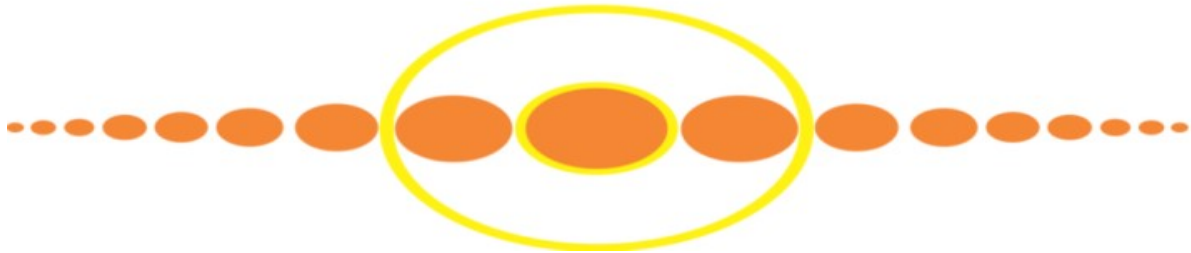




# AZGARD-9



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## **Code of Conduct**

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## **SECTION I – Introduction**

# 1.1 Introduction

## 1.1.1 Purpose and Scope

The Listed Companies (Code of Corporate Governance) Regulations, 2019 requires every listed company to have formal code of conduct in place that promotes ethical culture in the company and prevents conflict of interest in the capacity as members of the board, senior management and other employees.

This Code of Conduct (hereafter referred to as “**Code**”) aims to provide a frame of reference, to the Directors and Employees of the Company, for seeking guidance in all actions.

## 1.1.2 Applicability

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors, Senior Management and other employees of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board.

Head of Human Resource Department is appointed as the Compliance Officer under the Code and will be available to answer any questions, provide clarification and to help in ensuring compliance with the Code.

## 1.1.3 Definitions

Word or Phrase	Explanation
BOD	Board of Directors of Azgard9
CEO	Chief Executive Officer
Employees	All employees of Azgard9
Senior Management	Officers/personnel of the Company who are members of the core management team excluding the Board of Directors and shall comprise all members of management one level below the executive directors, including all functional heads
Director or Directors	member or members of the Board
The Company or Azgard9	Azgard Nine Limited
Code of Corporate Governance	Listed Companies (Code of Corporate Governance) Regulations, 2019

## **SECTION II – Policy**

## 2.1 Introduction

Azgard Nine Limited ('Azgard9' or the "Company"), being a listed Company, is committed to meet the highest standards of the Code of Conduct. This Code of Conduct ("Code") helps in ensuring our compliance with standards of business conduct & ethics and also with regulatory requirements. This code shall be read in conjunction with applicable regulatory framework and policies & procedures of the Company.

The objective is to put in place standards against which employees can measure their activities and take 'ownership of their actions'.

## 2.2 Guidelines

Every employee of the Company to whom the Code is applicable, shall conduct the affairs of the Company and perform his/her duties with diligence, integrity, honesty and dignity and shall confirm to the highest moral and ethical standards and at all times, exhibit loyalty to the Company and act in the best interest of the Company.

Additionally, the directors, senior management and other employees of the companies shall understand and comply with all applicable laws, rules, regulations of any government, regulatory organization(s), licensing agency(ies), or professional association(s)/body(ies) governing their professional activities.

## 2.3 Purpose of the Code

- To foster and maintain professionalism and integrity in all actions of employees;
- To demonstrate the employees' commitment to the highest standards of acceptable behaviour;
- To develop an ethical culture based on such standards and conduct led by the Company's directors and followed by the management and employees;
- To acknowledge responsibilities to the Company, to each other, and to customers, suppliers, consumers, government and community.

## 2.4 Directors

All Directors of the Company are expected to fulfill the following, including the duties and responsibilities delegated by applicable regulatory framework, articles of association of the Company and provisions of the Code.

- must be truthful, in good faith and honest to fellow directors;
- give individual loyalty and exercise power for the benefit of the Company;
- exhibit prudence and objectivity;
- dedicate sufficient time and attention to the deliberations at the meetings to ensure diligent performance of their duties;
- exercise the skill required from the person with their knowledge and experience;

- inform the chairman of the Board/ committee or the Company Secretary of the Company well in advance in case he is not in a position to attend a Board/committee meeting and apply for the grant of leave of absence;
- shall carry out its fiduciary duties with a sense of objective judgment and in good faith in the best interests of the company and its stakeholders.

## 2.5 Compliance with Laws, Rules and Regulations

Azgard9 and its employees are bound by the law to comply with all the laws, rules and regulations applicable to the Company and its employees. All employees shall acquire appropriate knowledge of the requirements relating to his/her duties sufficient to enable him to recognize potential non-compliance issues and to know when to seek advice from the relevant department on regulatory frameworks and specific Company policies and procedures. The Company and Employees is/are required to make dedicated efforts to improve competence and skills in their respective roles through continuing professional education. It is also required to bring to the notice of the board, any material non-compliance or violation of law or policy by the company, other board members or employees. Minor non-compliances shall be dealt in accordance with relevant policies/ procedures.

## 2.6 Conflict of Interest

Azgard9 and its employees shall avoid Conflict of Interest at all costs. Employees shall not get into any such business or practice that would tend to influence him/her in a way other than in the best interests of the company. Further, employees shall not get into any business transaction or agreement that would result in the conflict of interest in any manner, other than those in the best interests of the company. If a Conflict of Interest situation arises, the employee must immediately disclose it to the Head of Department or Human Resource Department so that matter can be handled timely and in a professional manner.

**Conflict of Interest:** A conflict of interest occurs when personal interest or interest of the third party compete with the interest of Company.

## 2.7 Confidential Data

Azgard9 and its employees must maintain the confidentiality of sensitive information relating to the Company which comes to their knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when such disclosure is authorized or legally mandated. No employee shall provide any confidential or sensitive information either formally or informally, to third parties, press or any other publicity media, unless specifically authorized to do so.

All copies of correspondence, electronic data, documents, paper & records and list of clients or customers shall be surrendered to the company when any employee leaves the Company's employment or is no longer affiliated or connected with the Company. Employees shall not use confidential and proprietary information for gaining unfair advantage and personal benefits.

In case a third party or joint venture firm shares any confidential information, the information will be treated with agreed upon confidentiality agreement.

**Confidential information:** All information that is not shared or not yet shared with public. It includes any information related to the Company business, customers, suppliers, employees, etc.

## **2.8 Honesty, Integrity, Accountability and Ethical Conduct**

Azgard9 and its employees shall act in accordance with the highest standards of integrity, honesty, accountability and ethical conduct while working for the Company as well as when representing the Company. The employees must avoid dishonesty in property, reputation, assets, financial reporting, third party interaction etc. The employees shall exercise due diligence, objectivity, sound & independent judgment while performing duties. They shall not involve in practices with the intention to get any undue advantage for either themselves or their family members.

The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel. Honest conduct means conduct that is free from fraud or deception.

## **2.9 Company Property**

Azgard9 and its employees shall make efficient use of property, both tangible and intangible assets, and shall protect it from theft, misuse, fraud and destruction. Beyond certain permitted limits, the Company has the right to inspect the details. The Company's assets, property, proprietary information and intellectual rights shall only be used for business purposes and not for personal benefits or gains.

The Directors and Senior Management shall act like a trustee for the Company and responsible for safe custody and accountable for its use. The Directors and Senior Management shall not use the assets/ property except as specifically authorized and that too only for the purpose of Company business.

## **2.10 Business Transactions**

Azgard9 and its employees shall treat everyone, inside and outside the company, professionally with respect & equality and shall not derive, directly or through intermediaries, any undue personal benefit or advantage by virtue of his/her position or relationship with the Company. Nor they shall offer any such advantage or give preferential treatment in return. The employees must also act carefully to avoid even suspicion of an attempt or action. They shall not involve in such practices like manipulation, misuse of privileged information and concealment of facts.

As a general rule, the Management shall avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures are made as required by law and as per the applicable policies of the Company.

All transactions that fall under the definition of "Related Party Transactions" shall be dealt in accordance with the "Related Party Transactions" Policy.

## **2.11 Gifts & Benefits**

Azgard9 and its Employees shall not offer, give or receive gifts or other benefits to/from persons or entities dealing with the Company, where any such gift or benefit is perceived as intended directly or indirectly, to influence any business decision. Further, any immediate family member of



an employee or any other person acting on his/her behalf shall not accept any gift or benefit from a vendor, dealer, contractor, supplier and anyone having business dealings with the Company.

The Directors and Senior Management shall also not accept gifts or benefits from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift or benefit is being made in order to influence any action/decision, or where acceptance of the gift could create the appearance of a conflict of interest.

It is clarified that souvenirs, giveaways and other promotional materials may be given away/distributed at exhibitions, marketing events or otherwise, in the normal course of business under authorization.

Gifts are strictly prohibited at the General Meetings (Shareholders' Meetings) of the Company.

## **2.12 Diversity and Inclusion**

Azgard9 shall promote diverse and inclusive board and management composition. Equal opportunities shall be provided to all employees in the company irrespective of their culture, race gender caste and religion. Azgard9 shall promote a work environment free from discrimination, harassment and intimidation of any nature.

## **2.13 Outside Engagements and Activities**

The employees shall not engage in activities if the activities will create Conflict of Interest or if they create risks to the reputation of the Company. When in doubt about the scope of activity, employees shall consult Human Resource Department or Senior Management. A disclosure/declaration shall be required from Directors.

The employees shall not undertake any external activities during working hours or, at the expense of the company's duties and commitments.

## **2.14 Families and Relatives**

The relatives and close family members of employees may be hired only if they fulfill certain criteria as mentioned in employees hiring policy. It certainly confirms that there must not be any direct or indirect relationship between the employee and his/her functional/administrative line manager.

The principles of fair employment will apply to all aspects of employment.

## **2.15 Business Interest**

If any employee intends to invest in any customer, supplier, vendor or competitor of the organization, he must ensure that the investment does not compromise the responsibilities in the organization. They shall not compete with the Company, nor shall they take personal advantage of business opportunities that they discover during the course of their employment, unless the Company expressly waives its interest in pursuing such opportunity.

If employees want to pursue business opportunities that might be of interest to the Company, they shall make a disclosure to the Chief Executive Officer before making such an investment and obtain a 'pre-approval'/'no objection' from the Company. Certain factors define the extent of conflict that are, size and nature of the investment, the personnel ability to influence the Company's decisions, access to confidential information of the Company and the nature of relationship between both Companies.

## **2.16 Personal Conduct**

The employees shall:

- avoid misconduct, intimidating & insulting behavior, verbal onslaught, accusations, misogynist behavior, sexual harassment, ignorance of regulatory framework, spate communication (letters, emails, etc.) without highlighting specific discrepancies, humiliation, pressurizing tactics, coerciveness, disruptive and distractive measures, bullying, disruption of conduct of business, unnecessary interference in management issues, unethically tarnishing image of any person.
- exhibit high standards of personal conduct, both inside and outside the company.

## **2.17 Role towards Shareholders/Members and other Stakeholders**

It shall be required to:

- treat all shareholders/members and stakeholders of the company in a fair and respectable way.
- act in the best interests of the company and fulfill their fiduciary responsibilities *qua* the company.
- understand and consider the interests of all stakeholders in the success of the organization.

## **2.18 Insider Trading**

It shall be required to not indulge in insider trading on the basis of unpublished price sensitive information, subject to exceptions given in section 128 of the Securities Act, 2015, and ensure compliance with all relevant regulatory framework.

## **2.19 Environment, Social and Corporate Governance (ESG)**

The Company shall undertake necessary measures to protect, conserve and restore environment in order to improve the quality of life and ensure sustainability. Social practices shall encompass economic, legal, ethical and philanthropic responsibilities and ensure that the activities leave a perceptible impact on the lives of people and society. The Company shall observe best corporate governance practices especially mandatory requirements under applicable regulatory framework. The Company is also encouraged to opt SECP's ESG Disclosure Guidelines to the extent possible.

The Company shall give due consideration to the safety and health of all employees and to provide safe, competitive and healthy working environment.

## **2.20 Child Labour**

Child labor refers to a type and intensity of work that hampers children's access to education, damages their physical and/or psychological health and their development within their families, and deprives them of their childhood or their self-respect. Therefore, employees need to adhere to the following:

- Adheres to the legal minimum age requirements.
- Moreover, the Company shall not employ under the age of 18 years
- Senior Management Personnel shall be responsible for making the Company's standards with regard to child labor known to key suppliers and contractors.

## **2.21 Forced Labour**

The Company will under no circumstances make use of forced labor. Azgard9 will only employ employees who are working of their own free will. No employee is required to lodge deposits and no individual will be deprived of identity papers upon commencing employment with the company. Senior Management Personnel are responsible for making the company standards with regard to forced labor known to key suppliers and contractors.

## **2.22 Grievance Procedure**

Azgard9 will monitor and timely respond to Code violations seriously. A thorough investigation shall be done, with full confidentiality, in case of a breach reported. The Company's management shall be responsible for conducting and managing Code investigations. The Employee, under investigation, will have an opportunity to be heard prior to any final decision.

## **2.23 Compliance of the Code and Regulatory Framework**

Every person to whom the Code is applicable is responsible for understanding and complying with the Code and all applicable laws, rules, regulations and relevant policies. They shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the regulatory framework and also otherwise. The Company will take appropriate action against the employee in case of failure to comply. Disciplinary actions may include immediate termination of employment or business relationship at the Company's sole discretion.

## **2.24 Waivers**

Any waiver of any provision of this Code for a member of the Company's Board of Directors or a Senior Management Personnel must be approved in writing by the Company's Board of Directors and appropriately disclosed.