

Tosrifa Industries Limited

CODE OF CONDUCT FOR

- ❖ CHAIRPERSON
- ❖ BOARD OF DIRECTORS
- ❖ CHIEF EXECUTIVE OFFICER

[As per Condition 01 (7) (b) of the Notification on Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission vide BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3 June 2018]



1. OVERVIEW

Preamble:

This Code of Conduct attempts to set forth the fundamental principles and practices on which the Chairperson, other Board members and Chief Executive Officer shall operate and conduct themselves with all stakeholders with whom it is connected. The purpose of this Code is to recognize and emphasize upon the ethical behavior and to develop a corporate culture of fairness, transparency, accountability and responsibility.

Applicability:

This Code shall be applicable and binding on the Chairperson, other Board members and Chief Executive Officer of the Company.

2. DEFINITIONS & INTERPRETATION:

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"Code" shall mean the Corporate Governance Code issued by the Bangladesh Securities and Exchange Commission vide BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3 June 2018.

"Board" shall mean the Board of Directors of the Company.

"Directors" shall mean directors on the Board.

"Company" shall mean Tosrifa Industries Ltd.

"TIL" shall mean Tosrifa Industries Ltd.

"CEO" shall mean Chief Executive Officer of the Company.

"MD" shall mean Managing Director of the Company.

3. PRINCIPLES OF THE CODE:

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

3.1 Compliance with Laws, Rules and Regulations:

The Chairperson, other Board members and Chief Executive Officer are supposed to ensure that all activities by or on behalf of the Company are in compliance with the applicable laws of Bangladesh ("applicable laws"). When dealing with customers, suppliers, competitors or other third parties, they shall neither undertake any commitment nor engage in any agreement which is prohibited as anti-competitive, discriminating or illegal. Beyond compliance with laws and regulations, he/she is expected to carry out his/her duties with integrity and professionalism when dealing with customers, suppliers, governmental bodies or partners.

3.2 Prudent conduct and behavior:

The Chairperson, other Board members and Chief Executive Officer shall act fairly, ethically, in good faith and in the best interest of the Company.

Whilst carrying out the duties, they shall 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.

The Chairperson, other Board members and Chief Executive Officer shall 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. They shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.

3.3 Confidentiality:

The Chairperson, other Board members and Chief Executive Officer should 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. "Confidential information" includes, amongst others, all information of the Company not authorized by the management of the Company for public dissemination.

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.

3.4 Conflict of interest:

The Chairperson, other Board members and Chief Executive Officer shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company. They 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.

All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

3.5 Compliance with laws on insider trading:

The Chairperson, other Board members and Chief Executive Officer 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.

3.6 Protection and Proper Use of Company Assets:

All Directors shall endeavor to protect the Company's assets and ensure their efficient use. Any suspected incident of fraud, theft or negligence shall be immediately reported for investigation. The Chairperson, other Board members and Chief Executive Officer 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.

3.7 Environment and Health & Safety:

The Board is committed to complying with and encouraging compliance with all applicable environmental and Health & Safety laws, standards and requirements. The Directors 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 Company should be 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.

3.8 Relationship with Employees:

The Chairperson, other Board members and Chief Executive Officer should strive for causing the Company to maintain cordial employee relations.

The Chairperson, other Board members and Chief Executive Officer should cause the Company to build competency based human resource systems and maintain human resource policies that have been directed at managing the growth of the organization efficiently.

The Chairperson, other Board members and Chief Executive Officer should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

3.9 Relationship with Customers and Suppliers:

The Chairperson, other Board members and Chief Executive Officer should ensure that the Company is committed to supply products and services of the highest quality to ensure their total satisfaction. They should ensure that Company will properly engage in product marketing activities to provide proper information to the customers.

Moreover, they should also 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.

The Chairperson, other Board members and Chief Executive Officer should act in the best interest of the Company. Accordingly, they should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with their obligation to act in the best interest of Company.

3.10 Integrity and Accuracy of Financial Records:

The preparation and maintenance of accurate books, records and accounts are required by law and essential to the proper discharge of financial, legal and reporting obligations. The Chairperson, other Board members and Chief Executive Officer shall ensure that all financial data must be completely and accurately recorded in compliance with applicable laws and the Company's accounting policies and procedures.

3.11 Independency:

The Chairperson, other Board members and Chief Executive Officer should remain independent in all material respects.

The Chairperson, other Board members and Chief Executive Officer should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

3.12 Appointment and Removal of Members of Sub-committees of the Board

Members of sub-committees of the Board shall be nominated and appointed by the Board. The Board shall have authority to remove any member of the sub-committees. In case of death, resignation or removal of a member of the sub-committees or in any other cases or vacancy, the Board shall fill the vacancy in accordance with the Corporate Governance Code issued by BSEC.

4. AMENDMENT:

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.

5. PUBLICATION:

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. *www.til.com.bd*