

Date : December 19, 2018

Board Memo No.: 5

**Sub: Code of Conduct for the Chairperson, other Board Members and Chief Executive Officer of Delta Brac Housing Finance Corp. Ltd. (DBH).**

The Code of Conduct (the “Code”) has been formulated by the Board of Directors of DBH to set forth principles and ethical standards for the Chairman, other Board Members and Chief Executive Officer in accordance with the Condition No. 1(vii) of the Bangladesh Securities and Exchange Commission’s (BSEC) Corporate Governance Code-2018, by amending the existing code of conduct for Directors adopted in pursuant to the Condition No. 1.2 (v) of the Securities and Exchange Commission’s (SEC) Corporate Governance Guidelines 2012.

Delta Brac Housing Finance Corporation Ltd. (DBH), a pioneer private sector housing finance company of the country, firmly believes in and has consistently endeavored to practice good corporate governance and has acted as a good corporate citizen all along.

The spirit of Corporate Governance has prevailed in the Company and influenced its decisions and policies long before the guidelines became mandatory.

The Code of Conduct for the Chairman, other Board Members and Chief Executive Officer reflects the business practices and principles of behavior that support this commitment. Our Board of Directors set the standards of conduct contained in the Code and updates these standards as appropriate to reflect legal and regulatory developments. We expect every Board Member to read and understand this Code and its application to the performance of his or her responsibilities. We hold each of our Board Member accountable for adherence to this Code.

**1. General Standard of Conduct:**

The Code of Conduct for the Chairman, other Board Members and Chief Executive Officer of a Financial Institution are more important than those of other companies; because in case of a Financial Institution it is essential to earn and maintain confidence of the depositors as its business is mainly run with the depositors' money. The Board of Directors shall also have to strive to protect interests of its Depositors as well as of the Shareholders.

This Code is not designed to be exhaustive and the standards it enumerates are in addition to and not in substitution for the Statutory, Common Law and other duties and obligations applicable to for the Chairman, other Board Members and Chief Executive Officer. Consequently, a Director uncertain of his or her duties in any particular circumstance should raise this concern with the Chair of the Board in order to obtain appropriate guidance and advice.

**2. Statutory Compliances:**

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 endeavour to ensure that the officers of the Company are complying with the various statutory compliances efficiently and effectively and proper procedures are being followed in this regard.

### **3. Honest and Ethical Conduct:**

The Members shall act honestly, objectively and effectively in a fair and transparent manner for advancing the interests of the Company. They must abide by the policies and procedures framed and adopted by the Company and must respect and adhere to ethical and fair business practices. The Members shall use 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.

### **4. Conflict of Interest:**

The Members shall avoid any situation that would lead to or tend to lead to any conflict of interest. Conflict of interest is a situation where personal interest may, in any way, interfere with the interests or benefits of the Company impacting the exercise of independent judgment while discharging one's duties and responsibilities. In case of a situation that involves or appears to involve conflict of interest, the Members are expected to make a suitable disclosure to the Board of Directors of the Company and shall abstain from participating in any discussion for such transaction. The Members are expected not to derive any improper personal benefit or a benefit to any of their relatives from the Company, including by making or influencing decision relating to any transaction of the Company or its subsidiary. Each director must exercise his or her powers in the interests of the Company and its shareholders and not in his or her own interest or in the interest of another person or organization. However, transactions involving director conflicts of interest are not inherently improper if they are disclosed to and approved by a Company's Board of Directors or shareholders, or if they are "just and reasonable" to the Company at the time authorized, approved, or ratified.

### **5. Confidentiality of Information:**

"Confidentiality of information" includes all information of the Company not authorized for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time.

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/Senior Management shall ensure that no confidential information is disclosed inadvertently or otherwise.

Directors/Senior Management shall ensure that all confidential information available to them by virtue of the office including Board Meeting papers including Agenda and Minutes etc. that they may hold or peruse is never directly or indirectly released or disclosed to any person or entity, or made public.

Furthermore, a director may not use confidential information to make personal profit or gain or for other personal advantage. The duty to maintain information in confidence continues after the Director ceases to be a Director of the Company.

## **6. Lending and Risk Management:**

The policies, strategies, procedures etc. in respect of appraisal of loan/investment proposal, sanction, disbursement, recovery, reschedule and write-off thereof shall be made with the Board's approval under the purview of the existing laws, rules and regulations. The Board shall specifically distribute the power of sanction of loan/investment and such distribution should desirably be made among the CEO and his subordinate executives as much as possible. No director, however, shall interfere, directly or indirectly, into the process of loan approval.

## **7. Protection & proper use of Company's resources:**

The Members shall ensure that the assets and resources of the Company are properly, judiciously and efficiently used for its business purposes and are properly safeguarded. Any unauthorized use of the Company's assets should not be allowed and appropriate steps should be taken for the same.

## **8. Accounting Complaints:**

The Audit Committees of the Boards 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.

## **9. Public Company Reporting:**

As public limited and listed Company, it is of critical importance that the Company's filings with the Bangladesh Securities and Exchange Commission be full, fair, accurate, timely, and understandable. Directors may be asked to provide information necessary to assure that the Companies' public reports meet these 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.

## **10. Reporting any Illegal or Unethical Behavior:**

Directors should promptly communicate any suspected violations of the Code, including any violation of law or government rule or regulation, to the Chairman of the Board or the Compliance Officer. Suspected violations will be investigated by the Board, the Audit Committee, or persons designated by the Board or the Audit Committee. Appropriate action will be taken in the event that a violation is confirmed.

## **11. Amendment, Modification and Waiver:**

The Code may be amended, modified, or waived by the Company's Board of Directors, subject to the disclosure and other provisions of the Securities and Exchange Ordinance, 1969 and the Securities and Exchange Rules, 1987, and the rules thereunder and the applicable rules of any stock exchanges on which either Company's securities are traded. As a general policy, the Chairman, other Board Members and Chief Executive Officer will not grant waivers to the Code.