

## **CODE OF CONDUCT FOR THE CHAIRPERSON, BOARD MEMBERS AND MANAGING DIRECTOR**

### **I. Need and Objective of the Code**

Clause 1 (7) (a) of the Corporate Governance Code of Bangladesh Securities and Exchange Commission requires, as part of Corporate Governance of the listed entities to lay down a Code of Conduct for Chairperson, Board Members and Managing Director/CEO on the Board of an entity.

Accordingly the Company, based on the recommendation of the Nomination and Remuneration Committee has laid down this Code for its Directors on the Board.

### **II. Purpose**

The Board of Directors of aamra technologies limited (the "Company") is committed to the highest standards of integrity and business conduct. The Board believes that operating with the highest level of honesty and integrity is critical to protect the interests of the Company and its shareholders.

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 must comply with the letter and spirit of this Code.

### **III. Application of Code**

This Code of Conduct (hereafter "the Code") applies upon acceptance of their mandate to the members of the Board of Directors and to their Alternates. It sets out the rules applicable in matters of professional ethics and behavior.

Although this Code provides standards of conduct for a range of business practices and procedures, it cannot and does not cover all possible situations that may arise. Therefore, it is intended to serve as a source of guiding principles for directors. Accordingly, all directors are expected to conduct themselves in a manner consistent with the spirit and letter of this Code and avoid even the appearance of improper behavior.

Directors are encouraged to bring questions about particular circumstances that may involve this Code via the Company Secretary (the "Secretary") to the attention of the Chairman.

### **IV. Basic standard of conduct**

Members of the Board of Directors shall discharge their duties professionally, with due diligence and efficiency and to the best of their abilities.

In discharging their duties to the Company, members of the Board of Directors shall, in particular, endeavor to:

- comply with applicable laws and regulations and with Company's rules, policies and guidelines;

- only act in the interest of the Company, without allowing themselves to be influenced by personal interests or relationships;
- avoid any situation which may give rise to a conflict of interest;
- respect the obligation of confidentiality in respect of information received in the course of their duties and shall continue to be bound by this obligation after termination of their mandate;
- refrain from overstepping the powers conferred upon them;
- make use of the Company's name and resources only in the interest of the Company.

The Board represents the interests of shareholders, as owners of a corporation, in optimizing long-term value by overseeing management performance on the shareholders' behalf. The Board's responsibilities in performing this oversight function include a duty of care and a duty of loyalty.

A director's duty of care refers to the responsibility to exercise appropriate diligence in overseeing the management of the Company, making decisions and taking other actions. In meeting the duty of care, directors are expected to:

- devote sufficient time and attention to professional obligations for informed and balanced decision making.
- act in accordance with the articles of association of the company and in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- bring an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board, Committees and the Management.
- ensure that the integrity of financial information and that financial controls and the systems of risk management are robust and indisputable.

## **V. General Conduct**

The Board of Directors, the Chairman and MD/CEO shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfil their fiduciary obligations.

- Whilst carrying out the duties, the Board of Directors and the MD/CEO 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 or Committee of Directors of the Company, from time to time.

- The Board of Directors, MD/CEO shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business except accepting a gift or entertainment if warranted by the accepted ethical customs and practices.
- The Board of Directors, the Chairman and the MD/CEO 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.
- The Board of Directors shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.
- The Board of Directors 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.
- The Board of Directors and the MD/CEO shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective responsibilities and duties and shall not use the same for personal benefits or gains.

## **VI. Board culture and Chairman's role**

As the steward of corporate behavior, the board's first obligation is to ensure that its own culture is beyond reproach.

The chairman has a significant role in shaping the style and culture of the board in terms of how relationships are conducted, the quality of teamwork, transparency, communication and freedom of expression among directors, and interaction with the executive team.

The board is a principal custodian of company culture, but it has a spirit of its own and to some degree this will inform the company's own culture.

Chairman and boards have a responsibility to ensure that new directors are given proper support in learning their role so that they can get up to speed as quickly as possible.

The chairman should set the tone for the board by encouraging open and candid discussion involving all board members.

Confidentiality is vital to boardroom discussions. All directors must feel free to speak without risk of their views or the board discussion being reported other than through the medium of the formal minutes or some other authorized communication.

Sufficient time should be allocated to debate. Conflicts must be resolved before consensus can be achieved.

### **The chairman**

The leadership of the board is the sole responsibility of the chairman. The chairman has a significant influence on the culture and tone of the board. By setting the agenda and ensuring that the board is addressing the right topics at the appropriate level, the chairman promotes active participation of all directors.

The chairman's influence and judgment is vitally important because it dictates the nature and quality of debate. It is the chairman's responsibility to create an atmosphere in which topics are open for discussion and board members can disagree with each other if necessary. They should be able to express their views openly and candidly without fear of being considered disloyal.

Board discussions should be actively managed by the chairman including an accurate oral summary before any item is considered closed. The chairman's challenge in resolving conflict is to achieve consensus without sacrificing principle.

Good debate requires active management by the chairman and mutual trust between directors who must feel that their contribution is neither taken personally nor disregarded. Equally, no one person should seek to, or be allowed to, dominate the debate. For real discussion to take place, all directors must be receptive to alternative points of view.

## **VII. Compliance with Applicable Laws**

The Company is committed to comply with all applicable laws, rules, regulations and guidelines in every jurisdiction where it operates.

It is therefore desirable that Directors possess / acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks.

Directors shall ensure due compliance for every activity undertaken under their supervision and Company.

Directors shall extend full co-operation to regulatory authorities, and disclose information as may be required.

## **VIII. Disclosure Standards**

The Company shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Regulators and stakeholders. The members of Core Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

## **IX. Conflicts of interest**

Members of the Board of Directors shall also be duty bound to conduct them honestly and sensitively with respect to acceptance of certain functions, perquisites or assignments which could conflict with the knowledge acquired by them in the performance of their duties as Members of the Board of Directors.

The term "conflict of interest" pertains to situations in which personal financial or other consideration(s) may compromise, or have the appearance of compromising the professional judgment of Directors. A conflict of interest exists where the interests or benefits of Directors or of people or entities related to them conflicts with the interests or benefits of the Company.

In general, a conflict of interest exists for directors who use their positions at the company to benefit themselves, friends or families.

A director must not use his or her position to pursue or advance the director's personal interests, the interests of a related person, director's business associate, corporation, union or partnership, or the interests of a person to whom the director owes an obligation.

A director must not directly or indirectly benefit from a transaction over which a director can influence decisions made by the Management.

A director must not use his or her position to solicit clients for the director's business, or a business operated by a close friend, family director, business associate, corporation, union or partnership of the director, or a person to whom the director owes an obligation.

Every director must avoid any situation in which there is, or may appear to be, potential conflict which could appear to interfere with the director's judgment in making decisions in the company's best interest.

In addition to mandatory disclosures all Non-Executive and Independent Directors shall disclose their association with any other company which, in their judgment, may lead to conflict of interest with the Company.

Directors are free to make personal investments and enjoy social relations and normal business courtesies. They should however ensure that such interests do not directly or indirectly influence the performance of their responsibilities.

Directors are advised to avoid conducting the Company's business with a relative, or with a business in which a relative is associated in any significant role.

The Directors are required to give full disclosure of all circumstances that could conceivably be construed as conflict of interest.

If there are any transactions proposed with such related parties within the knowledge of Directors, they must report the same to the Chairman. Any dealings with a related party must be conducted on an arm's length basis and on commercial terms and no preferential treatment shall be given.

If a proposed transaction or situation raises any question or doubts, the Chairman should be consulted.

**X. Disclosure for Conflict of Interest**

- (a) Full disclosure enables directors to resolve unclear situations and gives an opportunity to dispose of conflicting interests before any difficulty can arise.
- (b) A director must, immediately upon becoming aware of a potential conflict of interest situation, disclose the conflict in writing/oral to the Board Chair. This requirement exists even if the director does not become aware of the conflict until after a transaction is complete.
- (c) If a director is in doubt whether a situation involves a conflict, the director must immediately seek the advice of the Board Chair. It may also be appropriate to seek legal advice.
- (d) A director is required to disclose the nature and extent of any conflict at the first meeting of the Board after which the facts leading to the conflict have come to that director's attention. After disclosing the conflict, the director:
- (i) must not take part in the discussion of the matter or vote on any questions in respect of the matter.
  - (ii) must not attempt, in any way or at any time, to influence the discussion or the voting of the Board on any question relating to the matter giving rise to the conflict.
- (e) If a director is concerned that another director is in a conflict of interest situation, the director must immediately bring his or her concern to the other director's attention and request that the conflict be declared. If the other director refuses to declare the conflict, the director must immediately bring his or her concern to the attention of the Board Chair. If determined to be material to the company or if there is a concern with the Board Chair, the transactions shall be placed before the Audit Committee for review.

**XI. Disclosure of Shareholding & Directorship's**

Members of the Board shall

- Disclose details of beneficial shareholding in the Company and/or subsidiaries at the time of appointment/re-appointment and later when there is change therein to the extent provide under insider trading regulations.
- Disclose particulars of Directorship / Committee membership in other Companies at the time of appointment/reappointment and yearly thereafter.

**XII. Related parties**

As a general rule, Directors, before conducting company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same. Relatives elaborately include spouse, siblings, sibling's spouse, children, children's spouse, parents, grandparents, grandchildren and step relationships or as mentioned in the Listing Regulations of Stock Exchanges.



### **XIII. Restriction on Dealing in Company's Shares**

The Company's securities are listed on the major Stock Exchanges. The Company is committed to comply with securities laws in all jurisdictions in which its securities are listed.

The Company prohibits its Directors from any fraudulent and unfair trade practices in the securities market, with regard to the securities of the Company or of any other company with whom the Company has business dealings to the best of their knowledge.

### **XIV. Insider Trading**

Confidential information may not be used for personal benefit. It is prohibited to trade securities or to tip others to trade securities of the Company or other companies on the basis of material information before it is made publicly available to ordinary investors through appropriate media.

To avoid the appearance that any the Company Director is trading on inside information, no Director should engage in "short sales" on the Company stock. Directors, may of course, purchase aamra technologies securities during the trading window by giving necessary declaration required under listing regulations and in accordance with the applicable arrangements, as long as they are not basing decisions on inside information.

To help protect against inadvertent insider trading violations, directors are not allowed to deal in Company securities during the following specified "restricted trading period":

From 1st May of each year to till approval of financials by the board and following the publication of the financial results;

### **XV. Privacy & Confidentiality**

"Confidential information" includes all information of the Company not authorized by the board/management for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time.

The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. Directors shall ensure that no confidential information is disclosed inadvertently or otherwise.

Confidential information shall be disclosed to persons, both internal and external, only on a 'need to know' basis and public disclosure shall be made with appropriate approval or as legally mandated.

Directors shall ensure that all confidential information available to them by virtue of the office they hold is never directly or indirectly released to any person or entity, or made public, otherwise than as stated above.

#### **XVI. Conduct of Business Relationships**

The Company expects all its business to be conducted in a legal and ethical manner. The quality of products and the efficiency of services at competitive prices will be the biggest tool for business activities. Profits by no means justify use of unfair / unethical business practices.

Directors shall not make any promises or commitments that the Company does not intend or would not be able to honor. Also, they should not be engaged, directly or indirectly, in any act, dealing or conduct likely to bring discredit to the Company.

Directors must uphold the highest standards of integrity and ethics in every kind of third party dealings. They shall not give, offer, or authorize the offer, directly or indirectly, of anything of value (tangible or intangible) to any third party to obtain any improper advantage.

A contribution or entertainment shall not be offered to anyone in the course of business that might create the appearance of an impropriety. However, some modest and acceptable corporate gifts etc. appropriate to give in the normal course of business practice may be acceptable.

#### **XVII. Gifts and remuneration**

A member of the Board may not give or accept gifts, other gratuities or benefits beyond common business hospitality when representing the company, as they may imply a duty to return a favor.

A gift beyond common business hospitality can be accepted if refusal would be practically impossible or create unwanted embarrassment. Such a gift shall be accepted on behalf of the company, reported to the Chairman and subsequently handed over to the company.

When performing his or her duties, a member of the Board shall not receive, accept or solicit any kind of compensation, remuneration, commission, and advantageous terms of purchase or sale in any kind from external parties.

#### **XVIII. Protection & Proper Use of Company's Assets & Resources**

Directors shall as far as practicable, protect the Company's assets from loss, damage, misuse or theft and ensure that the assets are only used for business purposes and other purposes specifically approved and must never be used for unauthorized purposes.

Directors shall not apply the Company's assets / resources and/or proprietary information for personal benefit and/or for the benefit of any other related party.



**XIX. Records Management**

Each Director should use care in the collection, use, storage, disclosure and disposal of information and documents acquired from the Company during his or her term in office. A Director requiring advice, information or assistance in the retention or disposal of records should contact the Chairman and Company Secretary.

**XX. Fair Dealing**

Directors shall not take a discriminatory stance towards or give unfair advantage to the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employees, customers, suppliers, or any business partner.

**XXI. Health, Safety & Environment**

The Company believes in sustainable development and is committed to be a responsible corporate citizen.

To uphold the Company's interest and preserve the quality of life of all concerned, the business and operations of the Company shall be conducted in an environmentally friendly manner and provide a safe and healthy working environment to its employees.

Directors shall ensure compliance with all applicable environmental, safety and health laws and regulations and internal policies.

**XXII. Interaction with Media**

To facilitate the achievement of the Company's vision and business plans, it is necessary to communicate the policies, plans and accomplishments in the most effective manner through the media to our investors, customers, existing and potential, other stakeholders and to the community at large.

All statements made to the media on behalf of the Company should be true and fair. Only persons duly authorized are allowed to interact with media on specified subjects. Disclosures of any information other than statutory disclosures or those specifically authorized by the Board/Management are prohibited.

Disclosure of information on proceedings of board meetings / committee meetings / internal meetings, and disclosure of forward-looking statements is prohibited. In case any such disclosure has to be made it has to be approved by the Board/Management and shall be combined with cautionary statements, wherever required.

Directors shall not disclose nonpublic information selectively to any particular group as it may lead to unfair advantage / discrimination.

For any outside publication of books, articles or manuscripts which relate specifically to the Company's business, policies and processes, Directors should take the approval of the Board prior to its release.

### **XXIII. Reporting of Illegal or Unethical Behavior**

The Company shall promote ethical behavior in all its business activities. Employees are free to report existing/probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the Board/Management to the workgroups. Such reports received from any employee will be reviewed by the "Audit Committee" from time to time. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

### **XXIV. Enforcement of Code**

Reports of possible violations of this Code will be investigated by or at the direction of the Board or the Audit Committee, as appropriate. In investigating an alleged violation of this Code, the Chairman of the responsible Committee or his or her representative shall speak with the claimant and verify correctness of underlying information. The Committee also shall notify the respondent of the alleged violation and afford him or her opportunity to comment on the evidence considered by the Committee.

If deemed necessary, the Chair of the Committee conducting the investigation may engage independent investigators within the budget approved by the Board of Directors. At the conclusion of the investigation, the Committee shall prepare a written report, which should be shared with the Chairman of the Board, the respondent, the person originating the allegation and any other relevant parties, as determined by the Committee.

Action taken in the event of a violation of this Code shall be reasonably designed to prevent wrongdoing and to promote accountability for adherence to the Code. In determining what action is appropriate in a particular case, the appropriate Committee shall take into account all relevant information, including the nature and severity of the violation, whether the violation appears to have been intentional or inadvertent, and whether the individual in question had been advised prior to the violation as to the proper course of action.

In resolving a case, the appropriate Committee may dismiss it; recommend that it be resolved with a reprimand or censure for consideration during the annual performance evaluation; or offer the respondent the option of resigning subject to stipulated conditions and subject to approval by the Board of Directors.

Each director shall consult with the Chair of the Nomination and Remuneration Committee, Audit Committee via the Secretary, if there is any doubt as to whether a particular transaction or course of conduct complies with or is subject to this Code.

### **XXV. Waiver or Amendments to Code**

Any waiver, explicit or implicit, of this Code, and any amendment to this Code may be made only by the Board upon recommendation of the Nomination and Remuneration Committee.

**XXVI. Affirmation**

Each Director, upon his or her appointment, shall be provided with a copy of the Directors' Code and he or she shall acknowledge his or her understanding of and commitment to abide by its provisions. In addition, every year, each Director shall

To,  
The Chairman/Managing Director/Company Secretary,  
\_\_\_\_\_ Limited.

Sub: Annual Affirmation

I, being a member of the Board of Directors of \_\_\_\_\_ Limited ("the Company") hereby acknowledge, confirm and certify that:

I have received, read and understood the Code of Conduct for Directors of the Company;

I am bound by the said Code to the extent applicable to my functions as a member of the Board of Directors of the Company;

During the financial year \_\_\_\_\_, I have complied with the provisions of the said Code.

Sign & Date:  
Name of the Director:

complete a form disclosing his or her affiliations with other entities, and declare that he or she has read the Directors' Code and is in compliance with it.

Annual affirmation

Every Director of the Company will be required to affirm compliance with the Code within 31 days of the close of the financial year of the Company. Such affirmation shall be in the form provided in the format as follows:

