

THE CODE OF CONDUCT FOR MEMBERS OF THE BOARD OF DIRECTORS OF THE COMPANY

This Code of Conduct for Members of the Board of Directors ("Board") is prepared in accordance with Condition 1(7)(a) of the Corporate Governance Code notified by the Bangladesh Securities and Exchange Commission (BSEC) dated 3 June 2018.

For the purpose of this Code, "Directors" shall mean all the Directors on the Board of Directors of the Company. This Code of Conduct for Members of the Board of Directors is initiated to uphold the core values of the Company i.e. Commitment to excellence, intellectual honesty, openness, fairness & trust, care for people, dynamic & successful business organization, a socially-valued enterprise & business integrity. This Code aligns with the aforesaid core values and the commitment to maintain the highest standards in its interface with all stakeholders, society at large and the environment. 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, and help to foster a culture of honesty and accountability. Each director must comply with both the letter and spirit of this Code.

This Code is intended to serve as a source of guiding principles for directors even though no code or policy can anticipate every situation that may arise. Hence, the Directors are encouraged to bring questions about particular circumstances involving one or more of the provisions of this Code to the attention of the Chairman of the Audit Committee, who may consult with inside or outside legal counsel as appropriate. Directors who also serve as officers of the Company should read this Code in conjunction with the Company's Code of Business Conduct. The standards contained in this Code are neither exclusive nor comprehensive. The Directors are required to comply with all applicable laws, rules and regulations, whether or not specifically addressed in this Code.

Directors' Role & Responsibilities

It is the primary responsibility of the Board to protect the interest of the shareholders as well as the Company's employees. The Board is the highest governing authority within the management structure. It is the Board's job to select, evaluate, and approve appropriate compensation for the company's chief executive officer (CEO), evaluate the appropriateness of and recommend dividends and approve the Company's financial statements.

The Board holds the ultimate responsibility & accountability for the Company's activities and affairs of the Company and shall take into account the interests of the shareholders and various stakeholders. As such, the Board shall hold periodic meetings, at least once a quarter, and provide appropriate decisions/directions to Executive Management. Such meetings will typically consider the Company's operational performance, financial results, review of budgets, capital expenditure proposals for Balancing Modernisation Rehabilitation Expansion (BMRE) or new projects/divisions/product lines, procurement of funds by issuance of shares or borrowing, procurement of raw materials, plant & machinery, pricing of products/discounts, recruitment, training and promotion of officers, approval of audited accounts and distribution of dividends and other interest of the stakeholders including the employees and workers.

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:

- Attend and participate in board and committee meetings. Personal participation is essential. Directors may not vote or participate by proxy.
- Remain properly informed about the Company's business and affair. Directors should review and devote appropriate time to studying board materials.
- Make use of appropriate advice. Absent knowledge that makes reliance unwarranted, directors may rely on board committees, management, employees and professional advisors.
- Make reasonable inquiries. Directors should make reasonable inquiries about potential problems that come to their attention and follow up until they are reasonably satisfied that management is addressing them appropriately.

A Director's duty of loyalty refers to the responsibility to act in good faith and in the Company's best interests, not the interests of the director, a family member or an organization with which the director is affiliated. Directors should not use their positions for personal gain. The duty of loyalty may be relevant in cases of conflict of interest (stated below), and corporate opportunities (stated below). A Director shall not assign his office and any assignment so made shall be void.

Conflict Of Interest

Directors must avoid any conflicts of interest between themselves and the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Chairman of the Board or the Chairman of the Audit Committee or otherwise prescribed.

A "conflict of interest" can occur when a Director's personal interest is, or may appear to be, adverse to the interests of the Company as a whole. Conflicts of interest also arise when a Director, or a family member, or an organization with which the Director is affiliated, receives improper personal benefits as a result of his or her position as a Director of the Company. Conflicts of interest could involve, but are not limited to, customers, suppliers, contractors, competitors and present or prospective employees.

This Code does not attempt to describe all possible conflicts of interest which could develop. Some of the more common conflicts from which Directors must refrain, however, are set out below.

- Relationship of Company with third parties. Directors may not engage in any conduct or activities that are inconsistent with the Company's best interests or that may disrupt or impair the Company's relationship with any person or entity with which the Company has or proposes to enter into a business or contractual relationship.
- Gifts. Directors and members of their families may not accept gifts from persons or entities who deal with the Company in those cases where any such gift is being made in order to influence the Director's actions as a member of the Board, or where acceptance of the gifts could create the appearance of a conflict of interest.
- Personal use of Company assets. Directors may not use Company assets, labour or information for personal use unless approved by the Chairman of the Audit Committee or as part of a compensation or expense reimbursement program available to all Directors. Directors must act in the best interest of the Company at all times.

Positive Work Environment

- I. All Directors are expected to uphold a culture emphasizing honesty, integrity, fairness, trust, competence, professionalism, discipline, teamwork, as well as truthfulness and high moral standards in day-to-day dealings and conduct, both within and outside the Company.
- II. All are expected to treat each other with respect for individual dignity and rights, not to discriminate on grounds of race, ethnicity, caste, marital status or gender, sexual orientation, and maintain a work environment free of sexual harassment.
- III. All are expected to provide an open, motivating work environment which is conducive to upholding and achieving the Company's vision, targets and goals.
- IV. Pride of place shall be given to the best of social, cultural and intellectual values, in behaviour and conduct.

Corporate Opportunities

Directors are prohibited from (a) taking for themselves personal opportunities related to the Company's business; (b) using the Company's property, information, or position for personal gain; or (c) competing with the Company for business opportunities.

Confidentiality

Directors should maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a director, except when disclosure is authorized or legally mandated. For the purposes of this Code, "confidential information" includes all non-public information relating to the Company.

Compliance With Laws, Rules & Regulations; Fair Dealing Directors shall comply and oversee compliance by employees and officers, with laws, rules, and regulations applicable to the Company. Directors shall oversee fair dealing by employees and officers with the Company's customers, suppliers, competitors, and employees.

Compliance With Laws On Insider Trading Insider information is defined as knowledge of data, projects, transactions or processes, the disclosure of which could affect the stock market price of securities, especially the Company's shares. As someone who potentially has access to insider information, likely to result in substantial movements of the price of the stock or any other financial instruments of the Company, the Directors shall comply with applicable insider trading laws. Directors who intend to trade in the securities of the Company (either in their own name or in any immediate relative's name) i.e. buy or sell securities and if the value of the securities likely to be traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of one million (Ten lakh) Bangladeshi Taka, should pre-clear the transactions by making an application to the Head of Internal Audit and Compliance indicating the estimated number of units of securities that the designated person or immediate relative(s) intends to trade, the details as to the depository with which (s)he has a security/Beneficiary Owner Account (BO Account), the details as to the securities in such depository mode and such other details as specified in the form provided by the Head of Internal Audit and Compliance and also declare that the applicant is not in possession of any unpublished price sensitive information.

Encouraging The Reporting Of Any Illegal Or Unethical Behavior Directors should promote ethical behaviour and take steps to ensure the Company: (a) encourages employees to talk to supervisors, managers, and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) encourages employees to report violations of laws, rules, regulations or the Company's Employee Handbook/Employee Code of Conduct to appropriate personnel; and (c) informs employees that the Company will not condone retaliation for reports made in good faith.

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.

Compliance Procedures; Waivers Directors should communicate any suspected violations of this Code promptly to the Chairman of the Board or the Chairman of the Audit Committee. Violations will be investigated by the Board (with the alleged Director abstaining accordingly) or by a person or persons designated by the Board and appropriate action will be taken in the event of any violations of the Code. Any waivers of this Code may only be granted by the Board (with the alleged Director abstaining accordingly) or the Audit Committee after disclosure of all material facts by the Director seeking the waiver. Waivers should only be granted in exceptional circumstances. All members of the Board of Directors shall affirm in writing compliance with this Code immediately after the Code is approved and adopted by the Board of Directors of the Company and on an annual basis in every financial year as required under the Corporate Governance Code.

General

- a) Directors are obligated to read and accept the provisions of this Code. No code of conduct, however, can address every situation for which guidance may be necessary. If the Directors are unclear about what may be the right course of action in a particular situation, he/she should obtain appropriate advice before taking action. Directors are expected to abide by both the letter and spirit of this Code. Any questions regarding the scope or proper interpretation of this Code, or advice concerning its application to a particular situation, should be referred to the Legal Department of the Company or to the HeidelbergCement Group Legal Department.
- b) This Code shall also be available on the website of the Company.