

# **Mawana Sugars Limited**

## **CODE OF CONDUCT FOR BOARD MEMBERS & SENIOR MANAGEMENT OF THE COMPANY**

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## **I. Definition**

“Board Member” shall mean a Director of the Company.

“The Company” shall mean Mawana Sugars Limited.

"Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

Independent Director' shall mean a non-executive director the Company who:

- a. apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or associates, which may affect independence of the director;
- b. is not related to promoters or persons occupying management positions at the board level or at one level below the board;
- c. has not been an executive of the Company in the immediately preceding three financial years;
- d. is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
  - i. The statutory audit firm or the internal audit firm that is associated with the Company, and
  - ii. The legal firm(s) and consulting firm(s) that have a material association with the Company.
- e. is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director; and
- f. is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares.

## **II. Purpose**

The prime purpose of the Code of Conduct is to create an environment where all the Board Members & Senior Management of the Company maintains an ethical standard and compliance to the ethical standards that are laid down. This code of conduct will act as guideline to all to :

- Promote honest and ethical conduct.

- Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted.
- Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- Assure the proper use of the Company's assets.
- Not to indulge in doing something which adversely affect the image of the Company.

This Code does not specifically address every potential form of unacceptable conduct, and it is expected that the Board Member and Senior Management of the Company will exercise good judgment in compliance with the principles set out in this Code. The Board Members & Senior Management of the Company have a duty to avoid any circumstance that would violate the letter or spirit of this Code.

### **III. Guiding Principles**

#### **(i) Fair Dealing**

The Board Members & Senior Management of the Company shall deal with the other in fair manner and ensure "Respect for Individual". Non-compliance will make individual attract disciplinary action.

#### **(ii) Proper Use of Company Assets**

The Board Members & Senior Management of the Company are prohibited from using Company assets, confidential or proprietary information or position for personal gain. The Company assets should be used only for the legitimate business purposes of the Company.

#### **(iii) Compliance with Laws, Rules and Regulations**

Any transaction undertaken in the name of the Company that would violate the laws of the land is prohibited. Particular attention is directed to the laws, rules and regulations relating to discrimination, securities, antitrust, civil rights, transactions with foreign officials, safety and the environment. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the Managing Director/Whole Time Director (WTD) of the Company.

#### **(iv) Discrimination and Harassment**

The Company is committed to providing a workplace free of discrimination and harassment based on race, color, religion, age, gender, national origin, disability, veteran status, or any other biases. It would be the endeavour of every Board Member and Senior Management of the Company to see that work place is free from such discrimination and harassment.

If any Officer or Associate is discriminated, he may lodge a complaint of discrimination or harassment to the Managing Director/ WTD of the Company.

**(v) Political Contributions**

Corporate funds, credit, property or services shall not be used, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board of Directors of the Company.

**(vi) Confidential Information**

Confidential information be it technical, operational or commercial should not be disclosed to anyone. Such information is confidential and for exclusive use of the Company.

**(vii) Conflicts of Interest**

**(a) General**

Generally, a conflict exists when the personal interests or activities of a Board Member or Senior Management of the Company may influence the exercise of his or her independent judgment in the performance of one or more duties to the Company. Even the appearance of a conflict of interest may be as damaging as an actual conflict and should be avoided.

The Board Member & Senior Management of the Company should not enter into any transaction or engage in any practice, directly or indirectly, that would tend to influence him or her to act in any manner other than in the best interests of the Company.

The Board Member & Senior Management of the Company (or members of their immediate family) also should not exercise discretionary authority or make or influence any recommendation or decision on behalf of the Company that would result in an undisclosed personal financial benefit to such person or to members of his or her immediate family.

It is clarified that it would not be a conflict of interest for the Board Member & Senior Management of the Company or members of their immediate family to obtain services from persons or entities who also provide services to the Company, including legal, accounting or brokerage services, loans from banks or insurance from insurance companies, at rates customary for similarly situated customers.

**(b) Gifts and Other Benefits**

No Board Member & Senior Management of the Company or member of his or her immediate family, shall (directly or indirectly) solicit, accept or retain any gift, entertainment, trip, discount, service, or other benefit from any organization or person doing business or competing with the Company, other than (i) modest gifts or entertainment as part of normal

business courtesy and hospitality that would not influence, and would not reasonably appear to be capable of influencing, such person to act in any manner not in the best interest of the Company or (ii) acceptance of a nominal benefit that has been disclosed to the Company.

**(viii) Other Organizations**

Senior Management of the Company is expected to devote his or her full time and efforts during normal working hours to the service of the Company. No such person shall engage in any business or secondary employment that interferes with his or her obligations and responsibilities to the Company.

Officers in the Senior Management of the Company will not serve on the Board of Directors of any corporation not owned or controlled by the Company, other than a nonprofit, charitable, religious, civic or educational organization, without the prior written approval of the WTD of the Company.

**(ix) Employee Relationships**

The Company continually strives to promote positive and productive working relationships among its Officers to fully comply with the letter and spirit of all laws prohibiting discrimination and sexual harassment. While the Company does not wish to unduly interfere with the private lives of its employees, some limitations on personal relationships in the workplace are necessary in order to prevent actual or perceived favoritism, problems with Seniors and possible claims of discrimination or harassment. For these reasons, an Officer shall not engage in romantic or sexual encounters or relationships with any other employee with whom he or she is in a supervisory or reporting relationship.

**(x) Accounting and Reporting**

All the Board Members and Officers in Senior Management of the Company are expected to follow the Company's Accounting Policies. All accounting records should accurately reflect and describe corporate transactions. The recording of such data must not be falsified or altered in any way to conceal or distort assets, liabilities, revenues, expenses or the nature of the activity.

All public disclosures made by the Company, including disclosures in reports and documents filed with or submitted to the Statutory Authorities shall be accurate and complete in all material respects. All the Board Members & Officers in Senior Management are expected to carefully consider all inquiries from the Company related to the disclosure requirements and promptly supply complete and accurate responses.

**IV. Duties of Independent Directors**

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.

## **V. Affirmation**

Under the existing Code of Conduct for Board Members and Senior Management Personnel Directors and Senior Management Personnel are required to affirm compliance with the Code on an annual basis within 30 days of close of every financial year ending on 31st March.

Likewise, the Independent Directors shall affirm compliance with the Code on an annual basis within 30 days of close of every financial year ending on 31st March.

**VI. Amendment or Modification**

Any amendment or modification of this Code would be approved by the Company's Board of Directors or a duly authorized Board Committee.