

B & A/KOL/DDC/108

Date- 24 May 2014

Dear Mr. Rahman,

Subject- Appointment as Independent Director in B & A Ltd

Hope this letter will find you in the best of health and spirits. You are aware that the new Companies Act' 2013 has revised the terms of appointment of independent director in the board of listed companies and has re-codified the role, functions and duties of independent directors. In line with the revised norms vide its meeting held on 24th May 2014 the Board of Director has appointed you an 'Independent Director' in the Company for a period of 5 years with effect from 24th May 2014.

Please find underneath terms and other conditions of your appointment as 'Independent Director' in the company. Also find enclosed a model code of conduct applicable to independent directors.

(A) Terms of Appointment

(i) You have been appointed as 'Independent Director' in the company for a period 5 years with effect from 24th May 2014; i.e. your current tenure as 'Independent Director' will be from 24th May 2014 to 23rd May 2019. However your appointment will be subject to the approval of the shareholders in the ensuing annual general meeting.

(ii) Your appointment as 'Independent Director' is on the basis of declaration of independency given by you to the Board of Directors on 23rd May 2014. Your good office is also requested to forward to the Board similar declarations in the first meeting of the Board of Directors to be held in every financial year.

(B) Expectation of the Board as a Director and Member in Audit Committee

(i) The Board expects from you to bring independent judgement on the Board's deliberations specially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.

(ii) To bring an objective view in the evaluation of the performance of the Board and management.

(iii) To scrutinize the performance of the management in the meetings of the Board and Committees.

(iv) To oversee the integrity of financial informations in the financial statement of the company and that financial control and the systems of risk management are in place.

(v) To safeguard the interest of all stakeholders, specially minority shareholders.

(vi) To determine appropriate levels of remuneration of executive directors, key managerial persons and senior management staff and have a prime role in appointing and wherever necessary recommend removal of key managerial persons and senior management staff.

(vii) To advise the management in situations of conflict between the management and shareholder's interest.

(C) Fiduciary duties and accompanying liabilities

(i) You should regularly refresh your knowledge and familiarity with the Company.

(ii) Seek appropriate clarification when necessary or advise to take professional opinion whenever found necessary.

(iii) Strive to attend all meetings of the Board, Audit Committee and Nomination and Remuneration Committee.

(iv) Participate actively in the committees where you are a member.

(v) strive to attend the general meetings of the company.

(vi) Strive to record your concerns in the minutes of the meeting of the Board or Committees which are not resolved by the Board or the Committees.

(vii) take care not to obstruct the functioning of an otherwise properly convened Board or Committee meeting.

(viii) Ensure that adequate deliberations are held before approving any related party transactions and assure that these are in the interest of the company.

(ix) Ensure that the vigil mechanism is in place and working properly, and report suspected fraud, unethical behavior, or any violation of code of conduct to the Board.

(x) Ensure confidentiality of information, including commercial secrets, unpublished price sensitive information etc., unless disclosure is expressly approved by the Board or required by law.

(xi) Your office will carry liabilities only in respect of such acts of omission or commission of the company which has occurred with your knowledge, attributable through Board Processes and with your consent or connivance or where you have not acted diligently.

(D) Code of Business Ethics

The following are the code of business ethics the Board recommends for its members and all employees:

- (i) Compliance with laws, rules and regulations including insider trading laws.
- (ii) Protecting confidential and other proprietary information of the company and that our stakeholders.
- (iii) Dealing with conflicts of interest.
- (iv) Promoting full, fair, accurate, timely and understandable disclosure in the financial reports and other public communications.
- (v) Strive to provide adequate medical, educational and welfare facilities above basis requirement to all employees.
- (vi) Protecting the environment.
- (vii) Supporting the reporting of any unlawful or unethical behavior.

(E) List of negative actions

- (i) Not to deal with the shares in the company or in the subsidiary company while the trading window is closed. Trading window is generally closed 7 days before the meeting of the board of directors of the company which approves the quarterly financial results, annual financial results and declaration of dividend.
- (ii) Abstain from participating in the discussion of the Board where you are directly or indirectly interested.
- (iii) Abstain from forward dealing of the securities of the company.
- (iv) Abstain from disseminating any price sensitive information acquired by virtue of your office.

(F) Periodic Fees and reimbursement of expenses

The Board in its meeting held on 24th May 2014 revised the sitting fees for attending the meeting of the Board of Directors and committees thereof. Accordingly, you are entitled to a fee of Rs. 10,000 (Ten Thousand) for attending each meeting of the Board of Directors and Audit Committee.

However, the Board of Directors in the meeting held on 24th May 2014 has noted that your good office has waived all sitting fees for attending meetings of the Board and Committees and incidental travelling expenses thereof.

We wish you utmost success in your endeavours.

Yours sincerely

Enclosure- As above

On behalf of the Board

Sd/-

(A. Farley)
Chairman

Mr. L. Rahman
Director,
B & A Ltd
Residence- NE(J)-4, Road, 83, Gulshan Model Town,
Gulshan, Dhaka, 1212,
Bangladesh

Code of Conduct of Independent Directors

- ☐ An independent director shall uphold ethical standards of integrity and probity.
- ☐ He shall act objectively and constructively while exercising his duties.
- ☐ He shall exercise his responsibilities in a bona fide manner in the interest of the company. He shall devote sufficient time and attention to his professional obligations for informed and balanced decision making.
- ☐ He shall not allow any extraneous considerations that will vitiate his exercise of objective independent judgement in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
- ☐ He shall not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantages for any associated person.
- ☐ He shall refrain from any action that would lead to loss of his independence.
- ☐ If in any circumstance, he loses his independence he shall immediately inform such event to the Board of Directors.
- ☐ He shall assist the company in implementing the best corporate governance practices in the company.