

INDUSTRIAL AND PRUDENTIAL INVESTMENT COMPANY LIMITED

CIN: L65990WB1913PLC218486

**CODE OF CONDUCT
FOR
DIRECTORS AND SENIOR MANAGERS**

BACKGROUND

The Company had formulated a Code of Conduct for Directors and Senior Management in February 2015. With the recent changes in SEBI (Listing Obligations and Disclosure) Regulations, 2015 as amended (LODR), amendments in the Companies Act, 2013 and development in the practice of Corporate Governance the Company has revised the existing code of conduct which has been approved by the Board of Directors at its meeting held on 12th August, 2022. This policy supersedes any earlier policy.

Duties of the Directors (collective and individual) have been laid down under

- a. The Companies Act, 2013 (the Act)
- b. LODR
- c. Various judicial pronouncements over the years
- d. SEBI (Prohibition of Insider Trading) Regulations, 2015

Broadly speaking, duties of directors are classified into three categories.

- a. Governance
- b. Risk management, and
- c. Compliance of applicable acts and regulations.

The courts have held that Directors act as agents of Company and the latter acts through the former. Directors have been defined as Company's agents since they act in a fiduciary manner vis-à-vis the Company. They also perform acts and duties for the benefit of the company.

Directors as organs of Corporate Body

The organic theory of corporate life “treats certain officials as organs of the Company whose action the company is held liable just as a natural person is for the action of his limbs. Thus the modern directors are more than mere agents or trustees.

The Board is a primary organ of the Company. Directors and senior managers represent the directing mind or will of the Company and control what it does.

Duties of Directors are laid down in section 166 of the Act.

LODR lays down key functions of the Directors for effective corporate governance.

LODR and the Act have laid down separate qualification, liabilities, and code for Independent Directors.

FIDUCIARY DUTIES

They are based on the concept of good faith and are owed to the company as a result of the control that directors exercise over the Company. It is the duty of directors to act in the best interest of the Company.

Fiduciary duties are a Legal obligation and cannot be waived in any manner or form. The Fiduciary Duties of the Directors towards Corporate Governance can be categorised into:

- a. Loyalty: To act in the Interest of the Company
- b. Care: Duty to pay attention and take due care
- c. Disclosure: Disclose all material information
- d. Extra care: Careful scrutiny of decisions

CODE OF CONDUCT

Based on the above background the Board of Directors have formulated this Code of Conduct.

1. Every Director and Key Managerial Personnel to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall confirm to the highest moral and ethical standards and at all time, be loyal to the Company and act in good faith and in the best interest 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 interest 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 undue gain, he shall be liable to pay an amount equal to that gain to the Company.
6. Not assign his office and any assignment so made shall be void.
7. Ensure compliance of the applicable laws to the Company in general and the Companies Act, and SEBI Regulations as applicable to the listed companies in particular.

8. Not to indulge in the insider trading and forward dealings in the Company's securities and comply with the fair practice code framed under SEBI (Prohibition of Insider Trading) Regulations, 2015 .
9. protect the assets of the Company and shall not use for personal use, unless approved by the Board.
10. Maintain confidentiality of the information about the Company which are not in public domain and shall not disclose any such information to the press or any other publicity media unless specifically authorized.
11. Use such degree of skill as may be reasonable to expect from a person with his/ her knowledge or experience.
12. Not to influence any decision of the Board for any consideration other than in the interests of the Company.
13. Make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly. Where he is unable to attend inform the Company Secretary well in advance and seek leave of absence.
14. Dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties.
15. Not enter into related party transactions without adequate disclosure and proper authority of the Board of Directors. Such transactions should be in accordance with the policy of related party transactions adopted by the Board.
16. Bring an open and independent mind to the Board/ committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting.
17. Treat each other with courtesy and observe the other guidelines set out in the Code.
18. Act in a cooperative and respectable manner with their colleagues.
19. maintain order and decorum at the meetings and obey the directions given by the Chairman.

20. Not to accept gifts from third parties.
21. Not to indulge in practice of granting favours, monetary or otherwise. to Public Servants and like others for obtaining favours from them.
22. Perform key functions laid down in the LODR for good governance.
23. To promote the success of the company for the benefit of its members as a whole by considering
 - The potential long-term consequences for the company
 - The interests of stakeholders in general and minority shareholders in particular
 - Corporate reputation
 - impact on the environment and local community.
24. Comply with all applicable laws, regulations, confidentiality obligations and Company's policies.
25. Every year all the Directors and Senior Manager shall give a declaration of having complied with this Code of Conduct.

CODE OF CONDUCT FOR INDEPENDENT DIRECTORS

An independent director shall possess appropriate skills, experience, and knowledge in one or more fields of finance, law, management, sales, marketing, administration, research, corporate governance, technical operations or other disciplines related to the company's business.

Every Independent Director shall comply with Schedule IV: Guidelines of professional conduct of the Act and duties laid down in the LODR.

AMENDMENTS

The Board may subject to the applicable laws amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Code entirely with a new Code. However, no such amendment or modification shall

be inconsistent with the applicable provisions of any law for the time being in force.

SCOPE AND LIMITATIONS

In the event of any conflict between the provisions of this Code and the Act or Listing Regulations or any other statutory enactments or rules, the provisions of Listing Regulations/Act or statutory enactments or rules shall prevail over this Code and the part(s) so repugnant shall be deemed to severed from the Code and the rest of the Code shall remain in force.