

RESPECTIVE ROLES, RESPONSIBILITIES, AND DUTIES

of

CM, MD/CEO, CFO, HIAC, and CS

Company Secretariat

CONFIDENCE POWER AND ENERGY PLC.

Awal Center

17th Floor, 34, Kemal Ataturk Avenue, Banani, Dhaka

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RESPECTIVE ROLES, RESPONSIBILITIES AND DUTIES

The RESPECTIVE ROLES, RESPONSIBILITIES AND DUTIES OF CM, MD, CFO, HIAC AND CS is a set of *ethical principles, behavioral standards, and compliance rules* that guide how they must act in the Company. The Board of Directors clearly defined respective Code of Conduct for the Chairman, the Managing Director (MD)/Chief Executive Officer (CEO), the Chief Financial Officer (CFO), the Head of Internal Audit and Compliance (HIAC) and the Company Secretary (CS) as recommended by the Nomination and Remuneration Committee of the company.

1. CHAIRMAN

The primary objective of such a condition, being the Board's independence from management and the need for Board leadership to deal with matters of governance where independence matters, the creation of the non-executive Chairman role signals to all stakeholders that the Managing Director (MD)/ Chief Executive Officer (CEO) is accountable to a united Board with a visible leader. The Chairman's role is therefore communication-intensive, requiring exceptional interpersonal skills, intellectual honesty and an apolitical mindset, and must be able to focus a diverse group of directors and build consensus among them, be able to coach the MD/CEO, and be willing to have the difficult conversations with the MD/CEO when necessary. The Chairman must also have the maturity, leadership skills, tact, as well as a clear understanding of the boundaries of the role.. An effective Chairman and MD/CEO partnership requires mutual trust and regular contact. A dysfunctional relationship between the Chairman and the MD/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 Articles of Association of the company provide that the Chairman of the Board of Directors shall be elected by the Board of Directors, who shall chair meetings of the company as well as those of the Directors, with provisions for circumstances in which he is not present or is unwilling to act as such. The key roles and responsibilities of the **Chairman** are defined as follows:

- 1.1. To call and lead meetings of the Board of Directors and that of the Shareholders of the Company, and has a duty to ensure that the meeting is properly convened and conducted.



- 1.2. To play a crucial leadership and pivotal role in ensuring that the Board, as well as its committees, works effectively in conformity with the highest standards of corporate governance.
- 1.3. To ensure full participation of the executive, non-executive, and independent directors in the Board's decision-making processes and activities.
- 1.4. To facilitate effective contribution of non-executive and independent directors and build a strong bond and trust between them and the executive directors.
- 1.5. Ensure that the Board plays a full and constructive part in developing and determining the company's strategy and overall business and commercial objectives.
- 1.6. Ensure that all relevant, material, and timely information is made available to the Board for Board Meetings.
- 1.7. Set agenda to be tabled for discussion in consultation with the MD/CEO and the Company Secretary, taking into consideration the important issues facing the company, with emphasis on strategic rather than routine issues.
- 1.8. Ensure that there are sufficient channels for effective communication between the Board and the shareholders at General Meetings.
- 1.9. Ensure that all Board Committees are properly established, composed, and operated.
- 1.10. Ensure that complete, timely, and clear information on the company affairs is provided to the Board.
- 1.11. Ensure that the information from the Company Secretary on current and future compliance procedures and rules is considered and acted upon.
- 1.12. Ensure effective communication between the company and its executive management, committees and shareholders.
- 1.13. 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.
- 1.14. Ensure that the meeting starts on time and that all the business on the agenda is transacted. The start of the 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.



- 1.15. 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 the validity of votes at general meetings, and to rule on the validity of an amendment of motions/resolutions.
- 1.16. Cannot close the meeting until all the agenda items of the business have been acted upon;
- 1.17. 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.
- 1.18. Deemed to have been given authority by the Board to regulate its proceedings. However, there are many matters relating to the conduct of a meeting which are entirely 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, and, 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, or, 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.
- 1.19. Support and advise the MD/CEO in the development strategy and establish a harmonious and open relationship with him.
- 1.20. Meet regularly with the MD/CEO to review issues, opportunities, and problems.
- 1.21. Promote effective relationships and communications between non-executive directors and members of the Committees.
- 1.22. Maintain access to senior management as is necessary and useful, but not intrusive on the responsibilities of the MD/CEO.
- 1.23. The Chairman shall not act beyond the Articles of Association of the Company.



2. MANAGING DIRECTOR (MD)/CHIEF EXECUTIVE OFFICER (CEO)

Consolidated Code of Conduct for the Managing Director (MD) / CEO

Preamble

This Code of Conduct is established as mandated by the BSEC Corporate Governance Code and is based on the recommendations of the Nomination and Remuneration Committee (NRC). The MD/CEO must acknowledge and adhere to these principles. This code shall be posted on the company's official website.

2.1 Principles of the Code

The MD/CEO shall adhere to the following principles:

- **Prudent Conduct and Behavior:** Act with honesty, integrity, and fairness in all business dealings and professional relationships for the benefit of the company and its stakeholders.
- **Compliance with Laws and Regulations:** Ensure strict compliance with all applicable laws, rules, and regulations, including the provisions of the BSEC Corporate Governance Code and securities-related laws.
- **Conflict of Interest:** Avoid any situation that may create a direct or indirect conflict of interest with the company. The MD/CEO must disclose any potential conflicts to the Chairperson and the Board of Directors.
- **Confidentiality:** Maintain the confidentiality of all sensitive information obtained in the course of duty and not use such information for personal advantage or for any purpose other than the company's business.
- **Prohibition of Insider Trading:** Strictly prohibited from engaging in insider trading and shall not use or disseminate any unpublished price-sensitive information for personal or third-party gain.
- **Ethical Stakeholder Relationships:** Foster and maintain professional, ethical, and responsible relationships with the environment, employees, customers, and suppliers.
- **Independency:** Uphold independence in judgment and action, ensuring that all corporate decisions are made objectively and in the best interest of the company.
- **Prevention of Fraudulent and Illegal Acts:** Certify to the board that no transactions entered into by the company are fraudulent, illegal, or in violation of the code of conduct.



2.2 TOR

These Terms of Reference (TOR) outline the role, responsibilities, and duties of the Managing Director (MD) or Chief Executive Officer (CEO) of the company, as stipulated by the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC). The Board of Directors is responsible for clearly defining the respective roles and responsibilities of the MD/CEO.

2.3 Appointment and Removal

2.3.1 The MD/CEO shall be appointed by the Board of Directors.

2.3.2 The position must be filled by an individual different from the Chairperson of the Board, Company Secretary (CS), Chief Financial Officer (CFO), and Head of Internal Audit and Compliance (HIAC).

2.3.3 The MD/CEO shall not be removed from their position without the approval of the Board of Directors. Any such removal must be immediately disseminated to the BSEC and the concerned stock exchange(s).

2.4 Key Responsibilities and Duties

The MD/CEO is in total charge of managing the business and is accountable to the Board of Directors for the company's performance. The duties include:

2.5 Strategic Leadership & Vision

2.5.1 Develop Strategy: Develop business strategies, translate them into functional objectives, and work towards the company's vision.

2.5.2 External Image: Create a desired image of the company among the public, customers, government, and other external entities.

2.5.3 Business Continuity: Ensure the company can maintain business continuity when facing crises or changes in the environment.

2.5.4 Annual Planning: Develop annual business plans for presentation to the Board for approval and support.

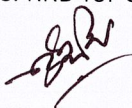
2.6 Operational Management

2.6.1 Overall Management: Manage the company's major functions, including financial planning, marketing, day-to-day operations, human resources, regulatory compliance, and information technology.

2.6.2 Day-to-Day Operations: Manage daily operations by training and guiding employees, monitoring performance levels, and ensuring productivity.

2.6.3 Team Cohesion: Motivate chief officers to function in a coordinated manner to develop the business into a cohesive organization.

2.6.4 Performance Evaluation: Evaluate the performance of the company and steer it ahead in consultation with the operations and finance heads.



2.7 Board Relations & Reporting

- 2.7.1** Exclusivity of Role: The MD/CEO shall not hold the same position in another listed company.
- 2.7.2** Board Meetings: The MD/CEO must attend all meetings of the Board of Directors.
- 2.7.3** Relationship with Chairman: Establish a close relationship of trust with the Chairman, report key developments in a timely manner, and meet regularly to review issues, opportunities, and problems.
- 2.7.4** Information Flow: Ensure the flow of information to the Board is accurate, timely, and clear.
- 2.7.5** MD&A: Sign and present a detailed Management's Discussion and Analysis (MD&A) in the annual Directors' Report.

2.8 Financial, Risk & Legal Compliance

- 2.8.1** Certification to the Board: The MD/CEO, along with the CFO, must certify to the Board that the financial statements are true and fair, contain no misleading information, and comply with all applicable laws. They must also certify that no fraudulent, illegal, or code-violating transactions have occurred. This certification must be disclosed in the Annual Report.
- 2.8.2** Risk Management: Develop processes to ensure capital investment proposals are thoroughly reviewed, associated risks are identified, and an effective framework of internal controls is maintained.
- 2.8.3** Legal Framework: Ensure the business is conducted legally and that all required processes are in place. The Managing Director shall not act beyond the Articles of Association of the Company.

2.9 Stakeholder Relations

- 2.9.1** Investor & Media Relations: Meet regularly with investors and the media.
- 2.9.2** Shareholding Disclosure: Details of shares held by the MD/CEO, their spouse, and minor children must be disclosed in the Directors' Report to shareholders.

2.10 Remuneration

The remuneration of the MD/CEO shall be determined as per the policy recommended by the Nomination and Remuneration Committee (NRC) and approved by the Board.



3. CHIEF FINANCIAL OFFICER (CFO)

The Board of Directors of the Company defines the roles, responsibilities, and duties of the **Chief Financial Officer (CFO)** as follows:

Who shall perform several tasks, including preparing accounts, preparing budgets, operational reporting and interpreting, evaluating operating results, preparing income tax returns, and establishing internal control procedures to safeguard the company's assets.

- 3.1. Shall furnish necessary and classified information to the Board of Directors, along with his analysis and suggestions, as the CFO attends the Board Meetings. In order to strengthen and formalize the corporate decision-making process, significant issues, are required to be placed by the CFO for the information, consideration, and decision of the Board of Directors.
- 3.2. The CFO shall process and furnish all the information required for decision-making by the Board of Directors and the Chief Executive Officer / MD.
- 3.3. The CFO shall provide all the necessary data to be presented in the 'Directors' Report' prepared under section 184 of the Companies Act 1994, and shall ensure the role and certification as per the Corporate Governance Code.
- 3.4. The CFO of the company shall attend the meetings of the Board of Directors, provided that the CFO shall not attend such part of a meeting of the Board of Directors which involves consideration of an agenda item that will pose a conflict of interest.
- 3.5. The MD/CEO and the CFO shall jointly certify as prescribed in the Corporate Governance Code.
- 3.6. The CFO shall Use company assets, systems, and information responsibly and only for official purposes.
- 3.7. The CFO shall avoid conflicts of interest;
- 3.8. The CFO shall not to make secret profits from dealings for and on behalf of the company;
- 3.9. Any violation may result in disciplinary action.



4. HEAD OF INTERNAL AUDIT and COMPLIANCE (HIAC)

This Code of Conduct sets out the ethical standards, professional principles, and behavioral expectations for the **Head of Internal Audit & Compliance (HIAC)** of the Company. The Code is designed to ensure that the HIAC discharges his/her duties with **integrity, independence, transparency, and accountability**, consistent with the values of good corporate governance.

4.1 Professional Integrity and Independence

- 4.1.1 HIAC shall act independently of management and report functionally to the Audit Committee and administratively to the MD/CEO.
- 4.1.2 No external or internal influence shall compromise audit judgment.
- 4.1.3 Any conflict of interest must be disclosed to the Audit Committee.
- 4.1.4 Act with honesty, fairness, and professionalism at all times.
- 4.1.5 Maintain impartiality in audits and compliance reviews.
- 4.1.6 Ensure audit findings are fact-based and evidence-driven.

4.2 Confidentiality

- 4.2.1 Protect all confidential company and client information.
- 4.2.2 Use such information only for legitimate audit or compliance purposes.

4.3 Professional Competence and Due Care

- 4.3.1 The HIAC shall perform duties with professional skill, diligence, and objectivity in accordance with accepted internal audit and compliance standards.
- 4.3.2 Continuous professional development must be ensured through participation in relevant training, certification, and knowledge-sharing activities.
- 4.3.3 Audit reports shall be based on sufficient, reliable, and relevant evidence and presented in a fair and balanced manner.

4.4 Ethical Conduct

- 4.4.1 The HIAC shall act honestly, fairly, and transparently in all professional dealings.
- 4.4.2 No gifts, favors, or hospitality that may create a conflict of interest or influence audit judgment shall be accepted.
- 4.4.3 The HIAC shall uphold the Company's ethical culture and promote adherence to its internal policies, rules, and the Corporate Governance Code.
- 4.4.4 To avoid conflicts of interest;



4.4.5 Not to make secret profits from dealings for and on behalf of the company;

4.5 Compliance and Legal Responsibilities

4.5.1 The HIAC shall ensure that the Company's activities, records, and transactions comply with:

- The **Companies Act, 1994**;
- The **BSEC Corporate Governance Code, 2018**;
- Applicable **laws, rules, and regulations** of the Government, regulators, and tax authorities;
- Internal policies, code of conduct, and risk management framework.

4.5.2 Any non-compliance, fraudulent, or unethical activity identified must be reported promptly to the Audit Committee.

4.6 Relationship with the Audit Committee and Management

4.6.1 The HIAC shall maintain open and constructive communication with the Audit Committee and the Board of Directors.

4.6.2 The HIAC shall submit periodic reports on audit findings, risk management, and compliance matters, and provide assurance on the adequacy of internal controls.

4.6.3 The HIAC shall not be subject to direction or interference from management regarding the content, conclusions, or scope of audit work.

4.7 Reporting and Accountability

4.7.1 Provide accurate, timely, and independent audit and compliance reports.

4.7.2 Report major control weaknesses and follow up on corrective actions.

4.7.3 Maintain clear communication with the Audit Committee and management.

4.8 Use of Company Resources

Use company assets, systems, and information responsibly and only for official purposes.

4.9 Commitment to Continuous Improvement

4.9.1 Keep audit practices updated with professional standards.

4.9.2 Pursue ongoing training to maintain competence and audit quality.

4.10 Breach of the Code

Any violation may result in disciplinary action.



5. COMPANY SECRETARY

The **Company Secretary** acts as a focal point of contact between the company, its Board of Directors, stakeholders, legal counsels, the Government, and Regulatory Authorities. The Company Secretary, therefore, should be a person who has expertise in corporate laws, security laws, and corporate governance. Although the Company Secretary's role can be very diverse, the typical roles, responsibilities, and duties of the Company Secretary are legal obligations as well as those that result from best practice. With a view to meeting the requirements of the Corporate Governance Guidelines of the Commission, the Board of Directors of the company defines the typical role, responsibilities, and duties of the Company Secretary, which are legal obligations and those that result from best practice:

- 5.1. To act in good faith in the interests of the company;
- 5.2. Not to act for any collateral purpose;
- 5.3. To avoid conflicts of interest;
- 5.4. Not to make secret profits from dealings for and on behalf of the company;
- 5.5. To ensure that the procedure for the appointment of directors is properly carried out and assist in the proper induction of directors;
- 5.6. To facilitate the acquisition of information by all Board and Committee members so that they can maximize their ability to contribute to Board / Committee Meetings, discussions, etc.
- 5.7. To organize Board / Committee meetings, formulating meeting agendas for the Chairman and/or Managing Director, and advise the management on content for the organization of Memoranda or Presentations for the Meeting;
- 5.8. To assist the Chairman and directors in the conduct of the meetings and their directorial and governance obligations and responsibilities;
- 5.9. To raise in the meeting matters which may warrant the attention of the Board;
- 5.10. To ensure compliance with all relevant statutory and regulatory requirements;
- 5.11. To communicate with the shareholders as appropriate and to ensure that due regard is paid to their interests;
- 5.12. To ensure that Annual General Meeting is held in accordance with the requirements of the Companies Act, Security laws and the company's Articles of Association, prepare and issue notices of Meeting, obtain internal and external documents, data and information from the management for incorporation in the Annual Report, distribute Proxy Forms, prepare the Chairman's agenda for conducting the Meeting, and at meetings to ensure



- that proxy forms are correctly processed and that voting is carried out accurately and record minutes of the meetings;
- 5.13. To make sure that the company complies with the requirements of security laws, to maintain relations with the Stock Exchange, and to relay and disseminate information regarding the company to the market
 - 5.14. To maintain statutory registers regarding the members, charges, directors, managers, debentures, debenture holders, etc, as per the requirements of the Companies Act.
 - 5.15. To prepare and submit Annual Report, amended Memorandum & Articles of Association, Returns in respect of allotments, of appointments, removal and resignation of directors and the managers, of removal or resignation of the auditors, of change of registered office, of Mortgage & Charges and of Satisfaction thereof etc. in compliance with the requirements of the Companies Act with the Registrar of Joint Stock Companies, Government of Bangladesh;
 - 5.16. To ensure publication of Annual Report and Accounts;
 - 5.17. Use company assets, systems, and information responsibly and only for official purposes.
 - 5.18. To maintain the company's register of members and deal with questions of the shareholders and transfer of shareholding, etc.
 - 5.19. To communicate with shareholders, both individual and institutional, through circulars and notices, and to ensure payment of dividends.
 - 5.20. To keep an eye on both the register of members maintained by the company and that maintained by the Depository to see if any stakeholder is aiming at taking over the company; and
 - 5.21. To attend the meetings of the Board of Directors, provided that the Company Secretary shall not attend such part of a meeting of the Board of Directors that involves consideration of an agenda that will pose a conflict of interest.
 - 5.22. Any violation may result in disciplinary action.


Imran Karim
Chairman
Confidence Power and Energy PLC

CONCLUDED

