



Code of Conduct for Directors and Senior Executives of National Aluminium Company Limited, Bhubaneswar.

1. Preface

NALCO's informal Corporate motto is 'Be Honest' and 'Respect for Individual' and all Nalconians generally should relate these words to the way they serve their users - as well as they should. For NALCO more than the products it makes and the business it is building; it means making sure that its core values informs its conduct in all aspects of the lives of each Nalconian.

A model Code of Conduct has been designed to put values into practice. This Code of Conduct isn't merely a set of rules for specific circumstances but an intentionally expansive statement of principles meant to inform all the actions of each employee. All Nalconians including Directors should make an effort to study these principles and do their best to apply them to any and all circumstances which may arise.

The core message is simple : Being Nalconians means striving towards the highest possible standard of ethical business conduct. This is a matter as much practical as ethical; NALCO employs people who work hard to produce quality products, but its most important asset by far is the reputation as a Company that warrants faith and trust. That trust is the foundation upon which the success and prosperity of the organization rests and it must be re-earned everyday, in every way, by every one of the Nalconians.

All the Nalconians should read this Code of Conduct and then read it again keeping in mind one thing that, as the Company evolves, the NALCO Code of Conduct will evolve as well. The Company's core principles won't change, but the specifics might change during course of time, according to the need. Every one in NALCO should always bear in mind that each one has a personal responsibility to do everything and to incorporate these principles into their hard work and their lives.

All Senior Management employees should sign the acknowledgement form at the end of this Code and return the form to the HRD Department indicating that they have received, read and understood, and agreed to comply with the Code. The signed acknowledgement form will be filed in each Officer's personal file.

This Code of Conduct applies to:

- (a) all the Directors of National Aluminium Company Limited (**Company**); and
- (b) all the Senior Management employees of the Company i.e who are of the rank of General Manager and above including all functional heads who have the opportunity to materially influence the integrity, strategy and operations of the business and financial performance of the Company.

In terms of the Listing Agreement all the Board Members and the Senior Management employees should affirm compliance with the Code on an annual basis. The Annual report of the Company shall contain a declaration to this effect and signed by the Chairman-cum-Managing Director.

2. Purpose

The Company's reputation depends on the conduct of its Directors, Senior Executives and its employees. Every employee who is associated with the Company must play a part in maintaining NALCO's reputation for the highest ethical standards.

The purpose of this Code of Conduct is apart from meeting the requirements of Listing Agreement with the Stock Exchanges is to:

- (a) articulate the high standards of honesty, integrity, ethical and law abiding behaviour expected of Directors and Senior Executives;
- (b) encourage the observance of those standards to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors and society at large);
- (c) guide Directors and Senior Executives as to the practices thought necessary to maintain confidence in the Company's integrity; and
- (d) set out the responsibility and accountability of Directors and Senior Executives to report and investigate any reported violations of this code or unethical or unlawful behaviour.

It is impossible to spell out every possible ethical scenario. The Directors and Senior Executives should rely on their discretion, judgment and skill expected from a reasonably prudent person under comparable circumstances.

This Code of Conduct will provide Directors and Senior Management of NALCO only general guidance on the standards of conduct expected of them including guidelines on conflict of interests.

3. Honesty and integrity

The Company expects each Director and Senior Executive to:

- (a) observe the highest standards of honesty, integrity and ethical and law-abiding behaviour when:
 - (i) performing their duties ; and
 - (ii) dealing with officers, employees, investors, creditors, customers, suppliers, auditors, lawyers, other advisers of the Company and Government Authorities ; and
- (b) foster a culture of honesty, integrity, ethical and law-abiding behaviour among other officers and employees.

4. Conflicts of interest or duty

4.1 Each Director and Senior Executive must be aware of potential conflicts between (directly or indirectly):

- (a) on the one hand:
 - (i) the interests of the Company; or
 - (ii) their duties to the Company; and

- (b) on the other hand:
 - (i) their personal or external business interests; or
 - (ii) their duties to any third party.

4.2 Each Director and Senior Executive must avoid placing himself or herself in a position that may lead to:

- (a) an actual or a potential conflict of interest or duty; or
- (b) a reasonable perception of an actual or potential conflict of interest or duty.

4.3 Each Director and Senior Executive must:

- (a) fully and frankly inform the Company of any personal or external business interest that may lead to:
 - (i) an actual or potential conflict of interest or duty; or
 - (ii) a reasonable perception of an actual or a potential conflict of interest or duty; and
- (b) obtain and follow independent legal advice to avoid or resolve any actual, potential or perceived conflict of interest or duty.

4.4 Each Director must:

- (a) not participate when the Board considers any matter in which the Director has or may have a conflict of interest or duty; and
- (b) comply with the Companies Act, 1956 and Listing Agreement provisions in relation to the disclosing material personal interests and restrictions on voting by Directors.

4.5 Each Director must inform the Board of:

- (a) any existing Directorship or other office held by the Director in another entity; and
- (b) any proposed appointment as a Director or Senior Executive of another entity before accepting the appointment.

4.6 Each Director and Senior Executive must not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company.

5. Compliance with laws, regulations, policies and procedures

Each Director and Senior Executive must:

- (a) comply with the letter and spirit of any applicable law, rule or regulation;
- (b) comply with the protocols, policies and procedures of the Company; and
- (c) encourage other officers and employees to do the same.

6. Confidentiality

- 6.1 Any information acquired by a Director or Senior Executive while performing their duties is confidential information of the Company and must be kept confidential. A Director must not disclose the information to a third party except where that disclosure is:
- (a) authorised by the Board; or
 - (b) required by law or a regulatory body (including a relevant stock exchange).
- 6.2 The existence and details of any Board and management information, discussions, and decisions that are not publicly known and have not been approved by the Board for public release, are confidential information of the Company and subject to [paragraph 6.1](#).
- 6.3 Each Director's and Senior Executive's obligations of confidentiality continue even after he or she leaves the Company.

7. Disclosures

- 7.1 NALCO's policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with or submitted to any outside agency and in its other public communications.
- 7.2 A Director or Senior Executive must ensure that Company's disclosure controls and procedures, and internal controls for financial reporting are properly complied with.

8. Fair dealing

- 8.1 One of the corner stone of the philosophy of the Company is 'Respect for Individual'. Accordingly, the Company expects each Director and Senior Executive to :
- (a) deal fairly with employees, investors, customers, suppliers, competitors, auditors, lawyers, creditors or other advisers of the Company; and
 - (b) encourage other employees and officers to do the same.

- 8.2 A Director or Senior Executive must not take unfair advantage of any employee, customer, supplier, competitor, auditor, lawyer or other adviser of the Company, creditor through illegal conduct, manipulation, undue influence, concealment, abuse of confidential information, misrepresentation of material facts, or any other unfair-dealing practice.
- 8.3 A Director or Senior Executive must promote a respectful work place, culture that is free of harassment, bias and discrimination of any kind.

9. Protection and proper use of assets

- 9.1 The Company expects each Director and Senior Executive to use all reasonable endeavours to protect any Company asset and to ensure its efficient use.
- 9.2 A Director or Senior Executive may only use a Company asset for legitimate business purposes or other purposes approved by the Board.
- 9.3 Each Director and Senior Executive must immediately report any suspected fraud or theft of a Company asset for investigation.

10. Connection with Press/TV/Radio

A senior level officer of the Company, appointed by the Chairman-cum-Managing Director shall only act as 'Spokesman' who would interact with the media/ radio/ press. No other officer except with the permission of Chairman-cum-Managing Director will make any statement in press/ media. No officer of the Company can criticize the Company in any article / in radio/ TV broadcast etc.

11. Reporting of unlawful and unethical behaviour

- 11.1 The Company expects each Director and Senior Executive to:
 - (a) report promptly and in good faith any actual or suspected violation by an officer or employee of the standards, requirements or expectations set out in this Code of Conduct; and
 - (b) encourage other officers or employees to do the same.

11.2 A Director or Senior Executive may use their own judgment in deciding to whom to report any violation or behaviour referred to in [paragraph 11.1](#), however:

- (a) Directors are encouraged to report to the Chairman-cum-Managing Director; and
- (b) Senior Executives and other Officers are encouraged to report to their immediate Reporting Officer or to the Chairman-cum-Managing Director.

11.3 If an employee or officer reports, in good faith, any violation or behaviour referred to in [paragraph 11.2](#), each Director and Senior Executive must ensure:

- (a) the reporting person's position is protected;
- (b) the reporting person's identity is only disclosed with their consent, except where disclosure is required by law; and
- (c) no disciplinary, discriminatory or other adverse action is taken or tolerated against the reporting person for reporting the violation.

11.4 A Director or Senior Executive who receives a report of any violation or behaviour referred to in [paragraph 11.2](#) must ensure:

- (a) the alleged violation or behaviour is thoroughly investigated;
- (b) rules of natural justice are observed in the investigation; and
- (c) appropriate disciplinary action is taken if the allegation is substantiated.

12. Violations of the Code

12.1 Each Director and Senior Executive is required to help enforce this Code as a part of his/her job and also of his or her ethical responsibility.

- 12.2 Each Director and Senior Executive shall be alert to possible violations and report the same to the Company Secretary Department. They must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person is prohibited who has in good faith reported a violation or a suspected violation of law, this Code or other Company policies or against any person who is assisting in any investigation or process with respect to such a violation.
- 12.3 Actual violations of law, this Code, or other Company policies or procedures, shall be promptly reported to the Company Secretary Department.
- 12.4 The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators.

13. Waivers and amendments of the Code

- 13.1 This Code is subject to modification at any time since NALCO is committed to continuously reviewing and updating its policies and procedures in terms of extant guidelines and procedures laid down by different Statutory Authorities.
- 13.2 Any amendment/ inclusion or waiver of any provision of this Code shall be approved by the Company's Board of Directors or a Committee of Directors, constituted for the purpose and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations together with details about the nature of the amendment or waiver.

14. Responsibility

- 14.1 Each Director and Senior Executive must adhere to the standards described in this Code of Conduct, since NALCO is determined to behave and to be perceived as an ethical organization.

15. Clarification on Code of Conduct

- 15.1 Any Director and Senior Executive requiring any clarification regarding this Code of Conduct may contact Company Secretary.

Acknowledgment of receipt of Code of Conduct for all Directors and Senior Executives of NALCO

(This Code of Conduct is available in the website of the Company)

I have received and read the Company's Code of Conduct for the Directors and Senior Executives (the "Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to adhere to the standards described in the Code and comply with the Code at all times.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I understand I can consult the Company Secretary Department, and that my questions or reports to these sources will be maintained in confidence.

Signature -----

Name -----

Date -----

Please sign and return this form to the HRD Department for filing in their respective personal files.