b>Meeting of the Board of Directors</b>			
	The company shall conduct its Board meetings and record the minutes of the meetings as well as keep required books and records in line with the provisions of the relevant Bangladesh Secretarial Standards (BSS) as adopted by the Institute of Chartered Secretaries of Bangladesh (ICSB) in so far as those standards are not inconsistent with any condition of this Code	√		
<b>1.7</b>	<b>Code of Conduct for the Chairperson, other Board members and Chief Executive Officer</b>			
1.7(a)	The Board shall lay down a code of conduct, based on the recommendation of the Nomination and Remuneration Committee (NRC) at condition No 6, for the Chairperson of the Board, other board members and Chief Executive Officer of the company.	√		
1.7(b)	The code of conduct as determined by the NRC shall be posted on the website of the company including ,among others, prudent conduct and behavior, confidentiality, conflict of interest, compliance with laws, rules and regulations, prohibition of insider trading, relationship with environment, employees, customer and suppliers, and independency	√		
<b>2</b>	<b>Governance of Board of Directors of Subsidiary Company</b>			
2(a)	Composition of the Board of the holding company shall be made applicable to the composition of the Board of the subsidiary company.			N/A , because no subsidiary
2(b)	Least 1 (one) Independent Director on the board of the holding company shall be a director on the of the subsidiary company.			N/A
2( c )	Submission of minutes to the holding company for review in the following board meeting..			N/A
2(d)	Review of minutes by the holding company.			N/A
2( e )	Review of financial statements by holding company.			N/A
<b>3</b>	<b>Managing Director (MD) or Chief Executive Officer (CEO) Chief Financial Officer(CFO), Head Of Internal Audit and Compliance (HIAC)&amp; Company Secretary (CS)</b>			
<b>3.1</b>	<b>Appointment</b>			