

Code of Conduct (COC) for the Board of Directors

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The Code of Conduct (COC) has been articulated by the Board of Directors of Bangladesh Finance to set forth principles and ethical standards for the Chairman, other Board Members and Managing Director & CEO (Ex-officio) in accordance with the condition no. 1.(7) of the Corporate Governance Code-2018 of Bangladesh Securities and Exchange Commission (BSEC). The code of conduct also includes all instructions/circulars/ guidelines issued by Bangladesh Bank related to the Directors and their interested groups/organizations. The Code of Conduct for the Chairman, other Board Members and Managing Director & CEO (Ex-officio) reflects the business practices and principles of behavior that support this commitment. The Board of Directors of Bangladesh Finance has set the standards of conduct contained in the Code and updates these standards as appropriate to reflect legal and regulatory developments. It is expected that every Board members shall read and understand this Code and its application to the performance of his/her responsibilities. Each of the Board Member shall be accountable for adherence to this Code and shall individually be liable to follow this Code of Conduct including any new members who may assume office as of this date. However, the followings are the general code of conduct for the Chairman, other Board Members and Managing Director & CEO (Ex-officio):

I. Fiduciary Duties

Every Board member has fiduciary duties towards the organization, in other words, to serve the organization from a position of trust. They shall act as a true agent of the organization. The duties apply to each Board member separately, while the powers apply to the Board jointly.

II. Statutory Compliance

The members shall adhere to and comply with the provisions of all applicable laws, rules and regulations as well as the Company's internal guidelines and policies framed from time to time. The members shall also endeavor to ensure that the officers of the company are complying with the various statutory compliances efficiently and effectively in a befitting manner.

III. Honest & Ethical Conduct

The members shall act honestly, objectively and effectively in a fair and transparent manner for advancing the interests of the company. The members shall take due care and diligence in performing their duties and responsibilities attached to their respective office and exercise their powers in good faith for fulfilling their obligations towards the Company and its Stakeholders.

IV. Conflict of Interest

To promote good governance, 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. They are obliged to show fidelity towards the company. A Board member should not engage himself/herself directly or indirectly in any business or undertaking that competes with or conducts business with or seeks to do business with the company. To avoid conflicts of interest, the Board Members should do more than merely act within the law. They must conduct their affairs in such a manner that their performance always upholds the greater interest of the company.

V. Transactions with the Company

A Board Member shall not enter into a transaction where there is a conflict between his interest

and interest of other person(s) doing business with the company without the Board's knowledge, and it is a statutory duty of the director(s) to declare interests in relation to any transactions and make proper disclosure thereof.

VI. Acceptance of Gifts

Board Member shall not accept any gift, hospitality or extraordinary favor offered by virtue of the position as a director. The degree of hospitality offered and accepted should be in such a scale and nature, which does not be the cause of compromising the integrity or reputation of the company.

VII. Use of Corporate Property, Opportunity, or Information

A Board Member must not, without the consent of the company, use the company's assets, opportunities or information for his/her own profit.

VIII. Confidentiality of Information

This includes all information of the company not authorized for public dissemination. The company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. Directors and Senior Management shall ensure that no confidential information is disclosed inadvertently or otherwise.

IX. Accounting Complaints

The Audit committee of the Board of Directors are responsible for establishing procedures for the receipt, retention and treatment of complaints regarding accounting, internal accounting controls, or auditing matters. Directors who have concerns or complaints regarding such matters are expected to promptly submit those concerns or complaints to the Audit committee.

X. Company Reporting

As a public limited and listed company, it is crucial that the company needs filing of reports/ documents with the Bangladesh Securities and Exchange Commission (BSEC) even with other regulators including Bangladesh Bank which shall be full, fair, accurate, timely and understandable. Directors may be asked/requested to provide information necessary to assure that the company's public reports meet those requirements. The company expects Directors to take this responsibility very seriously and to provide prompt and accurate answers to inquiries related to the company's public disclosure requirements.

XI. Transparency in Board Nomination and Election Process

As it is one of the fundamental elements of a functioning corporate governance system, the process of nomination and election of Directors shall follow in a very fair manner which are fully compliant with Companies Act 1994, Corporate Governance Code of BSEC and Bangladesh Bank guidelines. Nominated Directors (nominated by the shareholding companies), Individual shareholding Directors and the Independent Directors (industry experts/ professionals) are to be elected by the shareholders in the AGM duly. In each year 1/3 of the directors (except Independent Director and Ex-Officio Director) shall retire from the office in the AGM and if eligible they may offer themselves for re-election which will be approved by the shareholders in the AGM (as per the Articles of Association (AoA) of this company).

XII. Performance Appraisal of the Board and Disclosure

An evaluation of the Board is performed through self-assessment. The Board is also being evaluated by the shareholders in the Annual General Meeting (AGM) through casting votes on appointment/re-appointment of directors. The shareholders present in the AGM can comment on the performance of the Board against which the Board can take steps to enhance its performance.

XIII. Annual Evaluation of the MD & CEO by the Board

The roles, responsibilities and duties of the Chief Executive Officer (CEO) of Bangladesh Finance are well defined by the Board. As per the assigned roles, responsibilities and duties, the Board makes annual evaluation of the MD & CEO in terms of the qualitative and quantitative performance of the company with different indicators.

XIV. Formal Induction & Training for Board of Directors

Boards of Directors have a key role in providing the leadership and accountability that determine the long term success of an organization. As a part of assessing Board Performance, the Board recognizes the importance of training and development of the Directors to acquire or enhance the requisite knowledge and skills to discharge their duties effectively. All new Directors appointed to the Board may be offered with a formal induction program to familiarize themselves with Bangladesh Finance strategy and aspirations, understanding the line of businesses, corporate functions, key financial highlights, audit, compliances, risk management, and governance framework. From time to time, the Board should regularly be updated with regulators' circulars, orders, and directives by placing information memorandum to the Board accordingly. In addition, expert knowledge sharing session can be arranged for directors (who shall nominate for training) including external training as per requirement.

XV. Benefits Provided to Directors

Directors are not entitled to any remuneration other than attending the meetings of the Board and its sub-Committees. As per Bangladesh Bank (DFIM Circular No. 13, dated 30 November 2015, the remuneration for attending directors' meeting is fixed up to a maximum limit of BDT8000/- per director for per attendance.

The code may be amended, modified or waived by the company's Board of Directors subject to the disclosure and other provisions of the applicable Laws of the country.