

# **Apex Foods Limited**

## **Code of Conduct**

### **For**

## **The Chairperson, other Board members and Managing Director**

[As per Condition no. 1 (7) 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. Introduction**

This Code of Conduct for the Chairperson, other Board members and Chief Executive Officer (hereinafter referred to as “the Code”) has been framed and adopted by **Apex Foods Limited (AFL)** (hereinafter referred to as “the Company or AFL”) in compliance with the requirements of the Condition 1 (7) of Corporate Governance Code Notification BSEC/CMRRCD/2006-158/207/Admin/80 Dated: 3 June 2018 of Bangladesh Securities and Exchange Commission.

This Code is intended to provide guidance to the Chairperson, other Board members and Managing Director to manage the affairs of the Company in an ethical manner. The purpose of this code is to recognize and emphasize 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 Chairperson, other Board members and Managing Director shall operate and conduct themselves with the stakeholders, government and regulatory agencies, employees, customers and suppliers and anyone else with whom it is connected.

#### **2. Definitions**

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

“Board” shall mean the Board of Directors of the Company.

“Chief Executive Officer” means Managing Director.

“Directors” shall mean directors on the Board.

“Company” shall mean Apex Foods Limited.

#### **3. Principles of the Code of Conduct**

The code of conduct is a guidelines of the Executive Body to discharge their duties and responsibility as well as the affairs of the company in an esthetical, honest and in a good faith for the greater interest of the company and to avoid all sorts of conflict of interest.

#### **4. Objective of the Code of Conduct**

The core objective of this code of conducts is to provide sound standards of governance, clear understanding of the outline of the company, to balance out among company goal, principal activities and the way in which the Board operate, to foster full development of all individual abilities and skills in the Board and also growth the value of company and for all stakeholders,

to recognized the integrity, honesty & accountability and to serve in all spheres of activities of the company.

## **5. Compliance Guidance**

The Chairperson, other Board members and Managing Director must act in a professional and ethical way and in the best interests of the company and shall uphold the highest standards of honesty, trust, fairness, integrity and diligence and also observe the following:

### **5.01 Transparency, Accountability & Confidentiality of Information**

The Chairperson, other Board members and 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.

### **5.02 Prudent Conduct & behavior**

The Chairperson, other Board members and Managing Director shall set service standard for the organization that reflects professionalism, expresses values and attitudes, as well as prudent conduct and positive behavior.

### **5.03 Conflict of interest**

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

The Chairperson, other Board members and Managing Director 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.

The Chairperson, other Board members and Managing Director Officer should facilitate the Independent Directors to perform their role effectively as Board Member and also a member of a committee of 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.

### **5.04 Financial Controls and Record**

The company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.

Internal accounting and audit procedures fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to company's auditors and other authorized bodies.

### **5.05 Compliance with Laws, Rules and Regulations**

The Chairperson, other Board members and 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.

#### **5.06 Insider Trading**

The Chairperson, other Board members and 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 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 and Chittagong Stock Exchange, insofar as they relate to prohibitions on insider trading.

#### **5.07 Relationship with Environment**

The Chairperson, other Board members and Managing Director should have firm commitment to choose and do the right things, along with the compliance of legal requirements in matters relating to the environment and community.

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.

#### **5.08 Human Resources/ Relationship with Employees**

The Chairperson, other Board members and Managing Director should strive for causing the Company to maintain cordial employee relations.

The Chairperson, other Board members and 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.

#### **5.09 Relationship with Customers**

The Chairperson, other Board members and Managing Director should ensure that the Company is committed to supply products which ensure the highest quality standards with the requirements of the customers to ensure their total satisfaction.

#### **5.10 Shareholders/Investors**

The Chairperson, other Board members and Managing Director should be committed to enhance shareholders/investors value and in insuring that the company complies with all regulations and laws that govern shareholders' right. They should also fairly inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements.

#### **5.11 Relationship with Suppliers**

The Chairperson, other Board members and Managing Director should maintain a good business relationship and liaison with company suppliers. This shall be achieved through

proper business communication and by treating suppliers indifferently, fairly and honestly. They also ensure that the supplier is committed to supply the raw materials persistently to keep the production stream moving, as well as consider the availability, quality and price of raw materials.

#### **5.12 Independency**

The Chairperson, other Board members and Managing Director should remain independent in all material respects.

The Chairperson, other Board members and Managing Director should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

#### **5.13 Safeguarding the Company's property**

The Chairperson, other Board members and Managing Director shall responsible to protect Company's property regardless of whether the same is tangible or intangible. Further they must ensure that the use of Company's Property for illegal or non-ethical business purposes shall be strictly prohibited. They also assure that all the employees are therefore accountable to take proper and due care of the property entrusted to him/her.

#### **5.14 Equality and safest Working Environment**

The Chairperson, other Board members and Managing Director shall maintain equality while dealing with every individual of the company including safest Working Environment.

### **6. Compliance with the Code**

This Code has not specifically addressed every potential form of unacceptable conduct and it is expected that the Chairperson, other Board members and Managing Director will exercise good judgment in compliance with the principles set out in this Code. The Chairperson, other Board members and Managing Director have a duty to avoid any circumstances that would violate the letter or spirit of the Code.

### **7. 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.

### **8. 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. <http://www.apexfoods.com> .

Sd/-  
**Kamrul Islam**  
**Company Secretary**