



GLAXOSMITHKLINE BANGLADESH LIMITED

CODE OF BUSINESS CONDUCT AND ETHICS

FOR

MEMBERS OF THE BOARD OF DIRECTORS

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1. Introduction

The Board of directors (the “Board”) of GlaxoSmithKline Bangladesh Limited (the “Company”) has adopted the following code of Business Conduct and Ethics (the “Code”) for Directors of the Company.

This Code is intended to focus the board and each Directors on areas of ethical risk, provide guidance to Directors to help them recognize and deal with ethical issues, provide mechanisms to report unethical conducts, and help foster a culture of honesty and accountability. Each Directors must comply with the letter and spirit of this Code.

No code or policy can anticipate every situation that may arise. Accordingly, this Code is intended to serve as a source of guiding principles for Directors. Directors are encouraged to bring questions about particular circumstances that may implicate one or more of the provisions of this Code to the attention of the Chairman of the Board, who may consult with inside or outside legal counsel as appropriate.

Directors who are also serve as officers of the Company should read this Code in conjunction with the GSK Code of Conduct.

2. Applicability

This Code applies to the Directors of the Company, both Executive and Non-Executive.

3. CODE

The Directors in general must:

3.1 Conduct the Company’s business with honesty and integrity and in a professional manner that protects the Company’s good public image and reputation.

3.2 Become familiar with and comply with Laws, rules and regulations as well as Company policies and procedures that govern the conduct of the Company.

3.3 Avoid any activities that could involve or lead to involvement in any unlawful or illegal practice or any harm to the Company’s reputation or image.

3.4 Avoid actual or potential conflicts of interest of the Company, or the appearance thereof, in all transactions.

3.5 Provide accurate and reliable information in records submitted and safeguard the Company's confidential information and respect the confidential information of other parties with whom the Company does business or competes, except when disclosure is authorized or legally mandated.

3.6 Promptly report to the Company any violation of laws or ethical principles or Company policies that come to his/her attention, and cooperate fully in any audit, enquiry, review or investigation by the Company.

4. DUTIES

4.1 Fiduciary Duty

Directors should be role-models for these standards by visibly demonstrating support and by regularly encouraging adherence by managers. Every Director must act in good faith in his/her dealings with or on behalf of the Company and exercise the powers and fulfill the duties of his/her office honestly. His/her fiduciary duty as following aspects:

4.1.1 A duty to act in good faith- Every Director has a duty to act in good faith in what s/he considers to be in the best interest of the Company, which would be the interest of all shareholders and other stakeholders, present and future.

4.1.2 To exercise powers for a proper purpose- Every Director must exercise his/her powers in the Company's interest and only for or purpose for which they are given.

4.1.3 Conflict of interest- A director must not put himself/herself in apposition where there is an actual or potential conflict between his/her duty to the company and his/her personal interest. A declaration to this effect will be required to be signed off.

4.1.4 Use of Company property- Every Director is regarded as a trustee of the Company's property (which would include information belonging to and about the Company and opportunities of which the Company might take advantage). Accordingly, s/he will be answerable if s/he knowingly

participates in a misapplication of Company property or knows or ought to have known of the misapplication. Any profit arising in such circumstances must be accounted for to the Company by the Directors.

4.1.5 Gift policy- The Company has an approved Gift Policy and Directors should adhere to and follow the policy in its true spirit with respect to the giving and accepting of gifts.

4.2 Duty of skill and care

The fiduciary duty imposes on each Directors, an obligation to do nothing which conflicts with the Company's interest. When a Director is acting in the Company's interest, s/he is expected to exercise whatever skill s/he possess with reasonable care. This duty has following aspects:

4.2.1 Degree of skill- A director is expected to display the general knowledge, skill and experience the s/he actually has and which might reasonably be expected of someone carrying out his/her function within that Company

4.2.2 Attention to the business- Each Director must attend diligently to the affairs of the Company. The degree of diligence required is higher for the executive Directors than non-executive Directors.

4.3 Breach of duties

Any breach of these duties by a Director enables the Company to take action against him/her and sue him/her for its loss. Failure by any Director to comply with this Code will subject him/her to disciplinary action up and including separation from employment with the company.

5. Confidential information

The Directors of the Company must observe strict confidentiality of the information received by them during performance of their duties.

Any business information pertaining to the Company which is not generally known including but not limited to financial results, business strategies, proposed shareholders benefits, details privy to them being part of various Committees of the Company etc. and which needs to be maintained in a Confidential information for this purpose.

The overbearing duty of good faith also finds expression in the rule that a Director shall not disclose the Company's secret or confidential information which comes into his/her possession.

6. Compliance with laws, rules and regulation; fair dealing.

Directors shall comply, and oversee compliance by employees, officers and other Directors, with laws, rules and regulations applicable to the company, including Securities and Exchange Commission (Prohibition of Insider Trading) Regulation, 1995. The Directors will follow the act, ordinance, rules, and regulations, directives and orders of Bangladesh Securities and Exchange Commission and Dhaka Stock Exchange for dealing in the securities of the Company.

Directors shall oversee fair dealing by employees and officers with the Company's customers, suppliers, competitors and employees.

7. Encouraging the reporting of any illegal or unethical behavior.

Directors should promote ethical behavior and take steps to ensure the Company: (a) encourages employees to talk to supervisor, managers and other appropriate personnel when in doubt about the best course of actions in a particular situation; (b) encourages employees to report violation of laws, rules, regulations or the Company's Employee Handbook/Employee Code of Conduct to appropriate personnel; and (c) informs employees that the company will not allow retaliation for reports made in good faith.

8. Compliance procedures; waivers.

Directors should communicate any suspected violation of this Code promptly to the Chairman of the Board. Violations will be investigated by the Board or by a person or persons designated by the Board and appropriate action will be taken in the event of any violation of the Code.

Any waivers of this Code may only be granted by the Board after disclosure of all material facts by the Directors seeking the waiver. Waivers will only be granted in exigent circumstances and will be disclosed promptly to shareholders.

9. Indemnity

The Directors will be indemnified against any liability incurred by them in defending any civil or criminal proceeding in which judgment is given in their favor or in which they are acquitted. Indemnification is also permitted and ought fairly to be excused.

10. Procedure for taking outside advice

The Board recognizes that there may be occasions when one or more of the Directors feel it is necessary to take independent legal and/or financial advice in respect of matters within the company upon which they are being asked to express an opinion or about which they have some concerns (not being day to day operational matters). The Company will reimburse the costs of obtaining such advice, provided the prior consent of the Chairman of the Board is first obtained. This consent is not required to be taken by the Chairman of the Audit Committee.

Notice should be given by the Directors concerned to the Company Secretary that such advice is to be sought. The company secretary will communicate any such notification to the Chairman.

In most cases, it would be anticipated that the advice being sought would be legal advice and only in the rarest of cases would independent financial advice be necessary and its Directors would normally be given to all the Directors, whereas there might be occasions when a Director might feel that s/he needs to take independent legal advice so as not to expose him/her to any liability.

11. Notifications and request for further information:

Notification under any of the requirements listed above and request for further information should be sent at the following address:

Company Secretary

GlaxoSmithKline Bangladesh Limited

House#2A, Road#138,

Gulshan#1, Dhaka-1212,

Bangladesh.

Tel: +880 2 9858870

Fax: +880 2 8826628

12. Interpretation and amendment to the code

Any question on interpretation of any clause in this Code or an amendment to any provision of this Code shall be handled only by the Board of Directors.

13. Annual disclosure

All directors shall issue an annual declaration confirming compliances with this Code. The annual report of the Company shall carry a certificate to this effect duly signed by the Managing Director of the company.

Approved by the Board and signed on its behalf by:

Sd/-

Chairman