

Crystal Insurance Company Ltd.

Code of Conduct for the Chairperson, other Board
Members and Chief Executive Officer/ Managing
Director

[As per corporate Governance Code, 2018]



1. Overview

Prelude:

The Board of Directors (hereinafter referred to as "Board") of the Crystal Insurance Company Limited (hereinafter referred to as "the Company") has been lay down and adopted the following Code of Conduct (hereinafter referred to as "the Code") for the Chairperson, other Board members and Chief Executive Officer/Managing Director in order to enhance corporate governance in the interest of investors and the capital market. The subject Code complies with the requirements of the Bangladesh Securities and Exchange Commission (As per Condition no. 1. (7) Corporate Governance Code, 2018)

This Code is aimed to focus Board Members on areas of prudent conduct and behavior; confidentiality; conflict of interest; compliance with laws, rules and regulations; prohibition of insider trading; relationship with environment, employees, customers and suppliers; independency and provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, nurture a culture of honesty and accountability, deter wrongdoing and promote fair and accurate disclosure and financial reporting.

This Code is intended to establish an agreed set of ethical principles; promote and maintain confidence and trust and provide entrepreneurial leadership to the Company within a framework of prudent and effective controls which enable risk to be assessed and managed.

This Code of Conduct attempts to set forth the guiding principles on which the Company and its Board shall operate and conduct themselves with multitudinous stakeholders, government and regulatory bodies, media and anyone else with whom it is connected.

This Code is intended to serve as a source of guiding principles to ensure that Crystal Insurance Company Ltd.' Board Members strive to foster Crystal Insurance Company Ltd.'s Mission and Core Values in an ethical manner.

Definitions:

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

"Board / Directors" shall mean the Board of Directors of the Company.

"Company" shall mean Crystal Insurance Company Limited (CICL)

"Conflict of interest" means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.



"Executive Directors / Whole time Directors" shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

"Independent Directors" shall mean an Independent Director as per the Condition 1 (2)(3) of the Corporate Governance Code, dated 3 June, 2018 which is issued by Bangladesh Securities and Exchange Commission (as amended from time to time) and any other applicable laws in Bangladesh which was issued, issue, to be issued from time to time.

"Non - Executive Directors" shall mean the Directors who are not in whole time employment of the Company.

Purpose of this Code:

The purpose of this Code is to set out standards of conduct for Directors and take all reasonable steps:

- ❖ To ensure that high standards of corporate and individual behavior are observed by the Directors in the context of their roles as Directors.
- ❖ To assisting the Directors in complying with their duties to the Company.
- ❖ The purpose of this code is to recognize and emphasis determine the Company's strategic objectives, ensure that the necessary financial and human resources and review management performance and determine the Company's values and standards and ensure that its obligations to its shareholders and others.
- ❖ To focus the Board and each Director on areas of ethical risk, to provide guidance to Directors to help them recognize and deal with ethical issues; and
- ❖ To provide mechanisms to report unethical conduct and to help adoptive a culture of honesty and accountability.

The Nomination and Remuneration Committee shall oversee compliance with this Code and Director disclosure of interests, provide advisory guidance, and investigate potential breaches. This Code is neither all-inclusive nor exhaustive.

Applicability:

This Code shall be applicable and obligatory to the Board of Directors of the Company.

The Directors should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company other regulatory requirements as and when necessary.



2. Principles of the Code:

The Board of Directors 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 Board of Directors shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfill their fiduciary obligations.
- ❖ Whilst carrying out the duties, the Board of Directors 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 or Committee of Directors of the Company, from time to time.
- ❖ The Board of Directors 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 Board of Directors shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- ❖ The Board of Directors shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business except accepting a gift or entertainment if warranted by the accepted ethical customs and practices.
- ❖ The Board of Directors shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective responsibilities and duties and shall not use the same for personal benefits or gains.
- ❖ The Board of Directors 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:

- ❖ Directors shall maintain, at all times, the confidentiality of all confidential information and records of the Company and must not make use of or reveal such information or records except in the course of performance of their duties or unless the documents or information become a matter of general public knowledge.



- ❖ Directors shall not use confidential information obtained through their association with the Company to further their private interests or the private interests of their friends or relatives.
- ❖ Board Members should maintain the confidentiality of information entrusted to them by Crystal Insurance Company Ltd. and any other confidential information about Crystal Insurance Company Ltd., its business, customers or suppliers, which comes to them, from whatever source, except when disclosure is authorized or legally mandated.
- ❖ Directors shall maintain Crystal Insurance Company Ltd.'s information confidentiality, both during and after their tenure, and it is the responsibility of each Director to know what information is confidential shall obtain clarification if there in any doubt.
- ❖ No Director shall use information obtain as a result of the Director's service on the Crystal Insurance Company Ltd.'s Board for personal benefit, or for any purpose other than discharging his/her duties as a Director.
- ❖ A Director shall never advance his/her private interests, or those of any other person or entity, using confidential information, including but not limited to, in respect of the assessment of any property or other activities by Crystal Insurance Company Ltd.
- ❖ Each Director shall avoid any activity that may create an appearance that the Director has benefited from confidential information received during the course of one's duties as a Director.
- ❖ The provisions of this Paragraph shall continue to apply to bind each Director without limitation, after the Director's term of service has expired Board or within CICL including information that is not available to the public, or any information that could result in harm to Crystal Insurance Company Ltd. Or could give the person to whom it is disclosed an advantage if it were disclosed.

Conflict of Interest:

- ❖ The Director shall, at all times, and under all circumstances, seek to avoid, and shall be seen to be free of, any interest or any business or other relationship that could be seen to undermine the Director's ability to fulfill the foregoing fiduciary duty.
- ❖ The Board of Directors shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of circumventing the personal interest involved.
- ❖ The Board of Directors shall not take up any position or engagement that may be prejudicial to the interest of the Company.
- ❖ A material conflict of interest may arise for a Director of Crystal Insurance Company Ltd. In a variety of circumstances. The following examples are non-exhaustive and are provided for illustrative purposes.



- a. There is a significant divergence of interests among Directors and stakeholders associated with their appointment, or their interests are not completely aligned;
 - b. An arrangement, assessment, contract, decision, investment, procurement, program, project, situation or transaction involving Crystal Insurance Company Ltd. and a stakeholder with which the Director is associated;
 - c. A Director cannot be considered impartial in connection with an arrangement, assessment, contract, decision, investment, procurement, program, project, situation or transaction of CICL.
 - d. A personal, political, religious or moral belief or activity of the Director that conflicts with the interests of Company or the Director's ability to discharge his or her duties;
- ❖ Directors shall at all times:
- a. Seek to avoid, and if this is not possible, promptly disclose and report fully, any real or perceived conflict of interest of the above nature, without limitation to the nomination and remuneration committee.
 - b. Not seek to influence the foregoing conflict of interest;
 - c. Absent themselves from the discussion pertaining to the foregoing conflict of interest; and
 - d. Cooperate fully in the information pertaining to and the management of the foregoing conflict of interest in accordance with the Corporate By-law with respect to conflict of interest and the provisions within this Code.
- ❖ Each Director must immediately take steps to resolve a real or perceived conflict of interest both prior to serving on the Board, and annually during the director's term of office. Each Director shall disclose to the Nomination and Remuneration Committee financial interests and any potential or actual conflict of interest as soon as it arises or appears likely to arise.

Compliance with laws, rules and regulations:

- ❖ The Board of Directors shall ensure compliance of 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.
- ❖ The Board of Directors shall report concerns about unethical behavior, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.
- ❖ The Board of Directors 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.

- ❖ Each Director shall:
 - a. Comply with the letter and spirit of all laws, rules and regulations;
 - b. Comply with all governance policies and procedures concerning the personal and professional conduct of the Directors of Crystal Insurance Company Limited. And
 - c. Display the highest ethical standards in the Directors' business, personal and Professional dealings and reputation.

Prohibition of Insider Trading:

- ❖ Directors shall comply with the code of conduct from prevention of insider trading of the Company.
- ❖ Directors shall not derive benefit or assist others to derive benefit by giving investment advice on the basis of the access to and possession of insider/ Price sensitive information about the company which is not publicly domain.
- ❖ A Director shall be fiduciary towards the company. This means that he/she is in a position of trust and must at all times act honestly and in good faith for the company as a whole
- ❖ Any transaction falling under the definition of related party transactions as per the provision of the Companies Act, 1994 (as amended time to time) and other applicable Laws and as detailed in the Related Party Transaction Policy of the Company must be entered into by the Director only after obtaining prior approval of the Board or any committee thereof.
- ❖ Transportation, accommodation, hospitality and Director Education and training session fees and expenses incurred by Directors in the attendance at Crystal Insurance Company Ltd. Board, Committee, Annual and Special meetings shall be paid by CICL, on the basis of the Board Remuneration and Expense Policy approved by the Board in this respect.

Relation with environment, employees, customers and suppliers;

Relation with Environment:

- ❖ The Directors of the company shall be responsible for maintaining an ecologically friendly environment for the sustainability development.
- ❖ The Directors shall be take steps to wastage reduce carbon emissions and responsible for waste management and monitor that are discharged in proper place.



- ❖ Directors shall be responsible for chemical management as well. They shall give importance in renewable energy like solar energy in production as well as ensure greeneries. Maintenance of Effluent Treatment plant (ETP) and Water Treatment Plant (WTP) in proper ways.
- ❖ Directors of the company comply with rules and regulations regarding environment imposed by Government as well as buyer.

Relation with Employees:

- ❖ Directors shall not discriminate against or exert authority or undue influence over to Crystal Insurance Company Ltd. Staffs due to their position as a director.
- ❖ Each Director shall refrain from exerting any pressure on any CICL staffs that might result in any infringement, favored or unequal application of rules, regulations, policies or procedure particularly management in respect of the of Crystal Insurance Company Ltd.'s assets, property assessment, human resources, or financial transactions. Requests for corporate staff involvement made by any Crystal Insurance Company Ltd. Stakeholder, inadvertently or inappropriately made to a Director, shall be promptly referred to members of the remuneration and nomination committee and the stakeholders shall be communicated to accordingly with a copy to nomination and remuneration committee.
- ❖ Directors shall refer any question or issue raised by member or other stakeholders to the Nomination and Remuneration Committee. A Director shall never intervene personally or express a position that might limit CICL's staffs. However, the Chairman of the Nomination and Remuneration Committee may task one or more Directors to respond directly to certain political inquiries; this would be done in consultation with the Chairman and Managing Director.

Relation with Customers:

Each Director shall work hard to provide his/her best possible service to customer. They shall be committed to customer satisfaction through comprehensive strategies and efforts that aim to improve customer relations process. The core principals regarding relationship with customers are given below:

- ❖ **Accessibility:**

Variety of communication means provided by the Company, customers are able to access us easily in order to share their complaints, information, demands, suggestions or satisfaction levels with us.



❖ **Availability of information:**

Customers are also able to receive any information they request in the shortest time and in the fastest manner possible.

❖ **Fast Feedback:**

Responding promptly to all customer requests is of great importance to in favor of Company.

❖ **Solution emphasis:**

Fast and effective solutions are tailored to customer needs.

❖ **Objectivity:**

In addition to assessing and handling all customer requests objectively, we also believe that Objectivity is essential when seeking solutions.

❖ **Confidentiality:**

Use of any personal information obtained through customer requests are restricted by law and bound to the principle of confidentiality.

❖ **customer Focus:**

A customer-oriented policy is used to provide customers with the best service and to ensure that customer expectations are fully satisfied.

❖ **Initiative Taking:**

Employees are encouraged to take initiative and to make necessary decisions when required in order to meet customer needs in the shortest possible time and to maintain maximum levels of customer satisfaction.

❖ **Customer engagement:**

Customers are kept informed of the assessment and solution- seeking efforts in the management of their requests and are able to be actively engaged in the process.

❖ **Accountability:**

Assessment, solution-seeking efforts, status codes, and results of customer requests are reported and monitored.

❖ **internal information exchange:**

Customer relations activities are shared and monitored within the Company.

❖ **Continuous improvement:**



Customer suggestions and ideas are carefully assessed and used as a source for continuous improvement efforts.

❖ **Competence:**

Customer demands are answered by our qualified employees in a professional manner.

Relation with Suppliers:

Each Director shall never accept cash payments, gifts, gratuities, honors, awards, privileges or other personal rewards from nor offer the forgoing to any third party, including but not limited to potential or actual customers and suppliers or any representative or any other person or entity outside of CICL that may be or may appear in any way to be connected with the Directors responsibilities to CICL.

Independency of Directors:

The Board of Directors shall be always independent regarding their opinion in formal and informal meeting. When an issue arises, the Board of Directors will discuss all the pros and cons of the issue. But a Director cannot take decision by his own will. The Board will determine collectively how much power will be delegated to a Director. No Director or anyone shall not force any independent Director regarding any undue issues. Directors of the company cannot take decisions alone.

3. Duties of the Directors of the Company:

Specifies certain duties and responsibilities of the Directors of the Company outlined below:

- ❖ The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making.
- ❖ The Directors shall act in accordance with the Articles of Association of the company and in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- ❖ The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
- ❖ The Directors shall exercise their duties with due and reasonable care, skill and diligence.



- ❖ The Directors shall be required to intimate the change in the directorships held within specific time.
- ❖ The Directors shall bring an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board and the Management.
- ❖ The Directors shall ensure that the integrity of financial information and that financial control and the systems of risk management are robust and defensible.
- ❖ The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
- ❖ The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
- ❖ The Directors shall not assign his office of director of the company to another person.
- ❖ The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the company.

4. Expectations of Directors.

- ❖ Each Director shall vote on all motions put before the Board unless a conflict of interest has been declared.
- ❖ Each Director is expected to: attend all scheduled meetings; be fully prepared to participate; listen to the opinions of others with respect encourage robust discussion and constructive dissent; and share the workload.
- ❖ Directors shall act with professional integrity and honesty in their dealings with CICL, including proper use and treatment of CICL's resources and information and shall comply with the provisions of the Board Remuneration and Expense Policy.
- ❖ The Nomination and Remuneration committee will review and make recommendation respecting any changes of Board of director's code of conduct as and when required.



5. Compliance officer:

The Company Secretary will be the Compliance officer for the purposes of the Code, who will be available to Directors to answer questions arising out of the Code.

6. Review:

Directors shall affirm compliance with the Code as and when required as may be determined in this regard.

7. Amendment to the Code:

The provisions of this Code can be amended or modified by the Board of Directors from time to time and any waiver of any provision of this Code for a Director must be placed for approval before the Company's Committee and as suggested by Nomination and Remuneration Committee.

8. Violations of the Code:

It is ethical responsibility of Directors to abide by and enforce the Code. Any perceived violation of the Code by any Director should be reported in writing (by any employee / party affected adversely) to the Chairman of the Nomination and Remuneration Committee in a closed cover addressed to the Compliance Officer. The Board shall take appropriate action against Directors and the Nomination and Remuneration Committee of the Board shall take appropriate disciplinary action against Senior Management, who is found to have violated the Code. The Board / Nomination and Remuneration Committee shall consider various factors such as nature and gravity of the violation and take appropriate action against individuals who violate the provisions of Code of Conduct of the Company.

9. Publication of the Code:

This Code and any amendments thereto shall be published / posted on the website of the Company i.e. www.ciclb.com.

 (Waliuzzaman)