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Date :

Code of Conduct Of Board Members of Sonali Paper & Board Mills Limited

The following code of conduct has been determined by the Nomination & Remuneration Committee for the Chairperson, other board members and Chief Executive Officer of Sonali Paper & Board Mills Limited.

1. PREAMBLE

- The Code of Conduct shall be called 'Code of Conduct for Board of Directors of Sonali Paper & Board Mills Limited' (hereinafter referred to as "the Company")
- The Code has been framed in compliance with the clause 1(7) of Notification of Corporate Governance Code of Bangladesh Securities & Exchange Commission dated 03 June 2018 which stipulates that the Board of Directors of every listed Company shall lay down a code of conduct for all board members of the Company based on the recommendation of the Nomination and Remuneration Committee (NRC).

2. OBJECTIVE

With a view to maintain high standards of governance, to recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the Company, the following code of conduct is required to be observed.

3. KEY REQUIREMENTS

The Board Members must act within the authority conferred upon them and in the best interests of the Company and observe following code of conduct:

A. ACCOUNTABILITY:

The Directors shall discharge their duties in good faith and integrity in business judgment and in best interests of the Company and its stakeholders. They are expected to use their best endeavors and organize the resources for advancing the Company's objective. They shall act ethically, honestly, diligently and in good faith to protect the company's brand equity and image.

B. AVOIDANCE OF CONFLICT OF INTEREST:

Directors shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. Conflict of interests also arises when a Director of a member of his or her family, receives improper personal benefits as a result of his or her position as director of the Company. The Code does not attempt to describe all possible conflicts of interest that could develop. Any situation that creates or appears to create a conflict of interest must be avoided.

C. COMPLIANCE:

All applicable laws, rules and regulations shall be complied with. In order to assist the Company in promoting lawful and ethical behavior, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

D. OTHER DIRECTORSHIP:

The Directors must disclose their Directorship, Committee Membership on the Board of other companies and substantial shareholding in other companies to the Board on an ongoing basis.



Sonali Paper & Board Mills Limited

Corporate Office :
51, Central Road, Dhanmondi,
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E. CONFIDENTIALITY OF INFORMATION:

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Any information connecting the Company's business, performance, its customers, suppliers etc., which is not in the public domain and to which the Directors have access or possesses such information must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law.

Examples of confidential information include but are not restricted to:

- Information not yet released to the public
- Unpublished Company Strategy
- Investments, planned mergers or acquisitions
- Information received from customers or partners
- Unpublished Financial information/ PSI
- Employee information

F. INSIDER TRADING:

Director shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information as defined in the notification of BSEC about the company and therefore constituting insider information. All Directors/ Senior Management personnel shall comply with this notification (Prohibition of Insider Trading).

G. EQUITY:

All attempts should be made to maintain equity and fair justice while dealing on behalf of the Company. The Directors shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidations of any nature. Any kind of harassment and discrimination based on gender, religion, age, ethnic origin and other such characteristics shall be strictly prohibited. They shall strive for maintaining a safe workplace by following safety and health rules and practices.

H. INVESTOR FOCUS:

The Directors shall focus on investor satisfaction. They shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

I. TEAMWORK AND SPIRIT:

The principles of mutual trust, teamwork and spirit shall be appreciated and maintained. Best efforts shall be made to contribute to an environment that builds confidence and empowers people through personal and professional growth. They shall attempt that the teams grow together through collaborative working, skills development, knowledge sharing and learning from each other.

J. CORPORATE OPPORTUNITY:

Except as approved by the Board, the Directors are prohibited from:

- a. Taking any personal opportunity directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position; and
- b. Using the Company's property, information or position for personal gain/advantage or to the detriment to the Company.



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K. SAFEGUARDING COMPANY'S ASSETS:

The use of Company's assets for illegal or non-ethical business purposes shall be strictly prohibited. Protecting the Company's assets regardless or whether the same is tangible or intangible is the responsibility of each Director.

L. FINANCIAL RECORD KEEPING & REPORTING:

The Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of Bangladesh. Every business transaction undertaken by the Company must be recorded in its books accurately and in a timely manner. The Directors must ensure that accurate information is provided for preparation of these documents and they shall never make any false or misleading entries. All reasonable efforts are expected to ensure that all business records and reports are accurate, complete and reliable.

M. CUSTOMERS:

The Company's prosperity is founded on customer satisfaction. The board shall maintain a good business relationship with all customers by providing clear, concrete, pertinent and honest information. The Board should ensure that the Company is committed to supply products and services of the highest quality standards backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction.

N. SUPPLIER RELATIONSHIP:

Supplier of the Company are to be chosen in consideration of objective criteria, based on quality, reliability, price, utility and performance or service. Suppliers are to be treated, justly, fairly and honestly.

O. HUMAN RESOURCES/ EMPLOYEE RELATIONS:

Directors shall strive for causing the Company to maintain cordial employee relations, building Competency-based human resource systems and maintain human resources policy that has been directed at managing the growth of the organization efficiently aligning its human resource policies, processes and initiatives to meet its business needs.

P. PERIODIC REVIEW:

Once in every year or upon revision of this code, every Director must acknowledge and execute an understanding of the code and an affirmation that he/she has complied with the code. New Directors, if any, will sign such a deed at the time of joining.