

# A B N INTERCORP LIMITED

## CODE OF CONDUCT FOR BOARD OF DIRECTORS & SENIOR MANAGEMENT

### 1. PREAMBLE

1. This Code of Conduct (“the Code”) shall be called ‘Code of Conduct for Board of Directors and Senior Management of ABN Intercorp Limited (hereinafter referred to as “the Company”)
2. The Code has been framed in compliance with the regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 (“Listing Regulations”) which stipulates that the Board of Directors of every listed company shall lay down a code of conduct for all Board members and Senior Management personnel of the Company.
3. The term “Senior Management” shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. Normally, this would comprise of all members of management one level below the executive directors, including all functional heads.
4. The code of conduct shall be posted on the website of the Company.
5. The conduct of directors should be in accordance with the articles of association of the company; but in no case should contravene the duties specified by the law.
6. Directors, being trustees of shareholders, have fiduciary relationship with them. As such, the directors have fiduciary duties towards the company. The Companies Act, 2013 has codified these fiduciary duties which though were not explicitly stated under the previous law, were implied in view of the fact that directors are in a fiduciary relationship with the company and its members the duties of a director as specified under section 166 of the Companies Act, 2013:

### 2. APPLICABILITY

The code shall be applicable to:

1. All Directors / Senior Management personnel (i.e. all officials/ employees having equivalent or higher designation than ‘Assistant General Manager’) are expected to comply with the code in letter and spirit. They are also required to affirm compliance on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer/ Managing Director.
2. The Independent / Non- Executive Directors to the extent that it does not conflict with or is prejudicial to the interest to the Company. Subject to the foregoing and in accordance with the following paragraphs, the Independent / Nonexecutive Directors of the Company shall not be precluded from taking up outside assignments / directorships in other companies.

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3. This Policy will be applicable to the Company effective December 1, 2015 or such other date as may be specified by Securities and Exchange Board of India.

## 3. OBJECTIVE

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the following rules/code of conduct is required to be observed.

## 4. KEY REQUIREMENTS

The Board Members and Senior Management Personnel must act within the authority conferred Upon them and in the best interests of the Company and observe the following code of conduct:

### A. ACCOUNTABILITY:

The Directors/Senior Management personnel shall discharge their duties in good faith and integrity in business judgment and in the best interests of the Company and its stakeholders. They are expected to use their best endeavors and organize the resources for advancing the Company's objectives. They shall act ethically, honestly, diligently and in good faith to protect the Company's properties, brand equity and image. They shall act in good faith, responsibly, with due care, competence and diligence and without allowing their independent judgment to be subordinated. They shall act in the best interests of the Company and fulfill their fiduciary obligations.

### B. CONFLICT OF INTEREST:

Directors/Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company. Notwithstanding anything contained herein, an Independent / Non- Executive Director shall have the full liberty to pursue his/ her independent professional/ business/ employment activities and/ or to assume office(s) of director/ trustee. Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Set forth are some of the common circumstances that may lead to a conflict of interest, actual or potential:

- a) They should not engage in any activity/employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.
- b) They and their immediate families should generally refrain from investments in such companies/entities whereby their responsibility to the Company is compromised.
- c) They should avoid conducting Company business with a relative or with a firm/company in which a relative/related party is associated in any significant role.

If such related party transaction is unavoidable, it must be fully disclosed to the board of the Company. Transactions/ dealing done on arm's length basis shall not be considered to be conflict of interest.

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## **C. COMPLIANCE**

All applicable laws, rules and regulations shall be complied with. In order to assist the Company in promoting lawful and ethical behavior, any possible violation of laws, rules, regulations or the code of conduct shall be reported to the Board of Directors through the Company Secretary.

## **D. OTHER DIRECTORSHIPS:**

The Directors must disclose their Directorship, Committee membership on the Board of other companies and substantial shareholding in other companies to the Board on an ongoing basis.

## **E. CONFIDENTIALITY OF INFORMATION:**

Any information concerning the Company's business, performance, its customers, suppliers, etc., which is not in the public domain and to which the Directors/Senior Management personnel have access or possesses such information must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law. No Director /Senior Management personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

## **F. INSIDER TRADING:**

Director/Senior Management personnel shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the company and therefore constituting insider information. All Directors/Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy of the Company.

## **G. EQUITY:**

All attempts should be made to maintain equity and fair justice while dealing on behalf of the Company.

The Directors/Senior Management personnel shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidations of any nature. Any kind of harassment and discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited. They shall strive for maintaining a safe workplace by following safety and health rules and practices.

## **H. CONSUMER/ INVESTOR FOCUS:**

The Directors/Senior Management personnel shall focus on customer/ investor satisfaction. They shall ensure that the communications given are accurate and truthful and do not deliberately omit important facts or shall not be of misleading nature.

## **I. TEAM WORK AND SPIRIT:**

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The principles of mutual trust, teamwork and spirit shall be appreciated and maintained. Best efforts shall be made to contribute to an environment that builds confidence and empowers people through personal and professional growth. They shall attempt that the teams grow together through collaborative working, skills development, knowledge sharing and learning from each other. Employees being invaluable assets shall be motivated to achieve higher goals.

## **J. CORPORATE OPPORTUNITY:**

Except as approved by the Board, the Directors/Senior Management personnel are prohibited from:

- a. taking any personal opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position; and
- b. Using the Company's property, information or position for personal gain/advantage or to cause detriment to the Company. Notwithstanding anything contained herein, an Independent / Non- Executive Director shall have the full liberty to pursue his/ her independent professional/ business/ employment activities and/ or to assume office(s) of director/ trustee.

## **K. GIFT & DONATIONS:**

No Director/Senior Management Personnel of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended to obtain business favors. Subject to this clause, nominal gifts of commemorative nature, for special events/ achievements or in the course of social relations and normal business courtesies may be accepted/ given.

## **L. SAFEGUARDING COMPANY'S ASSETS:**

The use of Company's assets for illegal or non-ethical business purposes shall be strictly prohibited. Protecting the Company's assets regardless of whether the same is tangible or intangible is the responsibility of each Director/Senior Management person.

## **M. FINANCIAL RECORD KEEPING & REPORTING:**

It is critical to ensure that all transactions are properly identified, analyzed and recorded. Regardless of whether a Director/Senior Management person is directly involved in financial reporting or accounting, most come into contact with financial transactions directly or indirectly. All reasonable efforts are expected to ensure that all business records and reports are accurate, complete and reliable.

## **N. PERIODIC REVIEW:**

Once in every year or upon revision of this Code, every Director must accord consent to comply and the Senior Management personnel must give an undertaking for compliance of the same. New Directors shall accord their consent while joining the Board and New Senior Management personnel shall give an

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undertaking at the time when their employment begins. The aforesaid consent or undertaking shall be in line with "Confirmation-I" attached herewith

## **5. DUTIES OF DIRECTORS:**

Without limiting the generality of the duties stated in the Companies Act, 2013, the Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of 5Insider Trading framed there under and other applicable laws, the duties of a director are as under:

In terms of Section 166 of the Companies Act, 2013, a director shall:

1. act in accordance with the articles of the Company;
2. act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
3. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
4. not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
5. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
6. Shall not assign his office and any assignment so made shall be void. Further in terms of para III (Duties) of Schedule IV of Companies Act, 2013, the Independent Directors shall:
  1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
  2. Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
  3. Strive to attend all meetings of the Board of Directors and of the Board committees of which he isa member;
  4. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
  5. Strive to attend the general meetings of the Company;

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6. 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 meeting;
7. Keep themselves well informed about the Company and the external environment in which it operates;
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;
10. 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;
11. Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. 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.

Notwithstanding anything contained in the Companies Act, 2013, an independent director or a nonexecutive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through business processes, and with his consent or connivance or where he had not acted diligently.

## **6. COMPLIANCE WITH THE CODE:**

Once every year or upon revision of this code, every Director/ Senior Management person must acknowledge and execute an understanding of the code and an affirmation that he/she has complied with the Code. New Directors/ Senior Management persons will sign such a deed at the time of joining.

## **7. AMENDMENT/ MODIFICATION/ WAIVER:**

This code may be amended, modified, varied or waived by the Board as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines. As a general policy, the Board will not grant waiver of this code

## **8. REPORTING:**

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While every Director/Senior Management person has to himself ensure compliance with this code, any of violation or possible violation of this code by the concerned Director/ Senior Management person or by any other Director/ Senior Management person shall be immediately reported to the Board through the compliance officer.

In case of any doubt as to the best course of action, the concerned Director/ Senior Management person should promptly contact the compliance officer.

## **CODE FOR INDEPENDENT DIRECTORS:**

This Code is a guide to professional conduct for independent directors and the independent directors are expected to adhere to these standards and fulfill their responsibilities in a professional and faithful manner. This Code shall form part of the Code of Conduct for Board of Directors and Senior

### **Management.**

#### **I. Guidelines of professional conduct**

The independent directors are expected to maintain the following guidelines/ standards while conducting their professional duty.

1. Independent directors shall uphold ethical standards of integrity and probity in the interests of the Company;
2. They shall act objectively and constructively while exercising their duties;
3. They shall exercise their responsibilities in a bona fide manner in the interest of the Company;
4. They shall devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. They shall not allow any extraneous considerations that will vitiate their exercise of objective independent judgment 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;
6. They shall not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. They shall refrain from any action that would lead to loss of their independence;
8. They shall immediately inform the Board where circumstances arise which makes them lose their independence;
9. They shall assist the Company in implementing the best corporate governance practices.

#### **II. Role and functions**

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1. The independent directors shall help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. They shall bring an objective view in the evaluation of the performance of board and management;
3. They shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. They shall satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. They shall safeguard the interests of all stakeholders, particularly the minority shareholders;
6. They shall balance the conflicting interest of the stakeholders;
7. They shall determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. They shall moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

## III. Duties

1. The independent directors shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. They shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
3. They shall strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
4. They shall participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. They shall strive to attend the general meetings of the Company;
6. Where they have concerns about the running of the Company or a proposed action, they shall ensure that these are addressed by the Board and, to the extent that they are not resolved, they shall insist that their concerns are recorded in the minutes of the Board meeting.

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7.They shall keep themselves well informed about the Company and the external environment in which it operates;

8.They shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

9.They shall 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;

10.They shall ascertain and ensure that the Company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

11.They shall report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

12.They shall while acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

13.They shall 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.

## **IV. Re-appointment:**

1. The re-appointment of independent director shall be on the basis of report of performance evaluation.

## **V. Resignation or Removal**

1.An independent director may resign from his office by giving a notice in writing to the Company and to the Registrar of Companies in the manner and in accordance with the provisions of section 168 of the Companies Act, 2013 ("the Act").

2.An independent director may be removed from his office in accordance with the provisions of section 169 of the Companies Act, 2013.

## **VI. Separate meetings**

1. The independent directors shall hold at least one meeting in a year, without the attendance of nonindependent directors and members of management of the Company;

2. All the independent directors shall strive to be present at such meeting;

3. Such meeting shall:

a.review the performance of non-independent directors and the Board as a whole;

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b.review the performance of the chairperson of the Company, taking into account the views of executive directors and non-executive directors;

c.assess the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

## **VII. Performance Evaluation:**

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

2. On the basis of the report of performance evaluation, it shall be determined whether to re-appoint the independent director.

## **VIII. Training Programme:**

The independent directors shall attend the training programme as may be organized by the Company in order to familiarize them with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company, etc.

## **IX. Adherence to the Applicable Laws:**

1.The independent directors shall adhere to the provisions of the Companies Act, 1956 and the Companies Act, 2013 to the extent and as may be applicable to them.

2.They shall comply with the provisions of the SEBI (LODR) regulations, 2015.

3.They shall comply with the Code of Conduct for Board of Directors and Senior Management.

4.They shall comply with the Code of Business Ethics of the Company.

5.They shall comply with all the laws to the extent and as may be applicable to the Company.

6.They shall give a declaration that they meet the criteria of independence as provided in section 149(6) of the Companies Act, 2013 and regulation 16(1)(b) of the SEBI (LODR) regulations, 2015 as amended from time to time in the format as given in 'Declaration - I' at the first meeting of the Board in which they participate as directors and thereafter at the first meeting of the Board in every financial year or whenever there is any change in the circumstances which may affect their status as an independent director.

7.They shall from time to time furnish to the Company such declarations, disclosures, statements as may be required to be furnished by the Directors under the relevant laws.

8.An independent director shall be held liable in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in the Companies Act, 1956 or the Companies Act, 2013 and the SEBI (LODR) regulations, 2015.