

**WAPCOSLIMITED  
CODE OF CONDUCT  
FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

## **1.0 INTRODUCTION**

1.1 This Code of Conduct (“this Code”) shall be called “The Code of Conduct for Board Members and Senior Management Personnel” of WAPCOS LIMITED (hereinafter referred to as “the Company”).

1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company.

1.3 The Company currently has Conduct, Discipline and Appeal Rules (CDA Rules) which govern all regular and Contract employees of the Company including Whole-time Directors. This Code for Board members and Senior Management personnel has now been framed specifically in compliance of DPE’s guidelines on Corporate Governance. This Code is to be read in conjunction with CDA Rules.

1.4 It shall come into force with effect from \_\_\_\_\_.

## **2.0 DEFINITIONS & 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 Members” shall mean the Directors on the Board of Directors of the Company.

2.2 The term “Whole-time Directors” shall mean the Board Members who are in whole-time employment of the Company.

2.3 The term “Part time Directors” shall mean the Board Members who are not in whole time employment of the Company.

2.4 The term “Relative” shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956. (Refer Appendix-I)

2.5 The term “Senior Management Personnel” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise of all members of management one level below the Whole time Directors, including all functional heads. It is clarified that ‘Functional Head’ would mean the Head of Department who is directly reporting to a Whole time Director.

2.6 The term “the Company” shall mean WAPCOS LIMITED.

In this Code, words importing the masculine gender shall include feminine gender and words importing singular shall include the plural or *vice versa*.

## **3.0 APPLICABILITY**

3.1 This Code shall be applicable to the following personnel :

- a) Whole time Directors
- b) Part time Directors including Independent Directors under the provisions of law.
- c) Senior Management Personnel

## **4.0 KEY REQUIREMENTS**

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

- act with diligence and integrity
- act in utmost good faith
- not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in his opinion, is likely to arise.
- avoid conducting business with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board.
- disclose and avoid having any personal and/or financial interest in any business dealings concerning the Company
- avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
- not hold any positions or jobs or engage in outside businesses or other interests that are prejudicial to the interests of the Company.
- not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed and permission obtained from the Competent Authority.
- not make any statement which has the effect of adverse criticism of any policy or action of the Government or of the Company or which is capable of embarrassing the relations between the Company and the public or the management of the Company and its employees, including the stakeholders.
- not commit any offence involving moral turpitude or opposed to public policy resulting in a conviction.

## **5.0 COMPLIANCE OF LAW**

The Board Members and Senior Management Personnel shall comply with all applicable laws, rules and regulations.

## **6.0 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 competing business with the Company. This clause is not applicable to *Ex-officio* Government Nominee Directors.

Senior Management Personnel shall obtain prior approval of the Chairman and Managing Director/Competent Authority for accepting Directorship of any other company or partnership of a firm.

## **7.0 RELATED PARTY DISCLOSURES**

The Board Members shall make disclosure to the Board of Directors and Senior Management Personnel shall make disclosure to the Chairman and Managing Director/Competent Authority

under the provisions of Accounting Standard 18 issued by the Institute of Chartered Accountants of India (Appendix II).

## **8.0 CONFIDENTIALITY OF INFORMATION**

Any information concerning the Company's business, its customers, suppliers, etc. and to which the Board Members and Senior Management Personnel have access or possesses such information, is to be considered confidential and held in confidence. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized. Provided that Board Members and Senior Management Personnel shall be free to disclose such information as is:

- (a) part of the public domain at the time of disclosure;
- (b) authorized or required to be disclosed pursuant to a decision of the Board;
- (c) required to be disclosed in accordance with applicable laws, rules, regulations, guidelines or to any authority

## **9.0 PROTECTION OF ASSETS**

The Board Members and Senior Management Personnel shall protect the Company's assets including physical assets, information and intellectual rights and not use the same for personal gain.

## **10.0 ENFORCEMENT OF CODE OF CONDUCT**

Each Board Member and Senior Management Personnel is accountable for complying with this Code.

## **11.0 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.

## **12.0 PLACEMENT OF THE CODE ON WEBSITE**

This Code and any amendments thereto shall be posted on the website of the Company.

## **13.0 ANNUAL COMPLIANCE REPORTING**

All Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. A proforma of Annual Compliance Report is annexed to this Code as Appendix-III. The Annual Compliance Report shall be forwarded to the Secretary (C&LA), in such form and manner as may be prescribed from time to time.

## **14.0 CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE**

15.1 In case of breach of this Code, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

## **15.0 ACKNOWLEDGEMENT OF RECEIPT OF THIS CODE**

All Board Members and Senior Management Personnel shall acknowledge the receipt of this Code or any modification(s) thereto, in the acknowledgement form annexed to this Code vide Appendix-IV and forward the same to the Secretary (C & LA)

**WAPCOS LIMITED  
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FOR  
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EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956**

Meaning of “relative”

6. A person shall be deemed to be a relative of another if, and only if,-
- (a) they are members of a Hindu undivided family; or
  - (b) they are husband and wife; or
  - (c) the one is related to the other in the manner indicated in Schedule IA.

SCHEDULE IA

LIST OF RELATIVES

1. Father
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter (including step-daughter)
6. Father's father
7. Father's mother
8. Mother's mother
9. Mother's father
10. Son's son
11. Son's son's wife
12. Son's daughter
13. Son's daughter's husband
14. Daughter's husband
15. Daughter's son
16. Daughter's son's wife
17. Daughter's daughter
18. Daughter's daughter's husband
19. Brother (including step-brother)
20. Brother's wife
21. Sister (including step sister)
22. Sister's husband

APPENDIX - II

WAPCOS LIMITED  
CODE OF CONDUCT  
FOR

BOARD MEMBERS

The Board Members shall disclose the following, in respect of all transactions with related parties, as covered in AS-18 issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;

- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion ;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature :.....

Name :.....

Designation :.....

Date :.....

Place :.....

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Board Members:

- purchases or sales of goods (finished or unfinished ) ;
- purchases or sales of fixed assets ;
- rendering or receiving of services ;
- agency arrangements;
- leasing or hire purchase arrangements ;
- transfer of research and development ;
- licence agreements;
- finance (including loans and equity contributions in cash or in kind) ;
- guarantees and collaterals ; and
- management contracts including for deputation of employees.

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ANNUAL COMPLIANCE REPORT**

I .....do hereby solemnly affirm that I have, in letter and in spirit and to the best of my knowledge and belief, complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending \_\_\_\_\_

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....

*\* To be submitted by 30<sup>th</sup> April each year.*

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APPENDIX-IV

**WAPCOSLIMITED  
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ACKNOWLEDGEMENT FORM**

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

Signature : .....

Name : .....

Designation : .....

Date : .....

Place : .....