

**MODISON
METALS LIMITED**

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Mumbai - 400021 India
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E: sales@modison.com W: www.modison.com
Cin No.: L51900MH1983PLC029783



MODISON METALS LIMITED

CODE OF CONDUCT

1. Introduction

Modison Metals Limited believes in conducting its affairs in a fair, transparent and professional manner and in maintaining good ethical standards in its dealings with all its constituents and associates and is determined to implement and follow the applicable laws, rules, regulations, circulars and notifications etc in their true spirits. It has always been the endeavour of the company to excel through good corporate governance, fair and transparent practices. This code of conduct is intended to promote ethical conduct and provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture and environment of honesty and accountability.

The Code is applicable to the following persons, hereinafter referred to as Officers:

- a. All the Directors including the Managing Director, Executive Directors, Non-Executive Directors, Independent Directors.
- b. Chief Executive Officer
- c. Chief Operating Officer
- d. Chief Financial Officer
- e. Compliance Officer
- f. All employees in the management cadre, all professionals serving in the company and all the members of various committees constituted by the Board.

Ethical business conduct is critical to our business. Accordingly, officers are expected to read and understand this Code, uphold these standards in day-to-day activities and comply with all company policies and procedures adopted by the company that govern the conduct of its employees.

2. Conflicts of Interest

An officer of the company should avoid and disclose actual and apparent conflicts of interest with the company. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the company.

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Possible Situation of Conflicts

- A) **Employment / Outside Employment:** In consideration of employment with the company, officers are expected to devote their full attention to the business interests of the company. Officers are prohibited from engaging in any activity that interferes with their performance of responsibilities to the company or is otherwise in conflict with or prejudicial to the company. Officers in employment are prohibited from accepting simultaneous employment with any other person. Additionally, officers must disclose to the company any interest that they have that may conflict with the business of the company.
- B) **Outside Directorship:** It is a conflict of interest to serve as a director of any company that competes with the company. Officers must first obtain approval from the company before accepting a directorship.
- C) **Business Interest:** If an officer is considering investing in any customer, supplier, developer or competitor of the company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; the officer's ability to influence the company's decisions; his or her access to confidential information of the company or of the other company; and the nature of the relationship between the company and the other company.
- D) **Undue Influence:** An employee or an officer of the company conducting business on behalf of his or her company, or being in a position to influence a decision with regard to his or her company's business with a supplier or customer of which his or her relative is a principal officer or representative, resulting in a benefit to him/her or his/her relative.
- E) **Undue Benefits:** Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an officer or an employee of the company where such an individual is in a position to influence the decision with regard to such benefits.
- F) **Undue Gifts and Donations:** Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers, vendors, competitors or other third parties which have business dealings with the company.
- G) **Corporate Opportunities:** Officers may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the company's board of Directors and the Board has no objection to availing of such opportunity.

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- H) Other Situations: It would be impractical to attempt to list all possible situations of conflicts of interest. If a proposed transaction or situation raises any questions or doubts, officers must consult the company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested officer should be made to the company. It is also incumbent upon every officer and employee to make a full disclosure of any interest which the officer and employee or the officer and employee's immediate family which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his company.

Every officer and employee who is required to make a disclosure as mentioned above shall do so in writing to his or her immediate superior who shall forward the information along with comments to the person designated for this purpose by the MD / CEO who in turn will place it before the MD / CEO and/or the Board of Directors / Executive Committee appointed by the Board and upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve / avoid the conflict.

3. **Honest, Ethical and Professional Conduct**

Every officer of the company shall deal on behalf of the company with professionalism, honesty and integrity as well as with high moral and ethical standards while working on the company's premises, at off-site locations where the company's business is being conducted at company sponsored business and social events, or at any other place where officers are representing the company.

Honest conduct is a conduct which is free from fraud or deception. Company considers ethical conduct to be conduct confirming to the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interests between personal and professional relationship.

4. **Integrity, Confidentiality and public Representation of the Company**

The officers shall not disclose or use for ones benefit the inside and confidential information which they have acquired during their association / employment with the company regarding the company or that of any supplier, customer or business associates of the company except when disclosure is required as per the law. The confidential information means the information which is not made available to the general public or which is of use of competitors or prejudicial to the interest of the company.

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In all its public appearance with respect to disclosing company and business information to public constituencies such as media, financial community, employees and shareholders, the company or the group shall be represented only by specifically authorized directors or employees.

5. **Safeguard and Diligent use of Company's Assets**

it shall be the duty of every officer of the company to safeguard the assets and property of the company and ensure the legitimate and efficient use of the assets and property including trade mark and intellectual property rights of the company.

6. **Goodwill and Reputation of the Company**

The officers of the company shall contribute towards enhancing the goodwill and reputation of the company through their deeds and acts and shall not tarnish the image of the company and bring immediately to the notice of the company, director or committee any act and deed which is harmful and detrimental to the goodwill and reputation of the company.

7. **Free Fair and Transparent Dealing**

The officers shall deal and act in free, fair and transparent manner among each other, staff of group companies, customers, vendors and suppliers.

They should act in good faith, responsibly with due care, competence and diligence without misrepresenting material facts and refrain themselves from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts.

8. **Co-operation of Group Companies**

The officers shall co-operate with other group companies and its officers by sharing resources as long as this does not adversely affect its business interests and shareholder value.

In the procurement of products and services the officers shall give preference to the group company as long as it can provide these on competitive terms in comparison to third party.

9. **Safety Environment**

The officers shall strive to provide a safe and healthy environment and they shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.



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10. Equal Opportunities Employer

The officers shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, disability status. Employees of the company shall be treated with dignity and in accordance with the company policy to maintain a free work environment.

11. Legal Compliance

The officers shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable themselves to recognize potential dangers and accordingly comply with all applicable laws, rules and regulations. Any officer / employee who is not conversant with the laws and is unable to interpret the laws should consult the secretarial / legal department of the company before taking any action that is prejudicial, detrimental and harmful to the interest of the company. Any violations of applicable Governmental laws, rules and regulations may subject them to individual criminal or civil liability, as well as to disciplinary reaction of the company.

12. Violation of Code of Conduct

It is a part of officer's job and responsibility to help enforce and implement this Code. If any officer or employee who has knowledge or suspects of a violation of applicable laws, rules, regulations or this Code of Conduct he/she must immediately bring it to the notice of the company with all facts and circumstances leading to such violation.

Officers and employees must co-operate in any internal or external investigations of possible violation. Violation of Code of Conduct shall result in disciplinary action which include fine and even suspension or termination of service. The company's Board shall determine appropriate action in response to violations of this code.

Any deviation / waiver from this code can only be effected on the sole and absolute discretionary authority of the Board.

13. Waivers and Amendments of the Code

Company is committed to continuously reviewing and updating policies and procedures. Therefore, this Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved in writing by the company's Board of Directors.

For MODISON METALS LIMITED


MANISH SRIVASTAVA
JT. MANAGING DIRECTOR

Schedule IV of the Companies Act, 2013

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his 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) not abuse his 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) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

- (1) 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) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) 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) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

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 is a 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;
- (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.

IV. Manner of appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

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- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D and O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
 - (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 - (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

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

VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The 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.

VIII. Evaluation mechanism:

- (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 extend or continue the term of appointment of the independent director.