

# KANKNARRAH COMPANY LIMITED

An ISO 9001:2015, 14001:2015 & OHSAS 18001:2007 Certified Company

## CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

### Introduction:

The Kanknarrah Company Limited (hereinafter referred to as "the Company") has formulated this Code of Conduct for the Directors and Senior Management Personnel of the Company (hereinafter referred to as "Code") in accordance with Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as "Listing Regulations").

This Code is applicable to all the Directors and Senior Management Personnel of the Company. The Company urges all its Directors and Senior Management Personnel to be thoroughly familiar with the contents of this Code and to use it as a guideline in fulfilment of their responsibilities towards the Company.

### Objectives of the Code of Conduct:

The purpose of this Code is to demonstrate the ethical and transparent process in managing the affairs of the Company. The Directors and Senior Management are expected to understand, adhere to, comply with and uphold the provisions of this code and the standards laid down hereunder in their day-to-day functioning.

The Code shall ensure that the Directors and the Senior Management Personnel act honestly, fairly, ethically and with integrity and conduct themselves in a professional, courteous and respectful manner and don't take any improper advantage of their position.

### Definitions:

- **"Company"** means Kanknarrah Company Limited.
- **"Directors"** mean all the members of the Board of Directors of the Company.
- **"Independent Director"** shall mean the Board Members as defined under Section 2 (47) read with Section 149(6) of the Companies Act, 2013 and Regulation 16(1) (b) of Listing Regulations.
- **"Senior Management Personnel" (SMP)** means employees of the Company who are members of its core management team excluding the Board of Directors and generally the same would comprise of:
  - All executives one level below the Board
  - All functional/departmental heads;
  - Company Secretary & Chief Financial Officer (CFO); and
  - Any other person who the Board may include within the definition of Senior Management Personnel
- **"Compliance Officer"** shall mean the Company Secretary of the Company.

Unless the context otherwise requires, words and expressions used in this Code and not defined herein but defined in the Companies Act, 2013/Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Key Requirements:

The Applicable Persons shall act within the authority conferred upon them in the best interests of the Company and will:

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- act in the best interest of and fulfill their fiduciary obligations to the Company and its shareholder
- act honestly, fairly, ethically and with integrity;
- conduct themselves in a professional courteous and respectful manner and not take improper advantage of their position and with Probity
- act in good faith, responsibly with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- use their prudent judgment to avoid all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict their responsibilities within the Company;
- not exploit for his/her own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the Company declines to pursue such opportunity for its business interest(s);
- disclose and avoid having any personal and/ or financial interest in any business dealings concerning the Company;
- not hold any positions or jobs or engage in outside businesses or other interest that are prejudicial to the interest of the Company; and
- inform the Board, at the earliest opportunity, any existing or potential conflict of interest situation.
- shall be accountable to the stakeholders i.e. shareholders, debtors, creditors, contractors, suppliers, customers, Government etc. In discharge of the duties of the Company;
- shall assist the Company in implementing the best corporate governance practices.

## Duties of Directors:

The Directors of the Company shall fulfil all the duties and responsibilities bestowed upon them as per the provisions of Companies Act, 2013 and Listing Regulations and inter alia shall:

### **A. General**

- act in accordance with the articles of the Company;
- 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;
- exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- 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;
- 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;

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- shall not assign their office and any assignment so made shall be void.

## B. Further, the Independent Director's shall:

- Uphold ethical standards of integrity and probity;
- Act objectively and constructively while exercising their duties;
- Exercise their responsibilities in a *bona fide* manner in the interest of the company;
- Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- 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;
- 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;
- Refrain from any action that would lead to loss of their independence;
- Where circumstances arise which make an independent director lose their independence, the independent director must immediately inform the Board accordingly;
- Assist the company in implementing the best corporate governance practices;
- 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;
- Bring an objective view in the evaluation of the performance of board and management;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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;
- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- undertake appropriate induction and regularly update and refresh their skills, knowledge and

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familiarity with the Company;

- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the Company;
- 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;
- keep themselves well informed about the Company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

## The Code:

All the Directors and Senior Management Personnel's shall adhere to the following:-

### ➤ **Honesty & Integrity**

Directors and SMP shall act with honesty, integrity, fairness, responsibility, with due care and diligence and towards the best interests of the Company and its stakeholders.

### ➤ **Conduct of Business**

The Directors and SMP's shall conduct the Company's business in an efficient and transparent manner for meeting its obligations to shareholders and other stakeholders.

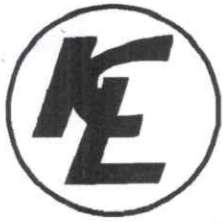


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The Directors and SMP's shall not be involved in any activity that would have any adverse effect on the objectives of the Company or against national interest. The corporate objectives to be pursued shall be to sustain the competitive edge of the Company and not to indulge in any activity which is detrimental to the society at large.

## ➤ Conflict of Interest

Directors and SMP shall not engage in any business, relationship or activity which may be in conflict with the interests of the Company. A conflict of interest occurs when personal interest of a Director or SMP (including members of their immediate family) conflicts in any way, or even appears to conflict, with the interest of the Company as a whole. A conflict of interest also arises when a Director or SMP or a member of his or her immediate family is likely to receive undue personal benefit as a result of his or her position as a Director or SMP of the Company.

Directors and SMP shall not exploit an opportunity arising while being associated with the Company for his personal gain either directly or indirectly. Directors and Employees shall not exploit for their own personal gain, opportunities that are discovered through the use of Company's property, information or position. Business affiliates such as suppliers, vendors, distributors, retailers, contractors, etc. of the Company shall be selected with an absolutely unbiased approach and not under any undue influence.

If any transactions which prima facie appear to be conflicting with the interest of the Company but are unavoidable, the Director or SMP involved in such transaction should disclose the same to the Board.

## ➤ Dealing Internally

The Directors and SMP's shall practice and encourage the spirit of free discussion and debate in the Company and shall show respect for all the co-workers, irrespective of their grade, position, pay, authority, caste, creed, race or sex. Everyone in the Company shall work with the values of trust, teamwork, mutuality, collaborate with objectivity, self – respect and human dignity.

## ➤ Dealing Externally

Each Director and SMP should deal fairly with clients, vendors, and competitors etc. They should 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.

## ➤ Gifts/Gratuities/Bribery

Directors and SMP's of the Company, including members of their immediate families, shall not request or accept any gift, donations, hospitality, kick-back, compensation, illegal payments or comparable benefits of any kind directly or indirectly from any organization or individual which has business association or competes with the Company, or from any organization or individual with which the Company does or is likely to do business. However, routine two-way exchanges of normal business courtesies, which might reasonably be expected to be exchanged in the ordinary course of business or nominal gifts of commemorative nature, for special events/occasions could, however, be accepted or offered.

Directors and SMP's shall ensure that they follow all anti-bribery and anti-corruption laws.

## ➤ Health, Safety and Environment



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The Directors and SMP shall strive to provide a safe and healthy working environment to all employees of the Company. They shall strive to conduct the business affairs of the Company while adhering to all regulations regarding preservation of the environment.

## ➤ Protection & Proper use of Company's Assets & Resources

Company's assets including its intellectual property must be safeguarded against any damage, waste, theft, illegal or unlawful use. The Directors and the SMP's must take all reasonable steps to ensure the same. Further they must ensure that equipment/facilities/amenities provided to him/her by the Company for discharge of his/her duties in terms of his/her employment are used with proper care and diligence and return the possession thereof upon his/her resignation, termination or retirement from the services of the Company, as the case may be.

The Directors and SMP shall ensure that any property of the Company under their control shall not be used for personal benefit, sold, given away in the form of loan or otherwise disposed of, regardless of its condition or value, without proper authorization.

## ➤ Record of the Company

All the Company's books, records, accounts and financial statements must be maintained in reasonable manner, must appropriately reflect the matters to which they relate and must conform both to applicable legal requirements and to the Company's system of internal controls. The integrity of the Company's accounting and financial records is based on the accuracy and completeness of the basic information and supporting entries to the Company's books of accounts. The Board Members and SMP involved in creating, processing and recording such information are held responsible for its integrity. All the assets of the Company must be carefully and properly accounted for. The making of false or misleading records or documentation is strictly prohibited. Unrecorded funds or assets should not be maintained.

## ➤ Compliance with Laws, Rules and Regulations

Directors and SMP's shall meticulously comply with all applicable laws, rules and regulations, in all areas and geographies where the Company operates, both in letter and spirit.

## ➤ Insider Trading

All Directors and SMP's shall strictly adhere to the Company's 'Code of Conduct for Prevention of Insider Trading' formulated in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time.

## ➤ Whistle Blower – Reporting of illegal or unethical behaviour

The Company shall promote ethical behaviour in all the spheres of its business operations. The Employees are free to report existing/probable violations of laws, rules and regulations or unethical conduct in accordance with the Vigil Mechanism/Whistle Blower Policy of the Company.

The Directors and the Senior Management shall not attempt to suppress/conceal any such view or reporting. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practice.

## ➤ Confidentiality



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Confidential information, including commercial secrets, technologies, advertising and sales promotion plans, customer details, unpublished price sensitive information or any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which the Directors or SMP's have access, must be held in confidence, unless authorized to do so and when disclosure is required as a requirement of law.

The Directors and SMP of the Company shall not use confidential knowledge for their direct or indirect personal advantage or for the advantage of any other entity in which they have a direct or indirect interest.

## ➤ Compliance with the code

The compliance with this Code is an obligation and the Directors and the SMP's shall ensure to comply with the same. Any waiver of the Code requires the prior written approval of the Directors/Compliance Officer or, in certain circumstances, the Board of Directors or a Committee thereof.

All the Directors and SMP's shall affirm compliance with this Code on an annual basis within 30 days of close of every financial year and a declaration to this effect given by any director authorised by the Board shall form part of the Annual Report of the Company. The Code shall also be hosted on the website of the Company.

## ➤ Review and Amendment of the Code

The Board of Directors has the right to amend or modify this Code in whole or in part, at any time, without assigning any reason whatsoever, subject, however, to the condition that such alterations shall be in consonance with the provisions of the applicable law.

In any circumstance where the terms of this Code differ from any applicable law governing the Company, such applicable law will take precedence over this Code and procedures until such time as this Code is modified in conformity with the applicable law.



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