

# **EMPLOYEES' CODE OF CONDUCT AND ETHICS POLICY OF "THE SANDUR MANGANESE & IRON ORES LIMITED" "(SMIORE)"**

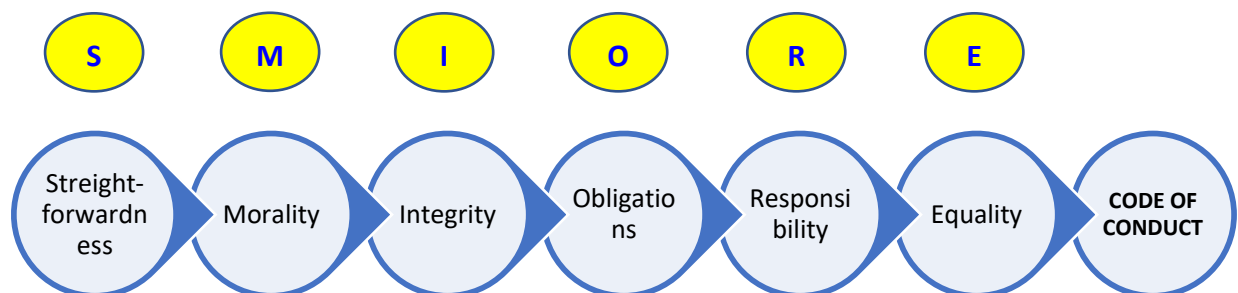
## **OBJECTIVES**

Code of Conduct and Ethics Policy (the "Policy") aims at setting common standards for our company, management and employees. This Policy has been designed to deter wrongdoing and to promote the values and principles which have been followed all along by the Company and clearly envisaged in the Patron M Y Ghorpade's address to the Board on 9 April 2011 and outlined below. Adherence to these values and principles is expected from all of our employees. 'The Sandur Manganese & Iron Ores Limited' (the "Company") is committed to encourage an organizational culture of maintaining highest standards of ethics and integrity at all levels and to prevent and detect unlawful and unethical conduct and activities.

These minimum standards of behaviours are captured in this document which is called as **'Employees' Code of Conduct and Ethics Policy of SMIORE'** and is applicable to all the employees of SMIORE and all its subsidiaries, if any, in all geographies. Hence, it is mandated that every employee, upon joining the organization, shall commit to the Code of Conduct by signing a declaration in the prescribed format as provided in **Annexure A**. Further, at periodic intervals, each employee is expected to reaffirm their understanding of and their commitment to the Code of Conduct.

## **SIX PILLARS DETERMINING SMIORE CODE OF CONDUCT**

SMIORE code of conduct stands on six pillars which are six core values that are imbibed in the culture of the organisation, building a strong foundation on which the organisation stands. Each letter of SMIORE signifies one pillar, correlates to a core value, bringing a strong relationship with company's belief system of GATE (governance, accountability, transparency and equality)



<b>Straightforwardness</b>	We encourage all employee to be straightforward, honest, open and candid in their approach towards job and internal and external stakeholders. We support workforce in inculcating self-empowerment and leadership qualities within themselves and in the process empower others for organisational growth.
<b>Morality</b>	Company's ethos and belief system supports each employee to judge right vs wrong and take decision which they think best for the stakeholders they encounter. We encourage our workforce to deal with all stakeholders with due respect and dignity.
<b>Integrity</b>	We believe in responsible business with ethics and values. We believe in working with ethics, integrity, fairness and professionalism.
<b>Obligations</b>	We see laws of land and regulations internal to organisation as the obligations requiring immediate and regular attention. We give utmost importance for its timely compliance thereby improving the governance standards of the organisation.
<b>Responsibility</b>	Organisation lays its utmost importance to holistic and sustainable development. We respect the interests of our stakeholders (shareholders, customers, employees, suppliers, creditors and government authorities) and of environment and society as a whole.
<b>Equality</b>	We believe in courteous and respectful treatment towards all our stakeholders. We support equal opportunities and a work environment, free from discrimination and harassment.

## PHILOSOPHY

All the employees of the organisation shall work in a straightforwardness and transparent manner, maintaining high moral standard and integrity, obliging and complying external and internal rules and regulations, taking full responsibility for fair dealing with all the stakeholders, ensuring holistic and sustainable development of organisation, society and environment thereby adding value to all the stakeholders.

## **GUIDING PRINCIPLES FOR EMPLOYEES TO FOLLOW**

### **A) HONESTY AND INTEGRITY:**

All employees of SMIORE shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. They will act in good faith, with responsibility, due care, competence and diligence, allowing independent judgment to their subordinates. Members shall act in the best interests of the Company and fulfil their fiduciary obligations.

### **B) COMPLIANCE WITH LAWS AND STANDARDS OF BUSINESS CONDUCT**

- i) Employees are required to conduct the business of SMIORE in accordance with all the applicable laws, rules and regulations.
- ii) Relationships with shareholders, customers, business partners, potential business partners, suppliers, competitors, government officials, regulators, the general public and other stakeholders must be honest, fair, courteous, respectful, conducted with integrity and with due regard for the protection of the interests involved.
- iii) Employees shall not, directly or indirectly, offer bribes or kickbacks, nor promise any other improper benefit for the purpose of influencing any customer, supplier, public official or any other person, nor will they, directly or indirectly, accept bribes, kickbacks or any other improper benefit which could influence or appear to influence them in the performance of their duties.

### **C) PROTECTION OF CORPORATE PROPERTY**

- i) Every employee has a personal responsibility to protect the assets of the Organisation, including, without limitation, tangible assets, (such as equipment and facilities) and intangible assets (corporate opportunities, intellectual property, trade secrets and business information) from misuse or misappropriation. No employee shall obtain, use or divert SMIORE property for personal use or benefit or use the Organisation's name or purchasing power to obtain personal benefits. All assets of SMIORE must be used lawfully in furtherance of corporate objectives.

### **D) DISCLOSURE OF PROPRIETARY AND CONFIDENTIAL INFORMATION**

- i) Employees shall not disclose any confidential or proprietary information about the Organisation, or any person or organization with which the Organisation has a current or potential business relationship, to any person or entity, either during or after service with the Organisation, except (i) in furtherance of the business of SMIORE, (ii) with

the written authorization of a member of senior management or (iii) as may be required by law. Employees shall return all proprietary and confidential information in their possession forthwith upon the termination of their employment with SMIORE.

- ii) Employees must disclose any invention, improvement, concept, trademark or design prepared or developed in connection with their employment with SMIORE and SMIORE is the exclusive owner of such property.
- iii) For purposes of this Code, the term "confidential information" means all information which is non-public, confidential or proprietary in nature, in any format (including written, oral, visual, electronic or otherwise) disclosed by SMIORE or arising from a relationship with SMIORE, including without limitation:
  - (a) all information pertaining to the Organisation's customers or employees, including customer address and payment information;
  - (b) all business plans, strategies, financial data, costs, sales information, financial results, legal and contractual matters;
  - (c) and all price lists, marketing and sales plans, operational processes, training and knowledge base materials, internal reports and analyses.

Confidential information does not include information that is or becomes generally available to the public, other than as a result of an unauthorized disclosure, or is or becomes available from a source other than SMIORE (provided that the source of such information was not prohibited from disclosing such information). If an employee is unsure whether information is confidential, no disclosure should be made without consulting with their supervisor, a member of senior management or the Company Secretary.

## **E) INTERNAL AND EXTERNAL REPORTING AND MAINTENANCE OF RECORD**

- i) All the employees are under obligation and are bound to provide information, data, reports both internally and externally which are specific, reliable, valid, true, clear and concise. Providing unreliable, invalid and false information will be treated as fraud and will be treated very seriously to which the company is having zero tolerance. Sending information externally shall be always under some authorisation or with prior permission of head of functions or head of unit.
- ii) Compliance with Indian Generally Accepted Accounting Principles (IGAAP) and internal controls over financial reporting is expected at all times and all SMIORE books of account, records and other documents must accurately account for and report all assets, liabilities and transactions. For example, no employee shall:
  - cause the SMIORE books or records to be incorrect or misleading in any way;

- participate in creating a record intended to conceal any improper transaction;
- delay the prompt or correct recording of disbursements of funds;
- hinder or fail to cooperate to ensure full disclosure with internal or external auditors, the CFO or other officers of SMIORE to ensure that all issues relating to internal and external audit reports are resolved;
- Conceal knowledge of any untruthful, misleading or inaccurate statement or record, whether intentionally or unintentionally made; or
- conceal or fail to bring to the attention of appropriate supervisors' transactions that do not seem to serve a legitimate commercial purpose.

## **F) HUMAN RESOURCE RELATIONS, HEALTH, SAFETY AND HUMAN RIGHTS**

- i) Employees have a right to work in a professional, respectful and safe workplace environment. SMIORE expects its employees to treat each other, customers and third-parties with respect and dignity. SMIORE has zero tolerance for harassment, including violence (verbal or physical), discrimination, sexual harassment, retaliation and any other form of abusive or inappropriate behaviour in the workplace.
- ii) SMIORE is committed to ensuring its employees are treated fairly, compensated appropriately, and hired and promoted without discrimination by reason of race, nationality, ethnic origin, colour, religion, age, gender, marital status, family status, sexual orientation, political belief or disability. Any employee whose actions are inconsistent with these principles will be disciplined, up to and including dismissal.
- iii) SMIORE shall establish and maintain safe working conditions and conduct its operations in an environmentally responsible manner in accordance with applicable environmental laws, regulations and standards.

## **G) CONFLICTS OF INTEREST**

- i) Employees must not engage in any activity which could give rise, or could be perceived to give rise to, a conflict between an employee's personal interests and the interests of SMIORE. Employees are required to arrange their private affairs in a manner which prevents conflicts or the appearance of conflicts. If an employee believes they may have a conflict of interest, then they should disclose such conflict of interest and seek directions from their supervisor, a member of senior management or the Company Secretary.
- ii) In the absence of express approval from a member of senior management, employees must not, either directly or indirectly (through families, friends or otherwise):
  - place themselves in a position where any benefit or interest other than employment could be derived from a transaction with SMIORE;

- contract with or render services to SMIORE outside of their employment;
  - participate in activities that compete with SMIORE or that interfere or appear to interfere with their duties and responsibilities to SMIORE;
  - appropriate to themselves any business opportunity in which SMIORE may be interested;
  - convey Material Information to others or take Material Information for their own use or benefit;
- iii) While SMIORE encourages community contribution and charitable service, the contribution of corporate time or resources for such activities should only be extended with the approval of senior management.

#### **H) POLITICAL CONTRIBUTIONS**

- i) No funds or assets of SMIORE shall be contributed to any political party or organization, or any candidate for public office, except where such contribution is permitted by applicable law and authorized by senior management or the Board.
- ii) No employee shall, directly or indirectly, exert influence on another employee to support any political cause, party or candidate. Any attempt at such exertion of influence must be reported.

#### **I) PAYMENTS TO AGENTS, CONSULTANTS AND GOVERNMENT OFFICIALS**

- i) All commissions, fees or other payments to agents or consultants acting on behalf of SMIORE shall be made in accordance with sound business practices and be reflective of the reasonable value of the services performed.
- ii) No payments, gifts or favours may be made to any person in a position of trust or responsibility with the intent to induce them to violate their duties or to obtain favourable treatment for SMIORE or any of its employees.
- iii) Except as specifically permitted by law, payments, gifts of substantial value or lavish entertainment provided to government officials or personnel are prohibited.
- iv) Neither SMIORE nor its employees shall knowingly aid or abet any person or entity to circumvent laws, evade any taxes or defraud the interests of SMIORE shareholders or creditors.

## **J) GIFTS, PAYMENTS AND ENTERTAINMENT**

- i) No gift or benefit of any kind shall be given or received by any employee conducting business on behalf of SMIORE where it might be perceived that an obligation is created or a favour expected of the recipient.
- ii) In circumstances where doubt arises as to the propriety of accepting a gift, direction from senior management should be sought as to the gift's acceptance and disposition.

## **K) INSIDER TRADING**

- i) "**Material Information**" is any information relating to the business and affairs of SMIORE that results in, or would reasonably be expected to result in, a significant change in the market price or value of any of the Organisation's securities, and includes any information that a reasonable investor would consider important in making an investment decision.
- ii) It is a breach of securities laws and this Code for an employee in possession of Material Information to trade or tip others to trade in the securities of SMIORE or its subsidiaries or those of any party to any undisclosed transaction to which a SMIORE is a party.
- iii) Please refer to the *Insider Trading Policy* prior to trading in, or providing anyone else with information to trade in, the securities of SMIORE. Any questions regarding the *Insider Trading Policy*, what constitutes Material Information or insider trading generally should be directed to Company Secretary. In case of possession of unpublished price sensitive information every employee shall provide undertaking as per **Annexure B** and deal with the securities of the Company as per Insider trading Policy.

## **L) COMMUNICATION DEVICES**

- i) The Organisation's communication resources (phone systems, computers, faxes, mobile devices and internet facilities):
  - are to be used for business purposes, with incidental personal use permitted provided such use does not negatively impact productivity, compromise system capacity or contravene applicable law or any SMIORE policy; and
  - are not to be used for improper or illegal activities such as the communication of defamatory, pornographic, obscene or demeaning material, hate literature, inappropriate blogging, gambling, copyright infringement, harassment or obtaining illegal software or files.

- ii) The Organisation's communication resources are owned by SMIORE and are monitored and audited for improper usage, security purposes and network management.
- iii) When using these resources to transmit or receive confidential, sensitive or proprietary information, appropriate security precautions should be taken.

#### **M) CHINESE WALL:**

The Company shall follow the Chinese Wall and restrict the flow of information on need to know basis.

### **COMPLIANCE AND ENFORCEMENT**

#### **Violations of the Code**

- i) It is the responsibility of the members to enforce this code and they should be alert to possible violations and report any such violation, fraud, dishonest behaviour to the senior management or Company Secretary or to the Board of Directors.
- ii) The members must also cooperate in any internal or external investigations of possible violations.
- iii) Violation of the Code will be looked into seriously and appropriate disciplinary action will be taken upon disclosure as per **whistle blower policy** or under any other prevalent law, rules & regulations.

#### **Protection of Whistle Blower:**

The Company shall protect the identity and rights of whistle blower in terms of its Whistle Blower Policy as may be approved by the Board.

#### **Waiver and Amendment**

- i) Waivers of this Code may be granted from time to time in limited circumstances where the Person seeking waiver makes written application to the Audit Committee. Any such waivers will be publicly disclosed in accordance with applicable laws, rules and regulations.
- ii) SMIORE may, in its sole discretion and without prior notice, amend or modify any provisions of this Code.



**ANNEXURE A**

**Personal Commitment to SMIORE  
Code of Conduct**

I acknowledge that I have read the SMIORE Code of Conduct for Employees and understand my obligations as an employee.

I undertake to uphold the Organization Standards that the Values set and comply with the principles stated and implicit in the current Code of Conduct (including any amendments in the future).

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Name: \_\_\_\_\_

Empl ID: \_\_\_\_\_

## ANNEXURE B

### APPLICATION FOR SEEKING PRE-CLEARANCE

Date: \_\_\_\_\_

To,  
The Compliance Officer  
The Sandur Manganese & Iron Ores Limited  
'SATYALAYA', Door No.266 (Old No.80),  
Behind Taluka Office, Ward No.1, Palace Road,  
Sandur -583 119, Ballari District,  
Karnataka, India

Dear Sir/ Madam,

**Subject: Application for Pre-Clearance for trading in Securities of the Company**

Pursuant to Regulation 9(1) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their immediate relatives and Code for Fair Disclosure of Unpublished Price Sensitive Information, I seek approval for **purchase/sale/subscription** of shares of the Company proposed to be undertaken by me and/or my immediate relative as per the details given below:

Name	
State whether:	
Promoters and Promoter Group of the Company; or Directors of the Company or its holding company or its material subsidiary(ies); or Key Managerial Personnel of the Company or its holding company or its material subsidiary(ies); or Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company or its material subsidiary(ies); or Functional heads of the Company or its holding company or its material subsidiary(ies) in the grades of Executive Vice President and above; or Employees in the Accounts, Corporate Finance, Secretarial, Information Technology Departments irrespective of their role or designation; or Executive secretaries and immediate assistants including drivers of Directors and Key Managerial Personnel; or Immediate Relatives of the persons specified in (i) to (vi) above. Such other persons who may be designated as such from time to time, by the Board of Directors or by the Compliance Officer in consultation with the Managing Director, for the purpose of this Code.	
Nature of Transaction	
Name of proposed Buyer / Seller	

PAN of proposed Buyer / Seller	
No. of Securities/ Value of Securities	
Date of proposed purchase / sale	_____ or any other date; no later than 7 (seven) trading days from the date of the approval
Date of the last transaction (Including nature of transaction - Buy/Sell and Quantity)	

I enclose herewith the Undertaking, as per the format specified by the Company, duly signed by me.

Yours faithfully,

Signature:

Name:

Designation:

*Note: This application has to be necessarily submitted by email at [secretarial@sandurgroup.com](mailto:secretarial@sandurgroup.com) with copy marked to the Company Secretary.*

## UNDERTAKING / DECLARATION

(TO BE ACCOMPANIED WITH THE APPLICATION FOR PRE-CLEARANCE)

To  
The Compliance Officer  
The Sandur Manganese & Iron Ores Limited  
'SATYALAYA', Door No.266 (Old No.80),  
Behind Taluka Office, Ward No.1, Palace Road,  
Sandur -583 119, Ballari District,  
Karnataka, India

Dear Sir,

I, ....., Son/Daughter of ....., resident of ....., hereby declare that I am a Designated Person of the Company and would like to seek the approval for myself and/ or immediate relative.

I further declare that I/ my immediate relative am/is not in possession of or otherwise privy to any Unpublished Price Sensitive Information upto and at the time of signing of this undertaking.

In case, I get access to or receive Unpublished Price Sensitive Information after the signing of this undertaking/Declaration but before the execution of this transaction I shall inform the Compliance Officer of the change in my/ my immediate relative position and I/ my immediate relative would completely refrain from Trading in the Securities of the Company till the time such Unpublished Price Sensitive Information becomes public.

I declare that I/ my immediate relative have/ has not executed a contra trade in last 6 months and shall not execute a contra trade in the next 6 months.

I declare that I/ my immediate relative shall not contravene the Company's Code of Conduct to Regulate, Monitor and Report Trading by its Designated Persons and their immediate relatives and Code for Fair Disclosure of Unpublished Price Sensitive Information.

I am aware that, I/ my immediate relative shall be liable to face penal consequences set forth in the Code including disciplinary action, in case the above declarations are found to be misleading or incorrect at any time.

I/ my immediate relative agree to comply with the provisions of the Code and provide any information relating to the trade as may be required by the Compliance Officer and permit the Company to disclose such details to SEBI, if so required by SEBI.

I declare that I have made full and true disclosure in the matter.

Date:

Place:

Signature:

Name:

Designation: