

**CODE OF CONDUCT FOR BOARD OF DIRECTORS (BOD), CHAIRPERSON AND MANAGING
DIRECTOR (MD) OF SHAHJIBAZAR POWER CO. LTD.**

1. CORE VALUES & CODE OF CONDUCTS

1.1. ETHICS:

Ethics deal primarily with conflicts of interest and integrity. A conflict of interest could be defined as a situation that arises when a decision making authority is seen to have a personal stake in the outcome of the decision itself. This code covers various situations which an SPCL employee may face in the areas of financial control, personal integrity, conflicts, etc, and the role which they should play in such circumstances. This code provides a common code of conduct, which should be adhered to, by all SPCL employees.

1.2. CONFLICTS OF INTEREST:

An employee or director of SPCL shall always act in the interest of the company, and ensure that any business or personal association which he / she may have does not involve a conflict of interest with the operations of the company and his / her role therein.

- 1.2.1. An employee of SPCL, shall not accept a position or responsibility in any other non-SPCL company or not-for-profit organization without specific approval
 - 1.2.2. Shall not be involved in the decisions pertaining to companies where he / she holds financial interest directly or indirectly, including through close relatives in a company.
 - 1.2.3. Shall not direct business to a supplier managed by a relative or close friend.
 - 1.2.4. Shall not solicit subcontractors and vendors for donation / advertisements to a charity, in which the employee is involved.
 - 1.2.5. Using company facilities for personal purposes or for spouse's / relatives business.
 - 1.2.6. Shall not treat personal expenses / trips as business expenses / trips.
 - 1.2.7. Shall not take part-time job requiring the employee to spend time, during normal working hours or using office equipment in meeting personal responsibilities.
 - 1.2.8. Shall not be in a position to influence career decision about a spouse or relative.
 - 1.2.9. Shall not pursue any business or profession outside SPCL including consultancy.
- The above shall not apply to (whether for remuneration or otherwise):
- a) Nominations to the boards of SPCL companies, joint ventures or associate companies.
 - b) Memberships / positions of responsibility in educational / professional bodies, wherein such association will benefit the employee / SPCL Company.
 - c) Nominations / memberships in government committees / bodies or organizations.
 - d) Exceptional circumstances, as determined by the competent authority.

1.3. MEMBERSHIP OF SOCIAL SERVICE ORGANISATIONS

Potential conflicts arise when executives take up memberships of Organizations and Associations that undertake Social Service of various kinds. Conflicts arise in the form of fund-raising from SPCL for such Associations / Organizations, using company infrastructure and facilities to discharge responsibilities towards that organization and providing use of such facilities directly to the Association / Organizations and its members. Prior approval from the management should be obtained, for undertaking such activities.

1.4. GIFTS

- 1.4.1. Buying equipment from suppliers for personal use at high discounts is absolutely prohibited.
- 1.4.2. Accepting free trips / holidays within Bangladesh and / or abroad and / or members of employees family, from suppliers is also absolutely prohibited.
- 1.4.3. Business associates such as JV partners, technology suppliers and other closely related companies may also make similar offers. These should be reported to the management, who shall provide guidance.
- 1.4.4. Small value gifts and flowers on festive occasions from anyone are normally acceptable. High value gifts in extraordinary circumstances, if required, need to be specially approved by the concern management.

1.5. CONFIDENTIALITY AND DISCRETION

Executives should, at all times, realize that they are in possession of sensitive, classified and confidential information that should not be parted with, in any circumstances to Competitors, Investment analysts, Stock brokers, Newspaper reporters and Government officials before intimating the same to BSEC, DSE & CSE as material or price sensitive information. Some illustrations of such information are given here.

- 1.5.1. Financial Information.
- 1.5.2. Tax Planning Measures.
- 1.5.3. Potential Joint Venture deals being negotiated.
- 1.5.4. New Product Introductions.
- 1.5.5. Manufacturing Process and Recipe for Products.

Employees should maintain total confidentiality with any such classified information.

1.6. PERSONAL INTEGRITY

In day – to – day work most employees are called upon to support broad company objectives like providing equal employment opportunity and environmental protection. Some responsibilities are on a more personal level. For example, every employee also has a direct role in helping to keep the company's records accurate and in protecting company assets.

Sometimes the chance for illegal or unethical personal gain will arise. That is when employees must remember that integrity depends on individual integrity. Every employee should develop the ability to distinguish the right from the wrong and relentlessly follow the right - even when it may be very tempting to do otherwise.

1.7. SEXUAL HARASSMENT AT WORKPLACE

Equality in employment can be seriously impaired when women are subjected to gender specific harassment such as sexual harassment at workplace. Such conduct is discriminatory when the woman has reasonable grounds to believe that her objection would disadvantage her in connection with her employment, including recruiting or promotion, or when it creates a hostile working environment. The following rules are therefore applicable, regarding this matter.

- 1.7.1. Company should provide a procedure for resolution, settlement or prosecution for acts of sexual harassment, by taking all steps required.

For this purpose, sexual harassment includes such unwelcome sexually determined behavior as

- 1.7.1.1. Physical contact and advances;
- 1.7.1.2. A demand or request for sexual favors;
- 1.7.1.3. Sexually colored remarks;
- 1.7.1.4. Showing pornography;
- 1.7.1.5. Any other unwelcome physical, verbal or non-verbal conduct of sexual nature.

All managers or persons in-charge of work place are required to take appropriate steps, to prevent sexual harassment.

1.8. CODE OF CONDUCT:

- 1.8.1. Every employees of SPCL shall devote their whole time and attention to and use their best skills and care in the business and affairs of the Company and at all times faithfully and diligently perform such duties assigned to them by the Company.
- 1.8.2. They shall not at any time during the continuance of the employment hereunder solicit, seek, engage or be interested or concerned either directly or indirectly or alone or jointly in any other office, trade, business or occupation without the prior permission in writing of the Company.
- 1.8.3. Notwithstanding anything to the contrary in this document if, in the opinion of the Company, they commit any breach in the observance of performance of their obligations hereunder or if they are, in the opinion of the Company, guilty of any misconduct, including disobedience, breach of duty or gross carelessness or if they absent themselves without leave then and in any and every such case it shall be lawful for the Company, (notwithstanding any waiver by the Company of antecedent breach or circumstances justifying the termination of their services under this clause) to terminate this employment forthwith without notice whatsoever and/or to dismiss them from the services of the Company without prejudice to the Company's remedial rights in respect of such breach or circumstances. In the event of such termination or dismissal they will be entitled to their salary including all allowances up to the date of termination according to the provisions of labor law.
- 1.8.4. As a corollary to their obligation, under sub-clause 2 above, they shall devote their whole-time attention to the Company and use their best skills and care for the benefit of the Company and any discovery or invention or secret process or improvement in procedure made or discovered by them or any work capable of copy right whilst in the service of the Company in connection with or in any manner affecting or relating to the business of the Company or capable of being adopted for use therein or in connection therewith, shall forthwith be disclosed to the Company and if and whenever required to do so by the Company, they shall, at the cost the Company, apply or join the Company in applying for letters, patents or other equivalent protection in Bangladesh and in any other part of the world for any such discovery, invention, process or improvement as aforesaid and shall at the cost of the Company execute and do all instruments and things necessary for vesting the said letters patents or other equivalent protection when obtained and all right, title and interest to and in the same shall vest in the Company absolutely and as sole beneficial owner or in such other person as the Company may specify.
- 1.8.5. During association with the Company, our employees will have access to and be furnished with such information, trade secrets, processes, inventions, customer/supplier lists, etc. which would be sensitive for the Company and therefore would be treated as absolutely confidential (Confidential Information) and they may themselves develop or be a

contributory to such Confidential Information. Hence, as a corollary to their duty to act always in the interest of the Company, they shall be obliged not to divulge or communicate to any person other than necessary to those who need to know such information for Company's business and use such Confidential Information solely for the benefit and in the best interests of the Company.

1.8.6. All Confidential Information belongs to the Company and is always to be used for the Company's benefit, needless to mention, such obligation on employee's part will have to be honored, even after they cease to be associated with the Company. Hence, if there is any apprehension that the Confidential Information could be misused to the Company's detriment, you should refrain from associating, joining, or taking up employment with any other person for such period, as is considered necessary by the Company. They can also during their tenure with the company and during the notice period prior to their separation from the company, be restrained from coming to work, associating or communicating with the Company officials for such time as is considered necessary.

1.8.7. Considering the sensitivity of the confidential information which will come to the knowledge, the employee shall not engage in any activity even after ceasing to be in employment with the Company, which will adversely affect the interest of the Company including advising and utilizing the information to the disadvantage of the Company.

1.8.8. Every employee shall not at any time within twelve months after the cessation of their employment with the Company, either directly or indirectly, or through any proprietary firm or a partnership firm in which he/she is a partner or through any Company in which he/she is a shareholder or director, or engage with in any manner whatsoever, solicit or seek to employ or appoint as agent, or engage with, any employee or officer or associate of the Company unless a period of twelve months has elapsed since the date of separation of the concerned employee, agent or associate, unless specifically approved by the management of the Company.

1.8.9. Every employee shall also not request, encourage or cause any of the past, present or prospective customer, supplier, employee or independent contractor to withdraw, curtail or cancel a business relationship with the Company or otherwise interfere in any manner with the relationship between the Company and such past, present or prospective customer, supplier, employee or independent contractor.

1.9. RESPONSIBILITIES OF CHAIRPERSON

The Board shall elect a Chairman from among the Directors. Should the Board by a resolution so decide, a Director may assume the powers and duties of the Chairman when the Chairman is absent. The Chairperson is primarily responsible for the activities of the Board and its Committees. S/He shall act as the spokesman of the Board and is the principal contact for the CEO and the Management team. The CEO and the Chairman shall meet regularly. The Chairman usually presides over General Meetings. The Chairperson shall be a Non-Executive Director does not take any remuneration from the company.

- 1.9.1. Directors, when appointed, participate in an induction program and, as needed, additional education or training programs;
- 1.9.2. Directors receive all information necessary for them to perform their duties;
- 1.9.3. Directors have sufficient time for consultation and decision-making;
- 1.9.4. Committees function properly;

- 1.9.5.the performance of the Management team members and Directors are properly evaluated;
- 1.9.6.Directors have full opportunity to provide their views and opinions on Board matters and issues are discussed and vetted fully prior to taking decisions; and
- 1.9.7.The Board has proper contact with the Management team.

1.10. RESPONSIBILITIES OF BOARD OF DIRECTORS (BoD)

The Board is elected by and is accountable to the Shareholders. Except for decisions explicitly reserved for Shareholders (by applicable law or regulation, or by the Constitution), the Board has full authority to carry out all activities necessary to provide effective strategic guidance and sound oversight of SPCL. Its ultimate goal is to create long-term shareholder value, while taking into account the interest of its stakeholders.

- 1.10.1. Reviewing, approving, and monitoring the Company's long-term strategic objectives and business plans of management, including any performance indicators and targets to be used in relation to the strategy.
- 1.10.2. Setting the risk appetite for the Company, including specific targets, caps, or indicators related to the risk appetite.
- 1.10.3. Monitoring the overall performance of the Company's progress towards its strategic objectives, and in line with its defined risk appetite.
- 1.10.4. Establishing a framework of effective controls which enables risks to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets and the steps taken by management to monitor and control such risks.
- 1.10.5. Overseeing and approving the risk management framework and associated policies and procedures used by management to effectively manage risk.
- 1.10.6. Approving the appointment and dismissal of the internal auditor.
- 1.10.7. Overseeing the integrity of the financial statements, the compliance with legal and regulatory requirements, the performance, qualifications, and independence of the external auditor, and the performance of the internal audit function.
- 1.10.8. Overseeing the internal control framework used by management and ensuring it is efficient and effective.
- 1.10.9. Overseeing and approving the human resource policies and framework of the Company.
- 1.10.10.Taking decisions as per a delegation of authority matrix.
- 1.10.11.Appointing and, as necessary, dismissing the CEO.
- 1.10.12.Determining the remuneration and incentive schemes, including key performance indicators, for senior executives
- 1.10.13.Evaluating the overall performance of key senior executives and taking corrective actions as needed.
- 1.10.14.Developing succession plans and developmental objectives for senior executive positions.
- 1.10.15.Identifying, evaluating, selecting and recommending potential candidates for election as Directors by Shareholders.
- 1.10.16.Evaluating the overall performance and effectiveness of the Board and each Director, and taking corrective actions as needed.
- 1.10.17.Overseeing the Company's corporate governance framework and ensuring compliance with approved policies.
- 1.10.18.Set the Company's values and standards, and ensure that obligations to shareholders and other stakeholders are understood and met.

1.10.19. Ensuring stakeholder interests are considered and the Company conducts its business in a socially responsible manner to the extent practical.

1.11. POLITICAL NON ALIGNMENT

As a secular and nonpolitical enterprise, SPCL shall not have any type of political alignments:

- 1.11.1. SPCL shall be committed to and support the constitution and governance systems of the country in which it operates.
- 1.11.2. SPCL shall not support any specific political party and not have any political affiliations.
- 1.11.3. All SPCL Employees are free to contribute or participate in the political process if it does not create conflict of interest or invade work related commitments.

1.12. PROTECTING COMPANY ASSETS

It is the responsibility of all employees to protect the interests of all stakeholders of the company.

- 1.12.1. The assets of SPCL shall not be misused; they shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers.

1.13. DONATIONS

Any amount of donation shall be made only with prior approval of Chairman/Board of Directors/CEO. This will include advertisement in the souvenir or any such support directly or indirectly.

1.14. CORPORATE CITIZENSHIP

- 1.14.1. SPCL shall be committed to good corporate citizenship, not only in the compliance of all relevant laws and regulations but also by actively assisting in the improvement of quality of life of the people in the communities in which it operates. The company shall encourage volunteering by its employees and collaboration with community groups.
- 1.14.2. SPCL also encouraged to develop systematic processes and conduct management reviews from time to time so as to set strategic direction for social development activity.
- 1.14.3. SPCL shall not treat these activities as optional, but should strive to incorporate them as an integral part of its business plan.

1.15. REGULATORY COMPLIANCE

- 1.15.1. Employees of SPCL, in their business conduct, shall comply with all applicable laws and regulations, in letter and spirit.
- 1.15.2. Directors of SPCL shall comply with applicable laws and regulations of all the relevant regulatory and other authorities. As good governance practice they shall safeguard the confidentiality of all information received by them by virtue of their position.

1.16. SECURITIES TRANSACTIONS & CONFIDENTIAL INFORMATION

Handling of sensitive and confidential information relating to the business of SPCL is very crucial. It is also a highly regulated area which requires compliance.

- 1.16.1. An employee of SPCL and his / her immediate family shall not derive any benefit or counsel, or assist others to derive any benefit, from access to and possession of information about the company or its clients or suppliers that is not in the public domain and, thus, constitutes unpublished, price-sensitive insider information.
- 1.16.2. An employee of SPCL shall not use or proliferate information that is not available to the investing public, and which therefore constitutes insider information, for making or giving advice on investment decisions about the securities of SPCL client or supplier on which such insider information has been obtained. Such insider information might include (without limitation) the following:
 - 1.16.2.1. Acquisition and divestiture of businesses or business units.
 - 1.16.2.2. Financial information such as profits, earnings and dividends.
 - 1.16.2.3. Announcement of new product introductions or developments.
 - 1.16.2.4. Asset revaluations.
 - 1.16.2.5. Investment decisions / plans.
 - 1.16.2.6. Restructuring plans.
 - 1.16.2.7. Major supply and delivery agreements.
 - 1.16.2.8. Raising of finances.
 - 1.16.2.9. An employee of SPCL shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.

1.17. ENVIRONMENT

As a good corporate citizen, SPCL assume and undertakes initiatives to promote greater environmental responsibility. Most of SPCL's businesses have plenty of impact on external environmental factors. We are highly committed to comply global and local environmental standards. We took several steps to save on water and harness daylight to preserve energy in our business setups. We have implemented 3R i.e. Reduce, Re-use, Recycle in our value system to attain energy efficient culture within our business entities.

1.18. ANTI-CORRUPTION

SPCL has principled it's business to the highest level of good governance and ethics. We have a detail anti-corruption policy written for every employees of the company. We follow zero-tolerance strategy in case of any corruption takes place within the entities of our group. We always took record of our instances of corruption and refer the same to minimize the repetition of conducting the corruption in future.

1.19. EMPLOYEE RELATIONS

SPCL recognizes that people are the most important resource and key to success of any organization. To develop and equip the employees with key skills, the company places great emphasis on the development of its people and hence training and workshops are arranged at regular interval for their training and updating knowledge on the respective functional areas.