

Director Code of Conduct

Director Code of Conduct

1. Introduction
2. Focus Areas
3. Conflict with Code of Conduct
4. Annual Attestation
5. Policy Review
6. Acknowledgement

Highlights

1. Directors shall act at all times in the best interests of the Group as a whole so as to preserve its assets, further its business and promote the purposes for which it was formed.
2. A Director shall maintain confidentiality in all matters relating to his role as a Director at Mutual Benefits unless when authorized by the Board or required by law to disclose information.
3. A Director shall not exceed the power conferred upon him by the shareholders or exercise such power for purposes other than those for which it was conferred.
4. Directors shall avoid any actual or apparent conflict between their own personal interests and the interests of the Group.
5. Directors shall on assumption of duty and subsequently at the beginning of every financial year, disclose interests in other Companies amongst other things.
6. Directors must openly disclose all potential, real or perceived conflict of interest as soon as the issue arises.
7. Directors shall avoid such gifts that may be misconstrued as bribe or gifts in return for business with the Group or benefits to a person or organisation.
8. Directors are prohibited from dealing in the securities of the Group for a period preceding the announcement of its financial results or in any period considered sensitive
9. Directors shall attest that they have adhered to the stated principles and standards of the code annually.

Director Code of Conduct (cont'd)

1. Introduction

The Directors' Code of Conduct ("this Code") sets out the standards that each Director is expected to adhere to while conducting his/her fiduciary duties. The Directors of Mutual Benefits have a duty to oversee the management of the business and affairs of the Group. In carrying out this duty, the Group expects Directors to act honestly and in good faith and in the best interest of the Group.

2. Focus Areas

Fiduciary Relationship	Confidentiality and duty of secrecy	Misconduct	Corporate Opportunity
Whistle Blower Protection	Conflict of Interest	Insider Trading	Outside Interests
Declaration of Interest	Non-Interference	Gifts and Hospitality	Illegal activities
Anti-bribery & Corruption	Anti-money Laundering	Community Activities	Meetings

a. Fiduciary Relationship

- i. Directors shall act in such a manner that a faithful, diligent, careful and skilful director would act at all times.
- ii. Directors shall act at all times in the best interests of the Group as a whole so as to preserve its assets, further its business and promote the purposes for which it was formed.
- iii. A Director, appointed as a representative of a special class of shareholders, employees or business partners of the Group shall take into consideration the interests of other shareholders, employees and business partners of the Group at all times.
- iv. A Director shall not exceed the power conferred upon him by the shareholders or exercise such powers for purposes other than that for which it was conferred upon him, notwithstanding that he may believe such exercise maybe in the best interest of the Group.

b. Confidentiality and Duty of Secrecy

- i. Directors shall maintain the confidentiality of information entrusted to them by the Group and any other confidential information about the Group that comes to them in their capacity as Directors.
- ii. Directors shall observe secrecy on all transactions of the Group and all matters relating thereto and shall not directly or indirectly reveal any information, which may come to their knowledge in the discharge of their duty except when required or authorised by the Board of Directors or by law to do so.

Director Code of Conduct	Introduction	Focus Areas	Conflict with Code of Conduct	Annual Attestation	Policy Review	Acknowledgement
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Director Code of Conduct (cont'd)

2. Focus Areas (cont'd)

c. Misconduct

- i. No Director shall either in his personal or official capacity engage in any act (either acting alone or in concert with another party) that has the potential to bring the Group into disrepute.
- ii. Allegations of illegal activity shall be immediately referred to appropriate authorities for investigation. Any Director against whom such allegations are made shall take a leave of absence from the Board pending completion of the investigation.

d. Corporate Opportunity

- i. Directors are expected to refrain from taking for themselves opportunities discovered through their use of corporate assets or through their positions with the Group.
- ii. Directors shall not sell, purchase or otherwise acquire any real estate or other assets of the Group without the approval of the Board.
- iii. Directors shall not ask for or accept benefits for themselves or any other person, from an individual/organisation that does business with the Group or is actively seeking to do business with the Group.

e. Whistle Blower Protection

Directors shall continually affirm their support for and commitment to the Group's whistle-blower protection mechanism, which is comprised of the duty of staff members to report suspected misconduct to the Group's Internal Audit function and the duty of the Group to protect a whistle-blower from reprisals or retaliation.

f. Conflict of Interest

- i. Directors shall avoid any actual or apparent conflict between their own personal interests and the interests of the Group. A conflict of interest can arise when a director takes actions or has personal interests that may interfere with his or her objective and effective performance of work for the Group.
- ii. During their term of office, Directors must openly disclose all potential, real or perceived conflict of interest as soon as the issue arises. The disclosure should be made to the Board or any of the Board Committees that may be involved in the approval process. Specifically, Directors should disclose to the Board and shareholders his/her interest whatsoever in any of the following entities:
 - ✓ Insurance broking firm
 - ✓ Loss adjusting firm
 - ✓ Actuarial firm
 - ✓ Insurance & reinsurance company
 - ✓ Accounting/ taxation/ audit firms
 - ✓ Legal firms

Director Code of Conduct
Introduction
Focus Areas
Conflict with Code of Conduct
Annual Attestation
Policy Review
Acknowledgement

Director Code of Conduct (cont'd)

2. Focus Areas (cont'd)

f. Conflict of Interest (cont'd)

In addition, payment of commissions and/ or fees to insurance intermediaries in which a Director has interest whatsoever shall be fully documented with the Company Secretary and the interest therein fully disclosed to the Board and the Shareholders.

- iii. Conflicted Directors must abstain from participating in any discussion on the matter unless otherwise decided by the Board.
- iv. Where a Director was not present at the meeting at which the transaction was discussed, he shall at the earliest reasonable opportunity, not later than the next Board or Board Committee meeting state his interest in the transaction. Where the Director becomes interested in any transaction after it has been approved, the disclosure shall be made at the next Board or relevant Board Committee's meeting.

g. Insider Trading

Directors are prohibited from dealing in the securities of Mutual Benefits, or procuring third parties to deal in the securities of Mutual Benefits directly or indirectly during a closed period or such other period as may be specified by the NSE or SEC from time to time. In this Code, a "Closed Period" shall commence on the earlier of fifteen (15) days prior to the date of, or the date of circulation of agenda papers for, a Board meeting proposed to consider Price Sensitive Information and shall last up to twenty four (24) hours after the Price Sensitive Information is submitted to the NSE.

g. Insider Trading (cont'd)

Price Sensitive Information as defined by the NSE include the following;

- ✓ Changes in the Directorate of the issuer
- ✓ The death, resignation, dismissal or appointment of a principal officer
- ✓ Change in the Accounting year end
- ✓ Annual and Interim results or any recommendations or decision that dividends or scrip issues will or will not be made
- ✓ Profit warnings or change in the financial forecast or expectation
- ✓ Proposed capital raising or restructuring exercise or changes in the capital structure.
- ✓ Giving or receiving a notice of intention to make a takeover or mergers, or acquisitions or tender offers or divestments;
- ✓ Any proposed change in the business model or general character or nature of the business of the company or of the group;
- ✓ Major new developments in the issuer's sphere of activities including major new products, contract awards and expansion plans.
- ✓ Any change in voting control or in beneficial ownership of the securities carrying voting control
- ✓ items of unusual or non-recurrent nature
- ✓ Any proposed alteration of the Memorandum or Articles of Association;
- ✓ Any other information necessary to enable shareholders to appraise the position of the company and to avoid the establishment of a false market in the shares of the company.

Director Code of
Conduct

Introduction

Focus
Areas
Conflict
with Code
of Conduct
Annual
Attestation
Policy
Review
Acknowledg
ement

Director Code of Conduct (cont'd)

2. Focus Areas (cont'd)

h. Outside Interests

- i. The Board shall approve directorship outside the Group's Board. Directorships in insurance companies is disallowed.
- ii. Directors shall notify the Board Chairman in advance of accepting any new membership on the Board of a public Company. The Board through the Chairman shall approve such appointments, taking into account the process required to authorise any conflict or potential conflict situation that may arise in respect to the appointment.
- iii. Directors shall also notify the Board, through the Board Chairman, of any proposed political affiliations, appointments or commitments (political relationships) of the Director for the consideration of the Board. The Board through the Chairman shall approve such political relationships) taking into account the potential implications of such political relationships of the Director to the Group as a whole.

i. Declaration of Interest

- i. Directors shall on assumption of duty and subsequently at the beginning of every financial year, disclose the following:
 - ✓ Nature of his/ her interest (directly/ indirectly) in any institute, companies or partnership outside of Mutual Benefits where they are also Directors, officers or holders of substantial shares/ securities (>5%);

I. Declaration of Interest (cont'd)

- ✓ Details of close family members and their related interests; and
- ✓ Declaration on services provided to the Group.
- ii. The Company Secretary shall collate the information provided in above and maintain a register of Directors' interests which shall be updated regularly. The list shall be kept with the Company Secretary and available for reference when business transactions (contracts and loans) are considered.

j. Non - Interference

- i. NEDs shall not interfere with the day-to-day running of the activities of the Group.
- ii. Directors shall endeavour to exercise independent judgments in evaluating management's judgments and competencies.

k. Gifts and Hospitality

- i. Directors shall not directly or indirectly offer or accept cash payments, gifts, gratuities, privileges or other personal rewards, which are intended to influence the Directors decisions as it pertains to the affairs of the Group. Specifically, Directors shall avoid such gifts that may be misconstrued as bribe or gifts in return for business with the Group or benefits to a person or organisation.

Director Code of Conduct
Introduction
Focus Areas
Conflict with Code of Conduct
Annual Attestation
Policy Review
Acknowledgement

Director Code of Conduct (cont'd)

2. Focus Areas (cont'd)

k. Gifts and Hospitality (cont'd)

- ii. Directors may, however, give or receive modest gifts or hospitality within general and accepted business practice, provided the foregoing does not include cash or other negotiable instruments and provided further proper accounting of any such expenses is made.

l. Illegal Activities

In circumstances where Directors engage in activities found to be in conflict with applicable laws, regulations, and guidelines, the matter shall be referred to the Board Governance & Personnel Committee for consideration and onward recommendation of the resolution to the Board. Examples of illegal activity include, but are not limited to the following:

- ✓ Embezzlement
- ✓ Unauthorized disclosure and/or sale of confidential information
- ✓ Frauds and forgery
- ✓ Unauthorized use of funds, revenues and fees
- ✓ Abuse of expense, asset and liability accounts
- ✓ Sexual harassment or discrimination

m. Anti-Bribery and Corruption

Directors must not engage, directly or indirectly, in bribery, extortion or attempts to otherwise inappropriately influence others in order to obtain business advantage or access.

n. Anti-Money Laundering

The Group is committed to complying with legislation to deter and detect money laundering. Money laundering is the process by which criminals attempt to conceal the proceeds of criminal activity, such as financing terrorist activities, narcotics trafficking, bribery and fraud, to hide them or to make those proceeds appear legitimate. Money laundering often involves complex financial transactions and encompasses many different types of products and services. Directors must not engage, directly or indirectly in any money laundering activity.

o. Community Activities

Community activities by Directors are encouraged, provided that their activities are not politically motivated and that:

- i. Participation is accomplished in a legal manner
- ii. They do not interfere with the obligations of the Group
- iii. They are not deemed to be divisive in the community, and
- iv. They are performed in a manner that clearly indicates that the Director does not speak on behalf of the Group.

Director Code of Conduct	Introduction	Focus Areas	Conflict with Code of Conduct	Annual Attestation	Policy Review	Acknowledgement
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Director Code of Conduct (cont'd)

2. Focus Areas (cont'd)

o. Meetings

- a. Every Director shall attend all the meetings of the Board unless prevented by circumstances outside his/her control. In such circumstances the Director shall notify the Chairman or Company Secretary accordingly prior to the meeting.
- b. Directors shall approach the business of the Board with all seriousness and conduct themselves in a manner that will foster unity and co-operation among Directors and enhance a congenial atmosphere for the conduct of business at all Board meetings.

3. Conflict with Code of Conduct

Directors who have concerns regarding compliance with this Code should raise those concerns with the Chairman of the Board, who will determine what action to be taken to deal with the concern.

4. Annual Attestation

Annually, each director shall review this Code of Conduct and attest to it to satisfy him/her that he/she has adhered to the stated principles and standards. If they have failed to do so, such non-compliance should be reported to the Chairman of the Board.

5. Policy Review

Annually, each director shall review this Code of Conduct and attest to it to satisfy him/her that he/she has adhered to the stated principles and standards. If they have failed to do so, such non-compliance should be reported to the Chairman of the Board.

5. Acknowledgement

- a. I, the undersigned, a Director of Mutual Benefits understand that I have a Fiduciary duty to shareholders and other stakeholders.
- b. I shall exercise the powers of my office and fulfil my responsibilities honestly, in good faith and in the best interest of the Group
- c. I shall exercise reasonable care and place the interest of the Group before my own interest. I shall fulfil my duties of loyalty and care to Mutual Benefits.
- d. I shall keep confidential all information unless the Board of Directors determines that such information is public. This shall include, but not be limited to, information about personnel, trade secrets, any personal information, and matters dealt with during the Board meetings
- e. I shall immediately declare any personal conflict of interest that may come to my attention
- f. I hereby agree that the Code of Conduct for Directors shall be deemed to be incorporated into my engagement as a Director and it shall be binding on me so long as I remain a Director of Mutual Benefits.

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Name of Director

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Signature and Date

Director Code of Conduct	Introduction	Focus Areas	Conflict with Code of Conduct	Annual Attestation	Policy Review	Acknowledgement
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