



CODE OF CONDUCT FOR THE BOARD OF DIRECTORS OF NEW LINE CLOTHINGS LIMITED

INTRODUCTION

The Board of Directors of New Line Clothings Limited (hereinafter referred to as NLCL) is committed to the highest standard of conduct in their relationships with NLCL's employees, customers, members, shareholders, regulators and the public. This means conducting our business in accordance with all applicable laws and regulations and it also means commitment to the spirit of the law. Our actions should reflect NLCL's values, demonstrate ethical leadership and promote a work environment that upholds NLCL's reputation for integrity, ethical conduct and trust. This code is intended to provide a statement of the fundamental principles applicable to our Directors.

This Code of Conduct has been prepared and adopted by New Line Clothings 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 or Chief Executive Officer shall operate and conduct themselves with the stakeholders, government and regulatory agencies, employees, customers and suppliers and any others else with whom it is connected.

NLCL has a long-standing commitment to compliance with applicable laws and regulations and to operating in accordance with the highest standards of business conduct.

DEFINITIONS & INTERPRETATION

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

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

"Board Members" means every Directors of the Company as may be appointed from time to time which includes Sponsor Directors, Shareholder Directors, Nominated Director and Independent Directors of the Company.

“Code of Conduct” means this Code of Conduct for members of the Board including modifications as may be done from time to time.

“Chief Executive Officer” means Managing Director.

“Company” shall mean New Line Clothings Limited.

APPLICABILITY

This code shall be applicable and binding on the Chairperson, other Board Members and Chief Executive Officer of the Company.

PRINCIPLES OF THE CODE OF CONDUCT

The Code of Conduct is a guideline of the Executive Body to discharge their duties and responsibility as well as the affairs of the Company in an esthetical, honest and in a good faith for the greater interest of the company and to avoid all sorts of conflict of interest.

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 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 company and for all stakeholders, to recognized the integrity, honesty & accountability and to serve in all spheres of activities of the company.

COMPLIANCE GUIDANCE

The Chairperson, other Board members and Chief Executive Officer of the Company must act in a professional and ethical way and in the best interests of the Company and shall uphold the highest standards of honesty, trust, fairness, integrity and diligence and also observe the following:

a. Prudent Conduct & behavior

The Chairperson, other Board members and Managing Director shall carry out the business with due care and work with loyalty, in a good faith and in the best interest of the Company. They shall comply with all applicable laws, regulations, confidentiality, obligations and corporate policies of the company. They shall also

perform their duty for the best interest of and fulfill their fiduciary obligations to company's shareholders.

b. Confidentiality

The Chairperson, other Board members and Managing Director shall maintain confidentiality of information in carrying out their duties and responsibilities. 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.

c. Conflict of Interest

The Chairperson, other Board members and Managing Director shall not enter into any transaction which is or may likely to have a conflict with the interest of the Company save exceptional circumstances where prior approval of the Board would be required. They shall 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. They shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity for the company.

All transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board of Directors.

d. Compliance with Laws, Rules and Regulations

The Chairperson, other Board members and Managing Director shall ensure compliance with the various legal/regulator requirements 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.

e. Prohibition of Insider Trading

The Chairperson, other Board members and Managing Director shall comply with all laws, rules and regulations governing trading in the shares of the Company and the Company's Code of Conduct for prohibition of Insider Trading in dealing with the securities of the Company which, inter-alia, prohibits buying or selling of the Company's securities on the basis of any unpublished price sensitive information and

prohibits disclosure of such information to any other person (including relatives) where such information may be used by such person for his or her personal benefit or gain.

The Chairperson, other Board members and Managing Director should comply with the provision of the Companies Act, 1994 and applicable rules and regulations issued by the Bangladesh Securities and Exchange Commission, Dhaka Stock Exchange and Chittagong Stock Exchange, in so far as they relate to prohibitions on insider trading.

f. Relationship with Environment

The Chairperson, other Board members and Managing Director 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.

The Company should be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment in accordance with the applicable laws.

g. Relationship with Employees

The Chairperson, other Board members and Managing Director shall ensure sound human resource to maintain friendly working environment and better career path. Their utmost importance on the continuous development of human resources to enhance their competencies through continuous in house and external training program and encourages people. They shall also assist the Company in further aligning its human resource policies, processes and initiatives to meet its business needs.

h. Relationship with Customers

The Chairperson, other Board members and Managing Director shall work to maintain a good business relationship and liaison with its customers through proper business communication. They shall also work so that the company 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.

i. Relationship with Shareholders/Investors

The Chairperson, other Board members and Managing Director should be committed to enhance shareholders/investors value and in ensuring that the company complies with all regulations and laws that govern shareholders right. They should also fairly

inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements.

j. Relationship with Suppliers

This code contains general requirements applicable to all suppliers to Company.

It is imperative that the Board of Directors maintain a good business relationship and liaison with company suppliers. This shall be achieved through proper business communication and by treating suppliers indifferently, fairly and honestly. They also 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.

k. Independency

The Chairperson, other Board members and Managing Director should remain independent in all material respects.

The Chairperson, other Board members and Managing Director should act impartial to the Employees, Customers, Suppliers, Shareholders and other Stakeholders.

l. Safeguarding the Company's property

The Chairperson, other Board members and Managing Director shall be 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 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.

m. Equality and Safest working environment

The Chairperson, other Board members and Managing Director shall maintain equality while dealing with every individual of the company including the safest working environment.

COMPLIANCE WITH THE CODE

This code has not specifically addressed every potential form of unacceptable conduct and it is expected that the Chairperson, other Board members and Managing Director will exercise good judgement in compliance with the principles set out in this code.

The Chairperson, other Board members and Managing Director have a duty to avoid any circumstances that would violate spirit of the Code.

AMENDMENT TO THE CODE OF CONDUCT

The provisions of this Code can be amended/modified by the Board of Directors, based on the recommendation 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 Chairperson, other Board members and Managing Director shall be duly informed of such amendments and modifications.

PUBLICATION OF THE CODE OF CONDUCT

Pursuant to Condition 01(7)(b) of Corporate Governance Code Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June 2018 of Bangladesh Securities and Exchange Commission, this Code of Conduct and any amendments thereto shall be published/posted on the website of the Company i.e., www.newline.com.bd

Sd/-

Md. Mozammel Hossain
Company Secretary