



Annexure – A

1.0 Introduction

1.1 This code shall be called “The code of Business Conduct and Ethics for Board members and Senior Management” of Indian Rare Earths Ltd.” hereinafter referred to as “the Company”)

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

1.3 This code for Board members and senior management has been framed as per the Guidelines of DPE.

2.0 Definitions and Interpretations

2.1 The term “**Board Members**” shall mean Directors on the Board of Directors of the Company.

2.2 The term “**Whole-time Directors**” or “**Functional Directors**” shall be the Directors on the Board of Directors of the Company and also are in whole time employment of the Company.

2.3 The term “**Part-time Official Directors**” shall mean Directors on the Board of Directors of the Company who are not in employment of the Company.

2.4 The term “**Part-time Non-Official Directors**” shall mean Directors on the Board of Directors of the Company and have no material pecuniary or other relationship with the Company. They are also termed as “**Independent Directors**”.

2.5 The term “**Relative**” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with Rule-4 of Companies (Specification of definitions details) Rules, 2014 attached herewith as annexure.

2.6 The term “**Senior Management**” shall mean employees of the Company who are members of its core management team excluding Board Members and would comprise all members of management one level below the whole time Directors, including all functional heads.

2.7 The term “**Company**” shall mean “**Indian Rare Earths Ltd**”

The term “**Confidential information**” includes, but not limited to, non-public information that might be of use to competitors of the Company, or harmful to the Company or its customers, if disclosed.

Note : In this Code the words importing the masculine gender shall include feminine gender and words importing singular shall include plural or vice-versa.



3.0 Applicability

3.1 This Code shall be applicable to the following personnel:

- a) All Whole-time Directors including the Chairman & Managing Director of the Company.
- b) All Part-time Official Directors.
- c) All Part-time Non-Official Directors i.e. Independent Directors
- d) Senior Management

3.2 The Whole-time Directors and members of senior management should continue to comply with other applicable policies, rules and procedures of the Company.

4.0 Contents of Code

Part I General Moral imperatives

Part II Specific Professional Responsibilities

Part III Specific Additional Provisions for Board Members and members of senior management.

These codes are intended to serve as a basis for ethical decision making in the conduct of business affairs of the Company. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

In case of any conflict regarding interpretations of words or phrases in the code of business conduct and ethics document, the decision of the Board shall be final.

Part – 1

5.0 General Moral Imperatives

5.1 Contribute to society and human well being

5.1.1 All Board members and members of senior management who are accountable for the development and promotion of company's product must be alert to and make others aware of their legal and moral responsibilities to ensure that the products of our efforts will be used in socially responsible ways, meet social needs and avoid harmful effects to the health and wealth of others and the environment.

5.2 Be honest and trustworthy and practice integrity

5.2.1 Integrity and honesty are essential components of trust. Without trust an organization cannot function effectively.

5.2.2 All Board members and members of senior management are expected to maintain highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Company.

5.3 Be fair and take action not to discriminate

5.3.1 The value of equality, tolerance, respect for others and the principles of equal justice govern this imperative. In accordance with the assigned functional responsibilities, each Director and members of senior management should deal fairly with the customers, suppliers, competitors, officers, and employees of the Company. Discrimination on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

5.4 Honour of confidentiality

5.4.1 The principle of honesty extends to the issue of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders unless discharged from such obligations as required by law or other principles of this Code.

5.4.2 Board members and members of senior management and affairs of the Company.

5.4.3 The Directors and members of senior management shall not disclose such confidential information to any third party, except when the Company authorizes disclosure or when such disclosure is needed under any legal requirements.

5.4.4 None should take unfair advantage of anyone through concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair practice. Improper use of proprietary information, misusing trade secrets or inducing such disclosures by past or present employees is prohibited.

5.4.5 Whenever required, Directors and members of senior management may consult the CMD if they believe that they have a legal obligation to disclose confidential information.

Corporate Opportunities

Employees, Officers, Directors and members of senior management shall not exploit opportunities that are discovered through the use of corporate property, information or position for their own personal gain unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board apart from not wanting to use the opportunity for the benefit of the Company specifically permits the use of the opportunity by the employee concerned.

5.6 Pledge and Practice

Members of the Board and senior management shall:

5.6.1 strive continuously to act with utmost integrity in all spheres of activity and always function in a clear and transparent manner.

5.6.2 work unstintingly for eradication of corruption in all the spheres of life.

5.6.3 remain vigilant and work towards the growth and well being of the Company.

5.6.4 bring pride to the organization and provide value-based services to all the stakeholders of the Company.

5.6.5 do their duty conscientiously and without fear or favour.

PART II

6.0 Specific professional responsibilities

6.1 Live the Vision, Mission and Values of the Company – each day.

Live the Vision, Mission and Values of the Company each day, which for quick reference is reproduced hereunder:

Vision

- To be a significant contributor of strategic materials to Department of Atomic Energy.
- To become a leading supplier of heavy minerals.

Mission

- Sustainable contribution to nuclear power and energy security of the country through rare earth products and other strategic materials.
- Develop value added products of heavy minerals in an environmentally and socially responsible manner.

Values

- Zeal to excel and zest for change.
- Integrity and fairness in all matters
- Respect for dignity and potential of individuals
- Strict adherence to commitments
- Speedy response
- Foster learning, creativity and team-work
- Loyalty and pride in the Company.

6.2 Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work

Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

6.3 Acquire and maintain professional competence

Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to set standards for achieving appropriate levels of competence.

6.4 Compliance with Laws

The Board Members and members of senior management of the Company shall comply with all the applicable provisions of existing local, state and national laws. They should also follow and obey the policies, procedures, rules, regulations and guidelines relating to the business of the Company.

Board of Directors of IREL has framed IREL Employees (Conduct, Discipline and Appeal) Rules 1993. The said Rules and any modifications and amendments there to, are also applicable to the Directors, members of senior management and officers of the Company.

This Code is in addition to the above said Rules including any changes and amendments thereto.

This code of business conduct and ethics is to be circulated to every Director and members of senior management to get an acknowledgement in the format enclosed at Annexure – I.

Further, every Director and members of senior management has to affirm this code in the format enclosed at annexure – II within 30 days after the close of each year.

The affirmation in the format of Annexure – II shall form the basis for the certification by the CMD in the Annual Reports of the Company.

The Company has to designate the Company Secretary or any other officer as its Compliance Officer to administer this Code. Directors and members of senior management at their discretion may make any report or complaint provided for in this Code to the Chairman and Managing Director.

6.5 Accept and provide appropriate professional review:

Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.

6.6 Manage personnel and resources to enhance the quality of working

Board members and members of senior management shall be responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them to deliver their best. They would be responsible for ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Company by providing them all necessary assistance and co-operation, thus enhancing the quality of working.

6.7 Be upright and avoid any inducements

The Board members and members of senior management shall not, directly, indirectly or through their family, acquaintances and other connections, solicit personal fee, commission or other form of remuneration arising out of transactions with the Company.

6.8 Observe Corporate Discipline

The Board members and members of senior management should ensure free flow of communication within the Company and also ensure that people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually.

6.9 Conduct in a manner that reflects credit to the Company

All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Company. The sum total of their personal attitude and behaviour has a bearing on the standing of Company and the way in which it is perceived within the organization and by the public at large.

6.10 Be accountable to Company's stakeholders

The Board members and members of senior management should be accountable to all the stakeholders of the Company such as customers, shareholders, employees, vendors and the Society at large.

6.11 Prevention of Insider Trading

The Board members and members of senior management shall comply with the "Code of Internal Procedures and Conduct for Prevention of Insider Trading" in dealing with the Securities of the Company as and when applicable to the Company.

6.12 Identify, Mitigate and Manage business risks

It shall be the responsibility of the Board members and members of senior management to understand the Risk Management framework of the Company, to identify the business risks that are associated with function or areas of operation of the Company and to assist in the process of managing such risk so that Company may achieve its wider business objectives.

6.13 Protect properties of the Company

The Board Members and members of senior management shall protect the assets including physical assets, information and intellectual rights of the Company and shall not use the same for any personal gains.

PART III

7.0 Specific Additional Provisions for Board members and Senior Management

As members of the Board and Senior Management

7.1 They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

7.2.1 Each member of the Board undertakes to inform the Board of any changes in their Board positions in other companies, relationship with other business and other events/circumstances/ conditions that may interfere with their ability to perform Board/ Board Committee duties or may impact the judgement of the Board as to whether they meet the independence requirements of the Guidelines of DPE.

7.2.2 Each member of the Board undertakes that, they shall not (a) take personal benefits by depriving any opportunities belonging to the Company (b) compete with the Company (c) use corporate property, information or position for personal gain. Any Director who becomes aware of conflict of interest or potential conflict of interest should bring it to the attention of the CMD. Apparent conflict of interest should also be avoided. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Company. Illustrative cases are:

- **Related party transactions:** Entering into any transactions or relationship with the Company or its subsidiaries wherein it appears that any financial or other personal interest exists (either directly or indirectly or through a family member or relation or other person or organization with whom they are associated)
- **Outside Directorship:** Accepting Directorship on the Board of any other Company that competes with the business of the Company.
- **Consultancy/Business/Employment:** Engaging in any activity (be it in the nature of private consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties and responsibilities towards the Company.
- **Investment/ Association:** They should not invest or associate themselves in any other manner with any supplier, service provider or customers of the company.
- **Use of official position for personal gains:** They should not use their official position for personal gain.

Any Director who becomes aware of a conflict or a potential conflict of interest should bring it to the attention of the CMD.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All members of the Board and Senior Management of the Company shall uphold and promote the principles of this Code. The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and senior management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the organization

Adherence to code of ethics by professionals is largely and generally a voluntary matter. However, if any of the Board Members and members of senior management does not follow this Code, the Company reserves the right to take appropriate action against the defaulter.

Miscellaneous Points

7.4.1 Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Company's philosophy, vision, business plans or otherwise as may be

deemed necessary by the Board and all such amendments/ modifications shall take effect prospectively from the date mentioned therein.

7.4.2 Where to seek clarifications

Any member of the Board or senior management requiring any clarification regarding this code of conduct may ask compliance officer or any other officer specifically designated by the Board of Directors.

Annexure- A(1)

List of relatives in terms of clause (77) of section 2 & Rule 4 of Companies (Specification of definitions details) Rules, 2014 :-

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) They are members of a Hindu undivided family
- (2) They are husband & wife
- (3) Father: Provided that the term "Father" includes step-father.
- (4) Mother: Provided that the term "Mother" includes the step-mother.
- (5) Son: Provided that the term "Son" includes the step-son.
- (6) Son's wife.
- (7) Daughter.
- (8) Daughter's husband.
- (9) Brother: Provided that the term "Brother" includes the step-brother;
- (10) Sister: Provided that the term "Sister" includes the step-sister.

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Acknowledgement of receipt of Code of Business Conduct and Ethics for Board members and members of senior management

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Company's Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company's Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company's Code of Business Conduct and Ethics, any policies of the Company or the legal and regulatory requirements applicable to my job, I know I can consult the Compliance officer, knowing that my questions will be maintained in confidence.

Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

Signature :

Name :

Date :

(Please sign and return this form to the Compliance Officer)

AFFIRMATION

(By Board Members / members of senior management of the Company on Annual basis by 30th April of every year)

I,....., (designation), having read and understood the Code of Business Conduct and Ethics for Board Members and members of senior management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March,

Signature.....

Name.....

Designation... ..

Employment Number.....

Telephone No.....

Place:

Date: