



KIOCL Limited

(A Government of India Enterprise)

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**CODE OF CONDUCT & ETHICS
FOR
BOARD OF DIRECTORS
AND
SENIOR MANAGAMENT PERSONNEL**

(PURSUANT TO COMPANIES ACT, 2013, SCHEDULE IV, SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND AS APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY IN ITS 237TH MEETING HELD ON 13.01.2016)

CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS

1. INTRODUCTION

1.1 This Code of Conduct ("this Code") shall be called "The Code of Conduct & Ethics for Board of Directors and Senior Management Personnel of KIOCL Limited ("the Company").

1.2 This code aims at enhancing ethical and transparent process in managing the affairs of the Company.

1.3 The Company is currently has in place the conduct, Discipline & Appeal Rules as amended from time to time ("The CDA Rules"), which govern the conduct of all employees of the Company including the Whole Time Directors and senior Management Personnel. The CDA Rules provides for good conduct and discipline as well as provide for penalties in the case of violations and the appeal mechanism.

1.4 This Code has been framed in compliance with the provisions of Companies Act, 2013 ("the Act"), Regulation 17 (5) & 26 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and as per the Guidelines of DPE. In respect of Whole-time Directors and Senior Management Personnel's this Code is to be read in conjunction with the Conduct, Discipline and Appeal Rules of the Company ("CDA Rules")

1.5 It shall come into force with immediate effect.

2. DEFINITIONS AND INTERPRETATION

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

2.1 The term — **"Board / Board of Directors"** shall mean the Board of Directors of the Company.

2.2 The term – “**Board Members**” shall mean the Directors on the Board of Directors of the Company.

2.3 The term – “**Whole-time Directors**” or Functional Directors shall mean the Board Members who are in whole-time employment of the Company.

2.4 The term “**Part time Directors**” or “**Non-Whole-time Directors**” shall mean the Board Members who are not in whole time employment of the Company which includes Independent Director as defined in Section 2(47) of the Companies Act, 2013.

2.5 The term – “**Relative**” shall mean ‘relative’ as defined in Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of definitions details) Rules, 2014. (**Refer Appendix-I**)

2.6 The term – “**Conflict of Interest**” means where the interests or benefits of one person or entity conflict with the interests or benefits of the company.

2.7 The term “**Senior Management Personnel**” shall mean personnel in the level of E-8 and above and would comprise all members of management one level below the Functional Directors, including all functional heads.

Note: - In this Code words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3. APPLICABILITY

This Code shall be applicable to the following persons:

- a) All Whole-time Directors including Chairman and Managing Director.
- b) All Non-official Part time Directors including Independent Directors unless specifically exempted from some provisions of this Code.
- c) Senior Management Personnel of KIOCL.

Part I

4. KEY REQUIREMENTS

Board Members & Senior Management Personnel of KIOCL shall act within the authority conferred upon them, keeping the best interests of the Company

5.0 Pledge & Practice

The Board of Directors & Senior Management Personnel shall:

- I. Strive continuously to bring about integrity and transparency in all spheres of the activities;
- II. Work unstintingly for eradication of corruption in all spheres of life;
- III. Remain vigilant and work towards growth and reputation of the Company;
- IV. Bring pride to the organization and provide value-based services to Company's stakeholders;
- V. Do duty conscientiously and without fear or favour.

PART II

6.0 Specific Professional Responsibilities

6.0.1 Live the Vision, Mission & Objectives of KIOCL

VISION

To emerge as a world class mining company with the highest international standards of quality, productivity, technological & environmental excellence and also as a leader in Beneficiation & Pelletisation Industry in India and establish a global credence.

MISSION

- a) Lasting relations with customers and Vendors to ensure smooth supply chain based on trust and mutual benefits;
- b) Business with ethics & integrity;
- c) To thrive to improve the socio economic condition in the neighbourhood of Company's production centre;

- d) Continuous learning;
- e) Adaptability to Technology and changing Global Scenario;
- f) Growth, recognition and reward for employees.

OUR OBJECTIVES

- a) Growth through expansion and diversification;
- b) Explore new markets and segments;
- c) Be competitive through cost reduction by change in processes;
- d) Open new vistas of business by creating diversified Business Units;
- e) To continue to invest in the capacity building of personnel for improving the knowledge, skill & attitude.

6.1 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work.

6.2 Acquire and maintain professional competence.

6.3 Accept and provide appropriate professional review.

6.4 Manage personnel and resources to enhance the quality of working life.

6.5 Observe Corporate Discipline.

6.6 Conduct in a manner that reflects credit to the Company.

6.7 Be accountable to Company's stakeholders.

6.8 Identify, mitigate and manage business risks.

7. COMPLIANCE OF LAW

The Board Members & Senior Management shall comply with all provisions of existing local, state, national, and international laws, rules and regulations relating to the business of the Company. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Company.

8. OTHER DIRECTORSHIPS

Unless specifically permitted by the Board, the Board Members 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. This clause is not applicable to Ex-officio Government Nominee Directors and appointments made by Ministry of Steel, Govt. of India.

The Board members shall undertake to inform the Chairman and Managing Director/ Company Secretary of the Company of any changes in their other Board positions, relationship with other business and other events/ circumstances/ conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements of Listing Regulations and the Guidelines of DPE.

The Board members shall undertake that without prior approval of the disinterested members of the Board, they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company.

The Board Members shall not accept any appointment or post, whether advisory or administrative, carry on business in any company or firm, whether Indian or Foreign, having competitive nature of business or with which the Company has or had business relations, within one year from the date of cessation of Directorship/service of the Company unless approved by the Government in case of Whole-time Directors, Board of Directors in case of Non Whole-time Directors.

9. RESPONSIBILITIES OF THE BOARD

1. Disclosure of Information

- a. Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

- b. The Board and top management should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

2. Key functions of the Board

The board should fulfill certain key functions, including:

- a) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b) Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c) Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- d) Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- e) Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- f) Overseeing the process of disclosure and communications.

3. Other responsibilities

- a. The Board should provide the strategic guidance to the company, ensure effective monitoring of the management and should be accountable to the company and the shareholders.

- b. The Board should set a corporate culture and the values by which executives throughout a group will behave.
- c. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- d. The Board should encourage continuing directors training to ensure that the Board members are kept up to date.
- e. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- f. The Board should apply high ethical standards. It should take into account the interests of stakeholders.
- g. The Board should be able to exercise objective independent judgement on corporate affairs.
- h. Boards should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgment to tasks where there is a potential for conflict of interest.
- i. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the company to excessive risk.
- j. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.
- k. Board members should be able to commit themselves effectively to their responsibilities.
- l. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.
- m. The Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee.

10. DUTIES OF DIRECTORS:

- (1) Subject to the provisions of the Companies Act, 2013, Director of the Company shall act in accordance with the articles of the Company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.

11. GUIDELINES OF PROFESSIONAL CONDUCT FOR INDEPENDENT DIRECTORS:

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.

12. ROLE AND FUNCTIONS OF INDEPENDENT DIRECTORS:

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) scrutinize 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.

13. 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 behavior, 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.

14. LIABILITY OF INDEPENDENT DIRECTORS:

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 Regulations.

15. PREVENTION OF INSIDER TRADING

The Board Members & 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.

16. CORPORATE DISCLOSURE PRACTICES

The Code of Corporate Disclosure Practices for Prevention of Insider Trading regulates disclosure of —“Unpublished Price Sensitive Information”.

The Compliance Officer is responsible for overseeing and coordinating disclosure of “Unpublished Price Sensitive Information” to stock exchanges, analysts, shareholders and media through corporate communication Dept. including drafting of the press release or the text of the information to be

posted on the Company's web-site/released to the press with the approval of the Director (Finance)/Chairman-cum-Managing Director.

No person except the Compliance Officer or those authorized by Director (Finance)/Chairman-cum-Managing Director, shall disclose any information relating to the Company's Securities to analysts/research persons and institutional investors. The Board Members shall comply with the Code of Corporate Disclosure Practices.

18. CONFIDENTIALITY OF INFORMATION

Subject to the Code of Corporate Disclosure Practices as may be prevalent in the Company from time to time any information concerning the Company's business, its customers, suppliers, etc. to which the Board Members have access or which are in their possession, must be considered confidential and held in confidence. No Board Member shall provide any information either formally or informally, to the press or any other media, unless specifically authorized. Provided that Board Members shall in consultation/under intimation to the Director (Finance)/Chairman-cum-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) authorised or required to be disclosed pursuant to a decision of the Board or any of its Committees/ Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines, or directions from the Ministry of Power.

19. PROTECTION OF ASSETS

The Board Members shall protect the Company's assets and shall not use the same for personal gain.

20. 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.

21. PLACEMENT OF THE CODE ON WEBSITE

Pursuant to Regulation 46 of the Listing Regulations, this Code and any amendment thereto will be hosted on the website of the Company.

22. ANNUAL COMPLIANCE REPORTING

22.1 In terms of Regulation 26 (3) of the Listing Regulations, all Board Members & Senior Management Personnel shall affirm compliance of 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. A proforma of Annual Compliance Report is at **Appendix-II**. The Annual Compliance Report shall be forwarded to the Company Secretary. If any Director/ Senior Management Personnel leave the Company any time during a financial year, he shall send a communication to Company Secretary affirming compliance of the Code till the date of his association with KIOCL.

22.2 The Chairman cum- Managing Director of the Company and the Whole Time Director (Finance) or any other person heading the Finance Dept. 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 which are fraudulent, illegal or in violation of this Code.

23. ENFORCEMENT OF CODE OF CONDUCT

Each Board Member & Senior Management Personnel shall be accountable for fully complying with this Code.

24. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE

24.1 In case of breach of this Code by the Non Whole-time Directors, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

24.2 In case of breach of this Code by the Whole-time Directors & Senior Management Personnel, the same shall be dealt with in accordance with the CDA Rules of the Company.

25. CLARIFICATIONS

Any member of Board and Senior Management Personnel requiring any clarification regarding this code may contact Company Secretary.

26. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

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

APPENDIX-I



**KIOCL LIMITED
CODE OF BUSINESS CONDUCT AND ETHICS FOR
BOARD OF DIRECTORS & SENIOR MANAGEMENT
PERSONNELS**

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

Meaning of "relative"

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

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife; or
- (iii) one person is related to the other in such manner as may be prescribed.

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



**KIOCL LIMITED
CODE OF BUSINESS CONDUCT AND ETHICS FOR
BOARD OF DIRECTORS & SENIOR MANAGEMENT
PERSONNELS**

ANNUAL COMPLIANCE REPORT*

I _____ (name), _____
(designation), having read and understood the Code of Conduct and Ethics for Board Members & Senior Management Personnel of KIOCL, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March _____.

Name: _____

Signature: _____

Designation: _____

Staff No. (in case of employees) _____

Date : _____

Place : _____

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

APPENDIX - III



**KIOCL LIMITED
CODE OF BUSINESS CONDUCT AND ETHICS FOR
BOARD OF DIRECTORS & SENIOR MANAGEMENT
PERSONNELS**

ACKNOWLEDGEMENT FORM

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

If I have questions concerning the meaning or application of the said Code, any policies of KIOCL or the legal and regulatory requirements applicable to my job, I know I can consult Director (Finance) or Company Secretary, KIOCL knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

Name: _____

Signature: _____

Designation: _____

Staff No. (in case of employees) _____

Date : _____

Place : _____