



**CORPORATE GOVERNANCE - CODE OF CONDUCT**

**1. Preamble:**

The Board of Directors of "Gillanders Arbuthnot and Company" ("the Company") had approved and adopted the Code of conduct for its Directors, KMPs and its Senior Management as part of Corporate Governance at its meeting held on November 13, 2014. The Securities and Exchange Board of India ("SEBI") vide its Notification dated September 02, 2015 has issued SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Regulations"). In order to align with the Regulation 17(5) of the Regulations read with Schedule IV of Companies Act, 2013, the said Policy is being suitably modified / altered.

**2. Definitions:**

- a. "Act" means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- b. "Board Members" means Board of directors of the Company.
- c. "Independent Directors" means a Director referred to in Section 149 (6) of the Companies Act, 2013 read with the Companies (Appointment and Qualification of Directors) Rules, 2014.
- d. "Key Managerial Person" (KMP) means as defined under according to section 2(51) of Companies Act, 2013.
- e. "Senior Management" means as defined under the Regulation 16 (1) (d) of the Regulations.

**3. Applicability:**

The Company has laid down this Code for the following personnel:

- a. Executive and Non- Executive Directors of the Company;
- b. Independent Directors of the Company;
- c. Key Managerial Personnel (KMPs) of the Company; and
- d. Senior Management of the Company shall include all Executives from the 'General Manager' Grade and above i.e.
  - i) General Managers;
  - ii) Senior General Managers;
  - iii) Assistant Vice Presidents;
  - iv) Deputy Vice Presidents;
  - v) Vice Presidents;



- vi) Senior Vice Presidents;
- vii) Joint Presidents;
- viii) Presidents;
- ix) Senior Presidents

## **2. Company's belief system**

This Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and conduct its daily business with its multitudinous stakeholders viz. shareholders, customers, creditors, employees, government, regulatory agencies, media and society at large.

The Company acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour. The Company is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. The Company shall continue to initiate policies, which are customer centric and which promote financial prudence.

## **3. Philosophy of the Code**

The Code envisages and expects: -

- a. Adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
- b. Full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies.
- c. Compliance with applicable laws, rules and regulations.
- d. To address misuse or misapplication of the Company's assets and resources.
- e. The highest level of confidentiality and fair dealing within and outside the Company.

## **4. General Standards of conduct**

The Company expects all its Directors, KMPs and members of the Senior Management to exercise good judgement, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The Directors, KMPs and members of the Senior Management while discharging duties of their office must act honestly and with due diligence. They are expected to act with that amount of utmost care and prudence, which an ordinary person is expected to take in his/her own business.





## 5. Conflict of Interest

A "conflict of interest" occurs when personal interest of any Directors, KMPs and member of the Senior Management interferes or appears to interfere in any way with the interests of the Company. Every member of the Board of Directors, KMPs and Senior Management has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company's interest such as: -

- A. Employment / Outside Employment** - The members of the KMPs and Senior Management are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company.
- B. Outside Directorship** - It will be a conflict of interest to serve as a Director of any Company that competes with the Company. Directors and KMPs must obtain prior written approval from the Chairman/ Managing Director of the Company before accepting such Directorship.
- C. Business Interests** - If any member of the Board of Directors, KMPs and Senior Management considers investing in securities issued by the Company's customer, supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Company. Many factors including the size and nature of the investment; their ability to influence the Company's decisions; their access to confidential information of the Company, or of the other entity, and the nature of the relationship between the Company and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with the business of the Company.
- D. Related Parties** - As a general rule, the Directors, KMPs and members of the Senior Management should avoid conducting Company's business with a relative or any other person or any firm, Company, Association in which the relative or other person is associated in any significant role. Relatives shall have the meaning as defined in Section 2(77) of the Companies Act, 2013. If a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the appropriate authority. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.

In the case of any other transaction or situation giving rise to conflicts of interests, the appropriate authority should after due deliberations decide on its impact.



## **6. Compliance with Governmental laws, Rules and Regulations/Internal Company Policies**

Directors, KMPs and members of the Senior Management must comply with all applicable governmental laws, rules and regulations. They must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice. Directors, KMPs and members of the Senior Management must comply with the company's internal policies. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities.

## **7. Duties of Independent Directors**

The Independent Directors of the Company shall:

- a. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- b. 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;
- c. strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
- d. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;
- f. 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;
- g. keep themselves well informed about the Company and the external environment in which it operates;
- h. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- i. 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;
- j. 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;
- k. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- l. acting within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans in respect of the Company's affairs to the media, the financial community, the employees, the members or to any other person unless such disclosure is expressly approved by the Board or required by law. The obligation of confidentiality of



Independent Directors shall survive the cessation of their directorship in the Company. The attention of Independent Directors has also been drawn to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and to the "Code of Conduct for prevention of Insider Trading of Gillanders Arbuthnot & Co. Ltd." in this regard;

- n. hold at least one separate meeting in a year, without the attendance of non-independent directors and members of the management;
- o. abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013, as amended from time to time.

## **8. Disclosure Standards**

The Company shall make full, fair, accurate, timely and meaningful disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The KMPs and members of Senior Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

## **9. Use of Company's Assets and Resources**

Each member of the Board of Directors, KMPs and members of the Senior Management has a duty to the Company to advance its legitimate interests while dealing with the Company's assets and resources. Members of the Board of Directors, KMPs and Senior Management are prohibited from: -

- A. Using corporate property, information or position for personal gain;
- B. Soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Company's assets and resources;
- C. Acting on behalf of the Company in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.

## **10. Confidentiality and Fair Dealings**

### **A. Company's Confidential Information**

The Company's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors, KMPs and the Senior Management by the Company either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for Company's business purposes only. This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Company's policy on maintaining and managing records.



To further the Company's business, confidential information may have to be disclosed to potential business partners. Such disclosure should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality agreement with the Company and only after obtaining the prior permission of the appropriate authorities in the Company.

## **B. Other Confidential Information**

The Company has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship. At other times, the Company may request that a third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Therefore, special care must be taken by the Board of Directors, KMPs and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

## **11. Payment or Gifts from others**

Under no circumstances Directors, KMPs and the members of Senior Management shall accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Before accepting anything which may not qualify as inexpensive or token gift from an employee of any entity, Managing Director & CEO/ Compliance Officer may be contacted. Gifts given by the Company to suppliers or customers, or received from suppliers or customers, should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety.

## **12. Good corporate governance practices**

Each member of the Board of Directors, KMPs and members of the Senior Management of the Company who are invited/required to participate in the Board meetings of the Company should adhere to the following so as to ensure compliance with good Corporate Governance practices.

### **A. Model Code of Conduct for the Board members**

1. To act in accordance with the highest standard of personal and professional integrity, honesty and ethical conduct in the discharge of duties and promote professionalism in the Company.
2. To stay abreast of the affairs of the Company and be kept informed of the Company's compliance with relevant laws, rules and regulations.



3. To exercise independent judgment on issues of strategy, performance, policy matters etc.
4. To avoid and disclose actual and apparent conflicts of personal interest with the interest of the Company and to disclose all contractual interest, whether directly or indirectly, with the Company
5. To inform the Company immediately about emergence of any situation that may disqualify him from Directorship.
6. To maintain confidentiality of the Company's business.
7. To observe the "Code of Conduct for dealing in Equity Shares and other securities of the Company" framed under the "SEBI (Prohibition of Insider Trading) Regulations, 2015", as amended from time to time.
8. Not to accept any offer, payment or anything of value from customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to influence any business decision.
9. Not to hold any office or place of profit in the Company by himself or by his relatives without full disclosure of information in connection therewith.
10. Not to divert to his own advantage any business opportunity that the Company is in pursuit.
11. Not to compete, whether directly or indirectly, with the Company.
12. Not to charge personal expenses to the Company.

This code of conduct is applicable to Senior Management personnel, which will normally cover all members of management one level below the Board including all functional heads.

**B. Model Code of Conduct for KMPs and the Members of Senior Management**

1. To act in accordance with the highest standard of personal and professional integrity, honesty and ethical conduct in the discharge of duties.
2. To use reasonable care and skill in discharge of duties and responsibilities and exercise of powers for the benefit and prosperity of the Company.
3. To have a clear understanding of the vision, values and objectives and rules and policies of the Company.
4. To devote full attention to the business interest of the Company.





faith reported a violation or a suspected violation of law, this code or other Company policies or against any person who is assisting in any investigation or process with respect to such violation is prohibited.

#### **14. Waivers and amendments of the Code**

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this code is subject to modification(s). Any amendment/inclusion or waiver of any provision of this code must be approved by the Board of Directors of the Company and promptly disclosed on the Company's website.

**Place: Kolkata**

**Date: November 14, 2015**







**ACKNOWLEDGMENT OF RECEIPT OF CODE OF CONDUCT FOR DIRECTORS, KMPs  
AND MEMBERS OF SENIOR MANAGEMENT**

Note: - This Code of Conduct will be available in the web-site of the Company.

For Directors and KMPs: As soon as it is approved by the Board, same will be applicable to all the Directors

For the members of the Senior Management -I have received and read the Company's Code of Conduct for the Board of Directors, KMPs and members of the Senior Management. I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, or the legal and regulatory requirements applicable as per this Code, I understand that I can consult the Secretarial Department/ Managing Director & CEO and that my questions or reports to these sources will be maintained in confidence.

**Name:**

**Signature**

**Date:**

Please sign and return this form to the Secretarial department.

