



## NEL HOLDINGS SOUTH LIMITED

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### CODE OF CONDUCT FOR THE DIRECTORS, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

*(As approved by the Board at its meeting held on 29<sup>th</sup> April, 2022)*

#### 1. PREAMBLE

The Board of Directors (the "Board") of the Company has adopted this Code of conduct to define the roles and responsibilities, duties etc. of the Board Members, Key managerial personnel and the Senior Management in the Company. The Board reserves the right to review and amend this Code from time to time based on the amendments or modifications in the applicable laws.

#### 2. DEFINITIONS

"Act" shall mean the Companies Act 2013 and the Rules framed thereunder, including any modifications, amendments, clarifications or re-enactment thereof.

"Board" shall mean Board of Directors of the Company.

"Code" means this Code of Conduct for the Directors, Key Managerial Personnel and Senior Management of the Company

"Director" shall mean a member on the Board of the Company.

"Company" means NEL Holdings South Limited

"Key Managerial Personnel (KMP)" means Key Managerial Personnel as defined under Section 2 (51) read with Section 203 of the Companies Act, 2013.

"Senior management" means personnel of the Company who are members of its core management team excluding Board, comprising all members of management one level below the executive directors, including the functional heads.

### **3. APPLICABILITY AND EFFECTIVE DATE**

This code applies to:

- i. Directors whether executive or non-executive including Independent, nominee, alternate directors of the Company.
- ii. Directors of any subsidiaries/associates of the Company
- iii. Key Managerial Personnels of the Company.
- iv. Members of Senior Management of the Company.

This code is in addition to the Rules & Regulations of Service and Conduct applicable to Managerial & Superintending Staff of the Company. This Code will be applicable with immediate effect.

### **4. PURPOSE**

This Code is framed as per the requirements of Clause 49 of the Listing Agreement executed by the Company with the Stock Exchanges and as per the provisions of Companies Act, 2013.

### **5. ROLES, RESPONSIBILITIES & DUTIES:**

The Board, KMPs and the Senior Management of the Company shall agree to abide by the following Code of Conduct:

- a) Exercise authority and power with due care and diligence and discharge the fiduciary responsibility of office in the best interest of the Company and all the stake holders.
- b) Subject to the provisions of the Companies Act, 2013, a director of a Company shall act in accordance with the articles of the Company.
- c) Attend Board/ Shareholders / Committee / Senior management meetings and seek prior leave for absence from such meeting/s.
- d) shall observe and comply with all the applicable rules, regulations, principles and policies of the Company, in force for the time being and from time to time.
- e) Not allow personal interest to conflict with the interest of the Company or to come in the way in discharge of duties of office.
- f) 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.
- g) Observe strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any personal purpose or advantage.

- h) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- i) A director of a Company shall not assign his office and any assignment so made shall be void.
- j) Maintain high ethical and professional standards in all dealings.
- k) Comply with all applicable laws, rules and regulations.

## **6. CODE FOR INDEPENDENT DIRECTORS**

**(Pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013)**

In addition to the foregoing the Independent Directors of the Company shall abide by the following,

### **(I) Guidelines of professional conduct:**

An independent director shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising his duties;
- iii. exercise his responsibilities in a *bona fide* manner in the interest of the Company;
- iv. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- v. 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;
- vi. 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;
- vii. refrain from any action that would lead to loss of his independence;
- viii. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- ix. assist the Company in implementing the best corporate governance practices.

### **(II) Role and functions:**

An independent directors shall:

- i. 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;

- ii. bring an objective view in the evaluation of the performance of Board and management;
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders;
- vi. balance the conflicting interest of the stakeholders;
- vii. 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;
- viii. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

### **(III) Duties**

An independent directors shall –

- i. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- ii. 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;
- iii. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. strive to attend the general meetings of the Company;
- vi. 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;
- vii. keep themselves well informed about the Company and the external environment in which it operates;
- viii. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- ix. 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;

- x. 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;
- xi. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- xii. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- xiii. 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. Separate Meetings:**

- i. The independent directors of the Company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- ii. All the independent directors of the Company shall strive to be present at such meeting;
- iii. 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.

**7. ANNUAL COMPLIANCE REPORTING**

The Directors and Senior Management Executives shall affirm compliance with this Code of Conduct on an annual basis as at the end of the each financial year of the Company.

**8. GENERAL**

This Code and any amendments or replacements thereof will be posted on the Company's web site and will also be communicated to the Board, KMPs, Senior Management and other concerned persons of the Company. Nothing in this Code shall override any provisions of law made in respect of any matter stated herein.

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