

## 1. Code of Conduct for Senior Management and whole-time Directors as executives of IRCON. (with effect from 1st April 2005)

As a member of the Senior Management Team of **IRCON INTERNATIONAL LIMITED (IRCON)**, I hereby accept and undertake to follow in letter and spirit the Code of Conduct as given below which has been duly adopted by the Board of Directors at its meeting dated 19th March 2005, and to nurture these in the Company to inspire their translation into action by subordinates too:-

1. **To carry out duties in a Professional manner** within the scope of my authority in law, the Memorandum and Articles of Association of the Company, and the authorisations conferred on me/powers delegated to me.
2. **To take well considered decisions** in my sphere of operation according to the policies and systems of IRCON in the best interests of the Company and its stakeholders.
3. **To respect and ensure compliance** of all the applicable laws of the land and the rules and regulations thereunder, which fall within my jurisdiction or authority, in letter and spirit.
4. **To ensure within my scope of work that the Company and its personnel operate in an honest and legitimate manner.**
5. To act ethically, honestly, fairly, and in good faith with due care and diligence and in team spirit while performing duties and while exercising powers as a senior official in the best interest of the Company.
6. **Act in a manner that ensures, maintains, and enhances the dignity and reputation** of the Company and the office I hold.
7. **Ensure confidentiality** of information received as a senior official and disclose it only if authorised by the Company or as required by law.
8. **Not to make improper use** of information received and not to take advantage of the position as a senior official for personal gain.
9. **Not to allow personal interest to conflict with the interest of IRCON** and not to engage in any activity which is likely to conflict with duty/ responsibility as a senior official towards the Company.
10. **Not to allow any prejudice, bias, fear, or favour to cloud my independent judgement** while discharging my duties especially in the areas of recruitment of right manpower for the Company, in promotion matters, in assessing the performance of my subordinates and in providing opportunities for their growth.

## 2. Code of Conduct for all the Members of the Board of Directors of IRCON (with effect from 1st April 2005)

We the members of the Board of Directors (BOD/Board) of **IRCON INTERNATIONAL LIMITED (IRCON)** hereby accept and undertake to follow in letter and spirit the Code of Conduct as given below which has been duly adopted by the Board of Directors at its meeting dated 19th March 2005:-

1. **Attend all the meetings of the Board/its Committees with reasonable regularity;** bring an open and independent mind to such meetings, dedicate sufficient time, energy and attention thereto, and make reasonable enquiries to enable well informed and sound decision making by the Board of Directors.
2. **Act honestly, fairly, and in good faith with due care and diligence** and in team spirit while performing duties and while exercising powers as director in the best interest of **IRCON**.
3. **Act in a manner that ensures, maintains, and enhances the dignity and reputation** of Directorship in general and the Company in particular.
4. **Respect and ensure compliance** of all the applicable laws of the land and the Rules and Regulations thereunder in letter and spirit.
5. **Ensure confidentiality** of information received as Director and disclose it only if authorised by the Company or as required by law.
6. **Not to make improper use** of information received and not to take advantage of the position as a Director for personal gain.
7. **Not to allow personal interest to conflict with the interest of IRCON** and not to engage in any activity which is likely to conflict with duty/responsibility as a Director towards the Company.
8. **Not to accept Directorship** on the Board of **any other Company** that competes with the business of IRCON, **while being a Director of IRCON**.
9. **Not to allow any prejudice, bias, fear, or favour to cloud my independent judgement** and to act in an intellectually honest manner while dealing with all matters put up to BOD
10. **Be sensitive** to responsibilities towards society and environment.

## ***SCHEDULE IV***

[See section 149(8)]

### **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) act 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.
- (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 three months 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 financial 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;
  - (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.

Note: The provisions of sub-paragraphs (2) and (7) of paragraph II, paragraph IV, paragraph V, clauses (a) and (b) of sub-paragraph (3) of paragraph VII and paragraph VIII shall not apply in case of a Government company as defined under clause (45) of section 2 of the Companies Act, 2013 (18 of 2013), if the requirements in respect of matters specified in these paragraphs are specified by the concerned Ministries or Departments of the Central Government or as the case may be, the State Governments and such requirements are complied with by the Government companies.

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