

## **IMP POWERS LTD.**

### **CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL'S**

The Code of Conduct of IMP Powers Ltd. originally adopted on 23<sup>rd</sup> January, 2006 and posted on the Company's website, be replaced by the Revised Code of Conduct of IMP Powers Ltd. (hereinafter referred to as "the Code") for the Board of Directors and the Senior Management Personnel's incorporating the provisions of the Companies Act, 2013 and Clause 49 of the Listing Agreement (as amended from time to time) for the Equities listed with Stock Exchanges.

#### **INTRODUCTION**

In order to conduct the business of the Company with the highest standard of ethics and values, each and every Director/Senior Management Personnel's of the Company (as defined herein below) shall be duty-bound to follow the provisions of this Code as mentioned below. This Code shall come into force with immediate effect.

#### **1. APPLICABILITY:**

This Code of Conduct applies to the following:

- a) All Members of the Board of Directors of the Company; (hereinafter referred to as the "Directors")
- b) All the Senior Management Personnel's (the Chief Executive Officer; Chief Financial Officer; Company Secretary and all the Departmental/Functional heads of different functions of the Company).

#### **2. PURPOSE:**

The purpose of this Code of Conduct (hereinafter referred to as "Code") is to conduct the business of the Company in accordance with the applicable laws, rules, and regulations and with the highest standard of ethics and values.

#### **3. HONEST AND ETHICAL CONDUCT:**

All the Directors/Senior Management Personnel's to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company's premises, at offsite locations, at Company's sponsored business and social events, and/or at any other place where they represent the Company.

They 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.

They shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

#### **4. CONFLICTS OF INTEREST**

All the Board Members & Senior Management Personnel's shall ensure that they will not engage themselves in any business, relationship or activity, which might detrimentally conflict with the interest of his company or the Group. They 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. CORPORATE OPPORTUNITY**

Directors and the Senior Management Personnel's shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if they are found guilty of making any undue gain, then they shall be liable to pay an amount equal to that gain to the company.

No Directors or the Senior Management Personnel's shall:

- (a) compete with the Company; or
- (b) take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position; or
- (c) use corporate property, information or position for personal gain.

#### **6. FAIR DEALINGS:**

Directors and the Senior Management Personnel's should endeavour to deal fairly with the Company's customers, suppliers, competitors, officers and employees. No Director or the Senior Management Personnel's shall take unfair advantage of the Company's customers, suppliers, competitors or employees through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

#### **7. CONFIDENTIALITY:**

All Directors and the Senior Management Personnel's must maintain the confidentiality of confidential information entrusted to them or disclosed or acquired by them in carrying out their duties and responsibilities, except where such disclosure is authorised by the Company or is required by laws, regulations or legal proceedings.

The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Company or harmful to the Company or its customers, if disclosed. Whenever feasible, they should consult the

Vice-Chairman or the Managing Director of the Board or the Chief Financial Officer or the Company Secretary, if they believe they have a legal obligation to disclose confidential information.

**8. PUBLIC COMPANY REPORTING:**

As a Listed Public Limited Company, it is of critical importance that the Company's filings with the Registrar of Companies (ROC), Securities and Exchange Board of India (SEBI), the Reserve Bank of India (RBI) and/or the concerned Stock Exchange(s) on which the securities of the Company are or may be listed be full, fair, accurate, timely and understandable. The Directors and the Senior Management Personnel's shall provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects Directors and the Senior Management Personnel's provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

**9. COMPLIANCE WITH APPLICABLE LAWS:**

In the discharge of their duties and responsibilities, Directors and the Senior Management Personnel's must comply with all applicable laws, rules and regulations. These would also include Securities laws, Insider trading laws and the Company's Insider trading compliance policies.

**10. ACCOUNTING AND REPORTING:**

All the Board Members and Senior Management Personnel's of the Company are expected to follow the Company's Accounting Policies.

**11. As per the Clause 49 of the Equity Listing Agreement:**

**Responsibilities of the Board of the Directors of IMP**

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.

**Key functions of the Board of Directors:**

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. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. 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.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

**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 judgement 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 recognised or exposes the company to excessive risk.
- j. The Board should have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.
- k. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.
- l. Board members should be able to commit themselves effectively to their responsibilities.
- m. In order to fulfil their responsibilities, board members should have access to accurate, relevant and timely information.
- n. The Board and senior management should facilitate the Independent Directors to perform their role effectively as a Board member and also as a member of a committee.

**12. The Independent Directors are also required to abide by Code of Conduct provided under the Schedule IV to the Companies Act, 2013, which acts as a guide to the Independent Directors in the professional conduct of their duties and responsibilities.**

**Duties of independent Director as prescribed under the Schedule IV to the Companies Act, 2013:**

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 to 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.

**13. AMENDMENT, MODIFICATION AND WAIVER:**

This Code may be amended, modified or waived only by the Company's Board of Directors and must be publicly disclosed if required by any applicable law or regulation. As a general policy, the Board will not grant waivers to the Code.

**FOR IMP POWERS LTD.**

**Sd/-  
RAMNIWAS R DHOOT  
CHAIRMAN**

**Date: 29.05.2014**

**Place: Mumbai**