

The Nomination and Remuneration Committee (NRC) of Delta Spinners Limited

The Board of Directors of Delta Spinners Limited, in its meeting held on 14th November, 2018 at 3:00 p.m. has constituted the Company's Nomination and Remuneration Committee. The members of the Committee are as under :

Sl. No.	Name of the Members of the NRC	Position in the Company	Position in the Committee
1.	Mr. Md. Shamsul Huq	Independent Director	Chairman
2.	Mr. R A Howlader	Chairman	Member
3.	Mrs. Dina Jabin	Director	Member
4.	Mr. Masudur Rahman	Executive Director and Company Secretary	Secretary

The Nomination and Remuneration Committee (NRC) of Delta Spinners Limited convened its first meeting on 11th December, 2018 and has drawn-up the Roles, Responsibilities, Power and Remuneration of the members of its Board of Directors and the top level Executives. These are as follows :

1. The Directors shall have power at any time, or from time to time to appoint any qualified person(s) as Director in addition to the existing members of the Board. But the total number of Directors shall not exceed the limit as mentioned in Article 116 of the Company's Article of Association. Director(s) so appointed shall hold office till the following Annual General Meeting of the Company and shall then be eligible for re-election.
2. The Directors shall appoint competent person(s) as Director(s) of the Company who shall be termed as "Independent Director(s)" of the Company. The Independent Director(s) so appointed shall not hold any share in the Company or may hold less than one percent (1%) shares of the total paid-up shares of the Company. The Independent Director(s) shall avail all the rights and powers that the other Directors would enjoy. The number of such Directors shall be counted for the purpose of minimum or maximum number of Directors as stated in Article 116 of the Company's Article of Association.
3. Apart from the above, the members of the Board of Directors will be guided by the provisions of the Articles of Association of the Company so far these are not in conflict with the Corporate Governance Code as per Notification No. BSEC/CMRRCD/2006-158/207/Admin/80 dated 3rd June, 2018 of Bangladesh Securities and Exchange Commission. All the criteria as set by BSEC for a Director should also to be fulfilled in this regard.

4. The NRC drew the Code of Ethics and Business Conduct for the Members of the Board of Directors of the Company as follows :
- a) This Code is intended to focus the Board and each Director on areas of ethical risk, provide guidance to Directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical issues; conduct and help foster a culture of honesty and accountability. Each Director should carefully review, be familiar with and follow this Code.
 - b) This Code is intended to serve as a source of guiding principles for Directors. Directors should bring questions about particular circumstances involving any Director that may implicate one or more of the provisions of this Code. The Company Secretary who will discuss such questions, as appropriate, with the Chairman of the Board, the Chairman of the Nomination and Remuneration Committee and/or other inside or outside legal counsel. The Board will not permit any waiver of this Code for any director.
5. **Conflict of Interest** : Directors should 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.

If a Director has a personal interest in a matter, the director will disclose the interest to the full Board of Directors for discussion in such matter or deliberation and the Director shall excuse him or herself from participation in the discussion, and will not vote on the matter. Personal interest may include commercial, industrial, banking, consulting, legal, accounting, charitable, and financial relationship, among others.

A “conflict of interest” can occur when a director’s personal interest interferes 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 directors must avoid, however, are as below:

- (i) **Relationship of the Company with Third Parties:** Directors should 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 enter into a business or contractual relationship. This prohibition includes any such third parties related to potential corporate opportunities as discussed further in section 6 below.

- (ii) **Compensation from non-Company Sources:** Director should not accept compensation in any form for service performed for the Company from any source other than Company.
 - (iii) **Gifts:** Director and Member of their families should not accept gifts from person or entities who deal with the 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.
 - (iv) **Personal use of Company Assets:** Directors should not use company assets, labour 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:** Director should not accept loans, or any other guarantee of an obligation, from the Company.
6. **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's property, information or 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, that if the Company's disinterested directors 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 1 have been followed.
7. **Confidentiality :** As a member of the board, directors often learn of confidential or proprietary information about the Company, its customers, prospective customers or other third parties. Directors should 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.

8. **Fair Dealing** : In any dealing with the company's customers, suppliers, competitors, and employees, directors should endeavor to deal fairly. Directors must not take unfair advantage of any one through manipulation, concealment, abuse of privileged or confidential information, misrepresentation of material facts, or any other unfair dealing practice.
9. **Protection and Proper use of Assets** : Directors should 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's assets should be for legitimate business purpose related to the Company.
10. **Compliance with Laws, Rules and Regulations** : 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 imposed by those laws, rules and regulations.
11. **Encouraging the Reporting of Illegal or Unethical Behavior** : Director must practice and promote ethical behavior. Moreover, through the adoption of this Code , the Board hereby (a) affirms its expectation that employees talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation; (b) affirms its expectation that employees report about violation of laws, rules, regulations or the Company's ethical and Business Conduct Policy applicable to the Company's employees; and (c) conforms that it will not condone retaliation for reports made in goods faith.
12. **Public Disclosure of Information** : All information in reports and documents that the Company files with or submits to the Securities and Exchange Commission is required to be full, fair, accurate, timely, and understandable. This standard also applies to other public communications made by the Company. All directors shall take this requirement into proper account in carrying out his or her Board duties.