

# Code of Conduct for Directors & Senior Management of C. Mahendra Exports Limited

## **Introduction**

C. Mahendra Exports Limited is committed for conducting its business strictly in accordance with the applicable laws, rules, and regulations and with highest standards of business ethics. With a view to maintain the required high standards, the company has framed the following set of rules / Code of Conduct which should be observed in all the activities of the company.

## **Applicability of the Code of Conduct**

The said code is applicable to all Board members and senior management of the C. Mahendra Exports Limited and its subsidiaries (herein after referred as 'Company' or 'C. Mahendra Group').

The term "senior management" shall mean personnel who are members of the core management team of C. Mahendra Exports Limited and its subsidiaries. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

This Code of Conduct has been adopted by the Board and is to be strictly observed by the C. Mahendra Group for the governance of Good Corporate Practices. Any issue relating to the interpretation of this Code will be handled by the Board or by any person / committee authorized by the Board in this behalf.

Further the Secretary of the company is appointed as the compliance officer for the purposes of this code. He will be available to answer any questions, provide clarification and to help in the compliance with this code.

## **1. Honesty & Integrity**

The Directors and senior management are entrusted with responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence. They are expected to show their undivided loyalty in all activities related to the company.

## **2. Guidelines for Conduct**

The Directors and senior management officials should exercise due care and diligence in the performance of his/her duties, be loyal to the Company and act in good faith and in the best interest of the company. A director should ensure that:

- He attends all Board and committee meetings regularly in case if it is not possible to do so, he/she should inform the board and apply for the grant of leave of absence;
- He should contribute sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision making by reviewing in advance any materials distributed and making reasonable inquiries;
- Be aware of and seek to fulfill his or her duties and responsibilities as set forth in the Company's Memorandum of Association, Articles of Association and Corporate Governance guidelines; and
- Seek to comply with all applicable laws, regulations, confidentiality obligations and Corporate Policies.
- Act in a cooperative & respectable manner with their colleagues.
- Maintain Order and Decorum at the meetings and obey the directions given by the Chairman.

## **3. Conflict of Interest**

The Directors and senior management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to Company's interest. They should avoid transacting company business with their relative or with a firm / company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the board of the company.

## **4. Disclosure of Interest and Directorship in other Body Corporate**

The Directors and Senior Management officials shall fully report / disclose at the time of their appointment and subsequently whenever there is a change within one week or within such time as prescribed by the applicable laws, their relationships with other

individuals, firms or other body corporate which in the opinion of the board may affect their independence of judgment to the Board.

## **5. Financial reporting and records**

The Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall reflect, fairly and accurately, all of the company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the company's board and shareholders that the transactions are accurate and legitimate. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance-income recognition and no hidden bank account and funds. Any willful, material misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the Code, apart from inviting appropriate civil or criminal action under the relevant laws. No employee shall make, authorize, abet or collude in an improper payment, unlawful commission or bribing.

## **6. Securities Transactions and Confidentially of Information**

Any information relating to the Company's business, its vendors, customers, employees etc., which is not in public domain and to which the director and senior management has access or if they possesses such information, it is be considered as confidential information and unless authorized to do so or required by any law they shall not provide any such information to anyone including press or any other publicity media either formally or informally.

An employee of a Company shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions; and strictly observe a practice of non-disclosure.

An employee of a Company shall not use or proliferate information that is not available to the investing public, and which therefore constitutes insider information, for making or giving advice on investment decisions about the securities of the respective C. Mahendra Exports Limited, Group, client or supplier on which such insider information has been obtained.

Such insider information might include (without limitation) the following:

- Acquisition and divestiture of businesses or business units.
- Financial information such as profits, earnings and dividends.
- Announcement of new product introductions or developments.
- Asset revaluations.
- Investment decisions / plans.
- Restructuring plans.
- Major supply and delivery agreements.
- Raising of finances.

## **7. Protection and Proper Use of Company's Assets**

Directors are like the trustees of the Company assets as well as the assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Directors, senior management and other official of the Company shall not use these assets except as specifically authorized and that too only for the purpose of Company business.

## **8. Corporate Opportunities**

Corporate Opportunities here means those opportunities, which are made available to the company and which are known to the Directors and Senior Management official due to the position held by them in the company. The directors and other officials shall not utilize such opportunities for their personal benefit. However once those opportunities are fully and properly disclosed to the board and after consideration rejected by them then it cease to be a corporate opportunity.

## **9. Gifts & Donations**

The Directors, Senior Management and other officers & employees of the company shall not accept or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments or benefits which are intended to obtain or provide business or favour or decisions for the conduct of business from people doing business with the Company (including suppliers, customers, competitors, contractors and consultants). However nominal gifts of commemorative nature, for special events may be accepted or provided, but gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) in any amount are prohibited.

## **10. Gender Friendly Workplace**

**C. Mahendra Group** is committed to provide a gender friendly workplace. It endeavors to provide equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices.

Sexual harassment includes unwelcome sexually determined behavior such as unwelcome physical contact; a demand or request for sexual favours; sexually coloured remarks; showing pornography and any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.

The Group maintains an open door for reportees; encourages employees to report any harassment concerns directly to the CEO or the Company Secretary and is responsive to employee complaints about harassment or other unwelcome and offensive conduct. A committee will be constituted to enquire into the complaints and to recommend appropriate action, wherever required.

## **11. Dual Employment**

All Executive directors, senior management personnel & other employees are prohibited from accepting simultaneous employment with a Company supplier, customer, developer or competitor, or from taking part in any activity that enhances or supports a competitor's position.

## **12. Other Situations**

This code is drafted with an attempt to cover various areas which may brings conflicts of interest, however it would be impractical to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Secretarial & Legal Department for any further clarification.

## **13. Compliance**

The Directors and Senior Management officials shall comply with all applicable governmental laws, rules, notifications and regulations, both in letter and spirit and must report any possible violation to the Board and to the Company Secretary.

## **14. Insider Trading**

The Directors, Senior Management officials and Insiders as per the SEBI (Prohibition and Regulation of Insider Trading) Regulation 1992 are prohibited from dealing or counseling in the securities of the company while in the possession of material unpublished price sensitive information. They must strictly adhere to the Code of conduct formulated by the company for Prevention of Insider Trading.

## **15. Reporting and Consequence of Non Compliance with this Code**

Suspected violations of this Code must be reported to the Chairman of the Board or of the Audit Committee which should be appropriately investigated and appropriate disciplinary action will be taken on the conclusion of the enquiry by the Board which may even include a request to resign as Director or officer of the company if permitted by applicable laws and is in the best interest of the company.

## **16. No Right Created**

This Code sets forth guidelines for conduct for the Board of Directors and Senior Management official. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.

The Company expressly retains the right to unilaterally modify or amend these rules at its sole discretion, with or without notice to the Company's employees.

## **17. Compliance with the Code**

All Board members and senior management personnel shall affirm compliance with the code on an annual basis and the CEO is required to make a declaration in the Annual Report of the company relating to it.

## **18. Amendments of the Code**

Any amendment or modification to this Code shall be possible only with the prior approval of the Board of Directors.

## **19. Disciplinary Actions**

The Board of Directors shall have the right to take disciplinary actions, which may include immediate termination of employment or business relationship at the Company's sole discretion against any person whose actions are in violation of this Code of Conduct.

## **Acknowledgement**

I acknowledge that I have received the C. Mahendra Group Code of Conduct. I have read the Code of Conduct and I acknowledge that as a C. Mahendra Group employee, I am required to comply with the guidelines described therein and failure to do so may subject me to disciplinary action, up to and including termination and, if applicable, to criminal or civil proceedings.

I understand that if I have a concern about a violation or a potential violation of the C. Mahendra Group Code of Conduct, I must promptly report the violation to the ethics counselor, ethics helpline and / or designated authority of my company.

Signature:

Date:

Name:

Department:

Address:

Please submit this declaration to your ethics counselor.