

NILKAMAL LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

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NILKAMAL LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

This Code of Conduct (hereinafter referred to as “Code”) is in line with the Company’s philosophy on Code of Governance, which is based on openness & credibility which is an essence for the Company’s success.

This Code has been adopted by the Board of Directors and summarize the standards that must guide actions. This Code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability.

I. **APPLICABILITY:-** This Code shall be applicable to;

1. All the members of Board of Directors of the Company (hereinafter referred to as “Directors”) and
2. Members of Senior Management (hereinafter referred to as “Officers”) (i.e. One level below the executive directors, including all functional heads.)

II. **STANDARDS OF CONDUCT:-** The Directors and Officers of the Company shall abide by the policies and procedures laid down under this Code and shall act in accordance to the standards enumerated in this code while performing their duties within the premises of the Company during working hours and also during such time when they represent the Company at any social events, meetings, conferences or gathering of any kind. All the Directors and Officers of the Company shall work with professionalism, honesty, integrity and maintain ethical standards in day to day conduct of business. All of them shall also be responsible for implementation of and compliance with this Code in professional environment. The contribution of every Director and Officer with complete professionalism, honesty and integrity shall help the Company to maintain its culture of high ethical standards, commitment to timely compliance and increasing stakeholders’ confidence.

III. **CONFLICT OF INTEREST:-** The Directors and Officers shall not engage themselves in any business activity which shall conflict with the interest of the Company and it shall be the duty of every Director or Officer to disclose such conflicts of interest to the Chairman.

A conflict of interest may arise directly or indirectly, where the interest or benefits of any such person conflicts with the interest or benefit of the Company. Conflict of interest is likely to arise in the following situations:

- a. The Directors and Officers engages in any business associations with any person, suppliers, customers, developers or competitors of the Company and performs or causes to perform directly or indirectly any activity that interferes with their performance or reduces their ability to devote appropriate time and attention to the responsibilities towards the Company, or in any manner is prejudicial to the interest of the Company.
- b. The Director or Officer derives any improper personal benefits for himself or his family member or relatives as a result of one's position in the Company.
- c. The Director or Officers accepts any gifts or donations or any kind of entertainment or any other favour, special treatment, benefit or service of whatsoever nature, whether in monetary terms or in kind, either directly or indirectly, from any person/company with which the Company has current or prospective business associations. However, the Director or Officers may accept such gifts/ entertainment which are meant to be just and which shall not be considered as inappropriate in the normal course of conduct.

In any case if there arises conflict of interest for reasons mentioned above or any other reasons whatsoever, it shall be the duty of every Director and Officer to make full disclosures of all facts and circumstances thereof to the Chairman and a prior written approval should be obtained for entering into such transactions of conflicting nature.

- IV. **DUTIES OF DIRECTORS:-** The Code for Independent Director as specified under Clause III of Schedule IV of the Companies Act, 2013 also lays down certain duties of Independent Directors. The Independent Directors shall comply with the same.

The aforesaid provisions of Companies Act, 2013 are enclosed as Annexure I to this Code.

- V. **REGULATORY COMPLAINCES:-** Every Director and Officer shall comply with all the applicable laws, rules and regulations for the conduct of business activities. Any violations or non-compliances with regards any of the applicable provisions of laws, rules and regulations shall be brought to the notice of the Chairman.

VI. **CONFIDENTIALITY AND FAIR DEALING:-** The Directors and Officers shall maintain complete confidentiality of information about Company, which they may have access to or have accessed during their employment and in day to day conduct of business activities or that of any customer, supplier or business associate of the Company except when disclosure or information may be parted with due authorization. The use of confidential information either directly or indirectly, for own advantage or whether for personal benefits or not, either intentionally or unintentionally, is strictly prohibited. They shall not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

VII. **PRICE SENSITIVE INFORMATION:-** The Directors and Officers shall maintain confidentiality of the unpublished price sensitive information, more particularly information which is not in public domain. The Directors/Officers shall not pass on such information directly or indirectly to public or any third person by way of making a recommendation for purchase or sale of securities of the Company. The Directors /Officers shall disseminate such price sensitive information to the public or press only when specifically authorised for the same.

Directors and Officers having access to unpublished price sensitive information shall handle the same on 'Need to Know' basis i.e Unpublished price sensitive information should be disclosed only to those employees within the Company who need the information to discharge their duty and whose possession of such information will not give rise to a conflict of interest or any misuse of such information.

Any misuse of unpublished price sensitive information by any other person, which may come to the knowledge of any Director/Officer should be reported immediately to the Chairman.

All the Directors and Officers shall also comply with the provisions of SEBI (Prohibition of Insider Trading) Regulation, 1992, as amended from time to time.

VIII. **PROTECTION AND PROPER USE OF COMPANY'S ASSETS:-** The Directors and Officers shall be responsible for protection and appropriate use of Company's assets (tangible or intangible). It shall be duty of every Director and Officer to protect and preserve Company's assets and property and ensure its efficient use. Company's assets should be used only for legitimate business purposes.

IX. **VIOLATIONS OF CODE OF CONDUCT:-**

- a) The Code will be strictly enforced and violations will be dealt with immediately, including subjecting persons to corrective and/or disciplinary action. Disciplinary action by the Company may include wage freeze, suspension, termination, recovery, etc.
- b) The corrective and/or disciplinary action under this Code shall be determined:
 - i) in case of violation by any member of the Board, by the Board of Directors.
 - ii) in case of violation by any member of Senior Management, by the Chairman of the Company.
- c) If any Officer who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of conduct, he/she must immediately report the same in accordance with the Whistle Blower Policy of the Company. Such reports shall be investigated as per the Whistle Blower Policy of the Company, the provisions of which shall mutatis mutandis apply.
- d) The Company may also investigate such suspected violations suo moto as per the process prescribed under the Whistle Blower Policy of the Company.
- e) The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

X. **WAIVERS AND AMEDMENTS TO THE CODE OF CONDUCT:-** This Code of Conduct shall be subject to modifications and amendments. Any amendment, non -applicability or Waiver of particular clause of this Code can be affected on absolute discretion of the Board or any person/committee designated by the Board for this purpose.

XI. **ACKNOWLEDGEMENT AND REVIEW:-** Every Director and Officer of the Company shall sign and acknowledge the receipt of the code and agree to comply with the same. Every year or upon revision of any clause of the code Directors and Officers should acknowledge and undertake to comply with the same. New Directors appointed by the Company should execute an undertaking to comply at the time of appointment.

CLAUSE III OF SCHEDULE IV OF THE COMPANIES ACT, 2013 - CODE FOR INDEPENDENT DIRECTORS:-

Independent Directors, in addition to above duties, shall also perform the below mentioned duties:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b. seek appropriate clarifications or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
- c. strive to attend all the meetings of the Board of Directors and of Board committees of which they are members;
- d. participate constructively and actively in the committees of Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;
- f. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meetings;
- g. keep themselves well informed about the company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or the Committee of the Board;
- i. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
- j. ascertain and ensure that the Company has an adequate and functional Vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- k. report concern about unethical behavior, actual or suspected fraud, or violation of company's code of conduct or ethics policy;
- l. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
