



সিভিও পেট্রোক্যামিকেল রিফাইনারী লিমিটেড
CVO Petrochemical Refinery Limited

CODE OF CONDUCT OF BOARD MEMBERS OF CVO PETROCHEMICAL REFINERY LIMITED.

The following code of conduct has been determined by the Nomination & Remuneration Committee (NRC) for the Chairperson, other Board members and Chief Executive Officer of CVO Petrochemical Refinery Limited.

1.0 INDUCTION

This Code of Conduct shall be called 'Code of Conduct for Board of Directors of CVO Petrochemical Refinery Limited' (hereinafter referred to as "the Company").

The Code has been framed in compliance with the clause 1(7) of Notification No. BSEC/CMRRCD/2006-158/207/Admin/80, dated: 03 June 2018 of Corporate Governance Code of Bangladesh Securities & Exchange Commission (BSEC) where clearly mentioned that the Board of Directors of every listed company shall lay down a code of conduct for all Board members of the Company based on the recommendation of the Nomination and Remuneration Committee (NRC).

The code of conduct shall be applicable for the Chairperson, other Board members and Chief Executive Officer of the Company.

This code of conduct also represents a broad framework of ethical standard of prudent conduct and behavior which all Board members is expected to uphold and adhere to all times.

2.0 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 Company, to balance out among Company's goal, principal activities and the way in which the Board operate. This Code of Conduct will foster full development of all individual abilities and skills in the Board and also growth the value of Company for all Stakeholders viz. investors, employees, suppliers, communities and the government.

In order to recognize the integrity, honesty and accountability and to serve in all spheres of activities of the Company, the following code of conduct is required to be observed.

3.0 COMPLIANCE GUIDANCE

The Board members must act in a professional and ethical way and in the best interests of the Company. The Board members shall uphold the highest standards of honesty, trust, fairness, integrity and diligence, and also observe the following code of conduct:

Registered & Corporate Office: 37, Katalgonj, Panchlaish, Chittagong – 4203, Bangladesh.

Phone: +88 031 650525-6, 650533, 2557201-2, Fax: +88 031 650134, 2557203,

Email : info@cvopetro.com, Web : www.cvopetro.com



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- **ACCOUNTABILITY:**

The Directors shall carry out their duties in good trust and integrity considering the best interests of the Company and its stakeholders. They are expected to use their best effort and organize the resources for advancing the Company's objectives. They shall act ethically, honestly, diligently and in good faith to protect the company'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.

- **PRUDENT CONDUCT AND BEHAVIOR:**

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

- **CONFIDENTIALITY:**

All information 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 Company'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 sensitive information (PSI), Unpublished company strategy, Information received from investors or shareholders, Information of Employees must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law.

- **CONFLICT OF INTEREST:**

The Directors 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 the Company. 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 the Company. 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.

- **COMPLIANCE WITH LAWS, RULES AND REGULATIONS:**

CVOPRL's corporate policy is to adhere to the laws of the country and compliance with the regulatory requirements applicable to our business. This includes compliance with Company 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

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lawful and ethical behavior, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

- PROHIBITION OF INSIDER TRADING:

Director shall not reveal material non-public or unpublished information to anyone (even a family member) and others who buy or sell securities or passes that information to someone else, who buys or sells securities. They 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 BSEC about the Company and therefore prohibition of insider information. All Directors, 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.

- 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 Company's business. The Directors must have firm commitment to choose and do the right things, along with the compliance of legal requirements in this regard. They must consider structural and non-traditional risks management options that inherent to Company'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.

- EMPLOYEES RELATIONSHIP:

Directors shall equip all employees to carry out their duties with due regards to the technical and professional standards expected by the Company. They 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. The Directors shall manage the human resources policy which will enhance the growth of the organization efficiently.

- CUSTOMER RELATIONSHIP:

The Company's prosperity is emerged on customer satisfaction. The Directors shall maintain a good business relationship and liaison with its customers through proper business communication. They must ensure that the Company is committed to supply products and services of the highest quality standards as per customer needs. They shall understand the requirements of the customers to ensure their total satisfaction.

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- RELATIONSHIP WITH INVESTOR/SHAREHOLDER:

The Directors shall preserve the lawful benefits and interests of its shareholders. They shall make utmost endeavor to maximize profit and increase Earnings per Share (EPS) ratio for the shareholders and manage the same ethically and properly. The Directors shall emphasize and focus on investor satisfaction. They must ensure that the information given is accurate, relevant and truthful and do not deliberately omit important facts or shall not be of misleading nature.

- SUPPLIER RELATIONSHIP:

The Directors 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.

- INDEPENDENCY:

The Directors shall work with independency in every sphere of Company'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.

- EQUALITY AND SAFEST WORKING ENVIRONMENT:

The Directors shall maintain equality and fair justice while dealing with every individual of the Company. 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.

- FINANCIAL CONTROLS AND RECORD:

Financial records include financial statements, reports, tax returns, supporting evidence and any other documents that reflect the Company's operations. The preparation of financial statements, recording, safekeeping and for CVOPRL'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 Directors shall focus on the operations related to financial controls and records will be conducted pursuant to the internal control procedures of the Company.

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- SAFEGUARDING OF COMPANY'S PROPERTY:

The Directors shall responsible to protect the 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 unethical business purposes shall be strictly prohibited. The Directors shall also assure that all the employees are therefore accountable to take proper and due care of the property entrusted to him/her.

- PERIODIC REVIEW:

The Nomination and Remuneration Committee (NRC) may review this code of conduct yearly or at such intervals as may be considered appropriate for better implementation of this Code, as well as every Director must acknowledge that they execute an understanding of the code and affirm that they have complied with the Code.

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