

# Code of Conduct

## Chairperson and Members of the Board of Directors and Chief Executive Officer (Managing Director) of Dhaka Electric Supply Company Limited.

### 1. Preliminary

This Code of Conduct ("the Code") shall be called "The Code of Conduct for the Chairperson of the Board, other Board Members and Chief Executive Officer of Dhaka Electric Supply Company Limited. The Code of Conduct is in compliance with the requirement of the Corporate Governance Code 2018 of the Bangladesh Securities and Exchange Commission. The Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, and help foster a culture of transparency and accountability.

### 2. Applicability

The Code shall be applicable to each Member of the Board of Directors of Dhaka Electric Supply Company Ltd. (the "Company"), hereinafter referred to as "Director" of the Company as referred in the Corporate Governance Code 2018.

### 3. Objectives

- a. To enhance the standards of ethical conduct, which are based on core Company values.
- b. To implement highest degree of transparency, integrity, accountability and corporate social responsibility.
- c. To further achieve good corporate governance by complying with all laws, rules, and regulations applicable to the Company and fulfilling responsibilities towards stakeholders.
- d. To set standards of professional conduct for Independent Directors on the Board of the Company, with the aim of promoting confidence of investment community, minority shareholders, regulators and other stakeholders in the conduct of Independent Directors of the Company.

### 4. Responsibility of the Directors

The Board represents the interests of shareholders, as owners of a Company, in optimizing long-term value by overseeing management performance on Shareholders' behalf. The Board's responsibilities in performing this oversight function include a duty of care and a duty of loyalty.

A Director's duty of care refers to the responsibility of exercising appropriate diligence in overseeing management of the Company, making decisions and taking other actions. In fulfilling the duty of care, Directors are expected to:

- i) Attend and participate in board and committee meetings. Personal participation is required. Directors may not vote or participate by proxy;



A handwritten signature in black ink, consisting of a stylized 'D' followed by a long horizontal stroke.

A small handwritten mark or signature, possibly a cross or a similar symbol.

- ii) Remain properly informed about the Company's business and affairs. Directors should review and devote sufficient time to studying board materials;
- iii) Directors should make inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them properly.

A Director's duty of loyalty refers to the responsibility to:

- i) Act in good faith and in the Company's best interests, not the interests of the Director, a family member or an organization with which the Director is affiliated.
- ii) Directors' should not use their positions for personal gain.
- iii) The duty of loyalty may be relevant in cases of conflict of interest and corporate opportunities.

## 5. The Code

Every person to whom The Code applies will be bound by the following to the extent applicable.

### A. Regulatory Compliances

- i) To comply with all applicable laws, rules, regulations and regulatory orders.
- ii) To acquire appropriate up to date knowledge of requirements of compliances under various applicable statutes.
- iii) To ensure that proper legal compliance management system is in place for reviewing and reporting the status of compliances under various laws.

### B. Honest and Ethical Conduct

To act in utmost good faith and in accordance with highest standards of personal and professional integrity, honesty and ethical conduct in respect of all transactions.

### C. Conflict of Interest

Not to indulge in any activity which might conflict with the interest of the Company. A Director shall refrain himself/herself from voting on a resolution where there is a conflict of interest. [Ref. Article 73(1) of Articles of Association of DESCO].



#### **D. Corporate Opportunities**

- i) Not to exploit opportunities through the use of the Company's property (including intellectual property), information or position for personal gain.
- ii) Not to divert any business opportunity that the Company is pursuing to his/her own advantage.

#### **E. Fair Dealing**

- i) To deal fairly with the stakeholders and employees of the Company.
- ii) To discharge the duties in a fair and impartial manner like a Trustee.

#### **F. Protecting Company's Confidential Information**

- i) To maintain the confidentiality of sensitive information of the Company or that of any stakeholder to which the Company has a duty of confidentiality to maintain, except when disclosure is authorized or legally mandated. The confidential information includes all information not in the public domain that might be of use to competitors or harmful to the Company, if disclosed.
- ii) Not to use of confidential information directly or indirectly for personal advantage or profit.

#### **G. Use and Protection of Company's Assets**

- i) To protect Company's assets and properties, including intellectual property and ensure its efficient use.
- ii) To ensure the use of Company's property for legitimate business purposes of the Company.

#### **H. Disclosure of Interest**

To disclose to the Board whether he/she has, any direct or indirect material interest in any transaction or matter affecting the Company.

#### **I. Prohibition of "Insider Trading"**

To comply with the provisions of the সিকিউরিটিজ ও এক্সচেঞ্জ কমিশন (সুবিধাভোগী ব্যবসা নিষিদ্ধকরণ) বিধিমালা, ১৯৯৫ and amendments thereof.

#### **J. Contribution in Strategic planning**

- i) To exercise independent judgment and if required, oppose any move that might affect Company's interest.
- ii) To promote ethical and informed decision making.
- iii) To contribute to the achievement of Vision and fulfillment of Mission of the Company.



## K. Meetings

- i) To endeavor to attend and actively participate in all the meetings of the Board of Directors and its Committees, where he/she is a member, as well as general meetings of the Company.
- ii) Not to remain present when any discussion on any matter is in progress in which he/she is personally interested and he/she shall not participate or vote on any discussion on any matter in which he/she is personally interested.

## 6. Code for Independent Directors

In addition to compliance with the aforementioned provisions of this Code, an Independent Director shall:

1. orient him/herself with state of affairs of the Company and regularly upgrade their professional skills;
2. in discharging assigned duties, seek appropriate information or clarification and where necessary, take and follow appropriate professional advice and opinion of external experts at the expense of the Company;
3. strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a Member;
4. participate constructively and actively in the Committees of the Board in which they are Chairpersons or Members;
5. strive to attend the General Meetings of the Company;
6. in case of having concerns about running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, confirmed that their concerns are recorded in the minutes of the Board Meeting;
7. keep themselves well informed about the Company and the external environment in which it operates;
8. not unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;



11. report to the Company about unethical behavior of any person related to the Company or about any actual or suspected fraud or violation of the Company's Code of Conduct;
12. assist in protecting the legitimate interests of the Company, Shareholders and its employees while acting within the scope of authority;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **7. Certification**

Each of the Directors of the Company to whom this Code is applicable as referred to in Clause 2, shall submit a declaration of undertaking to the Company Secretary by the 10<sup>th</sup> of July every year, starting from July 2020 onwards, confirming his/her compliance with the provisions of this Code for the year ending on 30 June in the format as **Annexed** herewith.

#### **8. Amendment**

The provisions of this Code may be amended and modified by the Board of Directors of the Company from time to time as may be required and all such amendments and modifications shall take effect from the date stated therein.

The Nomination and Remuneration Committee shall be responsible for regularly evaluating appropriateness of this Code, and for making recommendations relating to any necessary amendments of the Code to the Board of Directors.

#### **9. Effective Date**

This Code of Conduct (the "Code") is effective from October 17, 2019.

For and on behalf of the Board of Directors of  
Dhaka Electric Supply Company Ltd.

  
**Maksuda Khatun**

 Chairman, Board of Directors



Date :

The Company Secretary  
Dhaka Electric Supply Company Limited  
22/B Faruk Sarani, Nikunja-2  
Khilkhet, Dhaka-1229

Dear Sir,

**Subject: Compliance with Code of Conduct**

I hereby confirm that I am well aware of the provisions of the Code of Conduct laid down for the Chairperson, Members of the Board of Directors and Chief Executive Office of Dhaka Electric Supply Company Limited.

I hereby further affirm having complied with the said Code of Conduct for the financial year \_\_\_\_\_.

Thanking you,

Yours faithfully,

Signature :  
Name :  
Designation :  
Address :

