

Code of Conduct for the Chairman

Background and Purpose

The Chairman is the presiding member of the Board of Directors (“Board”). As the Board has ultimate accountability for the management of the Company, the Chairman must ensure that the relationships between the Board and Management, shareholders, other stakeholders and the individuals on the Board are effective and efficient and further the best interests of the Company. In performing this role, the Chairman has to work with the Chief Executive Officer (“CEO”) for managing activities of the Board.

The Articles of Association of a Company generally specify the procedure/manner of appointment / selection of the Chairman and his/her roles and responsibilities. Articles 133, 134, 135, 82, 84 and 104 of the Articles of Association of Green Delta Insurance Company Limited specially deal with this issue.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]. The conditions of the Corporate Governance Guidelines are imposed on ‘comply’ basis aiming to enhance corporate governance in the interest of investors and the capital market. The companies listed with any Stock Exchange in Bangladesh shall comply with these conditions. As per condition 1.4 of the said guidelines, “the Board of Directors of a listed company shall clearly define the roles and responsibilities of the Chairman.”

In view of the above, the Board of Directors of Green Delta Insurance Company Limited defined the roles and responsibilities of the Chairman

Appointment / Selection of the Chairman

As per the Articles of Association-

- The Board Members shall select/appoint from amongst themselves a Chairman for such a period as may be decided by the Board.
- If at any meeting of the Board, the Chairman be not present at the time appointed for holding the same, the Board Members shall choose another Director to preside over that meeting.
- If at any meeting of the General Members, the Chairman be not present within fifteen minutes after the time appointed for holding the same or is unable to be present due to illness or any other cause or is unwilling to act, the Directors present may choose one of their members to act as Chairman of the meeting and in default of their doing so, the members present shall choose one of the Directors to take the chair and if no Director is present or the Directors be not willing to take the chair, the members present shall choose one of them to be the Chairman of the meeting.

Roles & Responsibilities of the Chairman

- The duties of the Chairman, which is a non-executive role, arise from his senior most position in the Company and his responsibility for presiding over the official business of the Company and the Board.
- While working with the Board, the Chairman shall:
 - (i) ensure that the Board has full governance of the Company’s business and affairs and that the Board is alert to its obligations to the Company, shareholders, Management, other stakeholders and under the law;
 - (ii) set the agenda for discussion at Board Meetings and General Meetings and ensure that adequate time is available for discussion of agenda items;
 - (iii) set the frequency of the Board meetings and review such frequency from time to time as considered appropriate or as requested by the Board;
 - (iv) chair all Board meetings and manage the business of the Board ensuring that the Board adopts a prompt and constructive approach to making decisions;
 - (v) provide strong leadership of the Board and assist it in reviewing and monitoring the aims, strategy, policy and directions of the Company;

- (vi) communicate with the Board to keep it up-to-date on all major developments, including avoiding surprises through timely discussion of potential developments and ensuring the Board has sufficient knowledge to permit it to comfortably and properly make major decisions when such decisions are required;
 - (vii) recommend the committees of the Board and their composition, review the need for and the performance and suitability of those committees, and make such adjustments as are deemed necessary from time to time;
 - (viii) be entitled to attend all committee meetings;
 - (ix) ensure that Board and committee meetings are conducted in an efficient, effective and focused manner;
 - (x) ensure that the corporate governance of the company is maintained in line with appropriate practice policies agreed by the Board;
 - (xi) annually review Board governance and performance of the Board (leading the process for the Board's annual performance evaluation and the evaluation of its committees and individual directors and acting on the results of such evaluation by recognizing the strengths and weaknesses of the Board);
 - (xii) be the contact person for the expression of individual director concerns;
 - (xiii) foster a culture of openness and engagement by facilitating the effective contribution of all directors, in particular non-executive directors and ensuring constructive relations between executive and non-executive directors;
 - (xiv) ensure that new directors participate in a full, formal and tailored induction program and that the development needs of the directors and the Board as a whole are identified and are met to enhance the effectiveness of the Board; and
 - (xv) be available to assist committee chairs in carrying out their responsibilities and in addressing their concerns.
- B. While working with the Management, the Chairman shall:
- (i) act as the principal of the board and counselor for the CEO, including helping to define problems, review strategy, maintain accountability, build relationships, and ensure the CEO is aware of concerns of the Board, shareholders and other stakeholders;
 - (ii) keep under review with the Board the general progress and long-term development of the company and ensuring that effective strategic planning for the company is undertaken by the CEO and endorsed by the Board after discussion, consistent with creating shareholder value and promoting the long-term success of the company for the benefit of its members as a whole;
 - (iii) ensure the submission to the Board by the CEO of objectives, policies and strategies for the company, including the company business plan and the annual budget;
 - (iv) monitor progress towards timely and effective achievement and implementation of the objectives, policies and strategies set by the Board and ensure that appropriate decisions are taken promptly by or on behalf of the Board;
 - (v) lead the Board in:
 - (a) formally appraising, monitoring and evaluating the performance of the CEO and make appropriate recommendations to the remuneration committee;
 - (b) ensuring accountability of the CEO;
 - (c) ensuring the implementation of the succession and development plans by the CEO; and
 - (d) as appropriate, review with the CEO his recommendations on performance and remuneration of executive directors and/or senior executives;
 - (vi) work with the CEO and Company Secretary to coordinate the agenda, information packages and related events for Board meetings.
 - (vi) ensure that there is appropriate delegation of authority from the Board to Executive Management;

- (vii) provide advice to the CEO on the allocation of duties to individual directors and assignment of ad hoc responsibilities or special tasks to directors or groups of directors;
- C. Recognizing the CEO as the primary spokesperson, the Chairman shall:
- (i) chair all meetings of shareholders;
 - (ii) undertake public service as agreed with the CEO in connection with the Company's charitable, educational and cultural activities;
 - (iii) participate with CEO, as appropriate, in corporate relations, including relations with the shareholders, customers, government, other companies, the media and stakeholders generally; and
 - (iv) hold meetings with the non-executive directors without the executive directors being present.

Conclusion

- This document is applicable with immediate effect.
- The Board shall have the authority to make amendment to this document at any time.

Code of Conduct for Board Members:

Background and Purpose

A Board of Directors is a body of elected or appointed members who collectively oversee the activities of a company. Its activities are determined by the powers, duties and responsibilities delegated to it or conferred on it by an authority and these matters are typically detailed in the Articles of Association. The Articles of Association commonly also specify the number of members of the Board, how they are to be appointed, when they are to meet and the manner/ procedure they should follow. In addition to that the Board may lay down a code of conduct for its members. Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 03 June 2018]. The conditions of the Corporate Governance Guidelines are imposed on 'comply' basis aiming to enhance corporate governance in the interest of investors and the capital market. The companies listed with any Stock Exchange in Bangladesh shall comply with these conditions. As per condition 1.2(v) of the said guidelines, the Board of Directors of a listed company shall lay down a code of conduct of all Board Members and annual compliance of the code to be recorded.

In view of the above, the Board of Directors of Green Delta Insurance Company Limited laid down a Code of Conduct for the Board Members.

Code of Conduct

1. The Chairman

- The Board Members shall elect a Chairman from amongst themselves for such a period as may be decided by the Board. If at any meeting of the Board, the Chairman be not present at the time appointed for holding the same, the Board Members shall choose another Director to preside over that meeting.
- The Chairman is expected to lead the Board of Directors with reasonable restraint and should at all times strive to build consensus on all contentious matters where there is divergence of opinion expressed in the course of performance of their jobs as such.
- The Chairman as the first among equals should act as an honest spokesperson of the Board and air only views already debated and decided upon by the Board. In other words his/her personal opinions/ wish lists should be avoided in press conferences and meets. It would be proper to have certain key issues decided at the Board before they are made public.

2. General Duties

- Fiduciary Duties

The duties imposed on Board Members are fiduciary duties, similar to those that the law imposes on those in similar positions of Trust: Agents and Trustees.

- Powers vs Duties

The duties apply to each Board Member separately, while the powers apply to the Board jointly.

- Contribution in Meetings/Debates
The Board Members are expected to contribute to the debates in the Board without any personal biases or other prejudices with the conviction and belief that the outcome of every debate would be towards the advancement of the company.
3. Proper purpose
 - Board Members must exercise their powers for a proper purpose.
 4. Unfettered discretion
 - Board Members cannot, without the consent of the company, fetter their discretion in relation to the exercise of their powers, and cannot bind themselves to vote in a particular way at future board meetings.
 5. Transactions with the company
 - A Board Member shall not enter into a transaction with a company where there is a conflict between his interest and duty without the knowledge of the Board.
 - It is a statutory duty of the director(s) to declare interests in relation to any transactions, and to make proper disclosure thereof.
 6. Use of corporate property, opportunity or information
 - A Board Member must not, without the informed consent of the company, use company's assets, opportunities, or information for his/her own profit.
 7. Competing with the company
 - A Board Member must not compete directly with the company without a conflict of interest arising.
 - A Board Member should not act as a director of any competing companies, as his/her duties to each company would conflict with each other.
 8. Confidentiality
 - Each Board Member must use utmost care and discretion in the handling of confidential information and other information not normally available to the public, generally coming to them by reason of their directorship, office or employment. Such information shall, subject to certain limited circumstances, not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family, friends, or associates.
 9. Conflict of duty and interest
 - As fiduciaries, the Board Members must not put themselves in a position where their interests and duties conflict with the duties that they owe to the company.
 - Each and every Board Member has an obligation of loyalty to the company and should subordinate his/her personal interest when they conflict with or threaten to conflict with the best interests of the company.
 - Each and every Board Member shall declare all actual or potential material conflicts that may arise between their duty to (i) the company and (ii) their personal obligations, other fiduciary duties or financial interests (direct or indirect) and these conflicts shall be reported to the Chair.
 - A Board Member should not engage directly or indirectly, as a director, officer, employee, consultant, partner, agent or major shareholder in any business or undertaking that competes with, does business with or seeks to do business with the company.
 - With respect to restricted party transactions, full disclosure of material transactions shall be recorded in the board's minutes and will be transacted in accordance with legislated restrictions.
 - To avoid conflicts of interest, the Board Members must do more than merely act within the law. They must conduct their affairs in such a manner that their performance will at all times bear public scrutiny. The appearance of conflict of interest as well as the conflict itself must be avoided.

10. Accepting Gifts

- No Board Member shall accept any gift, hospitality or favor offered or tendered by virtue of the position with the company.
- When dealing with public officials whose responsibilities include the business of the company, acts of hospitality should be of such a scale and nature so as to avoid compromising the integrity or reputation of either the public official or the company. Such acts of hospitality should be undertaken in the expectation that they could well become a matter of general knowledge and public record.

11. Reporting of Questionable or Fraudulent Actions

- The Board Members shall report to the Board or to the audit committee about their awareness of any situation which might adversely affect the reputation of the company. This would include any questionable, fraudulent or illegal events or material actions in violation of company policy which comes to their attention.

12. Cooperation with Auditors

- Every Board Member is expected to comply promptly with any request from internal and/or external auditors for assistance and to provide full disclosure of any situation under investigation.

Acceptance of this Code

- All members of the Board of Directors shall sign this Code of Conduct, including any new members who may assume office as from this date.
- These signed copies shall be held by the Company Secretary.

Affirmation & Compliance of the Code

- All Board Members shall read this Code at least annually, and shall certify in writing that they have done so and that they understand the Code.
- Annual compliance of the code by all Board Members shall be recorded in a meeting of the Board of Directors.

Conclusion

- This document is applicable with immediate effect.
- The Board shall have the authority to make amendment to this document at any time.

Code of Conduct for Chief Executive Officer

Background and Purpose

The first building block of Corporate Governance to be put in place in a company is the Managing Director (“MD”), also known as the Chief Executive Officer (“CEO”). Whatever the size or nature of the company, the role of the MD/CEO is to ensure that the company achieves its strategic objectives and to provide leadership and direction to the staff.

His/her role depends on the stage of growth of the company. Typically, the scope of the role becomes more clearly defined as the company develops and the supporting Corporate Governance framework required is clearer. Once such a framework is developed, the MD/CEO may delegate some responsibilities to members of the Management Team.

The Articles of Association of a Company generally specify the procedure/manner of appointment of the MD/CEO and his/her roles and responsibilities. Article 105 of the Articles of Association of Green Delta Insurance Company Limited deals with this issue.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Guidelines [Notification No. BSEC/CMRRCD/2006-158/Admin/80 dated 3rd June 2018]. The conditions of the Corporate Governance Guidelines are imposed on ‘comply’ basis aiming to enhance corporate governance in the interest of investors and the capital market. The companies listed with any Stock

Exchange in Bangladesh shall comply with these conditions. As per condition 1.4 of the said guidelines, “the Board of Directors of a listed company shall clearly define the roles and responsibilities of the CEO.”

In view of the above, the Board of Directors of Green Delta Insurance Company Limited defined the TOR (specifying the roles and responsibilities) of the CEO.

General Roles & Responsibilities

The General Roles & Responsibilities of the CEO shall be-

- To act as the Chief Executive Officer reporting to the Board of Directors
- To remain accountable for the overall performance of the company and for the day-to-day operation and management of the company’s business, under the authority delegated by the Board from time to time
- To develop and present strategic and annual business plans, rules, regulations and systems for legal functioning of the organization to the Board for approval
- To implement the Board’s policies and strategies and deliver the strategic plan in the most effective and efficient manner
- To report to the Board on progress against the strategic and annual business plans on a regular basis. Typically, reporting against the annual plan will be monthly, while reporting against the strategic plan will be less frequent, although it should be at least two or three times a year
- To coordinate the overall management, administration, corporate planning and business development.
- To ensure the compliances of Laws, Rules and Regulations and for Good Corporate Governance
- To supervise all technical, financial and welfare aspects of the organization, negotiations with sources of credit/fund, and listing in the stock exchange(s).
- To manage the day-to-day operations of the company, Manage, motivate, develop and lead members of the Management Team
- To manage resources efficiently and effectively to achieve the company’s objectives
- To lead the Local Management Team of the Company and chair Management Team meetings
- To take a leadership role in establishing the company’s culture and values
- To ensure that there is a fit between strategy and culture, and the company’s processes and structure
- To ensure that appropriate internal audit and internal control processes and procedures are in place (in liaison with Head of Internal Audit, External Auditors and Board Audit Committee)
- To develop and implement a risk management plan
- To ensure that there is a succession plan in place

Specific Roles & Responsibilities

The Managing Director, subject to the direction, supervision and control of the Board of Directors and also subject to proviso under Articles 117 and 118 of the Articles of Association of the Company, shall have the following powers, roles and responsibilities:

- To manage, conduct, transact and carry on the business of the Company anywhere within Bangladesh or outside Bangladesh.

- To appoint officers and staff of all ranks and to remove or dismiss them and appoint others in their places and to apply to the person to be employed as aforesaid such salary or other remuneration as may be deemed it any proper.
- To state, adjust and settle all accounts, reckonings, claims and demands whatsoever depending arid which may hereafter depend between the Company and any other person whosoever and to pay or receive (as the case may, be the balance which shall be due on settlement of such accounts;
- To pay or deposit the moneys which shall be paid to the Managing Director by virtue of the promises in the name of the Company, upon receipt of the same, subject to approval of Directors, with any banker, broker or other Agent, to draw out such moneys from time to time and to every the Banking arrangements of the Company in and elsewhere the Bangladesh Company has Banking accounts and open fresh ones in the interest of the company and to instruct the Bankers for the company as to be manner in which cheques and other negotiable instruments are to be singed and also nominate and to vary from time to time the names of those officials of the Company authorized to sign and countersign such documents and to apply the said moneys for the use and benefit of the Company, to invest the same or any part thereof upon such securities expressly including stocks, funds or securities of the Government of the People's Republic of Bangladesh and elsewhere at such interest and in such manner and upon such terms and conditions as may be most beneficial for the Company and from time to time to vary such securities and investment for like purpose;
- To draw, make, accept. Issue, sign, endorse or otherwise realize of negotiate payment and discharge any Bill of Exchange, Bill of Lading, Letter of Credit, Circular Note, Policy of Insurance, Cheque, Draft or order for payment of any money and to excite sing, enter into, acknowledge, protect and do all such contracts, agreements, discharges, receipts, endorsement, transfers, negotiations or other dealings;
- To demand, sue for, enforce payment of receive and to give effectual receipts and discharges for all moneys debts, securities for money interest, and bonuses either in the name of the company or in the name of the Managing Director subject to approval of the Board which receipts and discharges shall exonerate the person or persons paying such moneys from seeing to the application thereof and to take possession of goods, chattels and property or estate movable and immovable of very kind description whatsoever of or to which the Company is now or may hereafter become possessed or entitled or which are or may become deliverable or transferable to the Company from any person or persons whosoever and on any account whatsoever;
- To enter contracts for all classes of Insurance and re-insurances and to sign and issue policies, cover notes and other documents and to settle and claims in relation to such insurance upon such terms and conditions as may be deemed necessary or proper;
- To adjust, compromise or submit to arbitration any accounts, debts, claims, demands, disputes and matters touching any matters which are now subsisting or may hereafter arise between the company and any other person or persons or between the said attorney or any other person or person;
- To commence, prosecute or enforce and to defend, answer or oppose any suits or other legal proceedings whether civil or criminal in any Court or Tribunal whosesoever before or any Government touching matters in which the Company is now or may hereafter be interested or concerned and also if the said attorney shall so think fit to

compromise, refer to arbitration, abandon, submit to judgment or become non-suit in any such action or proceeding aforesaid;

- To appoint and retain Solicitors, Advocates, Vakils, Pleaders, Mooktiars and to revoke such appointments and retainers from time to time as occasion shall require;
- To make sign, execute, present and file all applications, petitions, plaints, written statements. Powers of Attorney, Vakalatnames, Mookthnames or any other documents expedients or necessary to be made, signed, executed, presented or filed in relation to any of the purposes aforesaid;
- To pay and allow all fees, costs and expenses necessary to be or allowed;
- To receive out of Court or from any person or persons whatsoever liable to pay the same, all costs, fees or other moneys whatsoever payable by or payable to the company in connection with such accounts, reckonings and demands and all suits or other proceeding adopted or taken in connection therewith and receipts and discharges to grant in respect of the same; and
- To give donation and subscription to or for any religious, charitable, benevolent social institutions, or cultural institutions or organizations or objects.

Conclusion

- This document is applicable with immediate effect.
- The Board shall have the authority to make amendment to this document at any time.