

**Code of Conduct for Members of the Board and Senior Management of MOHINDRA
FASTENERS LIMITED**

(Pursuant to sub-clause II (E) of Clause 49 of Listing Agreement)

Preamble:

This Code of Conduct ("Code") shall be called "Code of Conduct for Board Members and Senior Management Personnel" of **MOHINDRA FASTENERS LIMITED** (the "Company" or "MFL").

Clause 49 of the Listing Agreement mandates and contemporary practices of good corporate governance provides that the Company shall have a Code of Conduct for all members of the Board of Directors and Senior Management Personnel.

The Code envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.

The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values. The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees and other business associates.

The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Clause 49 of the Listing Agreement with the Stock Exchange(s) where securities of the Company are listed.

The Board of Directors (the "Board") and the Senior Management of Mohindra Fasteners Limited subscribe to this 'Code of Conduct for all members of the Board of Directors and Senior Management Personnel' (hereinafter referred to as "the Code"). This Code in principle is applicable to the Board Members and Senior Management personnel of the Company, which will include all Members of Management one level below executive directors including all functional heads.

APPLICABILITY:

This Code in principle is applicable to the Board of Directors (the "Board") shall mean all the Directors on the Board of the Company and Senior Management Personnel of the Company.

"Senior Management" 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.

This Code of Conduct divided into two Parts:

Part I: Applicable to the Directors and

Part II: Applicable to the Senior Management of the Company.

Philosophy

Basic philosophy of the Code of Conduct has been guided by the practices of good Corporate Governance followed by the Company and good Corporate Governance practices, **which is a way of life, rather than merely a legal compulsion.**

The core values of the Company are:-

- Ensure transparency and maintain a level of disclosure.
- Clearly distinguish between personal conveniences and corporate resources.
- Communicate externally and truthfully about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The attainment of the highest level of accountability, integrity, commitment, value for stakeholders, customer's satisfaction and sustainable developments.
- A socially-valued, dynamic & successful business organization.

The Code of Conduct therefore aligns around the said core values and the commitment to maintain the highest standards in its interface with all stakeholders, society at large and environment.

The Directors and Senior Management recognize that they have fiduciary responsibility and are accountable to maximize shareholder value through good business practices and controls.

Part I

The Directors of the Company shall endeavour and would-

- use due care and diligence in performing their duties of office and in exercising the powers attached to that office;
- act honestly and use their powers of office, in good faith and in the best interests of the Company;
- not make improper use of information nor take improper advantage of their position as a Director;
- not allow personal interests to conflict with the interests of the Company;
- make all necessary disclosures to the Company in terms of the Companies Act 2013, the Listing Agreement and any other law for the time being in force including any statutory modification, re-enactment and amendment, thereof ;
- shall not exploit for their own person personal gain, opportunities that are disclosed through the use of Company's property, information or position, unless the opportunity is first disclosed in writing to the Company's Board of Directors;
- not engage in conduct which may bring discredit to the Company;
- be independent in judgement and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors;
- ensure the confidentiality of information and proper use of information for the purpose the information is provided for or received whilst being in office of Director. Any confidential information is only disclosed, if authorised by the company, or the person from whom the information is provided, or as required by law;

- ensure adequacy of systems and controls to protect Company's assets and property and ensure its efficient use for business purposes;
- as a general rule before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same.
- dedicate sufficient time, energy and attention to the Company to ensure diligent performance of their duties of office and in exercising their powers attached to that office;
- act honestly and use their powers of office, in good faith and in the best interests of the Company as a whole and fulfill their fiduciary obligations to Company's shareholders;
- enhance shareholders' value and comply with all regulations and laws that govern shareholders' rights. To inform shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements;
- shall avoid conflicts of interest with the company and in case there is or may be such a conflict, it shall be promptly disclosed. A conflict of interest exists where the interest or benefits of one person or entity conflicts with the interests or benefits of the Company;
- report the suspected violations of this Code to the Chairman of the Board or Managing Director;

FIDUCIARY RELATIONSHIP

In addition to above, The Board of Directors recognize that they have fiduciary relationship and responsibility and are accountable to maximize shareholder value through good business practices and controls. They act in dual Capacity – as Trustees and Agents of the Company which call for exercise of utmost care, skill and diligence while dealing with the Company or on behalf of the Company. They are trustees of the Company's funds and properties; they are agents in their transactions on behalf of the Company.

Their fiduciary relationship prohibits them from making any secret profit, from entering into any contract for personal gain only and demands complete disclosure of information regarding the Company's affairs to the Shareholders to the extent it requires in good interest of the Company or to adhere the laws.

- As far as possible, the Directors should avoid conducting Company's business with a relative, or with a business in which a relative is associated in any significant role. If a Director has to enter into any such related party transactions, it should be fully disclosed to the Board. The Company's Board must review and approve such related party transactions in advance. The related party transactions should be reported under applicable accounting rules, Indian Companies Act and rules and regulation of the regulatory authorities.
- It shall be a good Board practice if the Directors disclose, at every meeting, their interest, if any, in any of the agenda items listed for discussion.

DISCLOSURES

The Statutory duties of the Directors include making certain disclosures to the Board at periodical intervals; this includes:

- Disclosures of Directorship/Change in Directorships in other Companies.
- Disclosure of Committee Positions/Change in Committee Positions in other Companies.
- Disclosure of Partnerships in any Partnership firms.
- Disclosure of Shareholdings in the Company and in other Companies.
- Disclosure of contracts/arrangements with parties/Companies/firms in which the Directors were interested.
- Disclosures as required under the Code for prevention of Insider Trading in Shares or under any other applicable code or law.

DUTIES OF INDEPENDENT DIRECTORS

Independent Directors 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 the 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.
- g. Keep themselves well informed about the company and the external environment in which it operates;
- h. Not to unfairly obstruct the functioning of a 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 his 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, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- n. Comply with the Code for Independent Directors as laid down by the Companies Act, 2013.

An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Agreement.

Part B

The Senior Management shall endeavour to:

- devote their utmost to achieve the goals of the Company and the standards set before themselves.
- carry on the business of the Company complying with all relevant laws, rules and regulations;
- ensure that financial records and present financial reports in accordance with the provisions of law and applicable accounting standards so as to give a true and fair view of the state of affairs of the company;
- ensure that necessary internal control systems are enforced effectively whereby fraud and other illegalities or irregularities, if any, are detected and timely remedial action is taken;

- ensure confidentiality of all material sensitive information of the affairs of the Company coming in their possession and not to disclose or use the same for personal profit or for the advantage of any other person unless the same is required to be disclosed to any other person in terms of applicable regulations.
- make all necessary disclosures to the Company in terms of the Companies Act 2013, the Listing Agreement and any other law for the time being in force including any statutory modification, re-enactment and amendment, thereof ;
- disclose and obtain requisite approval under the law in cases where personal interest might conflict with the interest of the Company. Senior Management personnel shall also from time to time and at any time, make disclosures to the Board 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 at large [e.g dealing in company shares, commercial dealings with bodies corporate which have shareholding of management and their relatives, etc;
- pursue healthy Human Resource policies without any discrimination on account of caste, area, religion or sex, promote meritocracy, uphold self respect and human dignity to instill a sense of belonging to the Organization;
- ensure that in dealing with customers, lenders, investors, Government and the community at large, the Company's image and its interests are well protected;
- maintain highest level of professional conduct that would enhance the image, goodwill and credibility of the business of the Company;
- create an atmosphere of highest integrity, trust, fairness and honesty in performance of their duty which should strengthen the bond of relationship with people, both internally and externally;
- promote the factors, viz., safe, healthy working environment and comply with all regulations concerning preservation of the environment of the territory of operation, in conducting the Company's business;
- remain apolitical while involving in conduct of Company's affairs.

The Senior Management shall not-

- engage themselves or on behalf of the Company in any activity detrimental to or against national interest;
- receive or offer, directly or indirectly, any illegal payment or charitable benefits which are intended to or perceived to obtain business favours barring nominal gifts which are customarily given and are of commemorative nature;
- permit misuse of company's properties and assets, both tangible and intangible.

CONFLICT OF INTEREST

All Board members and senior management personnel must avoid situations in which their personal interest could conflict with the interest of the Company. Any conflict or potential conflict must be disclosed to the Board for guidance and appropriate action.

CONFIDENTIAL INFORMATION

All Board members and Senior Management Personnel shall maintain confidentiality of information (price sensitive or otherwise) they receive while being in office of MFL. No Director and no senior management personnel of the Company shall disclose or use any confidential information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or is legally mandated.

LEGAL COMPLIANCE

Ensuring legal and regulatory compliance is the responsibility of the Directors, along with

senior management personnel of the Company. The Company cannot accept practices which are unlawful or may be damaging to its reputation. In case the implication of law is not clear, the course of action chosen must be supported by eminent legal counsel whose opinion should be documented.

HEALTH AND SAFETY

The Company attaches great importance to a healthy environment and to the safety of its employees. No business objective can be deemed more important than the physical safety of all of our employees and associates. Each one of us should try and make it our personal mission to translate this belief into reality. Only if ensuring the safety of our people becomes a mission will it be possible for us to raise the bar on safety and reach standards. The Company should ensure to improve the environment through continuous improvement and regular efforts in line with the Company's existing policy. "Safety is a condition of Employment" and not a choice

A Health, Safety & Environment Policy has been formulated and implemented through Management System. In recognition of this Mohindra Fasteners Limited has been awarded ISO 14001:2004 & OHSAS 18001:2007. Conditions should be such that there should be no serious or fatal accidents occur. Good physical working conditions, high standards of hygiene and housekeeping are essential. The Board expects all fatal accidents to be reported, if any together with a detailed report to the Chief Executive Officer or Managing Director.

INSIDER TRADING

The board has laid down Code of Conduct for insider trading in Compliance with SEBI (Prohibition of insider trading regulations including any amendment thereof). All the directors and Senior Management Personnel and others designated/connected person who all are expected to have access to unpublished Price Sensitive information Concerning the Company is responsible for adherence to the Insider Trading Code.

The Board and Senior Management Personnel of the Company should observe all applicable laws and regulations, including the Company's policies as applicable to them with respect to purchase and sale (trading) of the Company's shares, if any.

It is the responsibility of each director to become familiar with and understand these laws, regulations and policies and should seek further explanations and advice concerning their interpretation, if required and regarding the application or interpretation of these guidelines from the Compliance Officer.

AFFIRMATION OF COMPLIANCE OF THE CODE

In terms of clause 49 of the listing agreement, all Board Members and Senior Management Personnel shall affirm in writing compliance with this Code on annual basis in the Form "Annual Compliance Certificate" appended to this Code as Appendix-1 and send it the same to the Compliance Officer of the Company.

This Code is in addition to and not in super session of other Codes for the time being in force, either implemented voluntarily or mandatorily for adherence of laws by the Company.

NON COMPLIANCE

Suspected violations of this code may be reported to the CEO or MD of the Company or the Chairman of the Audit Committee. All reported violations should be appropriately investigated.

WAIVERS AND AMENDMENTS TO THE CODE

The Code is subject to modification and review at regular intervals by the Board of Directors and any amendment or waiver of any provision of this Code has to be approved by the Board of Directors. The provisions of this code can be amended / modified by the Board of Directors of the Company from time to time and all such amendments / modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such.

DISCLOSURE

The Code of Conduct shall be posted on the website of the Company. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO of the Company.



Besides above, Directors and Senior Management of the Company shall comply with all the applicable laws, regulations, Company's policy and this code including Company's Code of Conduct on Insider Trading.

This Code is a statement of certain fundamental principles, ethics, policies and procedures that govern the Directors and Officers of the Company in the conduct of the Company's business.

MOHINDRA FASTENERS LIMITED
CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL
(Pursuant to clause 49 of the Listing Agreement)
ANNUAL COMPLIANCE REPORT

I, _____, do hereby solemnly affirm that to the best of my knowledge and belief, I have complied with the provisions of the Company's CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the financial year ended March 31st, _____.

Signature :

Name :

Designation :

Date :

Place :

**To be submitted by 30th April of each year*