



Ambee Pharmaceuticals Limited

CODE OF CONDUCT

A Guiding Principle for
The Chairman of the
Board, other Board
Members and the Chief
Executive Officer

PREAMBLE

This Code of Conduct shall be called “The Code of Conduct for Board of Directors and the Chief Executive Officer” of Ambee Pharmaceuticals Limited. This Code has been formulated pursuant to the requirements of Corporate Governance Code Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated June 3, 2018 of Bangladesh Securities and Exchange Commission. The Board of Ambee Pharmaceuticals Limited has approved this Code of Conduct based on the recommendation of the Nomination and Remuneration Committee of Ambee Pharmaceuticals Limited. The Code states that the Board of Directors including the Chairman and the Chief Executive Officer must act within the bounds of the authority conferred upon them. This Code is intended to serve as a source of guiding principles for them and a supplement to the Company’s Code of Conduct. The Code shall be considered along with the Company’s Memorandum and Articles of Associations, Corporate Governance Codes and applicable law, rules and regulations of the country.

While this Code is intended to encompass a wide variety of situations, it does not provide a comprehensive or complete explanation of all laws and responsibilities relevant to the Company and the Directors of the Company. Directors and the CEO has a duty to exercise good judgment and avoid any circumstances that would violate the letter or spirit of the Code.

PURPOSE

This Code is a guiding principle for the Chairman of the Board and other Board Members as well as for the Chief Executive Officer to help them recognize and deal with ethical issues, and help foster a culture of honesty and accountability for the best interest of the Company as well as its stakeholders. The Code shall serve to -

- a) Emphasize the Directors’ and the Chief Executive Officer’s commitment to ethics, personal integrity and compliance with the law;
- b) Set forth their basic standards of ethical and legal behavior;
- c) Provide reporting mechanisms for known or suspected ethical or legal violations by them; and
- d) Help prevent and detect their wrongdoing.

APPLICABILITY

This Code shall be applicable and binding upon the Board of Directors including the Chairman and the Chief Executive Officer of the Company.

CONDUCT SPECIFICATIONS FOR THE CHAIRMAN OF THE BOARD AND OTHER BOARD MEMBERS

1. Conflict of Interest

Directors shall avoid conflicts between their personal interests and those of the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the Board and the Board, excluding such member having conflict of interest, will look into the matter and determine or adopt appropriate course of action, as may be expedient.

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. Personal interests may include, but are not limited to, outside activities, financial or other business interests, personal or charitable relationships or political interests or offices. Conflicts of interest also arise when a Director, or a member of his or her family, receives improper personal benefits as a result of his or her position as a Director of the Company. Such improper personal benefits could include personal loans to, or the guarantee of personal obligations for, a Director or family member, or providing travel or entertainment expenses to a Director or family member which are not associated with Company’s business purpose or which the Company would not otherwise make available from time to time to officers or employees of the Company.

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

- a) Directors shall not engage in any conduct or activities that are inconsistent with the Company’s best interests or that 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.
- b) Directors shall not accept compensation (in any form) for services performed for the Company from any source other than the Company.
- c) Directors and members of their family shall not accept gifts from persons or entities who deal with the Company in those instances in which:
 - (i) the gift, considered in light of the totality of the circumstances, could reasonably be expected to influence the Director’s actions as a member of the Board;
 - (ii) acceptance of the gift could create the appearance of a conflict of interest.
- d) Directors shall not use Company assets, labor or information for personal use unless approved by the Board of the Company or as part of a compensation or expense reimbursement program available to all Directors. Incidental personal use of assets such as computers, telephones and supplies is permitted.

- e) Any Director with an interest, relationship or responsibility which conflicts with the interest of the Company shall reclude himself or herself from any reporting, discussions or vote on the issue that gave rise to the conflict and, if necessary, from the Board meeting, or applicable part thereof.

2. Business Relationships with Directors

Any arrangement in which the Company or a member of the Company's senior management is a participant and in which a Director or a member of a Director's family has a direct or indirect material interest must be approved by the Board considering the Companies Act 1994 and Securities laws of the country.

3. Insider Trading

Concerned Directors who have access to confidential information are not permitted to use or share that information for securities trading purposes ("insider trading") or for any other purpose except the conduct of the Company's business. All non-public information about the Company shall be considered confidential information. It is always illegal to communicate or "tip" such information to others. All Directors, Company's executive officers, key employees shall comply with the relevant insider trading rules as issued by BSEC.

4. Confidentiality

Directors shall maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company or a third party that comes to them, irrespective of the 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 under an obligation to be maintained as confidential, entrusted to or obtained by a Director by reason of his or her position as a Director of the Company, including:

- a) the Company's financial condition, prospects or plans, its marketing and sales programs and research and development information etc.;
- b) possible transactions with other companies or joint venture partners;
- c) the Company's customer and/ or supplier details; and
- d) discussions and deliberations relating to business issues and decisions between and among employees, officers and Directors.

5. Compliance with Laws, Rules and Regulations

The Company requires strict compliance by all Directors with applicable laws, rules and regulations of Bangladesh as well as those of other countries in which the Company is conducting the business.

6. Protection and Proper Use of Company Assets

All Directors shall endeavor to protect the Company's assets and ensure their efficient use. Any suspected incident of fraud, theft or negligence shall be immediately reported for investigation. The Company's equipment shall not be used for non-Company business, though incidental personal use is permitted.

7. Timely and Truthful Public Disclosure

In reports and documents filed with or submitted to the Securities and Exchange Commission and other regulatory authorities by the Company, and in other public communications made by the Company, the Directors involved in the preparation of such reports and documents (including those who are involved in the preparation of financial or other reports and the information included in such reports and documents) shall make disclosures that are full, fair, accurate, timely and understandable. Where applicable, the Directors shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts necessary to avoid misleading the Company's Statutory Auditor(s) or investors.

8. Fair Dealing

Directors shall deal fairly with and not take unfair advantage of the Company's employees, customers, suppliers and competitors through manipulation, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

9. Prudent Conduct and Behavior

Directors shall act honestly, ethically, in good faith and in the best interest of the Company and fulfill their fiduciary obligations to Company's shareholders. They shall seek to use due care and diligence in performing their duties of office and in exercising their powers attached to that office. The Directors shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.

10. Independence

According to the requirements regarding the background and qualifications of the Independent Directors mentioned in Corporate Governance Code imposed by BSEC, the Directors shall ensure independence of the Independent Directors by adherence to all the criteria stated in the Code. Moreover, the Directors shall have the autonomy to act independently and resist management decision when necessary. They also have the responsibility to assure that the statutory auditors are independent and free from the influence of the Directors or the Company.

11. Relationship with Environment, Employees, Customers & Suppliers

Directors are entrusted with the responsibility of guiding and directing the management about how to maintain relationship with the environment, employees, customers & suppliers. Directors shall ensure compliance with all regulations regarding the preservation of the environment. They shall strive to build competency based human resource systems and maintain human resource policies that have been directed at managing the growth of the employees along with organization efficiently. Directors must make sure the supply of highest quality products to customers as well as statements regarding the Company's products must not be untrue, misleading, deceptive or fraudulent. They should have no relationship, financial or otherwise, with any supplier that might conflict, or appear to conflict, with the Director's obligation to act in the best interest of Company and stakeholders.

12. Appointment and Removal of Members of Sub-committees of the Board Members of sub-committees of the Board shall be nominated and appointed by the Board. The Board shall have authority to remove any member of the sub-committees. In case of death, resignation or removal of a member of the sub-committees or in any other cases or vacancy, the Board shall fill the vacancy in accordance with the Corporate Governance Code issued by BSEC.

CONDUCT SPECIFICATIONS FOR THE CHIEF EXECUTIVE OFFICER

The Company expects the highest possible honest and ethical conduct from its Chief Executive Officer as he / she serves as model for other employees. The CEO must foster a culture in which ethical behavior and integrity are the norm. The underlying principles of the Code of conduct for the CEO are the following:

1. The CEO shall engage in and proactively promote honest, ethical and prudent conduct and behavior in carrying out their duties and responsibilities throughout the work environment.
2. The CEO shall avoid actual or apparent conflicts of interest in personal and professional relationships. A conflict of interest may arise when the CEO's private interest interferes in any way, or even appears to interfere, with the interests of the Company as a whole and when the CEO takes actions or has interests that may make it difficult to perform his or her Company duties objectively and effectively. Conflicts of interest may involve not only situations in which the CEO has a direct personal interest, but also those in which an individual or an entity with a close personal relationship or who comes within the family with the CEO has an interest. The Company expects the CEO to adhere to ethical handling of actual or apparent conflicts of interest between personal and professional relationships. The CEO shall promptly bring the situation to the attention of both the Company's Board and the Audit Committee so that appropriate steps may be taken to eliminate the conflict or take other appropriate action to mitigate the effect of the conflict.
3. The CEO shall respect the confidentiality of non-public information acquired in the course of activities and prevent the unauthorized disclosure of such information except when authorized or otherwise legally obligated to disclose. Confidential information acquired in the course of work will not be used for personal advantage.
4. The CEO shall comply with all applicable laws, rules and regulations and shall bring into attention of the Board evidence of any material violations of laws, rules or regulations, by the Company or anyone acting on its behalf.
5. The CEO must abstain from buying or selling securities on the basis of possession of significant confidential, material, price-sensitive inside information that is not available to the public. Also, the family members of the CEO must not buy or sell securities or otherwise engage in any transactions involving Company securities. The rules of insider trading apply not only to Company securities, but also to the securities of any third party with which the Company has a relationship. The CEO must not disclose material, inside information to anyone else so they can buy or sell Company stock or other securities. The CEO shall maintain the confidentiality of all Price Sensitive Information, handle such information on a "need to know" basis and shall not pass on such

information to any person directly or indirectly by way of making a recommendation for the purchase or sale of securities.

6. The CEO shall endeavor to deal fairly with the Company's customers, suppliers, competitors and employees. He/she should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice or should not permit any employee to do so.
7. The CEO shall operate the business in an environmentally sustainable manner and enhance the Company's environmental performance, by fulfilling environment related compliance obligations, preventing pollution and limiting the environmental impact.
8. The CEO shall be responsible for maintaining the adequacy of books, records and internal controls and for ensuring full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the Company with the Securities and Exchange Commission and other regulatory authorities.
9. The CEO shall act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing his/her independent judgment to be compromised.
10. The CEO shall be responsible for reporting to the Board along with duly informing the Chairman, the Nomination and Remuneration Committee or the Head of Internal Audit and Compliance or the Audit Committee, as and when relevant to them, of any violation or circumstances which he/she considers to involve a probable violation of this Code, the securities or other laws, rules or regulations applicable to the Company.
11. The CEO shall promptly bring to the attention of the Head of Internal Audit and Compliance or the Audit Committee any information he or she may have concerning-
 - a) significant deficiencies in the design or operation of internal controls which could adversely affect the Company's ability to record, process, summarize and report financial data or
 - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the Company's financial reporting, disclosures or internal controls.
12. The CEO shall demonstrate accountability for adhering to this Code of conduct.

NON COMPLIANCE OF THE CODE

It shall be the duty of Directors and the CEO to help the enforcement of the Code and any breach if communicated / noticed is to be immediately reported to the Board. In case of breach of this Code by Director or Chief Executive Officer, the same shall be considered by the Board for initiating appropriate disciplinary action.

WAIVER

Waivers of a provision of this Code shall only be made in exceptional circumstances, and then only by unanimous vote of the disinterested members of the Board.