

# **Code of Conduct for Directors and Senior Management**

## **PREAMBLE**

This Code of Conduct for Directors and Senior Management (“**Code**”) of Northern Arc Capital Limited (“**Company**”) lays down code of conduct for the Directors and Senior Management of the Company in terms of Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Code shall be published on the website of the Company.

## **DEFINITIONS & INTERPRETATION**

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"**Board**" shall mean the Board of Directors of the Company.

"**Directors**" shall mean directors on the Board.

"**Company**" shall mean Northern Arc Capital Limited.

"**Senior Management Personnel**" shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board, and shall also comprise all the members of the management one level below the chief executive officer or managing director or whole time director or manager (including chief executive officer and manager, in case they are not part of the Board) and shall specifically include the functional heads, by whatever name called and the company secretary and the chief financial officer.

## **APPLICABILITY**

The Code is applicable to the Directors and Senior Management Personnel of the Company and they shall comply with this Code in letter and spirit and affirm compliance on an annual basis.

## **CODE OF CONDUCT**

The Board Members and Senior Management Personnel shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The Board of Directors and Senior Management Members shall:

- maintain and help the Company in maintaining highest degree of corporate governance practices.
- act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
- ensure that they use the Company's assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.
- not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company's business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company's interests are never compromised.
- maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage.

- not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.
- familiarise themselves with the policies, codes and procedures of the Company and adhere to such policies, codes and procedures which are applicable to the roles they play.
- not communicate with any member of the press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorized otherwise.
- report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements.
- strictly use any information received/accessed from any third party by the Company only for the purpose for which it is provided by such third party.
- not allow personal interest to conflict with the interest of the Company and shall make disclosures relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company.
- promote diversity and equality in the workplace, as well as compliance with all local labour laws, while encouraging the adoption of international best practices and shall not discriminate on the basis of gender, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability of the people they work with or meet in the course of their employment or performance of their duties.

## **CODE FOR INDEPENDENT DIRECTORS AS PER SCHEDULE IV READ WITH SECTION 149(8) 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.

### **GUIDELINES FOR 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; and
9. assist the Company in implementing the best corporate governance practices.

## **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.

## **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/she 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.

#### **COMPLIANCE OFFICER**

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

#### **ENFORCEMENT**

Violations of this Code by Directors or Senior Management Personnel should be promptly reported to the Board of Directors of the Company. The Board has the power to investigate, in such manner as it may deem fit, any breach or violation or alleged breach or violation of the Code. The Company will take appropriate action against any person whose actions are found to violate the Code.

#### **ANNUAL COMPLIANCE AFFIRMATION**

Board Member and Senior Management Personnel shall affirm compliance with this Code on an annual basis as at the end of each financial year and submit the same to the Compliance Officer within 10 days therefrom in of the close of every financial year in the format given below.

*I ..... do hereby solemnly affirm that I have, in letter and spirit and to the best of my knowledge and belief, complied with the provisions of Code of Conduct for Directors and Senior Management of Northern Arc Capital Limited during the financial year ended 31st March, \_\_\_\_\_.*