

BEARDELL LIMITED
CIN : L65991TN1936PLC001428
Code of Conduct for Board of Directors and Senior Management Personnel

PREAMBLE

This Code of Conduct for Board of Directors and Senior Management Personnel (the Code) has been framed and adopted by Beardsell Limited (the Company / Beardsell) in compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the Company in an ethical manner and to develop a culture of honesty and accountability.

The company appoints the Company Secretary as the Compliance Officer for the purposes of the Code, who will be available to Directors and Senior Management Personnel to clarify any queries and to help them to comply with the code.

DEFINITIONS

In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning as defined below:

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

"Conflict of Interest" means where the interests or benefits of one person or entity conflicts with the interests or benefits of the Company.

"Executive Directors/Whole time Directors" shall mean and include Company's Managing Director and Directors who are in whole time employment of the Company.

"Independent Directors" shall mean an Independent Director as per the provisions of the Companies Act, 2013 and Listing Regulations (as revised from time to time)

"Non - Executive Directors" shall mean the Directors who are not in whole time employment of the Company.

"Senior Management Personnel" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the "chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board)" and shall specifically include company secretary and chief financial officer.

Any other term not defined herein shall have the same meaning as defined in the Companies Act, 2013, the Listing Regulations, Securities and Exchange Board of India Act, 1992 or any other applicable law or regulation.

CODE PRINCIPLES

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

1) Honesty & Integrity:

All Directors /Senior Management Personnel shall conduct their activities on behalf of Beardsell and on their personal behalf with honesty integrity and fairness. All Directors will act in good faith responsibly with due care competence and diligence without allowing their independent judgment to be subordinated. Directors/Senior management will act in the best interest of Beardsell and fulfil the fiduciary obligations.

2) Conflict of interest:

Directors / Senior Management Personnel shall not engage in any business relationship or activity which may be in conflict of interest of Beardsell.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times it will not be easy to distinguish between proper and improper activity. Set forth are some of the common circumstances that may lead to a conflict of interest actual or potential.

- a) Directors/ Senior Management Personnel shall not engage in any activity/employment that interferes with the performance or responsibility to Beardsell or is otherwise in conflict with or prejudicial to Beardsell.
- b) Directors/Senior management Personnel and their immediate families should not invest in a company customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to Beardsell.
- c) Directors/Senior Management Personnel should avoid conducting company business with a relative or with a firm /company in which a relative /related party is associated in any significant role. If such related party transaction is unavoidable it must be entered into only after necessary approvals as per the Related Party Transactions Policy of the Company.

3) Compliance:

Directors/Senior Management Personnel are required to comply with all applicable laws, rules and regulations both in letter and spirit. In order to assist the company in promoting lawful and ethical behaviour, Directors/senior management Personnel must report any possible violation of law rules, regulations or the code of conduct as per Vigil Mechanism / Whistle-blower Policy of the Company.

4). Other Directorships:

Beardsell feels that serving on the Boards of Directors of other companies may raise substantial concerns about potential conflict of interest. Therefore all Directors/Senior management Personnel must report /disclose such relationships to the Board on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the company.

5). Confidentiality of information:

Any information concerning the company's business its customers suppliers etc which is not in the public domain and to which the Director/senior management Personnel has access or possesses such information must be considered confidential and held in confidence unless authorized to do so and when disclosure is required as a matter of law. No Director/Senior

management Personnel shall provide any information either formally or informally to the press or any other publicity media unless specially authorized.

6). Prevention of insider Trading:

No Director/Senior management Personnel of the company shall derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the company not in public domain and therefore constitutes insider information. All Directors shall comply with the Prohibition of Insider Trading Rules of the company.

7). Duties of Directors:

The Companies Act, 2013 significantly specifies certain duties and responsibilities of the Directors of the Company. While the list of duties as per the provisions of the Act, has been enumerated below, it should however, by no means be considered to be exhaustive:

- a) The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making.
- b) The Directors shall act in accordance with the articles of association of the company and 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.
- c) The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
- d) The Directors shall exercise their duties with due and reasonable care, skill and diligence.
- e) The Directors shall be required to intimate the change in the directorships held within thirty days of such change.
- f) The Directors shall bring an independent judgement to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standard of conduct and an objective view in the evaluation of the performance of the Board and the Management.
- g) The Directors shall ensure that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- h) The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
- i) The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
- j) The Directors shall not assign his office of director of the company to another person.
- k) The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the company.

8). Code for Independent Directors

A guide to professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV – “Code for Independent Directors”, which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as **Annexure I** to this Code.

9). Gifts & Donations:

No Director/Senior management Personnel of the company shall receive or offer directly or indirectly any gifts donations, remuneration, hospitality, illegal payments and comparable benefits

which are intended or perceived to be intended to obtain business (or uncompetitive) favours or decisions for the conduct of business. Nominal gifts of commemorative nature for special events may be accepted and reported to the Board. However this Section does not attract Seasonal gifts viz. Diaries & calendars given as yearly gifts in the ordinary course of business.

10). Protection of Assets:

Directors/Senior management Personnel must protect the company's assets, labour and information and may not use these for personal use unless approved by the Board

11) Acknowledgement / Affirmation of Compliance of the Code:

At the time of appointment or upon revision of this code every Director / Senior Management Personnel must acknowledge and execute an understanding of the Code and once every year shall confirm compliance of the Code, in the format appended as **Annexure II** and **Annexure III** to this Code.

The annual report of the Company shall carry a declaration signed by the CEO/ Managing Director of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

PUBLICATION OF THE CODE

This code and any amendments thereto shall be published / posted on the website of the Company

AMENDMENT TO THE CODE

The provision of this code may be amended or modified by the Board of Directors from time to time.

Annexure I
CODE FOR INDEPENDENT DIRECTORS
(as per Schedule IV of Companies Act, 2013)

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 a period of not more than one hundred and eighty days 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 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.

Annexure II
ACKNOWLEDGEMENT FORM
(CODE OF CONDUCT FOR BOARD OF DIRECTOR AND SENIOR MANAGEMENT PERSONNEL)

To

The Compliance Officer,
Beardsell Limited
No.47, Greames Road,
Chennai - 600006

I _____ hereby acknowledge that I have received and read the Company's CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL, and understood the provisions and policies contained in the Code and I agree to comply with the Code.

I understand and agree that as a Director/ Senior Management it is my responsibility to promote the application of the Code of Conduct, and further to consult the Compliance Officer if I have any questions regarding the provisions of the Code of Conduct.

Signature:.....

Name:.....

Designation :.....

Date:

Place:

Annexure III
ANNUAL COMPLIANCE REPORT¹
(CODE OF CONDUCT FOR BOARD OF DIRECTOR AND SENIOR MANAGEMENT PERSONNEL)

To

The Compliance Officer,
Beardsell Limited
No.47, Greames Road,
Chennai - 600006

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 ended 31st March, 20__.

Signature:.....

Name:.....

Designation :.....

Date:

Place:

¹ To be submitted by 30th April each year.