



MONARCH
NETWORK CAPITAL

Monarch Network Capital Limited

**Code of Conduct for Board of Directors and
Senior Management personnel**

PREAMBLE

The Code is a guide to professional conduct for Board of Directors (including independent directors) and senior management of Monarch Network Capital Limited that reflects the Company's values and established standards governing the ethical behavior.

As per the provisions of Regulation 17 (5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (hereinafter referred to as Listing Regulations), all listed companies have to evolve and implement a 'Code of Conduct' for all members of the Board (including independent directors) and Senior Management to ensure best board practices, transparent disclosures and shareholder empowerment which are necessary for creating shareholder value.

The Company has accordingly laid down this Code of Conduct for Directors and Senior Management ("Code").

The purpose of this Code is to ensure better Corporate Governance, effective control and ensure transparency in Company's management, in the best interests of the shareholders of the Company. As a member of the Company, it is important that you read, understand and fully comply with our Code. It is your responsibility to bring to the attention of your manager any situation you have reason to believe is in conflict with our Code.

Adherence to these standards by Board of Directors (including independent directors) and senior management and fulfillment of their responsibilities in professional and faithful manner will promote confidence of the investment community, particularly the minority shareholders, regulators and companies in the institution of Board of Directors.

DEFINITION

"Company" means "Monarch Network Capital Limited

"Board" means every Director of the Company as may be appointed from time to time

"Senior Management" includes officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole time Director and shall specifically include Company Secretary and Chief Financial Officer

"Independent Directors" wherever appears, shall have the same meaning as defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

GUIDELINES OF PROFESSIONAL CONDUCT:

The Board of Directors (including Independent Director) and Senior Management shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising their duties;
- exercise their responsibilities in a *bona fide* manner in the interest of the company;
- devote sufficient time and attention to their professional obligations for informed and balanced decision making;

- not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- In case Independent Directors, refrain from any action that would lead to loss of their independence;
- where circumstances arise which make an director lose his independence, the concerned director must immediately inform the Board accordingly;
- Assist the company in implementing the best corporate governance practices.

ROLE AND FUNCTIONS:

The Board of Directors (including Independent Director) and Senior Management shall:

- help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of board/independent director and management;
- scrutinize the performance of board/ independent director and management in meeting upon the agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- determine appropriate levels of remuneration of executive directors, independent directors, key managerial personnel and senior management and have a prime role in 3 appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between board/ management and shareholder's interest.

DUTIES:

The Board of Directors (including Independent Director) and Senior Management shall:

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- strive to attend all meetings of the Board of Directors/Independent directors and of the Board committees of which they are members;
- participate constructively and actively in all meetings of the Board of Directors/Independent directors and the committees of the Board in which they are chair-persons or members;
- strive to attend the general meetings of the company;
- where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board/independent directors and senior management to the

extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise properly conducted Board/independent directors or committee of the Board meetings;
- pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company and stakeholders at large;
- as certain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within their authority, assist in protecting the legitimate interests of the company, stakeholders and its employees;
- not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.
- To promote professionalism in the Company
- To maintain confidentiality of the Company's business

MANNER OF APPOINTMENT OF INDEPENDENT DIRECTORS:

- Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.
- The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:
 - the term of appointment;
 - the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - provision for Directors and Officers (D and O) insurance, if any;
 - the Code of Business Ethics that the company expects its directors and employees to follow;
 - the list of actions that a director should not do while functioning as such in the company; and
 - the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

- The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

The terms and conditions of appointment of independent directors shall also be posted on the company's website.

RE-APPOINTMENT OF INDEPENDENT DIRECTORS:

- The re-appointment of independent directors shall be on the basis of report of performance evaluation.

RESIGNATION OR REMOVAL OF INDEPENDENT DIRECTORS:

- The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act.
- An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later.
- Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

SEPARATE MEETINGS OF INDEPENDENT DIRECTORS:

- The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- All the independent directors of the company shall strive to be present at such meeting;
- The meeting shall:
 - review the performance of non-independent directors and the Board as a whole;
 - review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

EVALUATION MECHANISM OF INDEPENDENT DIRECTORS:

- The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director

CONFLICT OF INTEREST:

Each Board Member (including Independent Director) and Senior Management is expected to avoid clash of his or her personal interest with the interest of the Company or his or her ability to perform his or her duties and responsibilities for the well-being of the Company.

DISCLOSURES:

- To inform the Company immediately about emergence of any situation that may disqualify him/her from Directorship.
- Not to hold any office or place of profit in the Company by himself or by his/her relatives without full disclosure of information in connection therewith.
- Not to make investment in any customer, supplier or competitor of the Company such that it may compromise on his/her responsibilities to the Company and any such investment would be with prior and full disclosure of the Company.
- To make full disclosures regarding all related party transactions.

CONFIDENTIAL INFORMATION:

Any information concerning the Company's business, its customers, suppliers, etc. which is not in the public domain and to which the directors or officers has access or possesses such information must be considered confidential and held in confidence unless authorized to do so and when disclosure is required, as a matter of law and shall not be used by him or her for his or her personal gain or advantage.

STATUTORY COMPLIANCE:

While carrying out the duties and responsibilities, the Board Member and/or Senior Management of the Company should endeavour to ensure that all the applicable rules and regulations are complied with so as to avoid any harm to the interest of the Company. In addition, if any Board Member or Senior Management of the Company becomes aware of any information that he or she believes and constitutes evidence of any material violation of any law, rules and regulations applicable to the Company for the operation of its business, then such Board Member or Senior Management should immediately bring such information to the attention of the Managing Director of the Company.

CORPORATE OPPORTUNITY:

Directors and officers should not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or possession unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors decline to pursue such opportunities.

HEALTH, SAFETY AND ENVIRONMENT:

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in.

CONCURRENT EMPLOYMENT:

Senior Management shall not with the prior approval of the Managing Director or CEO, accept employment or a position of responsibility (such as consultant or Director) with any other Company, nor provide freelance services to anyone. The Directors shall avoid join the Boards of Competitors or taking up advisory or consultative assignments, whether for remuneration or otherwise in competing organizations other than their existing directorships

EXTERNAL COMMUNICATION WITH MEDIA:

To maintain the reputation of MNCL, it should be ensured that any information to media /investors is accurate and properly presented .Only representatives or senior officers of the company authorized by Managing Director or CEO or including MD or CEO would give interviews or make statements to media and investors.

REVIEW/REVISION OF CODE:

This Code is framed to comply with provisions of Listing Regulations. Wherever there is any variation between the provisions of the Code and the provisions of the Listing Regulations, as amended, the provisions of the Listing Regulations would prevail over the provisions of the Code.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Code shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Code.