



## Bangladesh Shipping Corporation

### **Code of Conduct for the Chairperson, Other Board Members and Managing Director (As per Condition: 1(7) of Corporate Governance Code, Dated: 10<sup>th</sup> June, 2018)**

The Board of Directors (Board) of Bangladesh Shipping Corporation (BSC) has adopted the following Code of Conduct (Code) for its Chairperson, Board Members and Managing Director. This Code is intended to focus Board Members on areas of ethical risk, provide guidance to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct, foster a culture of honesty and accountability, deter wrongdoing and promote fair and accurate disclosure and financial reporting. The Code is not intended to override any applicable laws or any obligations pursuant to BSC's rules & regulations, Governance Guidelines or any other applicable laws & policies by the Government.

No code can relate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles and not absolute directives. Generally, however, the goal is to ensure that Board Members strive to foster BSC's Mission, Core Values and Commitments in an ethical manner.

#### **A. General Expectation**

1. **Observance of Ethical Standards:** Each Board Member is expected to adhere to a high standard of ethical conduct and act in accordance with BSC's Mission, Core Values and Commitments. The reputation of BSC depends upon the way Board Members conduct business and the way the public perceives that conduct. Unethical actions or the appearance of unethical actions are not acceptable. However, this Code summarizes such principles and nothing in this Code should be considered as limiting duties, obligations or legal requirements with which the Board Members must comply.
2. **Loyalty:** Board Members should not be, or appear to be, subject to influences, interests or relationships that conflict with the interests of BSC or its ability to operate for the benefit of the other community as a whole. Board Members shall act so as to protect BSC's interests and those of its staff members, assets and legal rights, and Board Members shall serve the interests of BSC over those of any other person, group or stakeholder of BSC.
3. **Care:** Board Members shall apply due diligence in the affairs of the Board and its committees and shall act prudently in exercising oversight of BSC and shall be attentive to legal ramifications of his or her and the Board's actions. Board Members are expected to be familiar with BSC's business and the environment in which the



company operates, and understand BSC's principal business plans, policies, strategies and core values.

4. **Inquiry:** Board Members shall take such steps as are necessary to be sufficiently informed to make decisions on behalf of BSC and participate in an informed manner in the Board's activities. Board Members are expected to attend all meetings of the Board, except if unusual circumstances make attendance impractical.
5. **Prudent Investment:** Board Members shall avoid speculation with BSC's assets by giving primary consideration to the probable income and probable safety of BSC's capital assets and the relation between BSC's assets and its present and future needs.
6. **Compliance with Laws, Rules and Regulations:** Board Members shall comply with all laws, rules and regulations applicable to BSC.

#### **B. Integrity of Records and Public Reporting**

Board Members should promote the accurate and reliable preparation and maintenance of BSC's financial and other records. Diligence in accurately preparing and maintaining BSC's record allows BSC to fulfill its reporting obligations and provide stakeholders, governmental authorities and the general public with an accurate, understandable and transparent disclosure timely.

#### **C. Corporate Opportunities**

Board Members are prohibited from: (a) taking themselves personally for opportunities related to BSC's business; (b) using BSC's property, information, or position for personal gain; or (c) competing with BSC for business opportunities. Board Members shall exercise prudent judgment to avoid the appearance of improper influence when offered opportunities, gifts or entertainment.

#### **D. Confidentiality**

Board Members should maintain the confidentiality of information entrusted to them by BSC as confidential and any other confidential information about BSC, its operations, customers or suppliers, which comes to them, from whatever source, except when disclosure is authorized or legally mandated. For purposes of this Code, "confidential information" includes all non-public information relating to BSC, its business, customers or suppliers.

#### **E. Conflict of interest**

Members of the Board of Directors shall also be bound to conduct them honestly and sensitively with respect to acceptance of certain functions, perquisites or assignments



which could conflict with the knowledge acquired by them in the performance of their duties as members of the Board of Directors.

The term "conflict of interest" pertains to situations in which personal financial or other consideration(s) may compromise, or have the appearance of compromising the professional judgment of Directors. A conflict of interest exists where the interests or benefits of Directors or of people or entities related to them conflicts with the interests or benefits of the Corporation.

In general, a conflict of interest exists for directors who use their positions at the company to benefit themselves, friends or families.

A director must not use his or her position to pursue or advance the director's personal interests, the interests of a related person, director's business associate, Corporation, union or partnership, or the interests of a person to whom the director owes an obligation. A director must not directly or indirectly benefit from a transaction over which a director can influence decisions made by the management.

A director must not use his or her position to solicit clients for the director's business, or a business operated by a close friend, family director, business associate, Corporation, union or partnership of the director, or a person to whom the director owes an obligation. Every director must avoid any situation in which there is, or may appear to be, potential conflict which could appear to interfere with the director's judgment in making decisions in the Corporation's best interest.

In addition to mandatory disclosures, all Non-Executive and Independent Directors shall disclose their association with any other company which, in their judgment, may lead to conflict of interest with the Corporation.

Directors are free to make personal investments and enjoy social relations and normal business courtesies. They should however ensure that such interests do not directly or indirectly influence the performance of their responsibilities.

Directors are advised to avoid conducting the Corporation's business with a relative, or with a business in which a relative is associated in any significant role.

The Directors are required to give full disclosure of all circumstances that could conceivably be construed as conflict of interest.

If there are any transactions proposed with such related parties within the knowledge of Directors, they must report the same to the Chairman. Any dealings with a related party must be conducted on an arm's length basis and on commercial terms and no preferential treatment shall be given.

If a proposed transaction or situation raises any question or doubts, the Chairman should be consulted.



#### **F. Board Interaction with Shipping Community and Media:**

The Board recognizes that members of the Shipping community, BSC constituency groups and the public at large have significant interests in BSC's actions and governance and therefore the Board seeks to ensure appropriate communication, subject to concerns about confidentiality. The Board notes that the Chairman and MD/CEO speaks for BSC.

#### **G. Gifts and remuneration**

A member of the Board may not give or accept gifts, other benefits beyond common business hospitality when representing the Corporation, as they may imply a duty to return a favor. A gift beyond common business hospitality can be accepted if refusal would be practically impossible or create unwanted embarrassment. Such a gift shall be accepted on behalf of the Corporation and reported to the Chairman.

When performing his or her duties, a member of the Board shall not receive, accept or solicit any kind of compensation, remuneration, commission, and advantageous terms of purchase or sale in any kind from external parties.

#### **H. Related parties**

As a general rule, Directors, before conducting Corporation's business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of BSC and take their prior approval for the same. Relatives elaborately include spouse, siblings, sibling's spouse, children, children's spouse, parents, grandparents, grandchildren and step relationships or as mentioned in the Listing Regulations of Stock Exchanges.

#### **I. Acting in Personal Capacity**

A Board Member must inform the Board Chair, if possible, before engaging in an activity in their personal capacity, and not BSC Board capacity, such as public speaking, authoring or contributing to a public article/blog/writing, or other activity similar in nature, that is about a topic that the Board has discussed or has been provided information, particularly matters that are confidential or sensitive in nature. If, due to the timing of the activity, the Board member is unable to inform the Board Chair beforehand, the Board member must inform the Board Chair as soon as practicable following the activity.



#### **J. Restriction on Dealing in BSC's Shares**

BSC's securities are listed on the major Stock Exchanges (DSE & CSE). The Corporation is committed to comply with securities laws in all jurisdictions in which its securities are listed.

The Corporation prohibits its Directors from any fraudulent and unfair trade practices in the securities market, with regard to the securities of the Corporation or of any other company with whom the Corporation has business dealings to the best of their knowledge.

#### **K. Insider Trading**

Confidential information may not be used for personal benefit. It is prohibited to trade securities or to tip others to trade securities of the Corporation or other companies on the basis of material information before it is made publicly available to ordinary investors through appropriate media.

To avoid the appearance that any the Company Director is trading on inside information, no Director should engage in "short sales" on the Corporation stock.

Directors, may of course, purchase BSC securities during the trading window by giving necessary declaration required under the listing regulations and in accordance with the applicable arrangements, as long as they are not basing decisions on inside information.

#### **L. Employees, Customers & Suppliers**

Board Members shall not take a discriminatory stance towards or give unfair advantage to BSC's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice. No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employees, customers, suppliers, or any business partner.

#### **M. Environmental Relationship**

BSC believes in sustainable development and is committed to be a responsible corporate citizen. To uphold BSC's interest and preserve the quality of life of all concerned, the business and operations of BSC shall be conducted in an environmentally friendly manner and provide a safe and healthy working environment to its employees. Board Members shall ensure compliance with all applicable environmental, safety and health laws and regulations and internal policies.



#### **N. Enforcement:**

Board Members will discuss with the Chair of the Board any questions or issues that may arise concerning compliance with this Code. Breaches of this Code, whether intentional or unintentional, shall be reviewed by the Board or any sub-committee established by the Board (excluding any Board Members whose breaches are under review), which, if necessary, shall make recommendations to the full Board for corrective action. Serious breaches of this Code may be cause for dismissal of the Board Member committing the infraction in accordance with BSC's rules/regulations and applicable laws.

#### **O. Affirmation**

All Board Members shall read this Code, and shall certify in writing (Following Form) that they have done so and that they understand the Code.

To,  
The Chairman/Managing Director/Company Secretary,  
Bangladesh Shipping Corporation.

Sub: Affirmation to the Code of Conduct of BSC.

I, being a member of the Board of Directors of Bangladesh Shipping Corporation (BSC), hereby acknowledge, confirm and certify that I have received, read and understood the Code of Conduct for Directors of BSC; I am bound by the said Code to the extent applicable to my functions as a member of the Board of Directors of BSC and I will comply with the provisions of the said Code.

Sign & Date:

Name of the Director:

#### **P. Review**

This Code will be reviewed periodically or when necessary by the Nomination and Remuneration Committee, which shall make recommendations to the Board regarding changes to or rescinding of the Code, as deemed appropriate.