

Salvo Chemical Industry Limited

Code of Conduct of Chairperson of the Board, Other Members of the Board and Chief Executive Officer

[As per Condition no. 1 (7) of the Notification on Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission vide BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 03 June 2018]

The Code of Conduct has been formulated to set forth principles and ethical standards for the Chairperson, other Board Members and Chief Executive Officer (CEO) in accordance with the Condition No. 1(7) of the Bangladesh Securities and Exchange Commission's (BSEC) Corporate Governance Code 2018. This Code is intended to provide guidance to the Chairperson, other Board members and Managing Director to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and emphasize upon the ethical behavior and to develop a culture of honesty and accountability. This Code of Conduct attempts to set forth the guiding principles on which the Chairperson, other Board members and Managing Director shall operate and conduct themselves with the stakeholders, government and regulatory agencies, employees, customers and suppliers and anyone else with whom it is connected.

➤ **Prudent Conduct and Behavior**

The Code of Conduct for the Chairperson, 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.

The Chairperson & / or anyone of the Board Members & / or CEO should promptly communicate any suspected violations of the Code, including any violation of law or government rule or regulation, to the Chairperson 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.

➤ **Confidentiality:**

'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 protect business and personal information of confidential nature obtained from clients, associates and employees.

The Board Members / Senior Management shall ensure that no confidential information is disclosed inadvertently or otherwise. The Board Members /Senior Management shall ensure that all confidential information available to them by virtue of the office including Board Meeting papers, 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 Board Member 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 Board Members ceases to be a Board Member of the Company.

➤ **Conflict of Interest:**

The Chairperson, other Board members and Managing Director shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company. The Chairperson, other Board members and Managing Director should disclose to the board whether they directly, indirectly or on behalf of third parties have a material interest in any transaction or matter directly affecting the Company. The Chairperson, other Board members and Managing Director Officer should facilitate the Independent Directors to perform their role effectively as Board Member and also a member of a committee of the Company. All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

➤ **Compliance with Laws, Rules and Regulations:**

The Chairperson, other Board members and Managing Director shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

The CEO shall behave in an ethical manner and shall not take unfair advantage of or from anyone through manipulation, concealment, and abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

➤ **Prohibition of Insider Trading:**

Insider information is defined as knowledge of data, projects, transactions or processes, the disclosure of which could affect the stock market price of securities, especially the Company's shares. As someone who potentially has access to insider information, likely to result in substantial movements of the price of the stock or any other financial instruments of the Company. The Chairperson & / or any one of the Board Members & / or CEO shall comply with applicable insider trading laws and shall take immediate corrective action for any violation. The Chairperson & / or any one of the Board Members & / or CEO who intend to trade the securities of the Company (either in their own name or in any immediate relative's name) may trade the securities of the Company complying the securities laws and regulations.

➤ **Relationship with environment, employees, customers and suppliers:**

The Chairperson & / or any one of the Board Members & / or CEO is committed to comply with and encouraging compliance with all applicable environmental and Health & Safety laws, standards and requirements. The Chairperson shall encourage employees to take care of Health & Safety measures, to follow all relevant rules, regulations and work instructions and to use appropriate personal protective equipment as required by applicable law.

The Chairperson, other Board Members and CEO are expected to monitor that the Company complies with the applicable laws, rules and regulations of the country related to the environment, employees, customers and suppliers. They shall deal fairly with customers, suppliers, competitors and employees in accordance with the law.

➤ **Independency**

The Chairperson, other Board Members and CEO shall exhibit high standards of integrity, commitment and independence in regards to discharge of their respective duties and responsibilities entrusted upon them, within the purview of the law and for the best interest of the Company.

➤ **Amendment, Modification and Waiver:**

The Code may be amended or modified 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 there under and the applicable rules of the stock exchanges on which Company's securities are traded.