



PARAMOUNT INSURANCE COMPANY LTD.

House # 22 (Level # 3 & 4), Road # 113/A, Gulshan-2, Dhaka-1212

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

[As per Condition no. 1. (7) of Corporate Governance Code, 2018]

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Preface:

This Code of Conduct for the Chairperson, other Board members and Chief Executive Officer (hereinafter referred to as "the Code") has been framed and adopted by the Nomination and Remuneration Committee (NRC) of Paramount Insurance Company Ltd. (hereinafter referred to as "the Company") on 24th December, 2018. The subject Code complies with the requirements of the Bangladesh Securities and Exchange Commission (As per Condition no. 1. (7) of Corporate Governance Code, 2018).

This Code is intended to provide guidance to the members of the Board to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behavior and to develop a culture of honesty and accountability.

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.

Definitions:

In this Code, unless anything 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 Paramount Insurance Company Ltd.(PICL);

"**Conflict of Interest**" means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company;

"**Non-Executive Directors**" shall mean, the Directors who are not in whole time employment 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 appointed as per the provisions of the Corporate Governance Code, 2018 which has 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.

Application of this code:

This Code shall be applicable and binding 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 which issued or to be issued time to time by the Company as well as Regulators.



Power to implement: The Board of Directors may from time to time, issue such instruction or directions as may be necessary, not being inconsistent with any provisions of the act, regulations and these Code, for the purpose of putting into effect the provisions of these Code.

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:

- i. The Board provides the independent governance and accountability needed to enable to fulfill its strategy, mission and mandate; and
- ii. The stakeholders namely, without limitation and in no particular order; the public, municipalities, taxpayers and the government have confidence and trust in the integrity, professionalism and impartiality of the decisions made by the Board.

The Nomination and Remuneration Committee shall oversee compliance with this code and the Board of Directors shall disclose interests, provide advisory guidance and investigate potential breaches. This code is neither all-inclusive nor exhaustive.

Principles of the Code:-

1. Sensible Manner and Behavior:

The Board of Directors shall act honestly, ethically, in good faith and in the greater interest of the Company and to fulfill their fiduciary obligations. Whilst carrying out the duties and responsibilities with integrity. 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 the Company, from time to time.

The Board of Directors shall neither receive nor offer or make, directly or indirectly any illegal payments, remuneration, gifts, donations or comparable benefits and shall conduct in a professional, courteous and respectful manner and shall not take or give any improper advantage of their position.

The Board of Directors shall abstain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, cultural or national origin 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 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.



2. Confidentiality:

The Board of Directors shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective responsibilities and duties both during and after their tenure and shall not use the same for personal benefits or gains. Moreover in every case members of the Board of Director will take responsibilities as critically.

Confidential information of PICL is any information brought to the attention of the Board or within PICL including information that is not available to the public, or any information that could result in harm to PICL or could give the person to whom it is disclosed an advantage if it were disclosed.

3. Related Party transaction:

Any transaction falling under the definition of related party transactions as per the provisions 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. The Board of Directors shall disclose all related party transaction in their report as per corporate Governance Code 1(5)(vi).

4. Conflicts of Interest:

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. To reiterate, in discharging a Director's responsibilities, each Director shall fulfill his or her fiduciary duty to act with a view to the best interest of PICL and not in any way out of self-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 business or other relationship that could be seen to undermine the Directors ability to fulfill the foregoing fiduciary duty. A material conflict of interest may arise for a Director of PICL in a variety of circumstances. The following examples are non-exhaustive and are provided for illustrative purposes.

Director 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 and to the Chairman of Board of Directors;
- 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 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 Directors 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.

5. Compliance with Laws, Rules and Regulations, and Ethical Conduct:

The Board of Directors shall ensure compliance with laws, rules and regulation and ethical conduct 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. They 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 to trade 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 un published 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.

6. Prohibition of Insider Trading:

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 in public domain. Directors shall comply with the code of conduct from prevention of insider trading of the Company. 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.

7. Relationship with environment, employees & customers:

a. Relations with Environment:

The Directors of the Company shall be responsible for maintaining an ecologically friendly environment for the sustainability development. Comply with rules and regulations regarding environment imposed by various regulators.



b. Relations with Employees:

Directors shall not discriminate against or exert authority or undue influence over to PICL staffs due to their position as a Director. Each Director shall refrain from exerting any pressure on any PICL staffs that might result in any infringement, favored or unequal application of rules, regulations, policies or procedures.

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 PICL's staffs.

c. Relation with Customers:

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

On stop service: They shall ensure on stop service to the customer by arranging efficient employees in right time in right place.

Availability and Accessibility of Information: Customers are also able to find & receive any information they needed 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.

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



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

8. 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.

Expectations of Directors:

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- (i) Each Director shall vote on all motions put before the Board unless a conflict of interest has been declared.
 - (ii) 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.
 - (iii) Directors shall act with professional integrity and honesty in their dealings with PICL, including proper use and treatment of PICL's resources and information, and shall comply with the provisions of the Board Remuneration and Expense Policy.
 - (iv) The Nomination and Remuneration Committee will review and make recommendation respecting any changes to the Board of Directors' Code of Conduct as and when required.

9. 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.

10. Review :

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

11. Amendment to the Code :

The Code is subject to modification / amendment from time to time. Any amendment to the provision(s) of the Code must be approved by the Board and communicated to the Directors.



12. Waivers:

Any waiver of any provision of this Code for a Director must be placed for approval before the Company's Audit Committee and as suggested by Nomination and Remuneration Committee.

13. Violations of the Code :

It is ethical responsibility of the 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. Such action may be taken in various forms, viz. a verbal warning or written reprimand, withholding of commission / performance pay till individual complies, salary freeze, termination from the services, appropriate legal action, dismissal or referral for criminal prosecution or such action as may be deemed fit in the circumstances of each case.

[Handwritten Signature]

