

# **HINDUSTHAN MERCANTILE LIMITED**

CIN: L67190WB1944PLC011627

## **CODE OF CONDUCT FOR EXECUTIVE DIRECTOR**

This Code of Conduct has been framed and adopted by the Company in compliance with Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The purpose of the code is to deter wrong doing and promote ethical conduct in the Company.

The Code is applicable to the following persons, hereinafter referred to as 'Directors and Senior Management Executives':

- All Members of the Board of Directors of the Company; and
- Officers/personnel of the Company who are members of the core management team excluding the Board of Directors and normally this shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include the Company Secretary and the Chief Financial Officer ('Senior Management Executives').

Directors and Senior Management Executives are expected to read and understand this Code, uphold these standards in their day-to-day activities. The Directors and Senior Management Executives shall:

- Act within the authority conferred upon or delegated to them.
- Exercise independent judgement on issues of strategy, performance and policy matters.
- Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company.
- Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company's operations and which in the normal course, may not have come to the knowledge of the Board/Chairman or Managing Director.
- Dedicate sufficient time and attention to the Company's business to ensure diligent performance of their duties.
- Endeavour to attend all the meetings of the Board and its Committees of which they are members or invitees.
- Actively participate in the discussion and decision making at the meetings.

A. Legal compliance: The Directors and Senior Management Executives are expected to comply with the applicable laws, rules and regulations and all applicable policies, rules and regulations adopted by the Company, with the highest standard of personal and professional integrity, honesty and ethical conduct

B. Conflict Of Interest: The Directors and Senior Management Executives are expected to:

- Disclose any direct or indirect personal interest (financial or otherwise) in any matter relating to the business of the Company to the Board of Directors of the Company ('the Board').

- Preserve and protect Company's assets and resources (including information and intellectual property rights) and shall use the same only for the Company's business and not for personal gain / advantage.
  - Not to exploit, for their personal gain, opportunities that are discovered by or through the Company.
  - Not to divert to their own advantage any business opportunity that the Company is in pursuit.
  - However, nominee directors appointed by institutions, which have invested in or lent to the Company, may act / continue to act as directors of other companies where they have been / may be nominated by such institutions.
  - If the members of the Senior Management are offered any directorship position, the respective member should not accept such directorship without obtaining prior consent of the Compliance Officer of the Company.
- C. Outside Employment: In consideration of employment with the Company, Wholetime Directors and Senior Management Executives are expected to devote their full attention to the business interest of the Company. The Senior Management Executives are prohibited from holding any position or job or be on the Board of any other company outside without approval of the Chairman of the Company.
- D. Gifts: The Company regards the giving and receiving of gifts, complimentary, favours or entertainment as inherently compromising unless they are of reasonable value (i.e. not extravagant) under the circumstances. This means they must have a valid business purpose; are appropriate as to time, place and kind; are infrequent in occurrence; do not influence or give the appearance of influencing the recipient; and are not likely to be viewed as a bribe, kickback or payoff. However, gifts of money shall never be accepted or given.
- E. Confidentiality: — Any information concerning the Company's business, its customers, suppliers, etc. shall be considered as confidential. No Directors or Senior Management Executive shall provide any information concerning the Company or its business or its customers, suppliers etc., either formally or informally, to any person including press or publicity media, unless such information is –
- in public domain at the time of disclosure; or
  - authorized or required to be disclosed pursuant to a decision of the Board / Committee thereof; or
  - required to be disclosed in accordance with applicable laws or requirement of any government authority.
- F. Insider Trading — Directors and Senior Management Executives of the Company must ensure that they and their relatives comply with the SEBI (Prohibition of Insider Trading) Regulations and the Company's Policy on the Insider Trading. In particular, Directors must ensure that they do not, by themselves or through third parties, deal in the Company's shares while in possession of material non-public information relating to the Company. Directors and Senior Management Executives must also ensure that they do not divulge such information to third parties except for a legitimate purpose as defined in the Company's Policy who may use the information to deal in the Company's shares.

The Board may amend the provisions of this Code from time to time. All Directors and Senior Management Executives shall affirm compliance with the Code on annual basis within 30 days of close of every financial year ending on 31st March to the Company Secretary/ Authorised Official of the Company.