

**Code of conduct of
the Chairman, Other Board members &
Chief Executive Officer**

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Eastland Insurance Company Ltd.

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Other Board members & Chief Executive Officer

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Eastland Insurance Company Limited

**Code of conduct of the Chairman, Other Board
Members & Chief Executive Officer**

Chapter 1

Introduction & Background

In accordance with the provision no. 1(7)(b) of the Corporate Governance Code issued by BSEC through its Notification no. BSEC/CMRRCD/2006-158/207/Admin/80, dated: June 03, 2018, the code of conduct as determined by the NRC shall have to be prepared & posted in the website of each listed company.

This Code of Conduct sets forth for outlining the role, responsibilities and norms for the board of directors and top executives of Eastland Insurance Company Ltd. Board of Directors should have a chartered; and the chartered of the board describes the standards of ethical behavior that each director is expected to uphold.

Company as a legal entity is committed to conduct business in accordance with the highest standards of business ethics and intended to comply with the applicable laws, rules and regulations of Bangladesh. In continuance of this commitment, the Board of Directors promotes ethical behavior and has adopted this Code of Conduct and Ethics for Chairman, Directors, CEO & other top officials ("Code") of the company.

Necessity of the Code

As Eastland Insurance Company Ltd is an "A" category company enlisted with both the Dhaka and Chittagong Stock Exchanges, the code of conduct will specify the nomination and remuneration policy, ethical and professional standards of the company. Therefore, Eastland is implanting the code of conduct both for complying the guideline of the Corporate Governance Code and to develop the organizational behavior in terms of the board's chartered and corporate ethics.

Code of conduct is generally formulated for the ethical and professional standard to be set and implemented for the corporate industry in Bangladesh. Meeting the objectives of the company is the core responsibilities of the board of directors and top executives of the company. Therefore, values and principles exists in the company are the outcome of the joint effort of the board and management. Thus code of conduct are now become integral part of the corporate governance guideline.

A code is a realistic document and it has value for both as internal guideline and an external statement of corporate values and commitments. A well-written code of conduct clarifies an organization's mission, values and principles linking them with standards of professional conduct. The code articulates the values of the organization. As a result, codes of conduct or ethics can become benchmarks to measure individual and organizational performance. Additionally, a code is a central guide and reference for employees to support day-to-day decision making. A code encourages discussions of ethics and compliance, empowering employees to handle ethical dilemmas they encounter in everyday work. It can also serve as a valuable reference, helping employees locate relevant documents, services and other resources related to ethics within the organization.

The code creates a common vocabulary and a sense of the ethical requirements for serving on a board. It facilitates dialogue about ethical issues and goes a long way towards ensuring that well-intentioned people will not mistakenly choose the wrong path when confronting situations not adequately addressed in policy, procedure, law, regulation or by-laws.

Bangladesh Securities and Exchange Commission influenced the listed companies to form the code of conduct for the board of directors and top executives to ensure the proper practice of corporate ethics. Code of ethical and professional standard however guided by the Bangladesh Securities & Exchange Commission, it is to be obligated to all listed companies due to the nature of complexity and ambiguity exists in the

Applicability:

The Code will be applicable to:

- Directors (Executive and Non-Executive Directors including independent directors)
- Key Managerial Personnel
- Senior Management Personnel and Other employees

Definitions:

In this policy unless the context otherwise requires -

- i) "**Act**" means The Companies Act, 2014 and rules made there under, as amended from time to time.

- ii) **Insurance Act** means Insurance Act 2010 and rules, regulations made thereunder, as amended from time to time.
- iii) **"Regulator"** means Insurance Development & Regulatory Authority (IDRA)
- iv) **"Regulators"** means Insurance Development & Regulatory Authority (IDRA), Bangladesh Securities & Exchange Commission (BSEC), National Board of Revenue (NBR) and such other name deemed fit on the ground of the subject matter of objects.
- v) **"Company"** means Eastland Insurance Company Limited.
- vi) **"Board"** means Board of Directors of Eastland Insurance Company Limited
- vii) **"Committee"** means Nomination and Remuneration Committee of the Company as constituted by the Board from time to time.
- viii) **"Key Managerial Personnel"** or "KMP" means CEO/Managing Director, whole-time Director/ Executive Director, Chief Financial Officer, Company Secretary, Head of Internal Audit & Control, Advisor(s) and such other persons, officers/Executives who reports directly to the CEO/MD and who may be deemed to be KMP under the Companies Act, 1994 and or prescribed by the regulators from time to time.
- ix) **"Senior Management Personnel"** means officers/ personnel of the Company, who are members of its core management team excluding Board of Directors and shall comprise all members of management Committee, up to 3 level below the Chief Executive Officer/ Managing Director/Whole Time Director/ Manager (including Chief Executive Officer/ Manager, in case they are not part of the Board) and shall include Company Secretary , Chief Financial Officer, Head of Internal Audit and Control, Executive and Officers who report directly to the CEO/MD of the company.
- x) The **Executive** mean all employees of any member of the group who report or who will report directly to the Managing Director
- xi) **"Benefits"** means- All types of remuneration including salary, bonus. profit sharing, share options. pension contributions, motor car (or payments in lieu thereof) and other incentives and employment benefits.
- xii) Board of Directors means the Board.
- xiii) Board of Directors meeting means board meeting.
- xiv) Nomination and remuneration Committee means NRC.
- xv) Code of conduct means 'Code'.
- xvi) Terms of References means ToR.
- xvii) "Confidential Information" means all non-public information entrusted to or obtained by a Director by reason of his or her position as a Director of the Company. It includes, but not limited to, non-public information that might be useful to competitors or harmful to the Company or its customers if disclosed, such as Non-public information about the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information, as well as information relating to mergers and acquisitions, stock repurchases and divestitures.

Chapter 2 Code of Conduct of the Chairman

The primary objective of electing the Chairperson of the Board is to separate the Board and management to deal with the governance issues and to maximize the shareholders wealth. The matter of shareholders wealth depends on maintaining the system and procedures of corporate governance. Independent directors are the representatives of the shareholders and regulatory counterpart. Sponsors and promoters are dedicated to the shareholders wealth for a listed company. But a Chairperson shall role the leadership of all the types of board members to reach the objective of the company.

The Chairman's role is therefore leading the board to grasp the company's mission, vision and strategy. He will network among the board of directors, guide the CEO of the company for the operation of the company. He will lead the board to draw strategically position of the company, choose the strategy based on the strategic position analysis and finally implement the strategy of the company.

The Chairperson should be communication-intensive, skilled, honest, intellectual, problem solving and must be able to focus on a diverse group of directors and build consensus among them, be able to coach of the CEO and be willing to have the difficult conversations with the CEO as and when required.

The Chairman must as well have the maturity, leadership skills, tact, and ability to keep his or her ego in check as well as a clear understanding of the boundaries of the role and be an effective Board-room leader. An effective Chairman and CEO partnership requires mutual trust and regular contact. A dysfunctional relationship between the Chairman and the CEO, communication failures between the two or between the Chairman and the Board, or the

actions of an over-reaching Chairman can all undermine effective governance. The respective roles of the Chairman and the CEO will depend on various factors such as the manner in which the Board functions and the relationship between the Board and the Management.

The Articles of Association of the company provides that the Chairman of the Board of Directors shall be elected by the Board of Directors who shall chair meetings of the company.

Key roles and responsibilities of the Chairman:

- a. To call and preside meetings of the Board of Directors and that of the Shareholders of the Company, and to ensure that the meeting is properly convened and conducted.
- b. To play a crucial leadership and pivotal role in ensuring that the Board as well as its Committees effectively in conformity with the highest standards of corporate governance.
- c. To ensure full participation of the executive, non-executive and independent directors in the Board's decision making processes and activities.
- d. To facilitate effective contribution of non-executive and independent directors and building a strong bond and trust between them and the executive directors.
- e. To ensure that the Board plays a full and constructive part in developing and determining the company's strategy and overall business and commercial objectives.
- f. To set agenda to be tabled for discussion taking into consideration the important issues facing the company with emphasis to strategic rather than routine issues.
- g. To ensure that there are sufficient scope for effective communication between the Board and the shareholders at the General Meetings.
- h. To ensure that all Board Committees are properly established, composed and operated.
- i. To ensure that complete, timely and clear information on the company affairs are provided to the Board.
- j. To ensure that the regulatory compliances are considered and acted upon, through the management personnel.
- k. To ensure effective communication between the company and its executives, management, committees and shareholders.
- l. To ensure that the meeting is conducted in accordance with the requirements of the Act, Regulatory Acts and regulations, company's Articles of Association and any applicable special and common law and rules, and has an overriding duty to act in good faith in the best interests of the company and is responsible for the proper conduct of the meeting, the preservation of order, ensuring that all shades of opinion are given a fair hearing and ensuring that the sense of the meeting is properly ascertained and recorded. To ensure that the meeting starts on time and that all the business on the agenda is transacted. The start of meeting can be delayed in certain circumstances obviously where there is no quorum. The Chairman can legitimately delay the meeting to allow members who arrived on time to register and get admittance. As a rule of thumb, it is not advisable to delay the meeting for any longer than 15 to 20 minutes.
- m. Problems that take longer time than this to fix should be dealt with by proposing an adjournment immediately after opening the meeting
- n. Rule on any question raised from the floor relating to the conduct of the meeting. If his decision is challenged, the matter should be put to the meeting and decided by the majority of those present. In addition to making rules on points of order, the Chairman will usually have the power to adjourn the meeting, to demand a poll, to rule on validity of votes at general meetings and to rule of the validity of an amendment of motions / resolutions
- o. To ensure that meeting will not be closed without his consent unless all the business has been dealt with.
- p. Minutes signed by the Chairman of the Meeting are prima-facie evidence of the proceedings therefore the Chairman has a special duty to produce and keep minutes of all proceedings of General Meetings, Meetings of the Directors and its Committees.
- q. Deemed to have been given authority by the meeting to regulate its proceedings still there are many matters relating to the conduct of a meeting which entirely are in the hands of those persons who are present and constitute the meeting. Thus it rests with the meeting to decide whether notices, resolutions, minutes, accounts and such like shall be read to the meeting or be taken as read, whether representatives of the Press or any other persons not qualified to be summoned to the meeting, shall be permitted to be present, or if present, shall be permitted to remain, whether and when discussion shall be terminated and a vote taken, whether the meeting shall be adjourned. In all these matters, which are only instances, the meeting decides, and if necessary a vote must be taken to ascertain the wishes of the majority. If no objection is taken by any constituent of the meeting, the meeting must be taken to be assenting to the course adopted.
- r. Support and advice the CEO in the development strategy and establish a harmonious and open relationship with him.

Chapter 3

Code of Conduct of other Board Members

Board of Directors & their Charter:

This Board Charter ("Charter") is designed to provide lays down clearly the responsibilities, functions and terms of reference within which the Board, Board Committees and individual Directors play their roles distinct from the management ("Management") to ensure business integrity and maintains investors' confidence in accordance with Eastland's corporate objectives.

The Board of Directors ("Board") of the company believes that strong corporate governance is essential for delivering sustainable value to its stakeholders. In adhering to the responsibilities set out in this Charter, Board members are expected to perform their duties with integrity, honesty and in a professional manner in accordance with the law in serving the interests of its shareholders, clients, employees, the community and other stakeholders. As a result, it is committed to good corporate governance. It should be noted that this Charter serves as a reference to the Board members in executing their responsibilities. The provisions contained in this Charter neither replace nor supersede the laws of Bangladesh or the applicable regulatory frameworks.

Composition of the Board:

The Board consists of qualified individuals with a diverse set of skills, experience and knowledge necessary to govern the Company. The composition has been fulfilled in compliance with the provisions of the Insurance Act, 2010. Instruction of Bangladesh Securities and Exchange commission and/or Insurance Development and Regulatory Authority will also be complied. The composition and size of the Board will be reviewed from time to time to ensure its suitability to facilitate the decision making of the Company. The independent Directors provide the strong independent element to the Board to ensure that all matters are reviewed with objectivity, balance and fairness. The Board shall identify 02(two) independent non- executive Directors to be appointed who will attend to any query or concern raised by the shareholders as an alternative to the existing formal channel of communication with shareholders. The Board is committed to workplace diversity, with a particular focus on supporting the representation of women in the composition of Board of the Company. The Board, through Nomination Committee, will conduct all board members appointments, supporting the election committee and re-election, reappointment, retirement as per prescribed law.

Nomination criteria or policy for determining qualifications

Pursuant to the section 92 of the Companies Act 1994, "restrictions on appointment or advertisement of director" clause indicated that, the proposed director should hold the minimum shares called to him/her. The call of shares not limited to the power and determination of the regulatory body but also the practice of ensuring the compliance and meeting the regulatory requirements from time to time. Written consent of the candidate for directorship to be ensured as per section 93 of the Companies Act 1994 which will be placed before the NRC for their scrutiny. Section 94 about the disqualification of the directors and section 97 about the qualification of the directors shall be read with i.e. listing regulation 2015, corporate governance code 2018 along with other applicable laws. NRC should recommend the nomination and removal of the board members based on the retirement and re-election procedures in the AGM for normal circumstances. Election Procedures prescribed in the Insurance rules 1958 to elect public subscribers shareholders be recommended to the board by the NRC. Nomination, appointment and co-option of the board members shall be a formal process prescribed in the Insurance laws, laws of Bangladesh Securities and Exchange Commission (BSEC), conditions stipulated in the companies Act including other applicable laws.

The Nomination Committee is responsible to recommend appointment of new candidates to the Board of Directors by considering the required mix of skills, experience, qualities, time commitment and diversity, including gender, ethnicity and age, where appropriate and the Board shall deliberate and determine any appointment of a new director upon the recommendation from the Nomination Committee, which should comprise exclusively of non-executive directors, a majority of whom must be independent. The Articles of Association of the Company provides that every newly appointed director is subject to re-election at the immediate Annual General Meeting ("AGM") and at every AGM, the Board members shall retire as seniority basis from the office and be eligible for re-election at every AGM.

Positive attributes & experience including independence of the directors

Board may time to time advise the NRC to hold the meeting with its purpose however; recommendations of the NRC should not in any case be influenced by the board. Audit committee and board however have the right to call and clarify and to call and to receive clarification on the disputed ground. Committee members of the NRC are independent to clarify and settle the decisions and recommendations as per their own judgment. At least two

members of the NRC shall be financially literate and enough capabilities to judge the terms and conditions of the NRC.

The Directors' should follow

As a Director of the Company must follow the below listed items (but not limited to)-

a. Compliance with Laws, Rules and Regulations:

The Company requires strict compliance by all its Directors with applicable laws, rules and regulations. These include BSEC's Securities Laws and other securities laws, including insider trading laws and the Company's insider trading compliance policies.

b. Directors' Duties:

All directors of the Company stand in a fiduciary relationship to the Company. As fiduciaries, directors must act honestly, in good faith, and in the best interests of the Company. Directors will be held to strict standards of honesty, integrity and loyalty. A director shall not put personal interests ahead of the best interests of the Company.

c. Respectful Conduct:

It is recognized that directors bring to the board diverse background, skills and experience. Directors will not always agree with one another on all issues. All debates shall take place in an atmosphere of mutual respect and courtesy. The authority of the chair must be respected by all directors.

d. Corporate Obedience -Board Solidarity:

Directors acknowledge that properly authorized board actions must be supported by all directors. The board speaks with one voice. Those directors who have abstained or voted against a motion must adhere to and support the decision of a majority of the directors.

e. Board Spokesperson:

The board shall adopt a policy with respect to designating a spokesperson on behalf of the board. Only the chair or designated person may speak on behalf of the board. No director shall speak or make representations on behalf of the board unless authorized by the chair or the board. When so authorized, the board member's representations must be consistent with accepted positions and policies of the board.

f. Compliance with Laws, Rules and Regulations:

Directors shall comply with all applicable laws, regulations and rules, and with the Eastland Insurance Company Limited Insider business Policies.

Code of ethics of the Board of Directors

Members of the board (including Non-Executive Independent Directors and ex- officio members of the board) shall at all times abide by and conform to the following code of conduct in their capacity as board members.

1. Each member of the board of directors will abide in all respects by the Code of Ethics and all other rules and regulations of the Company (including but not limited to the Company's articles of incorporation and bylaws) and will ensure that their membership (or the membership of the entity for which they serve as officer, director, employee, or owner, as the case may be) in the company remains in good standing at all times. Furthermore, each member of the board of directors will at all times obey all applicable state and local laws and regulations and will provide or cause to provide the full cooperation of the association when requested to do so by those institutions and their persons set in authority as are required to uphold the law.
2. Members of the board of directors will conduct the business affairs of the company in good faith and with honesty, integrity, due diligence, and reasonable competence. Except as the board of directors may otherwise require or as otherwise required by law, no board member shall share, copy, reproduce, transmit, divulge or otherwise disclose any confidential information related to the affairs of the company and each member of the board will uphold the strict confidentiality of all meetings and other deliberations and communications of the board of directors.
3. Members of the board of directors will exercise proper authority and good judgment in their dealings with company staff, suppliers, and the general public and will respond to the needs of the company's members in a responsible, respectful, and professional manner.
4. No member of the board of directors will use any information provided by the association or acquired as a consequence of the board member's service to the association in any manner other than in furtherance of his or her board duties. Further, no member of the board of directors will misuse company property or resources and will at all times keep the company's property secure and not allow any person not authorized by the board of directors to have or use such property.

5. Each member of the board of directors will use his or her best efforts to regularly participate in professional development activities and will perform his or her assigned duties in a professional and timely manner pursuant to the board's direction and oversight.
6. Upon termination of service, a retiring board member will promptly return to the company all documents, electronic and hard files, reference materials, and other property entrusted to the board member for the purpose of fulfilling his or her job responsibilities. Such return will not abrogate the retiring board member from his or her continuing obligations of confidentiality with respect to information acquired as a consequence of his or her tenure on the board of directors.
7. The board of directors dedicates itself to leading by example in serving the needs of the association and its members and also in representing the interests and ideals of the Company at large.

Role of the Board of Directors for the interest of the company

The board of directors must act at all times in the best interests of the Company and not for personal or third-party gain or financial enrichment. When encountering potential conflicts of interest, board members will identify the conflict and, as required, remove them from all discussion and voting on the matter. Specifically, board members shall follow these guidelines:

- a. Avoid placing (and avoid the appearance of placing) one's own self-interest or any third-party interest above that of the Company; while the receipt of incidental personal or third-party benefit may necessarily flow from certain Company activities, such benefit must be merely incidental to the primary benefit to the Company and its purposes;
- b. Do not abuse board membership by improperly using board membership or the Company's staff, services, equipment, resources, or property for personal or third-party gain or pleasure: board members shall not represent to third parties that their authority as a board member extends any further than that which it actually extends;
- c. Do not engage in any outside business, professional or other activities that would directly or indirectly materially adversely affect the Company;
- d. Do not engage in or facilitate any discriminatory or harassing behavior directed toward Company staff, members, officers, directors, meeting attendees, exhibitors, advertisers, sponsors, suppliers, contractors, or others in the context of activities relating to the Company;
- e. Do not solicit or accept gifts, gratuities, free trips, honoraria, personal property, or any other item of value from any person or entity as a direct or indirect inducement to provide special treatment to such donor with respect to matters pertaining to the association without fully disclosing such items to the board of directors: and
- f. Provide goods or services to the association as a paid vendor to the Company only after full disclosure and advance approval by the board, pursuant to any related procedures adopted by the board.

Use of Corporate Information, Opportunities and Assets:

(i) Directors may not compete with the Company or use opportunities that are discovered through the use of Company information or their position with the Company for their own personal benefit or for the benefit of persons or entities outside the Company. Directors may not waste or improperly use any Company asset.

(ii) The Chairman, Board members and any employee, officer or advisor of the Company & its affiliated entities who also serves as an officer or Director of the Company are not prohibited from, and the Company has renounced any interest or expectancy in, or being offered an opportunity to participate in, any investment opportunities in Securities that may come to the attention of any Covered Party other than investment opportunities that come to such Covered Party's attention directly and exclusively in such Covered Party's capacity as director, officer or employee of the Company; control investments in companies in the mass merchandising, retailing, commercial appliance distribution, product protection agreements, residential and commercial product installation and repair services and automotive repair and maintenance industries.

(iii) A Director may never use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company. Directors shall not disclose Confidential Information outside the Company either during or after their service as a Director of the Company except with the express or implied consent of the Board or as required by law.

(iv) Pursuant to their fiduciary duties of loyalty and care, Directors are required to protect and hold confidential all non-public information obtained due to their directorship position absent the express or implied permission of the Board of Directors to disclose such information. Accordingly, No Director shall use Confidential Information for his or her own personal benefit or to benefit persons or entities outside the Company; and

(v) No Director shall disclose Confidential Information outside the Company, either during or after his or her service as a Director of the Company, except with authorization of the Board of Directors or as may be otherwise required by law.

(vi) Non-public information concerning possible transactions with other companies or information about the Company's customers, suppliers or joint venture partners that the Company is under an obligation to maintain as confidential; and Non-public information about discussions and deliberations relating to business issues and decisions between and among employees, officers and Directors.

Conflicts of Interest:

Directors must avoid conflicts of interest. A conflict of interest occurs when-

1. A Director's private interests interfere in any way, or can reasonably be expected to interfere in any way, with the interests of the Company;
2. A Director or a member of his or her immediate family receives an improper personal benefit as a result of the Director's position as a Director of the Company: or
3. A Director has other duties, responsibilities or obligations that run counter to his or her duty to the Company. A Director must immediately disclose to the Chairperson of the Audit Committee and the Chairman of the Board any situation that involves, or may reasonably be expected to involve, a conflict of interest.

While this Code does not attempt to describe all possible conflicts of interest that could arise, the following are some of the conflicts of interest that Directors must avoid:

- a. Receiving loans or guarantees of obligations as a result of one's position as a Director;
- b. Engaging in conduct or activity that improperly interferes with the Company's existing or prospective business relationships with a third party;
- c. Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company; and
- d. Accepting, or having a member of a Director's immediate family accept, a gift from persons or entities that deal with the Company, in cases where the gift, considered in light of the totality of the circumstances, would reasonably be expected to influence the Director's actions as a member of the Board.

Without prejudice to any of these power given upon the Directors by the laws and Articles of Association of the company, it is hereby declared that they shall have the following powers-

- a. To prepare and issue schemes and plans of Assurance and Insurance, to determine the nature and extent of all or any rights, privileges or benefits to be granted in connection herewith.
- b. To receive proposals and to grant, issue or enter into policies of Assurance and Insurance of any description and any deeds or other instruments and any transaction for any purpose within the scope of these presents in such form, to such effect, upon such terms based upon tables or calculations and in such manner as the Directors may think fit.
- c. To effect such alteration or variation in any subsisting proposal forms, policy or policies, any deed or instrument or in the terms and conditions thereof as they deem advisable.
- d. To enter into treaties and make arrangements for reassuring or reissuing or reinsuring risk undertaken by the company or for sharing risks undertaken by other companies and to vary and rescind such treaties or arrangements.
- e. To consider, pay settle or refuse to pay, to contest or refer to arbitration claims in respect of policies or other matters.
- f. To pay either out of income or capital the preliminary expenses incurred in or about the formation, promotion and registration of the Company and procuring its capital to be subscribed.
- g. To purchase or otherwise acquire any property, rights or things which the company may purchase or acquire at such price and generally on such terms and condition as they shall think fit.
- h. At their discretion to pay for any property, rights or privileges acquired by or services rendered to the company either wholly or partially in cash or in shares, bonds, debentures or other securities of the Company and any such shares may be issued either as fully paid up or with such amount credited as paid up thereon as may be agreed upon and any such bonds debentures or other securities may be either specially charged upon, subject to the provisions, all or any part of the property of the company and its uncalled capital or not so charged.

- i. Subject to the provisions of section 8 of the Insurance Act, 1938 to secure fulfilment of any contracts or engagements entered into by the company by mortgage or charge of all or any other property of the company and its uncalled capital. for the time being or in such manner as they may think fit.
- j. Subject to the restrictions imposed upon by the company or by the provisions of section 107 of part or parts of the Company's present or future property upon such terms and conditions as they may think fit.
- k. To appoint or remove or suspend any Managers, Secretaries, Officers, Clerks, Agents or Servants and to direct and control and fix and pay their remuneration, subject to the provisions of section 40 of the Insurance Act, 1938.
- l. Subject to the restrictions imposed by section 35 of the Insurance Act, 1938 enter into any arrangement with any company, firm or person carrying on any business similar to that of this company for mutual concessions or for any pooling of business or profits that may seem desirable and to carry the same into effect.
- m. To give, award or allow any pension, gratuity or compensation to any employee of the company or his widow or children that may appear to the Directors just or proper whether such employee, his widow or children have not legal claim.
- n. Subject to the provisions of section 107(b) of the Act to commence and carry on or defend or abandon or compromise any legal proceedings whatsoever including proceedings in bankruptcy on behalf of the company or to refer any claim to arbitration and to observe and perform the awards and to accept compensation from or give time to any debtor or contributory owing money to the company.
- o. Subject to the provisions of section 107(b) of the Act to give receipts, releases and discharges on behalf of the Company.
- p. Subject to anything in these Articles contained to determine who shall be entitled to sign on the company's behalf bills, notes, receipts, acceptances, endorsements. Cheques, release, contracts and documents.
- q. Subject to the provisions of sections 27 of the Insurance Act, 1938 and subject to the provisions of section 103 of the Act, to invest and deal with any of the moneys of the company to immediately required for the purpose of its business in such manner as they may think fit and to vary such investments or realize the amount invested therein, provided that they shall not purchase or make advances upon any of the shares of the company.
- r. To give indemnities to any Directors or other person who has undertaken or is about to undertake any liability on behalf of the company and to secure such Director of other person against loss by giving him a mortgage or charge upon the whole or any of the property of the company by way of security, subject to the provisions of the section 7 of the Insurance Act, 1938 and section 106 of the Act.
- s. Subject to the restrictions imposed upon the company by section 40 of the insurance Act, 1938 to remunerate any person rendering services to the company whether in its regular employment or not in such manner as may seem fit whether by cash, salary, bonus, or shares in debentures or by a commission or share profits either in any particular transaction or generally or howsoever otherwise.
- t. From time to time, make, vary and repeal bye-laws for the regulation of the business of the company, its officers and servants.
- u. To enter into all such negotiations and contracts and rescind and vary all such contracts and execute and to all such acts, deeds and things in the name of and on behalf of the company as they may consider expedient for or in relation to any of the matters aforesaid or otherwise for the purpose of the company.
- v. To delegate all or any of the powers hereby conferred upon to the managing Director and officers of the company as they may think fit.
- w. To appoint any person, firm or company to act as Chief Agents or Organizers of the Company to organize and supervise the organization, business of the company in any specified area or in any country or any part thereof and fix their remuneration tenure of office and duties and functions of such Chief Agents and Organisers.

Chapter 4

Code of Conduct of the Chief Executive Officer

Chief Executive Officer

The Chief Executive Officer (which is equivalent to more commonly known term of 'Managing Director') of the Company shall be in total charge of managing the business of the company, who shall develop business strategies and translate them into functional objectives and manage himself or through functional managers the following major functions independently:

- a. Financial planning and sourcing, record keeping and analytical management reporting to the Board of Directors;
- b. Managing the marketing channels and sales force, market research, developing new products, marketing communications, public relations, pricing decisions and customer service;
- c. Managing day to day operations including training and guiding employees using available resources productivity, monitoring performance levels and ensuring the availability of required skill sets;
- d. Assessing the human resource requirements, employee records maintenance, employee skills management programs and disciplinary matters;
- e. Complying with the various regulatory requirements as applicable to the Company, and ensuring that the employees are aware of and comply with these typically by developing policies and practices that result in compliance and communicating these to employees and monitoring their adherence; and
- f. Tap the potential of information technology for improving company's functioning and monitor technology developments and help develop meaningful roles for the company in the emerging technological scenarios. And in particular,

Besides, the CEO shall:

- i. have the vision of the company in sight and work based on that and will be responsible for creating a desired image about the company among the public, customers, government and other external entities and shall make sure that the company is able to ensure business continuity in the face of different kinds of crises and changes in environment.
- ii. motivate the chief officers to function in a coordinated manner and develop the business into a cohesive organization.
- iii. evaluate the performance of the company, review with the operations head and finance head and steer the company ahead.
- iv. make sure the business is done legally within the framework provided and ensuring that the processes are all in place. Major decisions with regard among others to what other businesses to enter or if ties with any existing client should be severed etc shall however be made by the CEO in consultation with and within the authorities delegated by the Board of Directors.
- v. be accountable to the Board of Directors of the Company for the performance of the business consistent with agreed plans, strategies and policies.
- vi. develop annual plans for presentation to the Board for support.
- vii. plan human resourcing to ensure that the Company has the capabilities and resources required to achieve its plans.
- viii. develop processes and structures to ensure that capital investment proposals are reviewed thoroughly, that associated risks are identified and appropriate steps are taken to manage the risks.
- ix. develop and maintain an effective framework of internal controls over risk in relation to all business activities.
- x. ensure that the flow of information to the Board is accurate, timely and clear.
- xi. ensure an effective dialogue between the executives and the Board and in particular ensure that the Chairman and the Board are regularly up-dated on matters affecting the Company's performance, competitive position and risk profile.
- xii. establish a close relationship of trust with the Chairman, reporting key developments to him in a timely manner and seeking advice and support as appropriate, and
- xiii. meet regularly with the Chairman to review issues, opportunities and problems.
- xiv. meet regularly with investors and media.

Notable that, the CEO/MD and the CFO shall jointly certify to the Board that-

- 1.1 They have reviewed financial statements for the year and to the best of their knowledge and belief:
- 1.2 These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- 1.3 These statements together present a true and fair view of the company's affairs and are in compliance with existing accounting standards and applicable laws
- 1.4 There are, to the best of knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violation of the company's code of conduct.
- 1.5 The Certification of the MD or CEO shall be disclosed in the Annual Report.

Subject to the supervision control and authority vested from time to time by Board of Directors for expedient and smooth functioning of the business and affairs of the company the Chief Executive Officer shall exercise the following powers:

- (a) To manage business and affairs of the company and to employ and engage Managers, Secretaries, Officers, Clerks, Staff, Workers, Laborers for the purpose of the company and to remove and dismiss them and appoint others in their places and to pay/allow to the persons so employed as aforesaid such salary, wages or other remunerations as may be approved by the Board
- (b) To establish any trade arrangement, appoint agents and establish agencies and to open and close any branch or branches of the company at home or abroad as may be approved by the Board.
- (c) To purchase, take on lease or otherwise acquire for the company any land, building, machinery, plants, implements, right, privileges, concessions, licenses as may be required by the company from time to time and for such consideration as may be approved by the Board
- (d) To buy, sell, import, export, produce or supply all plants, machinery, materials, stores, stock-in-trade and other movables and things required for the purpose of the company with the prior sanction of the Board.
- (e) To invest and deal with the money of the company not immediately required for the purpose thereof upon such terms and to such persons as may be decided by the Board.
- (f) To give any person employed by the company a commission on the profit of the company with prior sanction of the Board
- (g) To insure the properties, movable and immovable of the company
- (h) To sign all cheques, drafts, bill, vouchers, certificates, deeds, instruments, bonds, agreements, documents or any negotiable or transferable instruments and documents within the limits prescribed by the Board.
- (i) To determine who shall be entitled to sign on behalf of the company the bills, cheques, notes receipts, endorsement, releases, accounts and documents within the limits prescribed by the Board
- (j) To enter into such negotiations and contracts and rescind or vary all such contracts and execute and do all such acts, deeds and things in the name of the company as he may think fit, subject to the approval of the Board
- (k) To demand, sue for, receive and realize all dues, claims, damages, compensations and profits due and payable to the company and for that purpose to take legal actions and proceedings under the provisions of law whether civil, criminal, original or appellate
- (l) To appear for and on behalf of the company before any court, proceedings and to institute, prosecute, defend, settle, compound submit to arbitration, compromise, withdraw any suits, actions, accounts, claims and demand whatsoever whether arising from any legal proceedings or not with the approval of the Board
- (m) To sign and verify plaints, written statements, petitions, applications and vakalatnama and powers authorizing legal practitioners to act for and on behalf of the company before all courts, proceedings, civil, criminal, revenue or otherwise and generally do all other acts and things as may be necessary from time to time in connection with different departments under the Government, Semi-Government, Offices or any other private office with the approval of the Board
- (n) To receive services of summons or writs issued against the company or judgment delivered and to exercise franchise in any elections whatsoever with the approval of the Board
- (o) To grant any Power of Attorney, general or special to any Executive, manager or other officers of the company and shall have full power and authority to appoint one or more substitutes to do, execute and perform all or any acts, tings or matters aforesaid or otherwise subject to the approval of the Board
- (p) To sign and execute all deeds and documents and to place the same for registration before any Register or Registration authority and to admit execution thereof for and on behalf of the company and also place for registration before any registering authority deeds and documents executed in favour of the company and generally to do all other acts and things in that behalf subject to the approval of the Board
- (q) To give donations and subscription to or for any religions, charitable, benevolent, social or cultural institutions or organizations within the prescribed limit.

Chapter 5 Code of Conduct/role of NRC

(a). NRC shall be independent and responsible or accountable to the Board and to the shareholders;

- (b).** NRC shall oversee, among others, the following matters and make report with recommendation to the Board:
- i. formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend a policy to the Board, relating to the remuneration of the directors, top level executive, considering the following:
 - a.1 the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate suitable directors to run the company successfully;
 - a.2 the relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
 - a.3 remuneration to directors, top level executive involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals;
 - ii. devising a policy on a Board's diversity taking into consideration age, gender, experience, ethnicity, educational background and nationality;
 - iii. identifying persons who are qualified to become directors and who may be appointed in top level executive position in accordance with the criteria laid down, and recommend their appointment and removal to the Board;
 - iv. formulating the criteria for evaluation of performance of independent directors and the Board;
 - v. identifying the company's needs for employees at different levels and determine their selection, transfer of replacement and promotion criteria; and vi developing, recommending and reviewing annually the company's human resources and training policies;
- (c).** The Company shall disclose the nomination and remuneration policy and the evaluation criteria and activities of NRC during the year at a glance in its annual report.

Waiver of the Code

Waiver of a provision of this Code can only be made by the Board of Directors, and shall be granted only in very exceptional circumstances. The Company shall disclose any such waiver and the reasons for it, in accordance with legal and regulatory requirements. A Director who becomes aware of a circumstance that may require a waiver shall promptly bring the circumstance to the attention of the Chairperson of the Audit Committee. Eastland Insurance is committed to demonstrating the high standards of ethical behavior expected by its valuable customers countrywide, shareholders, employees and other stakeholders. The Board of Directors is accountable for establishing the framework that creates the culture of integrity. The Board's Audit Committee specifically oversees compliance by the company and its employees with laws, regulations and the company's policies. Board members are responsible for complying with laws and regulations, including insider trading rules relating to securities transactions and reporting as well as avoiding behavior that might compromise the company's success.

Conclusion

A code is also a very pragmatic document. Typically the values and principles presented are illustrated with several operational examples of the very types of dilemmas and ambiguities that an individual director or the board collectively might encounter in the course of exercising their responsibilities. For example, in the description of how the board is expected to act fairly, a code would typically detail how fairness plays out on boards - issues of independence, conflicts of interest, and the need to separate personal needs from those of the organization. The by-laws may offer direction to the board regarding the resolution of conflicts of interest - e.g. recusal from voting on a particular decision.

The code describes the underlying principles and values so that a director can better understand and meet the expectations and requirements of the organization, even in cases not articulated in any document. The code creates a common vocabulary, and a sense of the ethical requirements for serving on a board. It facilitates dialogue about ethical issues and goes a long way towards ensuring that well-intentioned people will not mistakenly choose the wrong path when confronting situations not adequately addressed in policy, procedure, law, regulation or by-laws.