

Code of Business Conduct and Ethics

PREAMBLE:

This Code of Business Conduct and Ethics envisages to ensure maintenance of standards of Business Conduct of MOHINDRA FASTENERS LIMITED (hereinafter referred to as the "Company" or "MFL") and due compliance with legal requirements and corporate governance. This code is to act as a deterrent from wrong and unethical doings and act as a catalyst to promote ethical values. This code is the manifestation of the Company's commitment to lawful and ethical business conduct which is necessary to the successful operation of the Company and is of utmost important to the Company's Shareholders, Clients, Investors, Stakeholders, Associates and other Business Associates.

APPLICABILITY

This Code of Business Conduct and Ethics applies to all MFL's directors, officers and employees. Such directors, officers and employees are referred to herein collectively as the "MFL People."

PHILOSOPHY ON CODE OF GOVERNANCE

MFL firmly believes that effective 'Corporate Governance' practices, constitutes a strong foundation on which successful commercial enterprises are built to last. It is essentially a system by which Companies are directed and controlled by the management in the best interest of all stakeholders.

Corporate Governance is the application of best management practices, compliance of laws, rules, regulations and adherence to ethical principles in all its dealings, to achieve the objects of the Company, enhance stakeholder value and discharge its social responsibility. Above all, ***it is a way of life, rather than merely a legal compulsion.*** MFL recognizes that strong Corporate Governance is indispensable to resilient and vibrant capital markets and is, therefore, an important instrument of investor protection.

We believe that it is imperative for us to manage our business affairs in the most fair and transparent manner with a firm commitment to our values. For us, corporate governance is an ethically driven business process that is committed to values aimed at enhancing an organization's brand and reputation. Our corporate governance framework is a reflection of our culture, our policies, our relationship with stakeholders and our commitment to values.

Accordingly, we always seek to ensure that our performance is driven by integrity. This is vital to gain and retain the trust of our stakeholders. MFL has always focused on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation and equitable treatment for all shareholders.

The amended rules required companies to establish whistle blower mechanism, to have at least one woman director on the board. These norms aimed to encourage companies to adopt best

practices on corporate governance. Our corporate governance framework helps to align with the new guidelines of the Companies Act, 2013.

Our corporate governance framework ensures that we shall make timely disclosures and share accurate information regarding our financials and performance, as well as the leadership and governance of the Company.

OUR CORPORATE GOVERNANCE PHILOSOPHY IS BASED ON THE FOLLOWING PRINCIPLES:

- Corporate governance standards should satisfy both the spirit of the law and the letter of the law.
- Ensure transparency and maintain a level of disclosure.
- Clearly distinguish between personal conveniences and corporate resources.
- Communicate externally and truthfully about how the Company is run internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The attainment of the highest level of accountability, commitment, value for stakeholders, customers' satisfaction and sustainable developments.

We firmly believe that board independence is essential to bring objectivity and transparency in the management and in the dealings of the Company.

The Company remains committed to laying strong emphasis on corporate governance and will continue its efforts towards raising the standards in Corporate Governance and will also review its systems and procedures constantly in order to keep pace with the changing environment.

GUIDING PRINCIPLES

The following are the guiding principles enshrined in this Code are:

- Act diligently, transparently, honestly and in good faith upholding the highest ethical standards of integrity, confidentiality, accountability and independence.
- Provide leadership in advancing the Company's Vision, Values and Guiding Principles.
- Discharge duties in the best interests of the Company, its Shareholders and Stakeholders.
- Become and remain familiar with Company's business and the economic and competitive environment in which the Company operates and understand the Company's business plans, strategies and objectives, operation results, financial condition and relative market place position.
- Commit the time necessary to hold attend and actively participate in regular and special meetings of the Board and of the Board Committee Meetings; Meeting of Shareholders and the Management's Meetings and other office functions, from time to time.

- Not enter into, without the prior approval of the Board, any transaction or relationship with the Company in which the MFL People will have a financial or personal interest (either directly or indirectly, such as through a family member or other person or organization with which they are associated), or any transaction or situation which otherwise involves a conflict of interest.
- Maintain the confidentiality of all material non-public information about the Company, its business affairs.
- Scrupulous adherence to all applicable laws and regulations and the Company's Code for Prevention of "Insider Trading in Shares."

HONESTY, INTEGRITY & ETHICAL CONDUCT

MFL People shall:

- conduct their activities, on behalf of MFL with honesty, integrity and fairness;
- act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- act in the best interests of MFL and MFL's shareholders and fulfill the fiduciary obligations; and
- not engage in conduct likely to bring discredit upon MFL.
- to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, or at any other place where they represent the Company.
- Honest conduct should be conduct that is free from fraud or deception. Ethical conduct should be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes personal and professional relationships.

EVASION OF CONFLICT OF INTEREST

- MFL People shall not engage in any business, relationship or activity, which may be in conflict of interest of MFL or the group companies, if any.
- Executive Directors are expected to devote their full attention to the business of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company.
- Whole time Directors shall not accept simultaneous employment with suppliers, customers, competitors of the Company, or take part in any activity that enhances or supports a competitor's position. Directors must disclose to the Company's Audit Committee, any interest that they have which may conflict with the business of the Company.
- This Code prohibits Directors of the Company to accept any assignment with any Company or Agency that competes with the Company. Directors must first obtain approval from the Company's Audit Committee before accepting such assignment.
- If MFL People contemplates to enter into any business relation with any customer, supplier or competitor of the Company, MFL People must ensure that the proposed business relation shall not compromise with their responsibilities to the Company. This Code requires that shall obtain approval from the Company's Audit Committee and from the Board before entering into such business relations.
- Under no circumstances may accept any offer, payment, promise to pay, or authorization to pay any money, costly gift, or anything of great value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment or fraud, or opportunity for the commitment of any fraud except inexpensive gifts, infrequent business meals, celebratory events and

entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy.

Note: The above list of situations which bring about conflict within is not exhaustive, but only indicative.

ACTIVE PARTICIPATION IN THE COMPANY'S BUSINESS

The MFL People are expected to participate actively in the day to day business of the Company. They should make positive contributions with their exemplary leadership qualities and unflinching devotion to their duties. On all occasions, the Company's interest as well as the interest of the Shareholders shall be uppermost in their mind.

ATTENDANCE IN MEETINGS (FOR BOARD OF DIRECTORS)

This Code of Conduct expects the Directors of the Company to strive to attend the Meetings of the Board/Committees. Absence from the Meetings shall be prior communicated to the CEO/Managing Director/Company Secretary; the communication can be either written or oral over the phone.

BOARD ROOM/COMMITTEE ROOM DELIBERATIONS (FOR BOARD OF DIRECTORS)

Directors should keep themselves abreast with the business to be transacted in the Board/Committee Meetings. The Agenda papers should be read thoroughly and come prepared to take active part in the discussions. The deliberations should be lively and informative and constructive. The discussions should be free, frank and fearless and stick to the subject matter.

Committee Meetings shall be viewed as important tools for effective management. The Directors shall be conversant with the Constitution, Powers and functions of the various Committees constituted under "Corporate Governance."

CORPORATE OPPORTUNITIES

MFL People shall not exploit for their own personal gain, opportunities that are discovered through the use of MFL property, information or position unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity.

CONFIDENTIAL INFORMATION

MFL People shall maintain confidentiality of information (price sensitive or otherwise) entrusted to them and they receive while being in office of MFL except when disclosure is required by an appropriate legal officer or Compliance Officer of the Company or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company.

CONFIDENTIAL INFORMATION OF OTHERS

MFL is required to abide by the terms of the relevant non-disclosure agreement and limit its use to the specific purposes for which it was disclosed and to disseminate it only to others with a

need to know the information. MFL People shall not attempt to obtain a competitor's confidential information by improper means.

PROTECTION OF ASSETS

MFL People must protect MFL's assets and shall not use the same for personal benefit, unless approved by the Board.

MFL People should endeavor to protect the Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Company's profitability. Hence, any suspected incident of fraud or theft should be immediately reported for investigation. The obligation of MFL People to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company's policy.

COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Obeying the law, both in letter and in spirit, is the foundation on which the Company's ethical standards are built. In conducting the business of the Company, the MFL People shall comply with applicable governmental laws, rules and regulations at all levels of government of the Country in which the Company does business. Although not all MFL People are expected to know the details of these laws, it is important to know enough about the applicable local, state and national laws to determine when to seek advice from supervisors, managers or other appropriate personnel.

All MFL People shall comply with all applicable laws, rules, regulations and guidelines, including obligations under Take-over and Insider Trading Regulations and shall report non-compliances, if any, of law, this Code, or other MFL policies or procedures to the Board. Scrupulous adherence to the Code for prevention of "Insider Trading" in the Company's Shares is strongly recommended.

Code of conduct for affirmative action:

- The Company affirms the recognition that its competitiveness is interlinked with the well being of all sections of the Indian society.
- The Company believes that equal opportunity in employment for all sections of society is a component of its growth and competitiveness. It further believes that inclusive growth is a component of growth and development of the country.
- The Company will not practice nor support conscious discrimination in any form.
- The Company does not bias employment away from applicants belonging to disadvantaged sections of society if such applicants possess competitive skills and job credentials as made public.
- The Company's selection of business partners is not based on any considerations other than normal business parameters.

DISCLOSURES

In reports and documents filed with or submitted to the Securities and Exchange Board of India and to other regulators by the Company, and in other public communications made by the Company, the MFL People should make disclosures that are full, fair, accurate, timely and understandable. Where applicable, these MFL People shall provide thorough and accurate financial and accounting data for inclusion in such disclosures. They shall not knowingly conceal or falsify information, misrepresent material facts or omit material facts.

COMPLIANCE PROCEDURES

We must all work together to ensure prompt and consistent action against violations of this Code. In some situations, however, it is difficult to know if a violation has occurred. Because we cannot anticipate every situation that will arise, it is important that we have a way to approach a new question or problem. These are the steps which could be helpful:

- **Make sure you have all the facts:** In order to reach the right solutions, we must be as informed as possible.
- **Ask yourself: What specifically am I being asked to do? Does it seem unethical or improper? :** Use your judgment and common sense. If something seems unethical or improper, it probably is.
- **Clarify your responsibility and role:** In most situations, there is shared responsibility. Are your colleagues informed? It may help to get others involved and discuss the problem.
- **Discuss the problem with your supervisor:** This is the basic guidance for all situations. In many cases, your supervisor will be more knowledgeable about the questions, and he or she will appreciate being consulted as part of the decision-making process.
- **Seek help from Company resources:** In rare cases where it would be inappropriate or uncomfortable to discuss an issue with your supervisor, or where you believe your supervisor has given you an inappropriate answer, discuss it locally with your office manager or your human resources manager.
- **You may report ethical violations in confidence without fear of retaliation:** If your situation requires that your identity be kept secret, your anonymity will be protected to the maximum extent consistent with the Company's legal obligations. The Company in all circumstances prohibits retaliation of any kind against those who report ethical violations in good faith.
- **Ask first, act later:** If you are unsure of what to do in any situation, seek guidance before you act.

VIOLATION OF THE CODE

This is the ethical responsibility of MFL People to help enforce this Code. They should be alert to possible violations and report this to the management. Reprisal, threat, retribution or retaliation against any person 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 any investigation or process with respect to such a violation, is prohibited.

WAIVERS AND AMENDMENTS OF THE CODE

The Company reserves the right to continuously review and update this Code. Having regard to the business practices, or the legal and regulatory framework applicable, the Board will review, revise or update the Code, as it deems appropriate.

Any amendment or waiver or any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, if any, together with details about the nature of the amendment or waiver.

ACKNOWLEDGEMENT

MFL People are requested to sign the enclosed acknowledgement form in token of their having received, read and accepted this Code at the time of appointment.

The acknowledgement form may be forwarded to Secretarial Department.

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