



SONARGAON TEXTILES LTD.

Corporate office:

Khansons Centre (8th & 9th floor)
37, Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

Tel : +880-2-55013501, 55013597 (PABX)

Fax : +880-2-55013498

E-mail : info@khansongroupbd.com

Web : www.khansongroupbd.com

Code of Conduct for Chief Executive Officer (CEO)

Background and Purpose

A Board of Directors is a body of elected and/or appointed individuals who collectively oversee the activities of a company. Its activities are determined by the powers, duties and responsibilities delegated to it or conferred on it by an authority and these matters are typically detailed in the Articles of Association. The Articles commonly also specify the number of members of the Board, how they are to be appointed, how frequently they are to meet and the manner/ procedure they should follow. In addition to that the Board may lay down a code of conduct for its members.

Bangladesh Securities and Exchange Commission (BSEC) has issued a notification regarding Corporate Governance Code [Notification No. SEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018]. The companies listed with any stock exchange in Bangladesh shall comply with these conditions. As per condition 1.7(a) of the said codes, ***"the Board of Directors of a listed company shall lay down a code of conduct based on the recommendation of the Nomination and Remuneration Committee (NRC) at Condition No. 6 for Chief Executive Officer (CEO)."***

In view of the above, the Board of Directors of **Sonargaon Textiles Limited (STL)** laid down and revised Code of Conduct for Chief Executive Officer (CEO) in its Board Meeting held on 30th January 2022 as per Corporate Governance Code dated on 3rd June 2018.

1. Code of Conduct

- The Chief Executive Officer CEO/Managing Director exercises the powers to do administrative acts of routine nature.
- The Chief Executive Officer CEO/Managing Director shall exercise his powers subject to the superintendent control and direction of the directors of the Directors.
- As per condition no. 1(4) b of Corporate Governance Code, The Chief Executive Officer CEO/Managing Director of a listed company shall not hold the same position in another listed company at the same time.
- The Chief Executive Officer CEO/Managing Director shall, at all times, conduct himself in an honest and ethical manner, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.
- The Chief Executive Officer CEO/Managing Director is responsible for full, fair, accurate, timely and understandable disclosure of the relevant reports and documents to the regulatory bodies in timely manner.
- The Chief Executive Officer CEO/Managing Director shall not, directly or indirectly, take any action to force, manipulate, mislead or fraudulently influence any independent, public or certified professional.
- The Chief Executive Officer CEO/Managing Director shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfil their fiduciary obligations.
- The Chief Executive Officer CEO/Managing Director shall carry out the duties to ensure that it is executed in terms of the authorisations granted and within the limits
- The Chief Executive Officer CEO/Managing Director shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business except accepting a gift or entertainment if warranted by the accepted ethical customs and practices.
- The Chief Executive Officer CEO/Managing Director shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains.

A.K.M. Azizur Rahman


Chairman

Code of Conduct for Chief Executive Officer (CEO): Page # 1 of 3



SONARGAON TEXTILES LTD.

Corporate office:

Khansons Centre (8th & 9th floor)
37, Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

Tel : +880-2-55013501, 55013597 (PABX)

Fax : +880-2-55013498

E-mail : info@khansongroupbd.com

Web : www.khansongroupbd.com

- The Chief Executive Officer CEO/Managing Director shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective duties and responsibilities and shall not use the same for personal benefits or gains.

2. Duties and responsibilities with Compliance

- The Chief Executive Officer CEO/Managing Director will be responsible to maintain, execute and sign and statutory documents including related party transaction as per the provisions of the Companies Act, 1994, Public (Issue Rules) 2015, Listing Rules 2015 using the Common Seal as the custodian of the Company.
- The Chief Executive Officer CEO/Managing Director shall review the financials of the company for controlling materially untrue statement or commit any material fact or contain statements that might be misleading;
- The Chief Executive Officer CEO/Managing Director will ensure by joint declaration with Chief Financial Officer (CFO) that no transactions entered into during the relevant financial year by the company which are fraudulent, illegal or violation of the company's code of conduct.
- The Chief Executive Officer CEO/Managing Director shall ensure compliance of various legal/regulatory requirements as applicable to the business of the Company and endeavour that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.
- The Chief Executive Officer CEO/Managing Director shall report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.
- The Chief Executive Officer CEO/Managing Director shall comply with all laws, rules, and regulations governing trading in the shares of the Company and the Company's Code of Conduct for Prohibition of Insider Trading in dealing with the securities of the Company which, inter-alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information and prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.

3. Conflict of Interests

- The Chief Executive Officer CEO/Managing Director shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative (s), or any other person or entity, for the purposes of circumventing the personal interest involved
- The Chief Executive Officer CEO/Managing Director shall not take up any position or engagement that may be prejudicial to the interest of the Company.
- The Chief Executive Officer CEO/Managing Director shall not take up any outside employment.

4. Use of corporate property, opportunity or information

- The Chief Executive Officer CEO/Managing Director of the Company must not, without the informed consent of the company, use company's assets, opportunities, or information for his/her own profit.

5. Confidentiality

- The Chief Executive Officer CEO/Managing Director must use utmost care and discretion in the handling of confidential information and other information not normally available to the public, generally coming to him by reason of his directorship, office or employment.

A.K.M. Azizur Rahman


Chairman

Code of Conduct for Chief Executive Officer (CEO): Page # 2 of 3



SONARGAON TEXTILES LTD.

Corporate office:

Khansons Centre (8th & 9th floor)
37, Kawran Bazar Commercial Area
Dhaka-1215, Bangladesh

Tel : +880-2-55013501, 55013597 (PABX)

Fax : +880-2-55013498

E-mail : info@khansongroupbd.com

Web : www.khansongroupbd.com

- Such information shall, subject to certain limited circumstances, not be disclosed to third parties and shall not be used for personal benefit or for the benefit of family, friends, or associates.

6. Transactions with the company

- The Chief Executive Officer CEO/Managing Director not enter into a transaction where there is a conflict between his interest and duty without the knowledge of the Board.
- It is a statutory duty of the Chief Executive Officer CEO/Managing Director to declare interests in relation to any transactions, and to make proper disclosure thereof.

7. Accepting Gifts

- The Chief Executive Officer CEO/Managing Director shall accept any gift, hospitality or favour offered or tendered by virtue of the position with the company.

8. Reporting of Questionable or Fraudulent Actions

- The Chief Executive Officer CEO/Managing Director shall report to the Board or to the concerned committee about their awareness of any situation which might adversely affect the reputation of the company. This would include any questionable, fraudulent or illegal events or material actions in violation of company policy which comes to their attention.

9. Acceptance of this Code

- The Chief Executive Officer CEO/Managing Director shall sign this Code of Conduct, with his full consciousness.
- These signed copies shall be processed by the Company Secretary.

10. Affirmation & Compliance of the Code

- The Chief Executive Officer CEO/Managing Director shall review this Code at least annually, and shall certify in writing that he has done understood the Code.

11. Conclusion

- This document is applicable with immediate effect.
- The Board shall have the authority to make amendment to this document at any time.

Note: This Code of Conduct (COC) for Chief Executive Officer (CEO) has been approved in the Board of Directors' Meeting of Sonargaon Textiles Limited was held on 30th January 2022.

A.K.M. Azizur Rahman


Chairman


Sonargaon Textiles Limited