

# **SEA PEARL BEACH RESORT & SPA LTD.**

## **Code of Conduct for the Chairman, other Board Member and Chief Executive Officer/ Managing Director**

**[As per Corporate Governance Code, 2018]**

**Reg. Office :**

4 No. K.B Ismail Road, Kachari Ghat, Mymensingh-2200

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**Corporate Office :**

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## **PREFACE:**

This Code of Conduct for the Chairperson, other Board members and Chief Executive Officer (hereinafter referred to as "the Code") has been framed and adopted by Sea Pearl Beach Resort & Spa Ltd. (hereinafter referred to as "the Company") on 10<sup>th</sup> February, 2019. The subject Code complies with the requirements of the Bangladesh Securities and Exchange Commission (Corporate Governance Code, 2018).

This Code is intended to provide guidance to the members of the Board to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and emphasis upon the ethical behavior and to develop a culture of honesty and accountability.

This Code of Conduct attempts to set forth the guiding principles on which the Company and its Board shall operate and conduct themselves with multitudinous stakeholders, government and regulatory bodies, media and anyone else with whom it is connected.

## **DEFINITIONS:**

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

**"Board / Directors"** shall mean the Board of Directors of the Company.

**"Company"** shall mean Sea Pearl Beach Resort & Spa Ltd. (SPBRSL)

**"Conflict of Interest"** means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

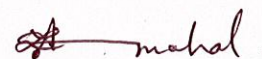
**"Executive Directors / Whole time Directors"** shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

**"Independent Directors"** shall mean an Independent Director as per the provisions of the Corporate Governance Code, 2018 which is issued by Bangladesh Securities and Exchange Commission (as amended from time to time) and any other applicable laws in Bangladesh which was issued, issue, to be issued from time to time.

**"Non - Executive Directors"** shall mean the Directors who are not in whole time employment of the Company.

## **APPLICATION OF THIS CODE:**

This Code shall be applicable and binding to the Board of Directors of the Company. The Directors should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company which issued or to be issued time to time by the Company as well as Regulators.

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#### **PURPOSE OF THIS CODE:**

The purpose of this code is to set out standards of conduct for Directors and take all reasonable steps to ensure that:

- i. The Board provides the independent governance and accountability needed to enable to fulfill its strategy, mission and mandate; and
- ii. The stakeholders namely, without limitation and in no particular order; the public, municipalities, taxpayers and the government have confidence and trust in the integrity, professionalism and impartiality of the decisions made by the Board.

The Nomination and Remuneration Committee shall oversee compliance with this code and the Board of Directors shall disclose interests, provide advisory guidance and investigate potential breaches. This code is neither all-inclusive nor exhaustive.

#### **PRINCIPLES OF THE CODE:**

##### **A. PRUDENT CONDUCT AND BEHAVIOR:**

The Board of Directors shall act honestly, ethically, in good faith and in the greater interest of the Company and to fulfill their fiduciary obligations. The Board of Directors shall ensure that it executes all its operation efficiently in terms of the authorizations granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors or Committee of the Company, from time to time.

The Board of Directors shall neither receive nor offer or make, directly or indirectly any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business except accepting a gift or entertainment if warranted by the accepted ethical customs and practices. The Board of Directors shall conduct themselves in a professional, courteous and respectful manner and shall not take any improper advantage of their position.

The Board of Directors 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. The ethical conduct, performance and skills shall be the qualifying indicatives for an employee's performance. The Board of Directors shall use the Company's assets, property, proprietary information and intellectual rights for business purposes of the Company and not for any personal benefits or gains. The Board of Directors shall maintain confidentiality of the information that is entrusted upon them for carrying on their respective responsibilities and duties and shall not use the same for personal benefits or gains. Moreover in every case members of the Board of Director will take responsibilities as judgmentally.

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## **B. CONFIDENTIALITY:**

As a member of the board, director often learn of confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Directors are to maintain the confidentiality of such 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.

No Director shall use information obtain as a result of the Director's service on the SPBRSL Board for personal benefits or for any purpose other than discharging his/her duties as a Director. A Director shall never advance his/her private interests or those of any other person or entity, using confidential information, including but not limited to in respect of the assessment of any property or other activities by SPBRSL. Each Director shall avoid any activity that may create an appearance that the Director has benefited from confidential information received during the course of one's duties as a Director.

## **C. CONFLICTS OF INTEREST:**

Directors avoid any conflict of interest as described below between the director 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 Company Secretary. The Company Secretary will discuss such matters with the chairman of the Board for evaluation and appropriate resolution, which may include the requested resignation of the director. A "conflict of interest" can occur when a director's personal interest interferes in any way with or may appear to interfere in any way with- the interest of the company as a whole. Conflicts of interest may also arise when a director or a member of his or her immediate family receives personal benefit outside of the compensation or reimbursement program approved by the board as a result of his or her position as a director of the company. This Code does not attempt to describe all possible conflict of interest that could develop. Some of the more common conflicts, which director must avoid, however, are out below.

### **(i) Relationship of the Company with third parties:**

Directors are 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 entered into, or propose to inter into, a business or contractual relationship. This prohibition includes any such third parties related to potential corporate opportunities as discussed further in section (B).

### **(ii) Compensation from non-Company sources:**

Directors are not accepting compensation in any form for service performed for the Company from any source other than Company.

### **(iii) Gifts:**

Director and Member of their families are not to accept gifts from person or entities who deal with rather Company where any such gifts are being made in order to influence the directors' action as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

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**(iv) Personal use of Company assets:**

Directors are not use company assets, labor or information for personal use unless approved as a part of a compensation or expense reimbursement program available to all Directors.

**(v) Loan or guarantees:**

Directors are not accepting loans, or any other guaranty of an obligation, from the Company.

**D. COMPLIANCE WITH LAWS, RULES AND REGULATION:**

The Board of Directors shall ensure compliance with laws, rules and regulation and ethical conduct as applicable to the business of the Company and endeavor that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account. They shall report concerns about unethical behavior, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the company or any-other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle-blower Policy of the Company.

**E. PROHIBITION OF INSIDER TRADING:**

It is the Board's policy to comply with all applicable laws, rules and regulations. It is the personal responsibility of all Directors to adhere to the standards and restrictions imposes by those laws, rules and regulations for a director to buy or sell stock or other securities while in procession of "material non-public information". This is true for Sea Pearl Beach Resort & Spa Limited Stock or other securities, as well as stock or other securities of suppliers, customers, competitors, venture partners, acquisition candidates or other companies about which a director may passes non-public material information. To help assure compliance with applicable laws relating to the trading of Sea Pearl Beach Resort & Spa Limited securities, all transaction in company securities by directors must be approved in advanced by the Compliance Officer. Any director who is uncertain about the requirement regarding the purchase or sale of any Sea Pearl Beach Resort & Spa Limited securities or any securities of issue that he or she is familiar with by virtue of his or her position on the board consult with appropriate insider counsel before making any such purchase or sale.

Directors shall not derive benefit or assist others to derive benefit by giving investment advice on the basis of the access to and possession of insider/ price sensitive Information about the company which is not in public domain. Directors shall comply with the code of conduct from prevention of insider trading of the company. A Director shall be fiduciary towards the company. This means that he/she is in a position of trust and must at all times act honestly and in good faith for the company as a whole.

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## **F. RELATIONSHIP WITH ENVIRONMENT, EMPLOYEES, CUSTOMERS AND SUPPLIERS:**

### **(i) Relations with Environment:**

The Directors of the company shall be responsible for maintaining an ecologically friendly environment for sustainable development. They shall take steps to reduce carbon emissions and responsible for waste management and monitor that wastage are discharged in proper place. They shall be responsible for chemical management as well. They shall give importance in renewable energy like solar energy in production as well as ensure greeneries. Maintenance of Effluent Treatment plant (ETP) and water treatment plant (WTP) in proper ways. Comply with rules and regulations regarding environment imposed by Government as well as buyer.

### **(ii) Relations with Employees:**

Directors shall not discriminate against or exert authority or undue influence over to its staffs due to their position as a Director. Each Director shall refrain from exerting any pressure on any SPBRSL staffs that might result in any infringement, favored or unequal application of rules, regulations, policies or procedures, particularly in respect of the management of SPBRSL's assets, property assessment, human resources or financial transactions. Requests for corporate staff involvement made by any SPBRSL stakeholder, inadvertently or inappropriately made to a Director, shall be promptly referred to members of the Nomination and Remuneration Committee and the stakeholder shall be communicated to accordingly with a copy to nomination and remuneration committee. Directors shall refer any question or issue raised by member or other stakeholders to the Nomination and Remuneration Committee. A Director shall never intervene personally or express a position that might limit SPBRSL's staffs. However, the Chairman of the Nomination and Remuneration Committee may task one or more Directors to respond directly to certain political inquiries; this would be done in consultation with the Chairman and Managing Director.

### **(iii) Relation with Customers:**

Each Director shall work hard to provide his/her best possible service to customer. They shall be committed to customer satisfaction through comprehensive strategies and efforts that aim to improve customer relations processes. The core principals regarding relationship with customers are given below:

**Accessibility:** The Board shall ensure easy communication means for its customers to access easily in order to share their complaints, information, demands, suggestions or satisfaction levels with us.

**Availability of information:** Customers are also able to receive any information they request in the shortest time and in the fastest manner possible.

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**Fast Feedback:** Responding promptly to all customer requests is of great importance to in favor of Company.

**Solution Emphasis:** Fast and effective solutions are tailored to customer needs.

**Objectivity:** In addition to assessing and handling all customer requests objectively, we also believe that objectivity is essential when seeking solutions.

**Confidentiality:** Use of any personal information obtained through customer restricted by law and bound to the principle of confidentiality.

**Customer Focus:** A customer-oriented policy is used to provide customers service and to ensure that customer expectations are fully satisfied.

**Initiative Taking:** Employees are encouraged to take initiative and to make necessary decisions when required in order to meet customer needs in the shortest possible time and to maintain maximum levers of customer satisfaction.

**Customer Engagement:** Customers are kept informed of the assessment and solution-seeking efforts in the management of their requests and are able to be actively engaged in the process.

**Accountability:** Assessment, solution-seeking efforts, status codes, and results of customer requests are reported and monitored.

**Internal Information Exchange:** Customer relations activities are shared and monitored within the Company.

**Continuous Improvement:** Customer suggestions and ideas are carefully assessed and used as a source for continuous improvement efforts.

**Professionalism:** Customer demands are answered by our qualified employees in a professional manner.

**(iv) Relation with Suppliers:**

Each Director shall never accept cash payments, gifts, gratuities, honors, awards, privileges or other personal rewards from nor offer the foregoing to any third party, including but not limited to potential or actual customers and suppliers or any representative or any other person or entity outside of SPBRSL that may be or may appear in any way to be connected with the Directors responsibilities to SPBRSL.

**G. INDEPENDENCY OF DIRECTORS:**

The Board of Directors shall be always independent regarding their opinion in formal and informal meeting. When an issues arise, the Board of Directors will discuss all the pros and cons of the issue. But a Director cannot take decision by his own will. The Board will determine collectively how much power will be delegated to a Director. No Director or anyone shall not force any independent Director regarding any undue issues. Directors of the company cannot take decisions alone.

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#### **H. CORPORATE OPPORTUNITIES:**

Directors owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises. Directors are therefore prohibited from: (a) taking for themselves opportunity that are discovered through the use of Company property, information, their position as a director; (b) using the Company property, information or their position for personal or professional gain for themselves or an employer; and (c) competing or helping an employer compete with the Company, including compensating for the business opportunities, provided, however, if the Company's disinterested director determine that the Company will not peruse an opportunity that relates to the Company's business, a director may do so if the disclosure and abstention procedures set forth in section I have been followed.

#### **I. ACTIVE PARTICIPATION:**

Boards of Directors are exercising the duties and responsibilities of the positions with integrity, collegiality and care including, among others:

- Making attendance at all meetings of the Board, as far as possible, on a high priority.
- Being prepared to discuss the issues and business of the agenda, and having read all background materials relevant to the topics at hand.
- Cooperating with and respecting the opinions of fellow Board members, and leaving personal prejudices out of all Board discussions, as well as supporting actions of the Board even the Board member personally did not support the action taken.
- Putting the interests of the organization above personal interests.
- Representing the organization in a positive and supportive manner at all times and in all places.
- Showing respect and courteous conduct in all Board and Committee meetings.
- Refraining from intruding on administrative issue that is the responsibilities of the management, except to monitor results and ensure that procedures and practices are consistently followed in line with Board policy.

#### **J. FAIR DEALING:**

In any dealing with the company's customers, suppliers, competitors and employees, directors endeavor to deal fairly. Director is not to take unfair advantage of anyone through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.

#### **K. PROTECTION AND PROPER USE OF ASSETS:**

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Directors protect the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the Company's profitability. A Director's use of Company assets is to be for legitimate business purpose related to the Company.

#### **L. PUBLIC DISCLOSURE OF INFORMATION:**

All information in reports and documents that the Company files with or submits to the Securities or Exchange Commission is required to be full, fair, accurate, timely, and understandable. This standard also applies to other public communication made by the company. All directors consider this requirement in carrying out his or her Board duties.

#### **EXPECTATIONS OF DIRECTORS:**

- (i) Each Director shall vote on all motions put before the Board unless a conflict of interest has been declared.
- (ii) Each Director is expected to: attend all scheduled meetings; be fully prepared to participate; listen to the opinions of others with respect; encourage robust discussion and constructive dissent; and share the workload.
- (iii) Directors shall act with professional integrity and honesty in their dealings with SPBRS, including proper use and treatment of SPBRS's resources and information and shall comply with the provisions of the Board Remuneration and Expense Policy.
- (iv) The Nomination and Remuneration committee will review and make recommendation respecting any changes to the Board of Directors' Code of Conduct as and when required.

#### **COMPLIANCE OFFICER**

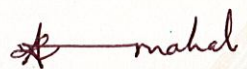
The Company Secretary will be the Compliance officer for the purposes of the Code, who will be available to Directors to answer questions arising out of the Code.

#### **REVIEW**

Directors shall affirm compliance with the Code as and when required as may be determined in this regard.

#### **AMENDMENT TO THE CODE**

The Code is subject to modification / amendment from time to time. Any amendment to the provision(s) of the Code must be approved by the Board and communicated to the Directors.

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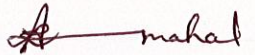


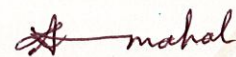
#### **WAIVERS**

Any waiver of any provision of this Code for a Director must be placed for approval before the Company's Audit Committee and as suggested by Nomination and Remuneration Committee.

#### **VIOLATIONS OF THE CODE**

It is ethical responsibility of Directors to abide by and enforce the Code. Any perceived violation of the Code by any Director should be reported in writing (by any employee / party affected adversely) to the Chairman of the Nomination and Remuneration Committee in a closed cover addressed to the Compliance Officer. The Board shall take appropriate action against Directors and the Nomination and Remuneration Committee of the Board shall take appropriate disciplinary action against Senior Management, who is found to have violated the Code. The Board /Nomination and Remuneration Committee shall consider various factors such as nature and gravity of the violation and take appropriate action against individuals who violate the provisions of Code of Conduct of the Company. Such action may be taken in various forms, viz. a verbal warning or written reprimand, withholding of commission/ performance pay till individual complies, salary freeze, termination from the services, appropriate legal action, dismissal or referral for criminal prosecution or such action as may be deemed fit in the circumstances of each case.

  
(Lucy Akhtary Mahal)  
Chairman

  
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