



STYLECRAFT LIMITED

**Code of Conduct for the Chairperson, other Board
Members and Chief Executive Officer/ Managing
Director**

[As per Corporate Governance Code, 2018]

Preface:

This Code of Conduct for the Chairperson, other Board members and Chief Executive Officer / Managing Director (hereinafter referred to as "the Code") has been framed and adopted by Stylecraft Limited (hereinafter referred to as "the Company") on November 14, 2018. The subject Code complies with the requirements of the Bangladesh Securities and Exchange Commission (Corporate Governance Code, 2018).

This Code is intended to provide guidance to the members of the Board to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behavior and to develop a culture of honesty and accountability.

This Code of Conduct attempts to set forth the guiding principles on which the Company and its Board shall operate and conduct themselves with multitudinous stakeholders, government and regulatory bodies, media and anyone else with whom it is connected.

Definitions

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

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

"Company" shall mean Stylecraft Limited (SCL)

"Conflict of Interest" means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

"Executive Directors / Whole time Directors" shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

"Independent Directors" shall mean an Independent Director as per the provisions of the Corporate Governance Code, 2018 which is issued by Bangladesh Securities and Exchange Commission (as amended from time to time) and any other applicable laws in Bangladesh which was issued, issue, to be issued from time to time.

"Non-Executive Directors" shall mean the Directors who are not in whole time

employment of the Company.

Application of this code:

This Code shall be applicable and binding to the Chairperson, other Board members and Chief Executive Officer / Managing Director of the Company. The Directors should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company which issued or to be issued time to time by the company as well as Regulators.

Purpose of this Code:

The purpose of this code is to set out standards of conduct for Directors and take all reasonable steps to ensure that:

- i. The Board provides the independent governance oversight and accountability needed to enable SCL to fulfill its strategy, mission and mandate; and
- ii. SCL stakeholders namely, without limitation and in no particular order; the public, municipalities, taxpayers and the government have confidence and trust in the integrity, professionalism and impartiality of the decisions made by the board.

The Nomination and Remuneration Committee shall oversee compliance with this code and Board of Directors shall disclose interests, provide advisory guidance, and investigate potential breaches. This code is neither all-inclusive nor exhaustive.

For the purpose of this code:

- a. A family member of the Director includes, in no particular order, a husband, wife, spouse, domestic partner, common law partner, daughter, step daughter, son, stepson, dependent, mother, stepmother, father, stepfather, aunt, uncle, nephew, niece, cousin, grandfather or grandmother; a person residing in the director's home; or a person in a close personal relationship to the director;
- b. An affiliate of the director includes any person, firm or organization with which the director has a financial or business interest.

Principles of the Code:

Prudent conduct and Behavior:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director 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 Chairperson, other Board members and Chief Executive Officer / Managing Director 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 the Company, from time to time.

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

Confidentiality of Information and Disclosure of information:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director 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.

Conflicts of Interest:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company and shall not engage any of its relative(s), or any other person or entity, for the purposes of avoiding the personal interest involved.
- To reiterate, in discharging a Director's responsibilities, each director shall fulfill his or her fiduciary duty to act with a view to the best interest of SCL, and not in any way out of self-interest.

The Chairperson, other Board members and Chief Executive Officer / Managing Director shall at all time:

- Seek to avoid and if this is not possible, promptly disclose and report fully, any real or perceived conflict of interest of the above nature, without limitation, to the Nomination and Remuneration Committee and to the chairman of Board of Directors;
- Not seek to influence the foregoing conflict of interest;
- Absent themselves from the discussion pertaining to the foregoing conflict of interest; and
- Cooperate fully in the information pertaining to, and the management of, the foregoing conflict of interest, in accordance with the corporate By-law with respect to conflict of interest and provisions within this code.

Each director must immediately take steps to resolve a real or perceived conflict of interest. Both prior to serving on the Board, and annually during the Directors term of office, each director shall disclose to the Nomination and Remuneration Committee financial interests and any potential or actual conflict of interest as soon as it arises or appears likely to arise.

Compliance with Laws, Rules and Regulations, and Ethical Conduct:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director shall ensure compliance with the various legal/regulatory requirements as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.

Insider Trading:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director 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.
- The Chairperson, other Board members and Chief Executive Officer / Managing Director should comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by the Bangladesh Securities Exchange Commission, Dhaka Stock Exchange insofar as they relate to prohibitions on insider trading.

- **Relationship with environment, employees, customers and Suppliers:**

Relations with Environment:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the industry it operates in.
- 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.

Relations with Employees:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director should strive for causing the Company to maintain cordial employee relations.
 - The Chairperson, other Board members and Chief Executive Officer / Managing Director 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 / Managing Director Officer should assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

Relation with Customers:

- The Chairperson, other Board members and Chief Executive Officer / Managing Director 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.
- The Chairperson, other Board members and Chief Executive Officer / Managing Director should ensure that Company will properly engage in product advertising, publicity, and sales promotion activities to avoid misleading the customers.
- the Chairperson, other Board members and Chief Executive Officer / Managing Director should 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.

Relation with Suppliers:

- This Code contains general requirements applicable to all suppliers of the 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 Chief Executive Officer / Managing Director should act in the best interest of the Company. Accordingly, the Chairperson, other Board members and Chief Executive Officer / Managing Director should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the the Chairperson, other Board members and Chief Executive Officer / Managing Director's obligation to act in the best interest of Company.

Independency of Directors:

- 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.

Compliance officer

The Company Secretary will be the Compliance officer for the purposes of the Code, who will be available to Directors to answer questions arising out of the Code.

Amendment to the Code

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 Chief Executive Officer shall be duly informed of such amendments and modifications.

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 <https://www.stylecraftltd.com> .