

FEDERAL INSURANCE COMPANY LIMITED
CODE OF CONDUCT FOR THE MEMBERS OF THE BOARD

Whereas ethics and integrity at each level are some of the core values at Federal Insurance Company Limited, and

Whereas having no specific Code of Conduct, the Board Members either individually or collectively always show their highest ethical practice in performing their business, and

Whereas it is expedient to establish more transparent business and management policy in the Company to meet legal requirements as required by the Notification No. BSEC/CMRRCD/2006-1581207/Admin/80 dated 3 June, 2018 by Bangladesh Securities and Exchange Commission, the Code of Conduct for the Members of the Board as recommended by the Nomination & Remuneration Committee (NRC) of the Federal Insurance Company Limited (FICL) hereinafter appearing;

Now, therefore, the Federal Insurance Company Limited (FICL) as approved in its 174 Board Meeting on 10/02/2022 publish/circulate the following code, -

1. Title and Commencement.

- (a) This code may be called the **Code of Conduct for the Chairperson, other Board members and Chief Executive Officer of Federal Insurance Company Limited (FICL) 2021**; and
- (b) It shall come into force immediately.

2. Definitions.

The term(s) used in this code carry the same and similar meaning and connotations as defined or stated in the relevant Laws and Articles of Association of the Federal Insurance Company Limited: Provided that for insufficiency, if any, may be interpreted in accordance with the provision of the General Clauses Act, 1897 and for further clarification by the Board of Directors, if required.

3. Code of Conduct for the Chairperson:

The Chairperson, appointed annually by the Board of Directors following the Company's Annual General Meeting, is responsible for the conduct(s) as mentioned in different provisions of the companies Act of 1994, the Articles of Association of the Company, the Insurance Act and Rules, Notification, Circulars of IDRA, the Bangladesh Securities and Exchange Commission Act and Rules along with other statutes. It further includes the following in respect of his conduct:

A. Behaviour

- (a) Behave in a professional, courteous and respectful manner and shall not take any improper advantage of his position;
- (b) Maintain highest standard of integrity, probity and good Corporate Governance demonstrating his ethical leadership;
- (c) Promote a culture of mutual respect, openness and debate by facilitating the effective contribution and engagement of the Directors: and
- (d) Refrain from indulging in any discriminatory practice or behavior based on race, colour, sex, age, and religion, ethnic or in any other unlawful consideration.

B. Proactive Leadership

- (a) Foster his leadership in the interest of the Company and its stakeholders in accordance with the vision & mission of the Company;
- (b) Try to build consensus and team spirit within the Board;

- (c) Be proactive to the management in conducting the affairs of the Company with the highest standard of integrity, probity and in compliance with provisions of all relevant laws according to the principals and rules of Corporate Governance and Articles of Association of the Company as well as of the concerned resolutions of the Board;
- (d) Facilitate and encourage candid and lively open discussion on matters placed before the Board; and
- (e) Always play pivotal role with his sound leadership so that the Board comfortably meets its' obligations and responsibilities effectively in an organized way.

C. Accountability

- (a) Use the Company's property, either moveable or immovable, tangible or intangible in the interest of the Company but not for any of his personal benefit or gain; and
- (b) Be available in the event of a crisis for the Company, either in person or in a manner deemed fit and provide sufficient time for disposal of his responsibilities either floral or obligatory by law.

D. Business

- (a) Ensure that the Board performs independently, efficiently and effectively in the greater interest of the Company;
- (b) Set clear expectations, considering the Company's mission, vision, culture, values and behavior; and apprise the Board of the company's business performance at its risk exposure; and of its implementation strategy;
- (c) Communicate openly with the Board Members and retains an independent and objective perspective, if required, to safeguard the interest of the Company;
- (d) Set items of the agenda for all the meetings of the Board, and the Annual General Meeting (AGM) in consultation with the Chief Executive Officer (CEO) and ensure that the Directors are well-prepared by providing them adequate information;
- (e) Listen to all the issues raised in the Board Meeting, considering pros and cons and reach a decision in the interest of the company;
- (f) Encourage all the events under Corporate Social Responsibility (CSR) as well as issues relating to environment that may have any positive impact;
- (g) Provide the Board regular updates on all issues important to the prospect of the Company, while received from the CEO, if any;
- (h) Make arrangements for conducting Board Meetings in an efficient and effective manner;
- (I) Ensure compliance with the governance policies of the Company in the light of the relevant laws and rules; and
- (j) Ensure that the Board meets on a regular basis, at least quarterly, without fail.

E. Conflict of Interest

- (a) Disclose to the Board such conflict of interest that may affect his impartiality in any matter of the Company; and
- (b) Review and resolve the issue(s) of conflict of interest, if any, from any of the Directors or the CEO.

F. Coordination

- (a) Establish a liaison between management and the Board, foster the relationship and act as the spokesperson on behalf of the Company;
- (b) Make arrangements for obtaining adequate information from the CEO on the issues to be discussed in the Board:

- (c) Keep liaison with the Directors and Board Committee Heads to optimize the coordinated effort for the greater interest of the Company;
- (d) Make arrangements that ensures the CEO always aware of concerns of the Shareholders; and
- (e) Work with the CEO closely for presentation of management plans and business performance report to the Board.

G. Dealing and Insider Trading

Prevent deriving benefit to any one by giving investment advice on the basis of the access to and possession of insider/price sensitive information about the Company which is not in public domain.

H. Confidentiality

- (a) Maintain confidentiality of the information or document which has been entrusted in confidence to him or to which he had access owing to his involvement in the proceeding or the content and in no way abuse the privileged information;
- (b) Restrain himself from disclosing any confidential information, including commercial secrets, technologies, advertising and sales promotion plans directly or indirectly either formally or informally, to the press or any other media or to any business organization, unless proven beneficial for the Company;
- (c) Make it clear that he is doing so, while speaking in his own or personal capacity; and
- (d) Avoid knowingly or recklessly disseminating false or misleading information about the Company, any other Director or Management of the Company.

4. Code of Conduct for the Director(s).

A Director, either shareholder or independent, appointed by the Board of Directors for a specific term following the Company's Annual General Meeting in compliance with relevant provisions of law, is responsible for the conduct(s) as mentioned and indicated in the Laws and the Articles of Association of the Company. The following supplementary items shall similarly be applicable to a Director:

A. Behaviour

- (a) Behave in a professional, courteous and respectful manner and shall not take any improper advantage of his position;
- (b) Refrain from indulging in any discriminatory practice or behavior based on race, colour, sex, age, and religion, ethnic or in any other unlawful consideration; and
- (c) Maintain highest standards of integrity and probity.

B. Accountability

- (a) Use the Company's property, either moveable or immovable, tangible or intangible in the interest of the company but not for any of his personal benefit or gain; and
- (b) Be available in the event of a crisis for the Company.

C. Conflict of Interest

Disclose of conflict of interest of his own, if any, either to the management or to the Board, where applicable and restrain himself to play role whatsoever in deciding the issue(s).

D. Business

- (a) Fulfill the fiduciary obligations and always try to protect the interest of the Company as well as of the Shareholders with due diligence;

- (b) Carry out his responsibilities with honesty, integrity and fairness in accordance with relevant policies, strategies, guidelines and any other decision of the Board to the effect;
- (c) Communicate and discuss freely and confidently in Board Meetings for the greater interest of the Company, maintaining proper decorum and dignity;
- (d) Sensitive and potentially controversial issues concerning the affairs of the Company can be discussed in the Boardroom without risk of unauthorized ventilations in the public arena;
- (e) Not to act in a way which would be a breach of his duty or unlawful or against the interest of the Company to the best of his knowledge;
- (f) Dedicate adequate attention, time and energy to uplift the Company through his better performance; and
- (g) Have proper inductions, regular updates and refreshing his skill and knowledge about the Company and the situation/environment in which it operates.

E. Confidentiality

- (a) Maintain confidentiality of the information or document which has been entrusted in confidence to him or to which he had access owing to his involvement in the proceeding or the content and in no way abuse the privileged information:
- (b) Restrain himself from providing any confidential information, including commercial secrets, technologies, advertising and sales promotion plans either formally or informally, to the press or any other media or to any business organization, unless requested by the Board;
- (c) Make it clear that he is doing so, while speaking in his own or personal capacity; and
- (d) Avoid knowingly or recklessly disseminating false or misleading information about the Company, Chairperson or Management of the Company.

5. Code of Conduct for the Managing Director & Chief Executive Officer (CEO):

The Managing Director and Chief Executive Officer (CEO), as an employee of the Company appointed by the Board of Directors is responsible for the conduct(s) as mentioned/indicated in his appointment letter/Employment contract. It further includes the following in respect of his conduct:

A. Behaviour

- (a) Behave in a professional and courteous manner\with all staff and shareholders and respectful to everyone irrespective of his grade, position or pay;
- (b) Maintain highest standard of integrity, probity and culture for better Corporate Governance;
- (c) Practice, promote and encourage ethos and culture of mutual respect that motivates other employees of the Company, even in their personal life; and
- (d) Refrain from indulging in any discriminatory practice or behaviour based on race, colour, sex, age, and religion, ethic or in any other unlawful consideration

B. Leadership

- (a) Foster Administrative leadership in the interest of the Company in accordance with the vision & mission of the Company; and
- (b) Try to build consensus and team spirit in the management.

C. Accountability

- (a) Use the Company's property, whatsoever, in the interest of the Company but not for any of his personal benefit or gain;

- (b) Ensure his presence in person and active participations in the event of any crisis for the Company, whatsoever; and
- (c) Communicate any suspected violations of this code promptly to the Chairperson with a view to investigate of the issue, so that appropriate action could be taken by the Board.

D. Business

- (a) Manage business & affairs of the Company in a way that ensures Annual plans effectively implemented, the results are monitored and operational objectives are attained;
 - (b) Implement the Plans, Policies, strategies, Guidelines, etc. of the Company and directives of the Board effectively;
 - (c) Comply with all applicable laws, rules and regulations meticulously, in all extent and geographies where the Company operates, both in letter and spirit. In any event, where the implication of any law is not clear, shall consult for advice and report to the Chairperson:
 - (d) Assist Chairperson in setting the items of the agenda for all the meeting of the Company as and when required;
 - (e) Provide adequate, appropriate and correct information to the Board or Board Committee;
 - (f) Apprise the Chairperson regularly on all issues important to the prospect of the Company;
 - (g) Obtain Board's approval prior to any action on issue(s) beyond the powers delegated to him;
 - (h) Solicit advice and guidance from the Chairperson/Board as and when required;
 - (i) Fulfill all reporting requirements timely and appropriately to the regulatory authorities without fail;
 - (j) Formulate, review and update the institutional and human resource development plan(s) for effective delivery of service;
 - (k) Make arrangements to develop annual operating forecast of revenue earnings, expenditures, operational results, and financial performance of the Company; and
 - (l) Take part in the events, as much as possible, under Corporate Social Responsibility (CSR) and with the issues relating to environment that may have any positive impact.
- (m) Take appropriate measures & steps, keeping in view of interest of the shareholders of the Company.

E. Dealing and insider Trading;

- (a) Deal professionally with the Company's employees, customers, vendors, suppliers and competitors;
- (b) Identify the principal risks of the Company's business and take appropriate measures to address the challenges; and
- (c) Prevent deriving benefit to any one by giving investment advice on the basis of the access to and possession of insider/price sensitive information about the Company which is not in public domain.

F. Conflict of Interest

Disclose to the Board conflict of interest to the Chairperson, and restrain himself to play role whatsoever in deciding the issue(s).

G. Coordination

- (a) Play role in the Board-meetings as the spokesperson on behalf of the management for the greater interest of the Company and employees as well; and
- (b) Communicate necessary directives and instructions to the employees of the Company in line with the decisions of the Board as soon as possible,

H. Confidentiality

- (a) Maintain confidentiality of all sorts of information of the Company or documents, including commercial secrets, technologies, advertising and sales promotion plans directly or indirectly either formally or informally; and
- (b) Avoid knowingly or recklessly disseminating any false or misleading information about the Company, any of the Director or of the Company affairs.

6. Contravention of this Code:

Contravention of this Code shall be construed as misconduct and may result in that Person being debarred from partaking in any further responsibility for any period of time as determined by the Board of Directors of the Federal Insurance Company Limited.

7. Derogation of law:

Nothing in this Code shall derogate from the provisions of law, or of any order of any Competent Authority, for the time being in force, relating to the conduct of a Person.

8. Publication of the Code of Conduct:

Pursuant to Condition 1(7)(b) of Corporate Governance Code Notification BSEC/CMRRCD/2006-158/207/Admin/80 dated: 03 June 2018 of Bangladesh Securities and Exchange Commission, this Code of Conduct and any amendments thereto shall be published/posted on the website of the Company i.e. : <https://www.federalinsubd.com>.

Chairman