



পদ্মা অয়েল কোম্পানী লিমিটেড

(বাংলাদেশ পেট্রোলিয়াম কর্পোরেশনের একটি অঙ্গ প্রতিষ্ঠান)

PADMA OIL COMPANY LIMITED



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Padma Oil Company Limited

Date: 24/12/2020

The Code of Conduct for the Chairman, other Board Members and Chief Executive Officer of the Company

1. Introduction :

This code of Conduct shall be called “The Code of Conduct for The Chairperson, Other Board members and Chief Executive Officer” of Padma Oil Company Limited 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. The purpose of this code is to enhance further an ethical and transparent process in managing the affairs of the Company. This Code sets forth the guiding principles on which the Chairperson, Other Board members and Chief Executive Officer of the Company shall conduct themselves and discharge their responsibilities towards the stakeholders, government and regulatory agencies, customers, suppliers, employees, society at large and all others with whom the Company is connected based on the recommendation of the Nomination and Remuneration Committee (NRC).

2. Applicability :

- 2.1 This Code shall be applicable and binding on the Chairperson, other Board members and Chief Executive Officer of the Company.
- 2.2 The Chairperson, other Board members and Chief Executive Officer shall continue to comply with other applicable/to be applicable policies, rules and procedures to the Company.

3. Definitions & Interpretation :

- 3.1 The term “Board” shall mean the Board of Directors of the Company.
- 3.2 The term “Directors” shall mean directors of the Board Including Independent Directors.
- 3.3 “Chief Executive Officer” shall mean Managing Director (MD) of the Company
- 3.4 “Company” shall mean Padma Oil Company Limited.

4. Key Requirements :

The Chairperson, other Board members and Chief Executive Officer of the Company shall act within the authority conferred upon them, in the best interests of the Company and observe the following code of conduct:

4.1 Prudent conduct and behavior :

- i. The Chairperson, other Board members and Chief Executive Officer shall conduct their activities with honesty, integrity, fairness and in the best interest of the Company.
- ii. They are expected to use their best endeavors and organize the resources for advancing the Company’s objectives.
- iii. At the time of carrying out the duties, the Chairperson, other Board members and Chief Executive Officer shall ensure that it is executed in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by



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the Bangladesh Petroleum Corporation and Board of Directors of the Company from time to time.

- iv. The Chairperson, other Board members and Chief Executive Officer shall use the Company's assets, properties for business purposes of the Company and not for any personal benefits or gains.
- v. The Chairperson, other Board members and Chief Executive Officer shall refrain from indulging in any discriminatory practice or behavior based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis.
- vi. They shall not accept any gift, hospitality or material benefits from any agent/contractor/vendor or other parties whom the Company has a business relationship.

4.2 Confidentiality

- i. The Chairperson, other Board members and Chief Executive Officer shall ensure that all information, which is made available by the Company to the public, is correct, and is free from ambiguity. Information related to the Company and not in the public domain will be generally treated as confidential. Confidential information will be deemed to be a valuable asset and shall be treated as such by all employees and directors. The Company shall take all such steps as may be required to prevent any unauthorized disclosure of information.
- ii. 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.
- iii. The custody of all confidential documents shall remain with the Chief Executive Officer or with such officer as authorized by him. The Chief Executive Officer shall ensure safety of these documents

4.3 Conflict of Interest :

- i. The Chairperson, other Board members and Chief Executive Officer shall not engage in any business, relationship or activity, which is or may likely to have a conflict with the interest of the Company.
- ii. The Chairperson, other Board members and Chief Executive Officer shall not participate in the decision making process in respect of any subject matter where there is a conflict of interest between the interest of the Company and the personal interest of such persons.
- iii. The Chairperson, other Board members and Chief Executive Officer 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.
- iv. All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.
- v. The company secretary shall bring such cases of conflict of interest to the notice of the Board and relevant members of the board. In other case the Chief Executive Officer of the Company shall ensure compliance by all officers, staff or persons assigned in the discharge of their responsibility.



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4.4 Compliance with Laws, Rules and Regulations :

The Chairperson, other Board members and Chief Executive Officer shall ensure compliance with all applicable laws, regulations, rules and regulatory orders in the country.

4.5 Prohibition of Insider Trading:

The Chairperson, other Board members and Chief Executive Officer should comply with the provision of the Companies Act, 1994 and applicable rules and regulation issued by the Bangladesh Securities Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange, insofar as they relate to prohibitions on insider trading.

4.6 Relationship with

a) Environment :

- i. The Chairperson, other Board members and Chief Executive Officer should cause the Company to strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the industry it operates in.
- ii. The Company should take necessary steps to prevent the wasteful use of natural resources and minimize any hazardous impact at the time of providing services on the ecological environment in accordance with the applicable laws.

b) Employees:

- i. The Chairperson, other Board members and Chief Executive Officer should ensure pleasant and satisfying employee relations.
- ii. The Chairperson, other Board members and Chief Executive Officer should cause the Company to build a good and competitive human resource system.
- iii. The Chairperson, other Board members and Chief Executive Officer should also develop and maintain human resource policies that will help to achieve the objectives of the company efficiently.
- iv. The Chairperson, other Board members and Chief Executive Officer should act impartial to the Employee, Customers, Suppliers, Shareholders and other Stakeholders.

c) Customers :

The Chairperson, other Board members and Chief Executive Officer should ensure that the Company is committed to process, transmit, store and distribute its product (Petroleum and agrochemicals products) in accordance with the government policies and other rules to its different categories of customers. The Chairperson, other Board members and Chief Executive Officer should ensure that the Company will ensure and engage in activities that support the customers if any problem arise.



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d) Suppliers :

Suppliers of the Company are to be chosen in consideration of objective criteria, based on quality, reliability, price, utility and performance of service. Suppliers are to be treated judiciously, fairly and honestly.

4.7 Independency :

The Chairperson, other Board members and Chief Executive Officer should remain independent and free from any bias in all material respects.

5. Compliance with the Code :

The Chairperson, other Board members and Chief Executive Officer should be accountable for complying with this Code. This Code has not specifically addressed every potential form of unacceptable conduct and it is expected that the Chairperson, other Board members and Chief Executive Officer will exercise good judgment in compliance with the principles set out in this Code. The Chairperson, other Board members and Chief Executive Officer have a duty to avoid any circumstances that would violate the spirit of the Code.

6. Amendments/modifications to the Code of Conduct :


The provisions of this Code can be amended/modified by the Board of Directors, based on the recommendation (s) 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 NRC committee, at least once every year preferably in December, will review the existing Code of Conduct and would invite suggestions in September/October for improvement or modification of the Code of conduct from all concerned including duty bearer, stakeholders, customers and regulators.

All proposals for changes in Code of Conduct shall be placed for approval of the Board and if approved, shall be published in the website of the company and shared with all concerned including The Chairperson, other Board members and Chief Executive Officer immediately.

7. Publication of the Code of Conduct :

Pursuant to Condition 01 (7) of Corporate Governance Code Notification BSEC/CMRRCD/ 2006-158/207/Admin/80 dated 3 June 2018 of the Bangladesh Securities and Exchange Commission, this Code of Conduct and any amendments thereto shall be published/posted on the Company's website.

On behalf of the Board of Directors


03.01.2020
(Md. Abu Bakr Siddique)
Chairman
Board of Directors
Padma Oil Company Ltd.