

# **BANGLADESH SERVICES LIMITED**

## **CODE OF ETHICS AND BUSINESS CONDUCT**

### **FOR**

### **MEMBERS OF THE BOARD OF DIRECTORS**

The Board of Directors (the “Board”) of **BANGLADESH SERVICES LIMITED** (the “Company”) has adopted this Code of Ethics and Business Conduct (the “Code”) for Members of the Board of Directors. This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conduct and help foster a culture of honesty and accountability. Each Director should carefully review, be familiar with and follow this Code.

This Code is intended to serve as a source of guiding principles for Directors. Directors should bring questions about particular circumstances involving any director that may implicate one or more of the provisions of this Code. The Company Secretary will discuss such questions, as appropriate, with the Chairman of the Board, the Chair of the Corporate Governance Committee and/or other inside or outside legal counsel. The Board will not permit any waiver of this Code for any director. Directors who also serve as officers of the Company should read this Code in conjunction with the Company’s Code of Ethics and Business conduct applicable to the Company’s employees.

#### **A. Conflict of Interest**

Directors should avoid any conflict of interest as described below between the Director(s) and the Company. Any situation that involves or may reasonably be expected to involve a conflict of interest with the Company should be disclosed promptly to the Company Secretary. The Company Secretary will discuss such matters with the Chairman of the Board for appropriate resolution, which may include request for the resignation of that Director.

If a Director has a personal interest in any matter, the Director will disclose the interest to the full Board of Directors prior to discussion as to such matter or deliberation excuses him or herself from participation in the discussion, and will not vote on the matter. Personal interest may include, among others, commercial, industrial, banking, consulting, legal, accounting, charitable, and financial relationship.

A “conflict of interest” can occur when a Director’s personal interest interferes in any way with or may appear to interfere in any way with the interest of the company as a whole. Conflicts of interest may also arise when a Director or a member of his or her immediate family receives personal benefit(s) outside the compensation or reimbursement program approved by the Board as a result of his or her position as a Director of the company.

This Code does not attempt to describe all possible conflict of interest that could develop. Some of the more common conflicts which Directors must avoid, however, are stated below:

**(i) Relationship of the Company with third parties**

Directors should not engage in any conduct or activities that are inconsistent with the Company's best interests or that disrupt or impair the Company's relationship with any person or entity with which the Company has entered into, or propose to enter into, a business or contractual relationship. This prohibition includes any such third parties related to potential corporate opportunities as discussed further in section B.

**(ii) Compensation from non-Company sources**

Director should not accept compensation in any form for services performed for the Company from any source other than Company.

**(iii) Gifts**

Directors and members of their families should not accept gifts from person(s) or entities who deal with the Company, where any such gifts are being made in order to influence the director's action as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

**(iv) Personal use of Company assets**

Directors should not use company's assets, labour or information for personal use unless approved as a part of a compensation or expense reimbursement programme available to all Directors.

**(v) Loan or guarantees**

Directors should not accept loans, or any other guaranty of an obligation from the Company.

**B. Corporate Opportunities**

Directors owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises. Directors are, therefore, prohibited from:

- (i) taking opportunity for themselves that are discovered through the use of Company property, information, their position as a Director;
- (ii) using Company property, information or their position for personal or professional gain for themselves or an employer; and
- (iii) competing or helping an employer competing with the Company, including compensating for the business opportunities; provided that if the Company's disinterested Director determines that the Company will not pursue an opportunity that relates to the Company's business, a director may do so if the disclosure and abstention procedures set forth in section-A of this Code have been followed.

C. **Confidentiality**

As a member of the Board, a Director must know the confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Directors should maintain the confidentiality of such information entrusted to them by the Company and any other confidential information about the Company that comes to them from whatever source in their capacity as a Director except when disclosure is authorized or legally mandated.

D. **Fair Dealing**

In any dealing with the Company's customers, suppliers, competitors, and employees, Directors should endeavor to deal fairly. They must not take unfair advantage of any one through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.

E. **Protection and Proper use of Assets**

Directors should protect the Company's assets and ensure their efficient use. Theft, carelessness and misuse or waste has a direct impact on the Company's profitability. Use of Company assets by any Director should be for legitimate business purpose related to the Company.

F. **Compliance with Laws, Rules and Regulations**

It is the Board's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of all Directors to adhere to the standards and restrictions imposed by those laws, rules and regulations.

In addition to being illegal and unethical, it is a violation of Board policy by a Director to buy or sell stock or other securities while in possession of "material nonpublic information." This is true for Company's stock or other securities, as well as stock or other securities of suppliers, customers, competitors, venture partners, acquisition candidates or other companies about which a Director may pass nonpublic material information. To ensure compliance with applicable laws relating to the trading of Company's securities, all transactions in company securities by Directors must be approved in advance by the Company Secretary. Any director who is uncertain about the requirement regarding the purchase or sale of Company's securities or any securities of issue that he or she is familiar with by virtue of his or her position on the Board should consult with appropriate insider counsel before making any such purchase or sale.

G. **Encouraging the reporting of illegal or unethical behavior**

Directors must practise and promote ethical behavior. Moreover, through the adoption of this Code, the Board hereby-

- (i) affirms its expectation that employees talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation;
- (ii) affirms its expectation that employees report to appropriate personnel/authority on violation of laws, rules, regulations or the Company's Ethical and Business Conduct Policy applicable to the Company's employees; and
- (iii) confirms that it will not condone retaliation for reports made in good faith.

H. **Public Disclosure of Information**

All information in reports and documents that the Company files with or submits to the Bangladesh Securities or Exchange Commission is required to be full, fair, accurate, timely, and understandable. This standard also applies to other public communication made by the Company. All Directors shall take this requirement into proper account in carrying out his or her Board duties.

I. **Compliance Procedures**

Directors should communicate any suspect violations of this Code promptly to the Company Secretary. The Company Secretary will review the matter with (i) the chairman of the Board; or (ii) the Chairman of the Nominating and Corporate Governance Committee, if the suspected violation involves the Chairman of the Board, or (iii) the Chairman of the Audit Committee if the suspect violation involves the Chairman of the Nominating and Corporate Governance Committee. The Company Secretary may also review the suspected violation with any or all other Directors as appropriate. Potential violations of this Code reported to the Board will be investigated by the Board or by a Director(s) designated by the Board and appropriate action will be taken in the event it is determined that violation of this Code has occurred.