



Code of Conduct

For Board Members

For the Chairman, other Members of the Board and Managing Director

1.00 Introduction

This Code of Conduct has been prepared and adopted by Queen South Textile Mills Limited in compliance with the requirements of the Condition 1 (7) of Corporate Governance Code vide Notification No. BSEC/CMRRCD/2006 - 158/207/Admin/80 Dated 3rd June 2018 of Bangladesh Securities and Exchange Commission (BSEC) for the Chairman, other Members of the Board and Managing Director in respect to set forth the guiding principles on which the Chairman, other Members of the Board and Managing Director shall operate and conduct themselves with the Shareholders, Government, Regulatory Authorities, Stakeholders, Customers, Suppliers, Employees and any others else with whom Queen South Textile Mills Limited is connected.

2.00 Definitions

In this Code of Conduct, unless there is anything repugnant in the subject or context-

“**Queen South/Company**” means Queen South Textile Mills Limited.

“**Executive Body**” means Chairman, other Members of the Board and Managing Director.

“**Board**” means Board of Directors.

“**Director**” means Member of the Board of Directors.

3.00 Principles of the Code of Conduct

This Code of Conduct is a guidelines of the Executive Body to discharge their duties and responsibility as well as the affairs of the Queen South in an ethical, honest and in a good faith for the greater interest of the Company and to avoid all sorts of conflict of interest.

4.00 Objective of the Code of Conduct

The core objective of this Code of Conduct is to provide sound standards of governance, clear understanding of the outline of the Queen South, to balance out among Queen South’s 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 Queen South and for all Stakeholders, to recognize the integrity, honesty & accountability and to serve in all spheres of activities of Queen South Textile Mills Limited.

5.00 Compliance Guidance

The Executive Body must act in a professional and ethical way and in the best interests of Queen South and shall uphold the highest standards of honesty, trust, fairness, integrity and diligence, and also observe the following:

5.01 Accountability

The Executive Body shall carry out their duties in good trust and integrity considering the best interests of Queen South and its stakeholders. They are expected to use their best effort and organize the resources for advancing the Queen South’s objectives. They shall act ethically, honestly, diligently and in good faith to protect Queen South’s brand equity and image. They shall consider the risks and implications of their actions and in principle should feel accountable for them, and for the potential adverse impacts.

5.02 Prudent Conduct and Behavior

The Executive Body shall set the service standard for the organization that reflects professionalism, expresses values and attitudes, as well as prudent conduct and positive behaviors.

5.03 Confidentiality

All information of the company shall be used and handled with best care and due diligence to be applied to ensure highest confidentiality and preserving sensitivity. Any information relating to the Queen South’s business, performance and its stakeholders, which is not in the public domain and to which the Directors have access or possesses such information viz. Information not yet released to the Public, Unpublished price



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sensitive information, unpublished company strategy, information received from investors or shareholders, information of employees must be considered confidential and held in confidence, unless otherwise authorized to do so and when disclosure is required under any law.

5.04 Conflict of Interest

The Executive Body shall prevent and avoid potential conflict of interest that may arise and influence while performing at workplace. They shall refrain from availing any kind of undue or illegal benefit/facilities which may be in conflict with the interests of Queen South. They shall not involve in any business, relationship or activity, which may also arise conflicts of interests when a Director or a member of his or her family, receives any kind of financial benefits relating to his/her personal gain as a result of his or her position as a Director of Queen South. This code does not attempt to describe all possible conflicts of interest that could develop. Any situation such as getting any unusual or illegitimate benefits directly or indirectly for oneself and family or family members and relatives either explicitly or implicitly by disguising identity that creates or appears to create a conflict of interest must be avoided.

5.05 Compliance with Laws, Rules and Regulations

Queen South's corporate policy is to adhere to the laws of the government and compliance with the regulatory requirements applicable for the business. This includes compliance with Companies Act, Regulatory Directives, VAT Act, Tax Law, Labor Law, Industry Law, Trade & Finance Law, Securities Law, Copyright Act, Employment Policy, Health and Safety Law, Legal Laws such as Civil and Criminal Laws and other business regulations. 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 through the Company Secretary.

5.06 Prohibition of Insider Trading

The Executive Body shall be careful to reveal material non-public or unpublished information to anyone who is involved in buy or sell securities or passes that information to someone else, who buys or sells securities and shall not extract benefit or assist others to extract benefit by providing investment advice based on unpublished price sensitive information as defined in notification of Bangladesh Securities & Exchange Commission about the company and therefore prohibition of insider information. All Director, Top Level Executive Personnel/Senior Management shall comply with this notification (Prohibition of Insider Trading) as they may be liable for insider trading, even if they never trades but liability could arise if they are trying to help someone with the information or if they are trying to gain something personally.

5.07 Relationship with Shareholder/Investor

The Executive Body shall preserve the lawful benefits and interests of its shareholders/investors. They shall provide with accurate, relevant, truthful information on the Company's operation, shall make utmost endeavor to maximize the profit and dividend payment ethically and lawfully and do not deliberately omit any important facts or shall not be of misleading nature.

5.08 Relationship with Customer

The Executive Body shall maintain a good business relationship and liaison with its customers through proper business communication and ensure that Queen South is committed to manufacture and market its products of the highest quality and standards as per customer needs backed by efficient market analysis and review with the requirements of the customers to ensure their total satisfaction.

5.09 Relationship with Supplier

The Executive Body shall maintain good business relationship and liaison with its suppliers through proper business communication. They must 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. Suppliers are to be treated indifferently, fairly, promptly and honestly in case of payout them.



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5.10 Relationship with Environment

Environmental and climatic protections are among the most pressing global challenges of the time. All of these are to be taken into account in all areas of the Queen South's business. The Executive Body must have firm commitment to choose and do the right things, along with the compliance of legal requirements in this regard and must consider structural and non-traditional risks management options that inherent to Queen South's financial activities side by side with the management of traditional financial risks, such as credit risk, market risk and liquidity risk etc. Risks inherent to environment and social or community events/activities also need to be taken into consideration.

5.11 Relationship with Employees

The Executive Body shall equip all employees to carry out their duties with due regards to the technical and professional standards expected by the company and shall maintain cordial employee relationship, encourage the employees continuously to develop and maintain their technical and professional knowledge and level of competence based on human resource systems and maintain human resources policy, as well as assuring that to act with complete integrity towards the company and its stakeholders with whom they may come into contact and manage the human resources policy which will enhance the growth of the organization efficiently.

5.12 Independency

The Executive Body shall work with independency in every sphere of Queen South's activities and business. They shall also ensure that the independency of employees at their work place with a view to deriving the best performance from them that will influence the growth and development of the entire company.

5.13 Equality and Safest Working Environment

The Executive Body shall maintain equality and fair justice while dealing with every individual of Queen South. The Directors shall be committed to provide a productive work environment that is free from intimidation or harassment and unlawful discriminations of any nature. They must ensure that a finest and safest working environment as well as develop interpersonal relationships. Any kind of harassment and discrimination includes 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.

5.14 Financial Controls and Record

Financial records include financial statements, reports, tax returns, supporting evidence and any other documents that reflect Queen South's operations. The preparation of financial statements, recording, safekeeping and for Queen South's different stakeholders must strictly adhere to national laws/regulations, accounting and financial reporting standards, generally accepted accounting principles and regulatory body guidelines issued by the concerned authority. The Directors must ensure that it is strictly forbidden to alter or falsify documents, records, or reports or to conceal information that may alter the interpretation of financial information. All reasonable efforts are expected to ensure that all business records and reports are accurate, complete and reliable. The Executive Body shall also focus on the operations related to financial controls and records will be conducted pursuant to the internal control procedures of the Company.

5.15 Safeguarding of Queen South's Property

The Executive Body shall responsible to protect Queen South's property regardless of whether the same is tangible or intangible. Further they must ensure that the use of Queen South'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.

6.00 Amendment to the Code of Conduct

The provision of this Code of Conduct can be amended/modified by the Board, based on the recommendation of the Nomination and Remuneration Committee, from time to time as they think fit. All such amendments/modification shall take effect from the date they approve.

6.01 Compliance with the Code of Conduct

This Code of Conduct has not specifically addressed every potential form of unacceptable conduct and it is expected that Executive Body shall exercise their best possible practice and judgement in compliance with the principle set out in the Code of Conduct and shall avoid all possible circumstances that would violet the spirit of the Code of Conduct.