



PRECOT MERIDIAN LIMITED

CODES & POLICIES

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PRECOT MERIDIAN LIMITED

CODE OF CONDUCT

1. Preamble

It is the policy of the Company to conduct its business in line with the highest standards of business ethics, human values and compliance with law, personal integrity and professional conduct. The objective of this “code of conduct” document is to formulate guidelines for expected employee behavior that will fulfill the expectations of the company.

Precot is committed to pursuing sound growth and earnings objectives to enhance shareholder value. It shall comply with all regulations and laws that govern shareholders’ rights and shall inform them about all relevant aspects of the company’s business and disclose such information in accordance with the respective regulations and agreements.

This code will apply to:

- All Directors and Senior Management
- “Senior Management” shall mean personnel of the company who are members of its core management team.

All Directors and Senior Management must act within the bounds of authority conferred upon them with a duty to make and enact informed decisions and policies in the best interests of the company and its stakeholders.

In order to maintain the high standards, the following rules / code of conduct should be observed in all the activities of the Board and the Senior Management.

The Company Secretary shall act as the facilitator, and will be available to all the directors and senior management personnel to answer questions and help them comply with the code.

2. Honesty and integrity

- They shall conduct their activities, on behalf of the company, with honesty, integrity and fairness.
- They will act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated.
- They will act in the best interests of the company and fulfill the fiduciary obligations.

3. Conflict of interest

They shall not engage in any business, relationship or activity, which is likely to develop a conflict of interest with the Company.

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.

Some of the common circumstances that may lead to actual or potential conflict of interest are:

- Any activity / employment that interferes with the performance or responsibility to the company or is otherwise in conflict with or prejudicial to the company.
- Investments by them / their family members viz. parents, spouse and sons / daughters, in unlisted entities of competitors, customers, suppliers and any other investments that compromise their responsibility to the company

4. Compliance

Efforts have to be taken to ensure compliance with all applicable laws, rules and regulations, both in letter and spirit.

Any possible violation of law, rules, regulations or the code of conduct has to be reported to the Company Secretary, who will be available to assist in interpreting the appropriateness of any event or action or proposed event or action, in this context.

5. Other directorships etc.

They should avoid serving on Boards or in Senior Management positions or in a controlling position of a direct competitor likely to lead to potential conflict of interest.

6. Confidentiality of information

Any information concerning the company's business, its customers, suppliers and other stakeholders which is not in the public domain and which they possess or have access to, must be kept in strict confidence unless disclosure is authorized or becomes a legal requirement.

They shall not provide any information, either formally or informally, to the press or any publicity media, unless specifically authorized.

7. Corporate Opportunities

They owe a duty to the company to advance its legitimate interests when the opportunity to do so arises. They are expressly prohibited from:

- Taking for themselves personally, opportunities that are discovered through the use of company's property, information or position.
- Competing directly with the business of the company or with any business that the company is considering.
- Using company's property, information or position for personal gain.
- To gain an unfair competitive advantage by improperly influencing an employee's discretionary decisions.

8. Fair Dealing

In carrying out their duties and responsibilities, they should endeavor to deal fairly and should promote fair dealings by the company, its employees and agents, with customers, suppliers and employees.

They should not seek to take unfair advantage of the company through manipulation, concealment, abuse or privileged information, misrepresentation of material facts or any other unfair dealing.

9. Insider trading

They should not derive any benefit or assist others in deriving any benefit by giving investment advice based on their access to and possession of information about the company, not in public domain and therefore constituting insider information.

They shall comply with the insider trading guidelines as issued by SEBI.

10. Gifts and donations

They should not receive or offer, directly or indirectly, any payments, gifts, donations, hospitality or comparable benefits which are intended or perceived to influence any business favours.

11. Protection of assets

They must protect the company's assets and should not use the company's assets or manpower or company-related information for their personal purposes, unless approved by the Board (in the case of Directors) or the CMD (in the case of Senior Management personnel).

12. Interpretation of code

Any question on the interpretation or otherwise of this code, shall be decided upon by the Board of Directors, whose decision shall be final in this regard.

Any waiver of any provision of this code must be approved in writing by the Board and promptly disclosed.

13. Periodic review

In the last month of every financial year or whenever this code is revised, every director/ senior management personnel must acknowledge understanding of the code and execute an undertaking to continue complying with it. The Annual Report of the company will carry a declaration to this effect signed by the Managing Director of the company

This code of conduct is subject to modification as and when required.

New directors / senior management personnel shall execute such undertaking at the time of their induction.

The copy of Code of Conduct signed by Directors / Senior Management Personnel will be kept with the Company Secretary.
