



# *The Sandur Manganese & Iron Ores Limited*

Registered Office: 'SATYALAYA' Door No.266 (Old No.80), Ward No.1  
Behind Taluk Office, Sandur - 583119, Ballari District, Karnataka

## CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

### **I. INTRODUCTION**

- A. This Code of Conduct ("Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of The Sandur Manganese & Iron Ores Limited (SMIORE) hereinafter referred to as "the Company".
- B. This Code is prescribed to achieve the Aims & Objectives at enhancing ethical and transparent process in managing the affairs of the Company.
- C. The Company has certain principles, guidelines, code, discipline & rules, which govern the conduct of all permanent employees of the Company and those governed by the Standing Orders under the Industrial Employment (Standing Orders) Act, 1946. This Code for Board Members and Senior Management Personnel was originally framed in compliance with the provisions of Clause 49 of the Listing Agreements entered into by the Company with the Stock Exchanges. The Code has been amended in line with Regulation 17(5) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 to incorporate the duties of independent directors as laid down in the Companies Act, 2013.
- D. This amended Code shall be effective from 14 November 2015.

### **II. DEFINITIONS AND INTERPRETATION**

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them:

- A. "Board / Board of Directors" shall mean the Board of Directors of the Company
- B. "Senior Management Personnel"\* shall mean senior management as defined in Regulation 16(1)(d) of the Securities and Exchange board of India (Listing obligations and Disclosure Requirements) Regulations, 2018 and as provided in the



explanation in the provisions of Section 178 of the Companies Act, 2013 or any amendments to the said provisions, as may be notified from time to time.

*Explanation:*

- I. One level below the chief executive officer/managing director/whole time director/manager shall mean all employees in the grade of Senior General Manager and above.
- II. Functional heads shall mean heads of various functions of the Company in the grade of Senior General Manager and above.
- III. Senior Management shall not include appointments made on temporary basis or appointments made consolidated pay.
- C. “Relative” shall mean ‘relative’ as defined in Section 2(77) read with rule 4 of the Companies (Specifications of Definitions Details) Rules, 2014 (Refer Appendix-I)
- D. “Conflict of Interest” means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

Words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

### **III. APPLICABILITY**

Code shall be applicable to the following persons:

- A. “Board / Board of Directors” as defined in Clause II.A of this Code.
- B. “Senior Management Personnel” as defined in Clause II.B of this Code.
- C. Such other persons as may be specified by the Board from time to time.

### **IV. REQUIREMENTS**

Board of Directors and Senior Management Personnel shall act within the authority conferred upon them, keeping the best interests of the Company in view:

- A. Shall act with utmost care, skill, diligence and integrity.
- B. Shall act in utmost good faith and fulfill the fiduciary obligations without allowing their independence of judgment to be compromised.
- C. Shall not involve in taking any decision on a subject matter in which, a conflict of interest arises or which in his opinion is likely to arise.



- D. Shall make disclosures to the Board / Management relating to all material financial and commercial transactions, if any, where they have personal interest, that may have a potential conflict with the interest of the company at large.
- E. Shall not, in his official capacity, enter into business with (a) a relative or (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more paid-up share capital and (d) with a firm in which the relative is a partner, except with the prior approval of the Board / Management unless otherwise permitted by law.
- F. Shall avoid having any personal and / or financial interest in any business dealings concerning the Company.
- G. Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board of Directors / Senior Management Personnel / Company.
- H. Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
- I. Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board / Management of the Company and the Company declines to pursue such opportunity and allow him to avail such opportunity.
- J. Shall not seek or accept, directly or indirectly any gift from anyone, having business dealings with the Company that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board of Directors / Senior Management Personnel / Company.
- K. Shall not make any statement, which has the effect of adverse criticism of any policy or action of the Government or the Company or which is capable of embarrassing the relations between the Company and the public including all the shareholders, financial institutions and banks. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member / Senior Management Personnel, which are purely factual in nature and are not considered



as confidential, in his official capacity or in due performance of the duties assigned to him.

L. Shall not commit any offence involving moral turpitude.

## **V. COMPLIANCE OF LAW**

The Board Members and Senior Management Personnel shall comply with all laws, rules and regulations relating to the business of the Company.

## **VI. OTHER DIRECTORSHIPS**

A. Board of Directors shall, in compliance with the applicable provisions of the Companies Act, 2013, disclose their interest, directorships, membership in committees of other companies.

B. Unless specifically permitted by the Management, Senior Management Personnel shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a business competing with the Company or with which the Company has business relations. Senior Management Personnel shall obtain prior approval of the Chairman & Managing Director of the Company for accepting Directorship of any other company or partnership of a firm. The Senior Management Personnel shall not accept any appointment or post, whether advisory or administrative, in any company or firm, whether Indian or Foreign, having competitive nature of business (other than (i) Joint Venture Companies with management control vested in SMIORE and (ii) Subsidiary Companies of SMIORE) or with which the Company has or had business relations, within two years from the date of cessation of service of the Company unless approved by the Chairman & Managing Director.

## **VII. PREVENTION OF INSIDER TRADING**

The Board of Directors and Senior Management Personnel shall comply with the Code of Internal Procedures and conduct for prevention of Insider Trading in dealing with securities of the Company.

## **VIII. CODE FOR INDEPENDENT DIRECTORS**

The Independent Directors shall abide by duties of independent directors laid down in the Companies Act, 2013. (Appendix II)



## **IX. RELATED PARTY DISCLOSURES**

- A. Board of Directors shall make disclosure of related party transactions to the Board in the format provided under Accounting Standard 18 (AS-18) (Appendix III) issued by the Institute of Chartered Accountants of India (ICAI) and / or any modification or recodification thereof.
- B. The Senior Management Personnel shall make disclosure of related party transactions to the Chairman & Managing Director in the format provided under Accounting Standard 18 (AS-18) (Appendix IV) issued by the Institute of Chartered Accountants of India (ICAI) and/or any modification or recodification thereof.

## **X. CONFIDENTIALITY OF INFORMATION**

Any information concerning the Company's business, its customers, suppliers, etc. to which the Board of Directors and / or Senior Management Personnel have access to or which are in their possession, must be considered confidential and held in confidence. Board of Directors and / or Senior Management Personnel shall not provide any information either formally or informally, to the press or any other media, unless specifically authorized. Provided that Senior Management Personnel shall in consultation / under intimation to the Chairman & Managing Director of the Company be free to disclose such information, which is:

- A. part of the public domain at the time of disclosure; or
- B. authorized or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- C. required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Government or its authorities.

## **XI. PROTECTION OF ASSETS**

Board of Directors and the Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

## **XII. AMENDMENTS TO THE CODE**

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.



### **XIII. ANNUAL COMPLIANCE REPORTING**

- A. Pursuant to the provisions of Regulation 26(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors and the Senior Management Personnel shall affirm compliance with this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the Chairman & Managing Director. Annual Compliance Report shall be as per proforma in Appendix-IV. The Annual Compliance Report shall be forwarded to the Chairman & Managing Director. If any Senior Management Personnel ceases to be in the employment of the Company any time during a financial year, he shall send a communication to Chairman & Managing Director affirming compliance of the Code till the date of his association with SMIORE.
- B. The Chairman & Managing Director of the Company and the Whole Time Finance Director or any other person heading the finance function, shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or in violation of this Code.

### **XIV. ENFORCEMENT OF THE CODE**

All the Board of Directors and Senior Management Personnel shall be accountable for fully complying with this Code.

### **XV. CONSEQUENCES OF NON-COMPLIANCE OF THE CODE**

In case of breach of this Code by the Board of Directors and Senior Management Personnel, the same shall be dealt with in accordance with the Rules of the Company.

### **XVI. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE**

All the Board of Directors and Senior Management Personnel shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Appendix-V and forward the same to the Chairman & Managing Director indicating that they have received, read, understood and agreed to comply with this code.

\* \* \*



## APPENDIX - I

# *The Sandur Manganese & Iron Ores Limited*

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## CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

### EXTRACT OF SECTION 2(77) OF THE COMPANIES ACT, 2013

Meaning of "relative"

"relative", with reference to any person, means anyone who is related to another, if –

- (i) they are members of a Hindu undivided family; or
- (ii) they are husband and wife; or
- (iii) the one is related to the other in such manner as may be prescribed\*;

\*Refer Rule 4 of the Companies (Specifications of Definitions Details) Rules, 2014.

### RULE 4 - LIST OF RELATIVES IN TERMS OF CLAUSE (77) OF SECTION 2

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely: -

- (1) Father:  
Provided that the term "Father" includes step-father.
- (2) Mother:  
Provided that the term "Mother" includes the step-mother.
- (3) Son:  
Provided that the term "Son" includes the step-son.
- (4) Son's wife.
- (5) Daughter.
- (6) Daughter's husband.
- (7) Brother:  
Provided that the term "Brother" includes the step-brother;
- (8) Sister:  
Provided that the term "Sister" includes the step-sister.



## APPENDIX - II

# *The Sandur Manganese & Iron Ores Limited*

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### CODE FOR INDEPENDENT DIRECTORS

Section 149(8) of the Companies Act, 2013 read with Schedule IV thereto

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) 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.

#### **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.



## APPENDIX - III

# *The Sandur Manganese & Iron Ores Limited*

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The Senior Management Personnel shall disclose the following, in respect of all transactions with related parties, as covered in applicable accounting standard issued by ICAI:

- (a) the name of the transacting related party;
- (b) a description of the relationship between the parties;
- (c) a description of the nature of transactions;
- (d) volume of the transactions either as an amount or as an appropriate proportion;
- (e) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Senior Management Personnel:

- purchases or sales of goods (finished or unfinished);
- purchases or sales of fixed assets;
- rendering or receiving of services;
- agency arrangements;
- leasing or hire purchase arrangements;
- transfer of research and development
- licence agreements;
- finance (including loans and equity contributions in cash or in kind);
- guarantees and collaterals; and
- management contracts including for deputation of employees.



APPENDIX – IV

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CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL

**ANNUAL COMPLIANCE REPORT\***

I .....do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31<sup>st</sup> March 200\_\_.

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....

\* To be submitted by 30<sup>th</sup> of April each year.



## APPENDIX - V

# *The Sandur Manganese & Iron Ores Limited*

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## CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

### ACKNOWLEDGEMENT FORM

I ....., have received and read the Company's  
CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT  
PERSONNEL ("this Code"). I have understood the provisions and policies contained in this  
Code and I agree to comply with this code.

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....