
AAR COMMERCIAL COMPANY LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

**[Pursuant to Regulation 17(5) of the SEBI (Listing Obligations
and Disclosure Requirements) Regulations, 2015]**

INTRODUCTION

AAR Commercial Company Limited (hereinafter referred to as the “Company”) is committed to the highest standards of corporate governance and ethical conduct while conducting its business. The Company aims to achieve high levels of accountability, integrity, transparency and fairness. In order to achieve these, the Company has adopted the Code of Conduct (hereinafter referred to as the “Code”) which will be applicable to the members of its Board and Senior Management Team. This Code will ensure that the concerned Directors and Senior Management Personnel adhere to highest standards of personal and professional integrity while working for and on behalf of the Company.

This Code takes into account the relevant statutory applicable provisions of the Companies Act, 2013, listing requirements with stock exchanges, wherever the Company is listed i.e. Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015) and other applicable laws.

APPLICABILITY

This Code applies to Directors and Senior Management Personnel of the Company.

“Senior Management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

CODE OF CONDUCT

The Board of Directors and Senior Management Personnel of the Company should:

- Always exercise their powers in good faith and in the best interest of the Company and its various stakeholders viz. Shareholders, financiers, customers, creditors, employees, etc.
- Practice the highest standards of honesty, integrity, ethics and discipline in dealings with the Company or in dealings with others on behalf of the Company and shall not derive any undue benefit or advantage by virtue of their position or relationship with the Company.

- Exercise reasonable skill and judgement in their areas of specialization and share their learnings and experience by keeping in mind the best interest of the Company and its stakeholders.
- Always adhere and conform to the various statutory and mandatory regulations/guidelines applicable to the operations of the Company avoiding violations or non-conformities.
- Avoid joining the Boards of competitors or take up advisory or consultative assignments in organisations engaged in same or similar kind of businesses.
- Conduct themselves and their activities outside the Company in such manner as not to adversely affect the goodwill or reputation of the Company.
- Not disclose any confidential/privileged information of the Company obtained by them during their employment to any person, firm, Company or body corporate. In this regard guidelines put forth in provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015 should be followed.
- Treat all the employees of the Company equally without any discrimination on account of caste, creed, race, religion, age, gender, disability or any other personal prejudice. Emphasis should also be given to maintain a work environment free of sexual harassment and treat all employees with dignity.

DUTIES OF THE INDEPENDENT DIRECTORS

The Independent Directors 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 and of the Board Committees of which he/she is a member;
- participate constructively and actively in the Committees of the Board in which they are Chairpersons 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 and, 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 proper Board or Committee of the Board;

- 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;
- ascertain and ensure that the Company has an adequate and functional Vigil Mechanism / Whistle Blower Policy 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 behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- acting within his/her authority, assist in protecting the legitimate interests of the Company, Shareholders 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.
- Submit a declaration that he meets the criteria of independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations at the first meeting he attends as a director and thereafter at the first board meeting in every financial year or whenever there is any change in circumstances that effect his independence.

COMPLIANCE WITH THE CODE

All Directors and Senior Management Personnel shall individually affirm compliance with this Code of Conduct of Board of Directors and Senior Management on an annual basis.

The Board of Directors is also responsible for monitoring, overseeing and ensuring compliance of this Code and taking appropriate action in case of any default.

Note: This Code is revised and adopted by the Board of Directors of the Company at their meeting held on 13-08-2019 and shall be effective from this date.