

# CODE OF CONDUCT FOR BOARD OF DIRECTORS

## 1. INTRODUCTION

The directors of Desh General Insurance Company Limited adopt this Code of Conduct (the Directors' Code') to assist directors in fulfilling their duties to the Company. The directors are entrusted with the responsibility to oversee the management of the business and affairs of the Company. As the Company's policymakers, the directors set the standard of conduct for all directors (Board Members) including independent directors.

Desh General Insurance Company Limited has a long-standing commitment to compliance with applicable laws and regulations and to operating in accordance with the highest standards of business conduct.

## 2. DIRECTORS RESPONSIBILITY

Each director should seek to use due care in the performance of his/her duties, be loyal to the company and act in good faith and in a manner, the director reasonably believes to be in or not opposed to the best interests of the company. A director should:

- a) Use reasonable efforts to attend Board and committee meetings regularly.
- b) Dedicate sufficient time, energy and attention to the company to ensure diligent performance of his/her duties, including preparing for meetings and decision making by reviewing in advance any materials distributed and making reasonable inquiries;
- c) Be aware of and seek to fulfil his or her duties; and responsibilities as set forth in the company's memorandum of association, article; of association and corporate governance guidelines; and
- d) Seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies.

## 3. INDEPENDENT DIRECTOR

According to the Bangladesh Securities and Exchange Commission (BSEC) Notification No: SEC/CMRRCD/2006-1581134/admin/44 dated 7 August 2012 every Independent Director will have to ensure the Board that he:

- a) holds less than one percent (1 %) shares of the total paid-up shares in the Company;
- b) is not a sponsor of the Company, nor connected (on the basis of family relationship) with the any of the Company's sponsors, directors or shareholder who holds one percent (1 %) or more of the total paid-up shares of the Company;
- c) does not have any other relationship, whether pecuniary or otherwise, with the Company or its subsidiary/associated companies;
- d) is not a member, director or officer of any stock exchange;
- e) is not a shareholder, director or officer of any member of stock exchange or capital markets intermediary;
- f) not and have not been acting as a partner or executive of the Company's statutory audit firm, during the preceding 3 (three) years;
- g) not an independent director in more than 3 (three) listed companies;
- h) not been convicted by a court of competent jurisdiction as a defaulter in payment of any loan to a bank or a Non-Bank Financial Institution (NBFI); and
- i) not been convicted for a criminal offence involving moral turpitude.

#### 4. CONFLICTS OF INTEREST

- (a) Directors are prohibited from taking a position with, or performing consulting services for a competitor, supplier or customer of the Company, or with any other organization which might deprive the Company of the full loyalty and services of the director.
- (b) Neither directors nor their spouses or minor children may hold investments in any privately held company doing business with the Company.
- (c) Directors may not do business with a company employing a close relative of the director unless full disclosure is made and prior written approval is obtained from the Board of Directors.

#### 5. LOANS

A director except executive directors will not obtain any loan from the Company.

## **6. COMPLIANCE WITH LAW / GIFTS / BRIBES / POLITICAL CONTRIBUTIONS**

(a) Directors are expected to comply with applicable laws, rules and regulations of the country in which they are located.

(b) No director may, directly or indirectly, pay any government official, customer or supplier (actual or potential) any bribe, kickback or commission to obtain preferential treatment, or to obtain or retain business for the Company. This does not prohibit gifts of nominal value or casual entertainment, as appropriate in the particular environment, facilitating payments as discussed below, or commission payments to authorized agents.

(c) No director may, directly or indirectly, accept any bribe, kickback, payment or gift from any customer, supplier or competitor of the Company. This policy does not prohibit the acceptance of gifts of nominal value or casual entertainment, as appropriate in the particular environment.

(d) No director may, directly or indirectly make any political contribution of any kind on behalf of the Company.

## **7. FACILITATING PAYMENTS**

In many parts of the world it is customary or even necessary for companies to make "facilitating" payments to government officials to persuade them to perform functions or services which they are obligated to perform as part of their governmental responsibilities. It is the Company's policy to strongly discourage these payments.

## **8. COMPANY PROPERTY**

Directors have a responsibility to safeguard and properly use company assets and resources, as well as assets of other organizations that have been entrusted to the company. Except as specifically authorizes, company assets, including company equipment, materials, resources and proprietary information, and must be used for company business purpose only.

## **9. FAIR DEALING**

Directors should endeavor to deal fairly with the company's customers, suppliers, competitors and employees and should never take unfair advantage of others through

manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

## 10. COMPLIANCE WITH LAWS AND REGULATIONS

The company is committed to compliance with those acts, rules and regulation" that govern the conduct of our business.

Suspected violations of this code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations will be appropriately investigated. Directors who violate this code may be subject to sanctions, up to and including a request to resign as Director Of the Board's seeking removal of the Director, where permitted by applicable law.

A director charged with a violation of this Directors' code should not [participate in a vote of the committee of the Board concerning his/her alleged violation, but may be present at a meeting of the Board or Committee convened for that purpose.

Any waiver of this Directors code must be approval by the Board of Director and publicly disclosed as required by law or regulation.

## 11. NO RIGHTS CREATED

The directors' code sets forth guidelines for conduct for the Board of Directors. It *is* not intended to and does not create any rights in any director, officer, employee, client, supplier, competitors, shareholders or any other person or entity.

## 12. FRAUDULENT CONDUCT

The Company relies on the personal integrity of all directors in safeguarding the Company's assets, including the Company's intellectual property, against damage, theft, fraud and unauthorized use. Prohibited irregularities include, but are not limited to, dishonest or fraudulent activity which results in the misappropriation of the Company assets for personal gain.

## 13. CONFIDENTIAL INFORMATION AND INSIDER TRADING

(a) Directors may become aware of confidential (non-public) information concerning the affairs and business transactions of the Company, its present or prospective customers, its suppliers, its shareholders or other employees. No Director may disclose such information to persons outside of the Company, nor may they use this information for their personal benefit or for the benefit of any person outside of the Company, nor may they share this information other than with the Company employees who have a legitimate "need to know".

(b) "Insider trading" means using confidential material information about the Company, its customers, or its suppliers, to achieve an unfair advantage in the buying or selling of the Company's common shares or other securities. Material information" is usually defined as information which, if publicly disclosed, would reasonably be expected to influence the decision of a reasonable investor to buy, hold or dispose of securities of the corporation.

(c) Insider trading is both unethical and illegal. It is also illegal to pass on undisclosed material information to anyone, other than in the necessary course of business.

Directors who involve themselves in insider trading (either by personally engaging in trading or by disclosing confidential material information to others) are subject to termination and prosecution. These provisions apply as well to their spouse and members of their immediate family living at home.

The End

**DESH GENERAL INSURANCE COMPANY LIMITED**  
**CODE OF CONDUCT FOR BOARD OF DIRECTORS**  
**YEAR 2021 COMPLIANCE CERTIFICATE**

I certify that I have read and understand the Desh General Insurance Company Limited Code of Conduct and acknowledge that it is my responsibility to comply with this Code. I further certify that for the year 2021, except as noted below:

(a) I complied with the Code;

(b) I understand this Code also applies to 2021 and that I should report any known or suspected violations promptly.

(Please note that facilitating payments, as defined and permitted by the Code, and political contributions, as permitted by the Code, must be detailed below.)

**EXCEPTIONS**

A. Please list below (or write "none") any violations of the Code which you believe may have occurred in 2021 by you, by those reporting to you, or of which you are otherwise aware, noting the specific paragraph of the Code which you think may have been violated and providing additional identifying details (if in doubt about a specific incident please report it).

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B. Facilitating Payments. Please list below (or write " none") those facilitating payments made in 2021, as defined and permitted by the Code, giving the reason for those payments and the amounts.

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C. Political Contributions. Please list below (or write "none") any political contributions made in 2021 on behalf of the Company by you or by those reporting to you, as permitted by the Code, giving the reason for those contributions and amounts.

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Date: .....

Signature

Name (please print or type) & Title