

CODE OF CONDUCT

Part- I

FOR

DIRECTORS

AND

SENIOR MANAGEMENT PERSONNEL

CODE OF CONDUCT

Applicable to all Directors and Senior Management Personnel

I. Preamble:

This Code of Conduct (“the Code”) shall be called “The Code of Conduct for Board Members and Senior Management Personnel of “Kakinada Seaports Limited” (hereinafter referred to as “the Company”).

The Code shall be in alignment with the Company’s Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.

II. Applicability:

This Code of Conduct (CODE) was approved by the Board of Directors of the Company at their meeting held on 24 April, 2014 and shall be applicable to the following (hereinafter referred to as “Covered Parties”):

(1) The Board of Directors

(2) All Senior Management Personnel of the Company which include Functional Heads of the Company. It shall also include the employees of the Company, who are ‘Key Personnel’ as defined under the Companies Act, 2013

The Covered Parties shall be accountable for complying with this Code.

III. General duties of Directors pursuant to Section 166 of the Companies Act, 2013:

1. Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
2. A director of a company 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.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company 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. A director of a company 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.
6. A director of a company shall not assign his office and any assignment so made shall be void.

Approved by: Board of Directors

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IV. Commitments:

Covered Parties shall, in all matters related to the Company, act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- 1) Shall act in accordance with the highest standards of personal and professional integrity, honesty, good faith, with diligence and responsiveness, excellence in quality, with academic responsibility and freedom and ethical conduct
- 2) Shall act in utmost good faith and fulfil the fiduciary obligations without allowing their independence of judgment to be compromised
- 3) Every Director who is in any way, whether directly or indirectly, concerned or has financial interest in any business dealings concerning the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors. All Other Senior Management Personnel shall make such disclosure to the Chairman / Chief Executive Officer of the Company. No interested person shall participate in the discussion or vote in the Board's proceedings or participate in any other manner in the conduct or supervision of such dealings
- 4) Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members / Company
- 5) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company
- 6) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity
- 7) Shall not make any statement which has the effect of adverse criticism of any policy or action of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders. Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him
- 8) Shall not commit any offence involving moral turpitude
- 9) Shall exercise powers conferred upon him/her for achieving business goals of the Company in a fair and honest manner with reasonable direction and after weighing of the consequences of such use
- 10) Shall respect the confidentiality of any proprietary information accessed during the course of discharge of duties and ensure that such information is not used for personal gain
- 11) Shall act on the business principal of equity and justice, confidential interest of client and ultimate goal of the Company
- 12) Shall commit to observance laws and to the avoidance of any conduct which may be considered illegal under the same
- 13) Shall not trade, directly or indirectly for shares, securities and commodities considering the 'price sensitive information' which they may have direct access / influence and exposure by virtue of their fiduciary position or office of profit

Approved by: Board of Directors

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- 14) Shall not act upon any confidential information relating to clients especially in share, securities and commodities other than in official capacity in the ordinary course of business
- 15) Shall not commit verbal or physical conduct of a sexual nature to anyone by virtue of their office positions

V. Gifts, Donations & Entertainment:

Covered Parties shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business.

However, the Covered Parties may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events

VI. Conflict of Interest:

Covered Parties must always act in the best interests of the Company and should avoid any situation where their personal interests conflict or could conflict with their obligations toward the Company. They must not, directly or through any members of their families, relatives or persons living with them or with whom they are associated, or in any other manner:

- 1) Have any financial interest that could have a negative impact on the performance of their duties, or derive any financial benefit from any contract between the company and a third party, where they are in a position to influence the decisions that are taken regarding that contract; or
- 2) Attempt to influence any decision of the Company concerning any matter with a view to derive any direct or indirect personal benefit. For the purpose of this clause:
 - “Conflict of Interest” shall mean the interests or benefits of one person or entity conflict with the interests or benefits of the Company”
 - “Relative” shall mean and include ‘relatives’ as defined under S.2(77) under the Companies Act, 2013
 - “Related Party” shall mean and include “related party” as defined under S.2(76) under the Companies Act, 2013
 - If a related party transaction is unavoidable, it must be fully disclosed to the Board of Directors. Also any dealings with a related party must be conducted in a manner such that no preferential treatment is given to such party.

VII. Transparency and Auditability:

All Covered Parties shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes. All managers shall voluntarily ensure that their areas of operation are open to audit and the conduct of their activities is totally auditable.

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VIII. Confidentiality of Information:

Covered Parties shall ensure and take all reasonable measures to protect the confidentiality of non-public information about the Company, its business, customers and other materially significant information obtained or created in connection with any activities with the Company and to prevent unauthorised disclosure of such information unless required by applicable laws or regulations or legal or regulatory process.

IX. Compliance of Law:

Covered Parties shall comply with all laws, rules and regulations which may be applicable to them as director or employee of the Company which arises on account of their being on the Company.

X. Disclosure of Information:

Covered Parties shall endeavour to produce full, fair, accurate, timely and understandable disclosures in reports and documents that the Company files with or submits to the regulators and in other public communications made by the Company.

XI. Work Environment Free of Harassment and Discrimination:

The Company is committed to ensuring that all employees are treated with fairness and dignity. Accordingly, Covered Parties shall refrain from indulging in any discriminatory practice based on race, color, sex, age, religion, ethnic or national origin, disability or any other unlawful basis.

XII. Investors and Supplier Relationships:

The Company's prosperity is founded on Investors' satisfaction. The Company expects Covered Parties to preserve the quality of its Investors relations by maintaining relationships that are based on integrity, fairness and mutual respect. Similarly, Covered Parties are expected to choose suppliers of the Company on the basis of quality, reliability, price, utility and performance or service. Suppliers are to be treated justly, fairly and honestly. Necessary compliance with the applicable company policies should be ensured whilst selecting the suppliers

XIII. Protection of Assets:

Covered Parties shall protect the Company's assets including physical assets, information and intellectual proprietary rights and shall not use the same for personal gain and by maintaining highest standards of security, they should protect intellectual property right of all assets whether in electronic form or otherwise

XIV. Occupational Health and Safety:

Covered Parties must abide by the Company's standards in safety matters, do their part to maintain a healthy and safe work environment and take necessary steps to ensure their own safety and the safety of others

Approved by: Board of Directors

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XV. Other Directorships:

The Directors should disclose their engagements, either as Director or in any other capacity to the Company in accordance with the provisions of the Companies Act, 2013.

XVI. Amendments, Modification and Waiver To The Code:a) Amendment

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

b) Definition of Waiver

"Waiver" is defined as a material departure from a provision of the Code

c) Manner for Requesting Waivers

The Board of Directors generally will not grant waivers to the Code. Covered Parties seeking waiver must make full written disclosure of the particular situation to the Board and the waiver, if granted, must be approved in writing by the Chairman of the Board and promptly disclosed

XVII. Consequences of Non-Compliance of This Code:

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

XVIII. Acknowledgement of Receipt of the Code:

Covered Parties shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form and forward the same to the Company Secretary indicating that they have received, read, understood and agreed to comply with this Code

XIX. Accounting Practices:

The Company's responsibilities to its stockholders and investing public require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the company's auditors and other authorized persons and government agencies. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law. There shall be no willful omissions of any Company transactions from the books and records, no advance income recognition and no hidden bank accounts and funds. Any willful material misrepresentation of and/or misinformation of the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion

Approved by: Board of Directors

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XX. Reporting Violations:**(a) Questions and Concerns**

Covered Parties should bring any questions regarding the Code to the attention of the Compliance Officer when determining the best course of action in a given situation.

(b) Responsibility to Report Violations of the Code and Law

The Covered Parties should promptly report any actual or apparent violations of this Code. Any such reports may be made anonymously. Confidentiality will be maintained, to the extent permitted by law

(c) Protection of Covered Parties

Covered Parties are expected to promptly contact the Compliance Officer if he or she is of the belief that he or she has observed illegal or unethical behaviour by any employee, officer, or director, or by anyone purporting to be acting on either Company's behalf

The Company will maintain the anonymity of the individual making such a report; to prevent retaliation or discrimination of any kind against anyone who reasonably believes there has been possible illegal or unethical conduct and reports these concerns in good faith.

However, disciplinary action would be taken against a Covered Person who makes a report claiming illegal or unethical conduct, knowing such a report to be false.

(d) Investigations

Covered Parties are not permitted to carry out their own investigation, but are required to cooperate fully with any investigation made by the Company or its representatives.

(e) Vigil Mechanism/ Whistler Blower Policy

The Vigil Mechanism/ Whisler Blower Policy of the Company, wherever applicable, may be invoked.

Approved by: Board of Directors

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