

GPH ISPAT LIMITED

Crown Chamber, 325 Asadgonj, Chattogram-4000

Title

Code of Conduct for the Chairperson, other
Board Members and Managing Director

Recommended By

Nomination and Remuneration Committee (NRC)

Approved By

Board of Directors, GPH Ispat Limited

Date

26th October, 2019

CODE OF CONDUCT FOR THE CHAIRPERSON OTHER BOARD MEMBERS AND MANAGING DIRECTOR



1. Introduction:

These Code of Conducts have been prepared for the Chairperson, other Board members and Managing Director of the Company in accordance with Condition 1(7)(a) and (b) of the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission (BSEC), dated 03 June, 2018.

2. Definitions & Interpretation:

In the Code of Conducts, unless there is anything repugnant in the subject or context:

- a) "Company" means GPH Ispat Limited.
- b) "Board" means the Board of Directors of the Company.
- c) "Directors" means Directors to the Board.
- d) "Chairperson" means the Chairperson of the Board of Directors of the Company.

3. Purpose:

The Company is committed to bring an ethical and responsible member of the business communities in which it operates. The Company always endeavors to ensure that the highest standards of honesty, integrity and ethics are maintained. This Code is intended to serve as a source of guiding principles for the Chairperson, other Board members and Managing Director of the Company even though no code or policy can anticipate every situation that may arise. The standards contained in this Code are neither exclusive nor comprehensive. The Chairperson, other Board members and Managing Director of the company are required to comply with all applicable laws, rules and regulations, whether or not specifically addressed in this Code.

4. Principles of the Code:

The Chairperson, other Board members and Managing Director of the Company shall act within the authority conferred upon them, in the best interests of the Company and observe the following:

A. Prudent Conduct and Behavior:

The Chairperson, other Board members and Managing Director should;

- I. act honestly, ethically, in good faith and in the best interest of the Company.
- II. ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors of the Company from time to time.

- III. refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance.
- IV. conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- V. 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.

B. Confidentiality:

Confidential information includes, amongst others, all information of the Company not authorized by the management of the Company for public dissemination and that might be of use to competitors, or harmful to the Company if disclosed. The Chairperson, other Board members and Managing Director should;

- I. maintain the confidentiality of information entrusted to him/her by the Company or its customers, vendors or consultants except when disclosure is properly authorized by the Company or legally mandated.
- II. protect all information (in any form including electronic information) from unauthorized disclosure that it created or used in support of Company business activities as the property of the Company.
- III. take all reasonable efforts to safeguard such confidential information that is in his/her possession against inadvertent disclosure and shall comply with any non-disclosure obligations imposed on the Company in its agreements with third parties.
- IV. conduct themselves so as to meet the expectations of operational transparency of the stakeholders while at the same time maintaining confidentiality of information in order to foster a culture conducive to good decision making.
- V. all confidential information must be held in confidence, unless authorized by the Board or otherwise permissible in accordance with this Code; or the same is part of the public domain at the time of disclosure; or is required to be disclosed in accordance with applicable laws.

C. Conflict of Interest:

A conflict of interest occurs when an individual's private interest interferes in any way with the interests of the Company. These include, but are not limited to, sensitivity to the existence of a conflict of interest or the appearance or possibility of a conflict of interest. To avoid the conflict of interest the Chairperson, other Board members and Managing Director should;

- I. adhere to the highest standards of honesty and ethical conduct.

- II. not use their position or knowledge gained directly/indirectly in the course of their duties for private or personal advantage.
- III. not enter into any transaction which is or may likely to have a conflict with the interest of the Company.
- IV. avoid business, financial or other direct or indirect interests or relationships which conflict with the interests of the Company or which divides his or her loyalty to the Company.
- V. required to declare at all times the nature and extent of any conflict of interests, whether direct or indirect, or whether actual or potential, with the Company, and where so required, to abstain from any deliberation and decision relating thereto.
- VI. 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.
- VII. act in the best interest of the Company at all times.

D. Compliance with Laws, Rules and Regulations:

The Chairperson, other Board members and Managing Director of the Company shall act as the ambassador for the Company. The Chairperson, other Board members and Managing Director should;

- I. strives to ensure that all activity by or on behalf of the Company is in compliance with applicable laws, rules and regulations of Bangladesh.
- II. dealing with customers, suppliers, competitors or other third parties, neither undertake any commitment nor engage in any agreement which is prohibited as anti-competitive, discriminating or illegal.
- III. expected to carry out his/her duties with integrity and professionalism when dealing with customers, suppliers, governmental bodies or partners in compliance with laws and regulations.

E. Prohibition of Insider Trading:

The Chairperson, other Board members and Managing Director should;

- I. 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 where such information may be used by such person for his or her personal benefit or gain.
- II. comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by the Bangladesh Securities Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange, in so far as they relate to prohibitions on insider trading.

F. Relationship with Environment:

The Chairperson, other Board members and Managing Director should;

- I. committed to complying with all applicable environmental and Health & Safety laws, standards and requirements.
- II. provide a safe and healthy working environment and comply with the conduct of the business affairs of the Company.
- III. committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.
- IV. encourage the 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.

G. Relationship with Employees:

The Chairperson, other Board members and Managing Director should;

- I. strive for causing the Company to maintain cordial employee relations.
- II. cause the Company to build competency based human resource systems and maintain human resource policies that have been directed at managing the sustainable growth of the organization efficiently.
- III. assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.
- IV. providing a work environment that is free of unlawful discrimination and harassment, and must adhere to the policies of the GPH Ispat Limited, and applicable laws of Bangladesh.

H. Relationship with Customers:

The Chairperson, other Board members and Managing Director should;

- i. ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient aftersales service consistent with the requirements of the customers to ensure their total satisfaction.
- ii. ensure that Company will properly engage in product advertising, publicity, and sales promotion activities to avoid misleading the customers.
- iii. ensure that the Company will engage in free and open competition with competitors to maintain its stance as a company trusted by customers and society.

I. Relationship with Suppliers:

This Code contains general requirements applicable to all suppliers to Company. Particular supplier contracts may contain more specific provisions addressing some of these same issues. Nothing in this Code is meant to supersede any specific provision in a particular contract, and to the extent there is any inconsistency between this Code and any other provision of a particular contract, the other provision will prevail. The Chairperson, other Board members and Managing Director should act in the best interest of the Company. Accordingly, the Chairperson, other Board members and Managing Director should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the Chairperson, other Board members and Managing Director's obligation to act in the best interest of Company.

J. Independency:

The Chairperson, other Board members and Managing Director should:

- i. remain independent in all material respects.
- ii. act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

5. Amendment to the Code of Conduct:

The provisions of this Code can be amended/modified by the Board of Directors, based on the recommendation of the Nomination and Remuneration Committee (NRC) from time to time and all such amendments/modifications shall take effect from the date stated therein. The Chairperson, other Board members and Managing Director shall be duly informed of such amendments and modifications.

6. General:

The Chairperson, other Board members and Managing Director are obligated to read and accept the provisions of this Code. No code of conduct, however, can address every situation for which guidance may be necessary. If the Chairperson, other Board members and Managing Director are unclear about what may be the right course of action in a particular situation, he/she should obtain appropriate advice before taking action. The Chairperson, other Board members and Managing Director are expected to abide by both the letter and spirit of this Code. Any questions regarding the scope or proper interpretation of this Code, or advice concerning its application to a particular situation, should be referred to the Legal Department of the Company.

7. Publication of the Code of Conduct:

Pursuant to Condition 01(7)(b) of Corporate Governance Code Notification BSEC/CMRRCD/2006-158/207/Admin/80 Dated, 3 June 2018 of Bangladesh Securities and Exchange Commission, this Code of Conduct and any amendments thereto shall be published/posted on the website of the Company i.e. <https://gphispat.com.bd>