

Code for Board of Directors' & Board Committees

Table of Contents

1	Code for Board of Directors' & Board Committees.....	21
1.1	Board Charter and Role of Board of Directors .....	21
1.1.1	Duties of the Directors .....	21
1.1.2	Role of the Board and Management .....	23
1.1.3	Role of the Independent Directors .....	25
1.1.4	Role of Lead Independent Director.....	26
1.2	Procedure for Selection and Appointment of the Board Members.....	27
1.2.1	Board Membership Criteria .....	27
1.2.2	Selection of the Board Members / Extending invitation to a potential director to join the Board .....	28
1.2.3	Board Orientation and Induction .....	28
1.3	Board Structure and Performance.....	29
1.3.1	Size of the Board.....	29
1.3.2	Board Composition .....	30
1.3.3	Board definition of what constitutes Independence for Directors .....	30
1.3.4	Limits on outside Board Memberships .....	33
1.3.5	Declarations to be given by Board members .....	34
1.3.6	Tenure of Board Members .....	36
1.3.7	Term Limits .....	36
1.3.8	Succession planning.....	37
1.3.9	Compensation to Directors .....	38
1.3.10	Loans to Directors and Executive Officers.....	39
1.3.11	Disclosure of MNR shareholding by Directors .....	39
1.3.12	Meetings of Independent Directors.....	40
1.3.13	Access to outside Advisors / Auditors .....	40
1.3.14	Ethics and Conflicts of Interest.....	41
1.3.15	Board's interaction with Institutional Investors, Press, Customers, etc.....	42
1.4	Board Leadership .....	43
1.4.1	Selection of Chairman and Chief Executive Officer .....	43
1.4.2	Selection of Lead Independent Director .....	44

## MNR Exports Pvt. Limited

1.5	Board interaction with Senior Management .....	44
1.6	Meeting Procedures .....	45
1.6.1	Board Meetings.....	45
1.6.2	Selection of Agenda Items for Board Meetings.....	46
1.6.3	Board Materials distributed in advance .....	47
1.6.4	Board Presentations .....	48
1.6.5	Guidelines for tabling of items at Board meetings .....	48
1.6.6	Quorum, voting rights, manner of attendance and other procedures.....	48
1.6.7	Recording of Dissent at Board Meetings .....	49
1.6.8	Preparation of minutes, circulation and ratification.....	49
1.6.9	Issuing certified copies of resolutions / minutes.....	49
1.7	Board Committees .....	50
1.7.1	Audit Committee Charter.....	50
1.7.2	Shareholders' / Investors' Grievance Committee Charter .....	58
1.7.3	Remuneration Committee Charter .....	62
1.7.4	Corporate Governance & Stakeholders' Interface Committee Charter .....	65
1.7.5	Finance Committee Charter .....	70
1.7.6	Health, Safety and Environment Committee Charter .....	74
1.8	Board Performance Evaluation .....	77

## 1 Code for Board of Directors' & Board Committees

### 1.1 Board Charter and Role of Board of Directors

#### 1.1.1 Duties of the Directors

The operations of the Company are managed under the direction of the Board within the framework set by the Companies Act, 1956, the Listing Agreement with Stock Exchanges and the Articles of Association of the Company. The Board is also governed by Internal codes / procedures prescribed within the Company from time to time.

The Board represents and is accountable to the shareholders of the Company. The Board is primarily responsible to provide and evaluate the strategic direction of the Company, management policies and their effectiveness. The Board's responsibilities further include overseeing the functioning of the Company's top management and monitoring legal compliance and the management of risks related to the Company's operations.

Board members are expected to act in good faith and with due care so as to exercise their judgement on an informed basis in what they reasonably and honestly believe to be in the best interests of the Company and its stakeholders.

##### 1.1.1.1 Statutory Duties

The Directors are responsible for ensuring compliance with all applicable statutory requirements by the Company. For this the Board will require the management to place before itself all the relevant reports, certificates, with supporting documents as applicable to facilitate the Board or its sub-committee to achieve this objective.

In case any violation or default by the management is observed, the Board may provide necessary direction to the management for taking corrective action and effective compliance.

### 1.1.1.2 Fiduciary Duties

Directorships are considered 'positions of trust' not strictly defined by any statutory law. The Board as a whole and the Directors as individuals owe certain fiduciary responsibilities to the Company as an entity and to its stakeholders. Directors are required to act in the best interests of all shareholders / stakeholders of the Company in accordance with the Memorandum and Articles of Association of the Company. The fiduciary duties of Directors within the framework of law are as under:

#### Duty of Loyalty to act without conflict and always put the interests of the Company before those of the individual Director

Directors should not be influenced by any financial or personal interest in the course of their dealings on behalf of or with the Company. If avoidance is impractical in a given situation then such transactions should be approved by non-interested Directors in a manner that ensures arms length transactions including the right of the non-interested Directors to reject the transaction altogether. Independent Directors must critically review conflict-of-interest transactions.

#### Duty of Care to take informed decisions

Duty of Care carries personal responsibility and is owed to the Company. Duty of Care demands that Directors must exercise due care and diligence in overseeing the management of the business of the Company. Directors shall collectively and individually, act prudently in discharging their duties.

Directors are expected to attend all Board and Committee meetings. The duty of care requires that a Director informs himself of all material information reasonably available before making a business decision. This duty also requires Directors to inform themselves of alternatives to a proposed business decision. The Directors may request for any information they deem necessary before taking any decisions.

### Duty to act in good faith in accordance with the Company's codes and policies and the best governance practices

The duty of good faith requires that the Directors ensure that all the necessary processes are followed to arrive at decisions which are in the best interests of the Company.

### Application of Fiduciary Duty Principles

The Directors must follow the following principles in fulfilling their fiduciary responsibilities:

- Directors should keep themselves informed of all matters related to the Company and its business affairs;
- Directors should always act collectively as a Board, or as they are specifically authorized by the Board and its Committees;
- Directors should attend and participate in meetings as far as possible;
- Directors should ask questions or voice their concerns, if any;
- Directors are responsible for their decisions on any given matter;
- Directors should not disclose confidential information unless expressly authorized to do so by the Board or its Committees or as may be required in the course of dealings on behalf of the Company;
- Directors should disclose their personal and business interest on any matter placed before the Board and abstain from voting on such matters;
- Board's decision should be reflected through its minutes and the Directors should assure that.

## 1.1.2 Role of the Board and Management

The Board of Directors are the apex body constituted by the shareholders for overseeing the overall functioning of the operations and functioning of the Company. The Board functions under the overall direction of the Chairman and Managing Director (CMD) to assure that the long-term interests of the

shareholders are being served. The CMD is assisted by the Executive Directors / senior managerial personnel in overseeing the functional matters of the Company.

### Functions of the Board

The Board of Directors shall meet periodically to consider matters as required under law and to consider, review and discuss reports by management on the performance of the Company, its plans and prospects as well as immediate issues facing the company. In addition to its general oversight of management, the Board, through itself or through its Committees shall perform a number of specific functions, including:

- Selecting, advising, evaluating and compensating the CMD and overseeing top management succession planning;
- Providing counsel and oversight on the selection, evaluation, development and compensation of senior management;
- Reviewing, monitoring and where appropriate, approving financial and business strategies and major corporate actions;
- Monitoring corporate performance against strategic business plans, including overseeing operating results on a regular basis to evaluate whether the business is being properly managed;
- Assessing major risks facing the Company and reviewing options for their mitigation / avoidance;
- Reviewing and approving material transactions not in the ordinary course of business;
- Ensuring processes are in place for maintaining the integrity of the Company by way of integrity of the financial statements, compliance with law and ethics, and integrity of relationships with customers, suppliers and other stakeholders;
- Ensuring that the Company is in compliance with all applicable statutory and legal requirements;
- Protection and enhancement of Shareholders' value.

### 1.1.3 Role of the Independent Directors

Principles of corporate governance require Independent Directors to review the overall strategy, oversee the performance of management and participate and arrive at an independent judgement. Their key role is to provide an unbiased, independent, varied and experienced perspective to the Board.

The responsibilities of Independent Directors collectively or through their Committees include:

#### To be well informed

The Independent Directors are expected to be well informed about the Company and have an adequate understanding of the business environment in which the Company operates.

#### Provide strategic direction

The Independent Directors are required to contribute to Board matters in a varied and informed manner and to act as a constructive critic in looking at the objectives and plans of the executive management.

#### Oversee the performance of the management

The Independent Directors are responsible for monitoring the performance of senior management with regard to ensuring that the determined strategies and objectives of the Company are achieved.

#### Ensure accuracy of accounts and books of the Company

It is the responsibility of the Independent Directors to ensure that the Company's accounts present a true and fair picture of its business and financial performance. This includes selection of the statutory and internal auditors, review of the annual audit plan, audit reports, the accuracy of internal controls and compliance with applicable legal requirements and other codes adopted by the Company. This role is performed through the Audit Committee comprising a team of Independent Directors.

[Review the remuneration package for the Executive and Non-Executive Directors](#)

Remuneration Committee reviews the remuneration for the Executive Directors on a periodic basis. The Board has entrusted the CGSI Committee with review of the compensation of Non-Executive Directors.

[Recommend the appointment of new members on the Board and on the Company's senior positions](#)

This role is entrusted to the CGSI Committee as detailed later in this Manual.

[Protect the interest of all stakeholders](#)

Independent Directors should ensure that decisions are taken in the best interests of the Company and all its stakeholders.

[Uphold the highest standards of integrity and probity in the interests of the Company.](#)

#### 1.1.4 Role of Lead Independent Director

The Lead Independent Director has the responsibility:

- To preside over all meetings of Independent Directors;
- To ensure that there is adequate and timely flow of information to Independent Directors;
- To liaise between the CMD, the management and the Independent Directors;
- To advise on the necessity of retention or otherwise of consultants who report directly to the Board or the Independent Directors;
- To preside in meetings of the Board and shareholders when CMD is not present or where CMD is the interested party;
- To perform such other duties as may be delegated to the Lead Independent Director by the Board / Independent Directors.

## 1.2 Procedure for Selection and Appointment of the Board Members

### 1.2.1 Board Membership Criteria

The CGSI Committee, along with the Board, reviews on an annual basis, appropriate skills, characteristics and experience required of the Board as a whole and its individual members. The objective is to have a Board with diverse background and experience in business, government, academics, technology and in areas that are relevant for the Company's global operations.

In evaluating the suitability of individual Board members, the CGSI Committee takes into account many factors, including general understanding of the Company's business dynamics, global business and social perspective, educational and professional background and personal achievements. Directors must possess experience at policy-making and operational levels in large organizations with significant international activities that will indicate their ability to make meaningful contributions to the Board's discussion and decision-making in the array of complex issues facing a global conglomerate like MNR.

Director should possess the highest personal and professional ethics, integrity and values. They should be able to balance the legitimate interests and concerns of all the Company's stakeholders in arriving at decisions, rather than advancing the interests of a particular constituency.

In addition, Directors must be willing to devote sufficient time and energy in carrying out their duties and responsibilities effectively. They must have the aptitude to critically evaluate management's working as part of a team in an environment of collegiality and trust.

The CGSI Committee evaluates each individual with the objective of having a group that best enables the success of the Company's business.

### 1.2.2 Selection of the Board Members / Extending invitation to a potential director to join the Board

One of the role of the CGSI Committee is to periodically identify competency gaps in the Board, evaluate potential candidates as per the criteria laid above, ascertain their availability and make suitable recommendations to the Board. The objective is to ensure that the Company's Board is appropriate at all points of time to be able to take decisions commensurate with the size and scale of operations of MNR. The CGSI Committee also identifies suitable candidates in the event of a vacancy being created on the Board on account of retirement, resignation or demise of an existing Board member. Based on the recommendations of the CGSI Committee, the Board evaluates the candidate(s) and decides on the selection of the appropriate member.

The Board, through the CMD / CGSI Committee then makes an invitation (verbal / written) to the new member to join the Board of MNR as a Director. On acceptance of the same, the new Director is appointed by the Board.

The CGSI Committee also considers candidates recommended by shareholders, if any. Shareholders desiring to suggest candidates for appointment as Directors should submit their suggestions in writing to the attention of the Company Secretary. This request should include the candidate's name and qualifications for service as a Board member, along with a document signed by the candidate indicating his willingness to serve, if elected. The CGSI Committee may seek further information / supporting documents for consideration of the candidate.

Any such appointment of Directors by the Board is recommended to the shareholders for their approval.

### 1.2.3 Board Orientation and Induction

New directors appointed by the Board shall be given formal induction and orientation with respect to the Company's vision, strategic direction, core values including ethics, corporate governance practices, financial matters, and business operations. The management shall facilitate the new appointee

to visit the Company's key manufacturing facilities to get familiar with the Company's operations.

The management will also provide all the necessary documents / brochures, reports and internal policies including this Corporate Governance Manual to the new members so that they get acquainted with various procedures and practices in the Company.

The Board also recognizes the importance of continuous education to its Directors. The Board is committed to provide training avenues to its members on matters, which are current and relevant for the Board's effective performance. These include training on technical aspects like industry developments, new accounting standards, financial policies, corporate governance developments and compliance thereof, business-specific opportunities, associated risks and mitigation strategies. These training programs may be conducted in-house by the Company's internal experts in the relevant field or by external agencies.

Apart from the above, MNR's management team makes periodic presentations on business and performance updates of the Company at Board and Committee meetings.

The Board lays particular emphasis on improving its governance standards on an ongoing basis keeping in mind the new regulations introduced by relevant authorities from time to time and global best governance practices. In furtherance of this goal, Board members will be encouraged to periodically attend training programs / seminars / discussion forums to understand leading-edge corporate governance issues and make suggestions for improving the prevalent governance practices.

### 1.3 Board Structure and Performance

#### 1.3.1 Size of the Board

The CGSI Committee assists the Board in determining the optimum Board size at any point of time within the legal framework. The Board believes that its present 12-member size is adequate, given the Company's current scale of operations and desired competencies of the Board members.

#### Current Requirements

- Section 252 of the Companies Act, 1956 prescribes that every public limited company shall have at least 3 Directors
- Section 259 of the Companies Act, 1956 provides for appointment of up to 12 Directors without seeking Central Government approval.
- The Listing Agreement does not specify any minimum or maximum size of the Board.
- The Articles of Association of the Company prescribes that the Company can appoint up to 14 Directors.

### 1.3.2 Board Composition

The Board has an Executive Chairman. The composition of the Board shall include such minimum number of Independent Directors as mandated in law.

#### Current Requirements

The Companies Act, 1956 is silent on the ratio of Non-Independent and Independent Directors.

Clause 49.I (A) of the Listing Agreement provides that the number of Independent Directors would depend on whether the Chairman is Executive or Non-Executive. In case of a Non-Executive Chairman, at least one-third of the Board should comprise of Independent Directors and in case of an Executive Chairman, at least half of the Board should comprise of Independent Directors.

### 1.3.3 Board definition of what constitutes Independence for Directors

For a Director to be considered Independent, the Board determines that the Director does not have any direct or indirect material pecuniary relationship with the Company. The Board has adopted guidelines to determine independence, which are in line with the applicable legal requirements as

stated below. The Company also obtains an undertaking from every Independent Director confirming that they meet the requirements of an Independent Director as per the Listing Agreement.

Apart from the provisions laid out under the Listing Agreement, the Board also considers all relevant facts and circumstances, not merely from the standpoint of the Director but also from that of persons or organizations with which the Director has an affiliation, in forming an opinion on the independence of the concerned Director(s).

In order to avoid any conflict of interest, the Board discourages any kind of transaction, material or not, with its independent members. In case the Company is required to enter into such a transaction with a Director or any person associated with him, the Board follows a strict procedure as laid down in its policy for “Code of Business Conduct and Ethics for Directors and Senior Management” of the Company to ensure that the transaction is at arms length and in the best interest of the Company.

### Current Requirements

Explanation to Clause 49 I(A) of the NSE Listing Agreement defines ‘independence’ as regards to Independent Directors as ‘absence of any material pecuniary relationship, apart from receipt of Director’s remuneration, either with the Company or its promoters or its management or its subsidiaries, which in the judgment of the Board of Directors of the Company may affect the independence or judgment of the Independent Director.

Clause 49 I (A) (iii) of the BSE Listing Agreement lays down the following test for ‘independence’

- a) Apart from receiving Director’s remuneration, does not have any material pecuniary relationships or transactions with the company, its promoters, its Directors, its senior management or its holding company, its subsidiaries and associates which may affect independence of the Director;

## MNR Exports Pvt. Limited

- b) Is not related to promoters or persons occupying management positions at the Board level or at one level below the Board;
- c) Has not been an executive of the company in the immediately preceding three financial years;
- d) Is not a partner or an executive or was not a partner or an executive during the preceding three years, of any of the following:
  - ◆ The statutory audit firm or the internal audit firm that is associated with the company, and
  - ◆ The legal firm(s) and consulting firm(s) that have a material association with the company.
- e) Is not a material supplier, service provider or customer or a lessor or lessee of the company, which may affect independence of the Director; and
- f) Is not a substantial shareholder of the company i.e. owning two percent or more of the block of voting shares.

Format of undertaking is as under:

The Compliance Officer  
MNR Exports Pvt. Limited  
□

Sub: Declaration by Independent Director

I, \_\_\_\_\_, do certify that I am holding the position on the Board of MNR Exports Pvt. Limited as an Independent Director. I further certify that I continue to meet all the requirements specified under sub-clause I(A)(iii) of Clause 49 of the listing agreement for holding the position of Independent Director.

Date:

\_\_\_\_\_  
[Name of Director]

### 1.3.4 Limits on outside Board Memberships

The Board expects its members to have adequate time and resources to contribute to effective Board performance. Accordingly its members should voluntarily limit their directorships in other listed public limited companies in such a way that it does not interfere with his role as a director of the Company. The CGSI Committee takes into account the nature of, and the time involved in a Director's service on other Boards, in evaluating the suitability of individual Directors and making its recommendations to the Board. No Board member should be a member of more than 10 mandatory Committees or act as Chairman of more than five mandatory Committees across all companies in which he holds directorships.

The Board shall encourage active participation by all its members in meetings. To achieve that objective, a tentative schedule of the Board and Committees' meetings in a particular financial year is planned at the beginning of the year, in consultation with the Board members, to facilitate their availability for the same. In addition to mandatory disclosures all Non-Executive and Independent Directors shall disclose their association with any other company which, in their judgement, may lead to conflict of interest with the Company. All other Directors / Senior Management are required to obtain approval from the Board before accepting any other directorship / assignment in any Company other than Reliance Group Companies, Subsidiaries, Associates etc.

#### Current Requirements

- Section 275 of the Companies Act, 1956 provides for a person to hold directorships in not more than 15 companies.
- In terms of Section 299 of the Companies Act, 1956, Directors are required to furnish annual disclosure of interest they or their relatives hold in other companies and firms.
- In terms of Section 305 of the Companies Act, 1956, Directors are required to inform within twenty days, any change in the office.

### 1.3.5 Declarations to be given by Board members

The following disclosures / declarations are to be given by Board members:

Sr. No.	Relevant Sec. / Rule / Reg.	Particulars	Periodicity
1	Sec. 264 of the Companies Act, 1956	Consent to be appointed as Director to be filed with Company and Registrar of Companies.	Before accepting the appointment as Director
2	Sec. 299 and 297 of the Companies Act, 1956	Disclosure of interests by Director to the Company	General notice to be given at the time of joining the Board; [Immediate]  As and when there is a change in interests;  General notice to be given during the last month of every financial year. [before March 31 of every year]
3	Sec. 305 of the Companies Act, 1956	Disclosure of particulars of other directorships	General notice to be given at the time of joining the Board; [Immediate]  As and when there is a change in directorships/office held in other bodies corporate; [within 20 days of such change]
4	Sec 308 of the Companies Act, 1956	Disclosure of shareholding in the Company and its subsidiaries	General notice to be given at the time of joining the Board; [Immediate]  As and when there is a change in holding;
5	Reg. 13(2) of the SEBI (Prohibition of Insider Trading) Regulations, 1992	Disclosure of interest or holding by Directors	At the time of joining the Board [within 4 working days] in Form B of the Reliance Code of Conduct for Prohibition of Insider Trading

## MNR Exports Pvt. Limited

Sr. No.	Relevant Sec. / Rule / Reg.	Particulars	Periodicity
6	Reg. 13(4) of the SEBI (Prohibition of Insider Trading) Regulations, 1992	Disclosure of interest or holding by Directors	Change in holding since the last disclosure, when the change exceeds Rs. 5 lakhs in value or 2,000 shares or 1% of total shareholding or voting rights which ever is lower in Form D of the Reliance Code of Conduct for Prohibition of Insider Trading
7	Reg. 10(d) of the Reliance Code of Conduct for Prohibition of Insider Trading	Quarterly Disclosure of interest or holding by Director	Within 4 working days after end of quarter in Form QD of the Reliance Code of Conduct for Prohibition of Insider Trading
8	Reg. 10(e) of the Reliance Code of Conduct for Prohibition of Insider Trading	Annual Disclosure of interest or holding by Director	Within 30 days after end of every financial year in Form AD of the Reliance Code of Conduct for Prohibition of Insider Trading
9	Reg. 15 of the Reliance Code of Business Conduct and Ethics for Directors and Senior Management	Annual Certification of compliance with the Code	Within 15 days of the close of every financial year.
10	Clause 49 of the Listing Agreement.	Declaration from Independent Director	Annual declaration

### 1.3.6 Tenure of Board Members

### 1.3.7 Term Limits

The Board does not believe that it should limit the number of terms for which an individual may serve as a Director. Directors who have served on the Board for an extended period of time may be able to provide valuable insights into the operations and future of the Company based on their experience with and understanding of the Company's history, policies and objectives. The Board believes that, as an alternative to term limits, it can ensure that the Board continues to evolve and adopt new viewpoints through the nomination process described earlier in this Manual. At the same time, all Directors other than the CMD are Directors retiring by rotation.

#### Current Requirements

- Section 317 of the Companies Act, 1956 provides for a term of five years at a time for Managing Directors. He may be re-appointed by further periods not exceeding five years on each occasion.
- Sections 255 and 256 of the Companies Act, 1956 provide for a method for appointment of Directors who shall be liable to retire by rotation. Section 255 provides that 2/3rd of the Board of Directors is considered to be Directors liable to retire by rotation [Directors other than those employed by the Company], of which 1/3rd shall retire at every annual general meeting of the Company and the Company shall have an option to re-appoint the retiring Directors or appoint some one else in their place.

#### 1.3.7.1 Retirement Policy

The Board believes in having a healthy mix of age and experience and therefore does not prescribe a minimum or maximum age limit for its Board members apart from what is laid down under the Companies Act, 1956. However, the Board does induct new members as and when desired, within available limits in line with the dynamic nature of the business. Consequent to Company's adoption of the revised Clause 49 with effect from July 27,

2005, the Independent Directors shall not hold office for a period exceeding 9 years from that date.

#### Current Requirements

- The Companies Act, 1956 does not prescribe any age limit for a non-executive Director. An Executive Director cannot be of more than 70 years of age.
- The revised Clause 49 recommends Independent Directors to hold office for not more than 9 years (non-mandatory clause)

#### 1.3.8 Succession planning

A planned programme of recruitment and retirement amongst board members and senior management is of significant importance.

It is an important part of the Board's work to ensure that there is adequate management development and succession planning particularly at the top levels. Succession planning also involves an assessment of the challenges and opportunities facing the company, and an evaluation of the skills and expertise that will be needed in the future.

The nomination committee is to provide support on this. Both executive and non-executive requirements shall be considered. The committee shall satisfy itself that processes and plans are in place for orderly succession for appointments to the board and to senior management to maintain an appropriate balance of skills on the board.

In addition, the annual appraisal assessment process for all the employees including the senior management personnel has succession planning and employee progression as one of the key attributes.

The process is institutionalized in the Company's HR framework and by design, it is the responsibility of the superiors to identify the succession path and suggest the training and development of skill necessary for the Company executives or suggest new recruitment wherever gaps exist.

### 1.3.9 Compensation to Directors

The Board has constituted a 'Remuneration Committee' comprising Independent Directors to recommend / review remuneration of Managing Directors and Whole time Directors based on their performance and defined assessment criteria. The Executive Directors of the Company are remunerated by way of salary, perquisites, commission, contribution to Company's Provident Fund, Superannuation or Annuity Fund, to the extent not taxable and Gratuity and encashment of leave at the end of tenure, as per the rules of the Company and to the extent not taxable.

The Non-Executive Directors are entitled to sitting fees at the rate of Rs 20,000/- for attending each Board or Committee meeting. The Non-Executive Directors are also entitled to a commission up to a certain percentage of net profits in such proportion as may be decided by the Board, as approved by the shareholders. Members may also be paid / reimbursed such sums either as fixed allowance and/or actual as fair compensation for travel, boarding and lodging and incidental and /or actual out of pocket expenses incurred by such member for attending Board / Committee meetings. The CGSI Committee is entrusted with the role of reviewing the compensation of Non-Executive Directors.

The Company has not granted stock options to its Directors. Changes in Board compensation, if any, arise out of the recommendation of the Remuneration Committee with necessary approvals by the Board and shareholders.

#### Current Requirements

- Section 309(2) of the Companies Act, 1956 provides for remuneration by way of a fee to a Director for attending meetings of the Board of Directors or Committee thereof. In terms of the said section, the Company pays its Non-Executive Directors a sum of Rs. 20,000/- towards sitting fees.
- Section 309(3) and Schedule XIII of the Companies Act, 1956 set out the limits of remuneration to be paid to Managing Directors and Whole-time Directors of the Company.

- Section 309 (4) sets out the limits of remuneration to be paid to the Non-Executive Directors of the Company.

### 1.3.10 Loans to Directors and Executive Officers

The Company shall not make any personal loans or extend any credit to Directors or executive officers except as laid out in the Company's employment rules for executive officers.

#### Current Requirements

- Section 295 of the Companies Act, 1956 prescribes restrictions on loans as well as guarantees and securities to be given to Directors and their relatives and associates.

### 1.3.11 Disclosure of MNR shareholding by Directors

The Company periodically receives disclosures from its Directors on the details of shares / debentures of the Company / its subsidiaries / its holding Company / its fellow subsidiary Company(ies), held / acquired / sold, by them or by any other person on their behalf. The position of Directors' holdings as at the end of a financial year is incorporated in the Annual Report.

#### Current Requirements

- The Directors of the Company are required to give disclosures in terms of the Companies Act, 1956 and Reliance Code of Conduct for Prohibition of Insider Trading.
- Section 308 of the Companies Act, 1956 requires Directors to disclose the details of shares / debentures of the Company / its subsidiary / its holding Company / its fellow subsidiary Company(ies), held / acquired / sold, by himself or by any other person on his behalf.

### 1.3.12 Meetings of Independent Directors

The Independent Directors of the Company shall meet from time to time as they may deem appropriate. These meetings will be conducted without the presence of Executive Directors or management personnel. These meetings would be conducted in an informal, flexible manner to enable the Independent Directors to discuss various matters pertaining to the affairs of the Company and put forth their views to the Lead Independent Director. The Lead Independent Director shall take appropriate steps to present such views before the CMD or the Board. These meetings could be held prior to or after Board meetings. The Independent Directors are free to call for such meetings at any point of time, as desired.

These discussions may include such other topics as the Independent Directors deem fit. The proceedings of such meetings may not form part of Company records.

The Board believes that these meetings are critical to ensure highest degree of involvement and contribution from Independent Directors in the decision making process of the Company.

### 1.3.13 Access to outside Advisors / Auditors

The Board and its Committees have the right to appoint any external agency, advisors / experts to assist in the decision making process. The Board can appoint such persons / agencies based on its own experience or as per the recommendations of the senior management. These advisors directly report to the Board and present their findings / suggestions directly, as per their terms of reference given by the Board. In case the Board so desires it can delegate the power of appointing an external agency or deciding its terms of reference to the senior management. The fees and expenses of any such advisors will be borne by the Company.

The objective of the above is to provide Board members with requisite information to assist in their decision making process. The objective is also to provide the Board members with an opinion, independent from the

management, on the alternative decision points available to the Board and the pros and cons of the same.

#### Current Requirements

- Clause 49 II C (3) of the Listing Agreement empowers the Audit Committee to seek outside legal or other professional advice to aid effective discharge of its duties.

### 1.3.14 Ethics and Conflicts of Interest

The Board has approved the “Code of Business Conduct and Ethics For Directors and Senior Management” of the Company and “Reliance Code of Conduct for Prohibition of Insider Trading”. The Company has also separately adopted the Reliance Code of Ethics to effectively aid the employees of the Company to perform their duties. These documents are part of this Manual and are provided in Annexures I, II and III.

All the Directors, officers and employees are required to adhere to the Code of Conduct as approved by the Company. No Non-Executive Director will provide any personal services to MNR for any compensation, other than in connection with serving as MNR Director, without prior approval of the Board. If an actual or potential conflict of interest arises for a Director, the Director shall promptly inform the CMD and the Lead Independent Director and the CGSI Committee shall endeavour to resolve the same. Directors shall not participate in any discussion or decision affecting their personal, business or professional interests.

#### Current Requirements

- Clause 49 I (D) of the Listing Agreement provides that every Company shall have a Code of Conduct for Directors and Senior Management, the code shall interalia encompass the ethics and fair dealing policies of the Company and all Board members and senior management personnel are required to annually confirm compliance with the Code. A declaration to this effect shall be made by the CEO in the Annual Report of the Company.

### 1.3.15 Board's interaction with Institutional Investors, Press, Customers, etc.

All communications to the media, investors or any public interaction in any form shall be as authorized by the Board, the CMD or the CGSI Committee. All written communications to the media shall be as per the Company's policies and through the prescribed channels. Only such persons as authorized from time to time shall be entitled to interact on behalf of the Company with these agencies. Information on the Company disseminated in any other manner shall be considered as a breach of the Company's code of conduct and appropriate action shall be taken to avoid recurrence.

If comments from the Board are required, none of the Directors or employees shall voluntarily respond unless previously authorized. Any third party desiring to communicate with the Lead Independent Director or with the Independent Directors as a group, may send a letter addressed to the Company Secretary.

There is no specific policy issued by the Central Government or SEBI in this regard, however, Clause 8 of the Reliance Code of Business Conduct and Ethics for Directors and Senior Management of the Company provides the following:

All statements made to the media on behalf of the Company should be true and fair.

Only persons duly authorized by management are allowed to interact with media on specified subjects.

Disclosure of any information other than statutory disclosures or those specifically authorized by the Management is prohibited.

Disclosure of information on proceedings of Board meetings / Committee meetings / internal meetings, and disclosure of forward-looking statements is prohibited.

Directors / Senior Management shall not disclose non public information selectively to a particular group as it may lead to unfair advantage / discrimination.

For any outside publication of documents which relate specifically to the Company's business, policies and processes, Directors / Senior Management should take the approval of the Management prior to its release.

### 1.4 Board Leadership

#### 1.4.1 Selection of Chairman and Chief Executive Officer

The Board is free to decide who will be the Chairman or Chief Executive Officer, in the best interests of the Company. Presently, Shri Mukesh D. Ambani, is the Chairman and Managing Director of the Company. He has been appointed with the approval of the Shareholders for a period of five years. He is the Chief Executive Officer of the Company.

#### Current Requirements

- Clause 162 of the Articles of Association of the Company provides that the Board of Directors of the Company shall elect one amongst themselves to be the Chairman of the meeting of the Board of Directors. The Board also has the power to appoint Chairman of the Committee of the Board of Directors.
- The said Clause also provides for the appointment of a Vice Chairman of the Board of Directors of the Company.
- Clause 175 of the Articles of Association of the Company provides that the Board shall have power to appoint any of its members as Managing Directors and/or Whole-time Directors for a fixed term not exceeding five years at such terms and conditions as it deems fit. Unless otherwise determined by the Company in general meeting, the number of Managing Directors shall not be more than two.
- Appointment and remuneration of Managing Directors are regulated by Sections 198, 269, 309, 310 and 311 of the Companies Act, 1956

#### 1.4.2 Selection of Lead Independent Director

The Independent Directors of the Company designate one amongst themselves as a Lead Independent Director. The Lead Independent Director is the spokesperson of the Independent Directors. The Lead Independent Director will hold office till such time as may be decided by the Independent Directors. The Executive Directors will not participate in the selection of the Lead Independent Director. Role of the Lead Independent Director is explained in the section 1.4 of this Manual.

#### 1.5 Board interaction with Senior Management

In addition to the Executive Directors, senior management of the Company, like, the heads of finance, accounts, different businesses, members of the audit cell, and such other persons may be invited to attend Board meetings in which matters related to their function is to be discussed. This enables the Board members to have complete information and seek clarifications to any queries that they may have. The business heads may be requested to make presentations to the Board on key developments in their specific areas and project-based information. Independent Director may also request for other executives to be called upon to provide necessary clarifications if required. Directors are also entitled to call upon any executive to have a one to one discussion on any matter. Directors may request the Company Secretary to arrange for such meeting or directly approach the concerned executive.

In the event of non-availability of an executive, the presence of whom is considered essential by the Board members for decision-making, the Board may defer the decision, till such availability unless they are provided with the necessary information otherwise.

#### Current Requirements

- Clause 49 II (A) (v) provides that the Audit Committee may invite such executives, as it considers appropriate (and particularly the head of the finance function) to be present at the meetings of the Committee.

## 1.6 Meeting Procedures

### 1.6.1 Board Meetings

#### 1.6.1.1 Pre-scheduled Board meetings

The Board meets at least 6 times every year based upon a schedule established at the last meeting of the previous year. At the Board meeting held in the month of March every year, the Board approves key issues of strategy, risk and business plan for the next year. The Board also approves the schedule of meetings for the next financial year and major items to be discussed at such meetings.

The main business to be considered in all such meetings will be as follows:

Month of meeting	Main business to be considered
ApMNR	Audited financial results for the previous financial year Appointment of Statutory Auditors Appointment of Directors in place of retiring Directors
July	Quarterly results
October	Half Yearly results
November	Mid-term review
January	Quarterly results, Appointment of Cost Auditors
March	Annual operating plans & budgets for the next financial year

#### 1.6.1.2 Urgent Board meetings

Apart from the pre-scheduled Board Meetings, the Company may for the purpose of urgent matters, convene additional Board Meetings at any time during the year. However, such meetings shall be convened only upon

justification of the urgency of the subject matter and with the prior approval of the CMD and in consultation with other Directors.

### 1.6.2 Selection of Agenda Items for Board Meetings

The Agenda for the Board meeting is decided keeping in mind that the meetings focus primarily on the matters requiring legal / statutory compliance, policy decisions and on items that are truly the Board's responsibility. The following procedure is followed for the selection and finalization of Agenda for Board meetings:

#### Reminder by Secretarial Division:

The Secretarial Division sends an advance intimation / reminder of the meeting (at least 20 days in advance) to all the other divisions requesting for submission of items to be considered in the next Board meeting.

#### Submission of Details by respective divisions:

The respective divisions send the details, in writing, with respect to the items required to be placed at the next Board meeting along with supporting documents to facilitate meaningful discussion and deliberations at the Board meetings. These details are received at least 15 days before the Board meeting. The following minimum details are required to be furnished:

- Brief introduction on the proposal to be placed before the Board;
- Need and justification of the proposal;
- Relevant legal and statutory provisions applicable to the matter;
- Advantages / implications of the proposal;
- Proposed execution timings;
- Cost –benefit analysis;
- Need for frequent / supplemental/ interim approval / sanctions, if any, and whether a Committee needs to be constituted;
- Delegation of authority, if any, proposed and the particulars of the executives in whose favour authorization is sought.

Matters received after the designated date, may be, at the discretion of the senior management deferred to the next Board meeting. Even if there is no proposal to be placed before the Board, a written confirmation to that effect is sent to the Secretarial division by the respective Division heads.

#### Preparation of draft Agenda:

Based on the proposals received from the various departments, the Secretarial division prepares the draft Agenda (12 days before the meeting), which includes the following:

- Draft notice and Agenda of the Meeting;
- Draft notes on Agenda;
- Supporting documents to the Agenda;
- Draft resolutions to be passed by the Board for each item of the Agenda;
- Draft intimation to the outside agencies (eg: stock exchanges).

#### Clearance of Agenda by the CMD:

After preparation of the draft Agenda, the Company Secretary, shall atleast 10 days before the Board meeting, discuss with the CMD, the specific Agenda items for the meeting. The CMD has the overall authority to approve the Agenda for the meeting. The CMD shall determine the nature and the format in which information shall be provided regularly to the Directors before each scheduled Board meeting. Directors are encouraged to make suggestions for Agenda items, or additional pre-meeting materials.

### 1.6.3 Board Materials distributed in advance

Post internal clearance, the Notice and Agenda papers are circulated to the Directors, atleast 7 days in advance. All material information will be incorporated in the Agenda to facilitate meaningful discussion at the meeting. Where details with respect to an item on the Agenda cannot be sent in advance due to confidentiality reasons, the same shall be placed on the table at the Board meeting with the prior approval of the CMD. Reference to

tabling of details at the meeting will be made in the corresponding Agenda item.

Any Board member including Independent Directors may request for inclusion of any matter in the Agenda for a particular Board meeting if he so desires. In the event such a suggestion is made, the particular item will be necessarily included in the Agenda. The Board members can send such requests 2 weeks in advance of the Board meeting. In the event of an urgency, the items could be considered, even if sent later, with the approval of the CMD.

### 1.6.4 Board Presentations

Materials on presentations proposed to be made at the meetings are sent to the Board members in advance to enable focused discussion on key issues. In case where the subject matter is price sensitive or otherwise confidential, the presentation is directly made at the meeting.

### 1.6.5 Guidelines for tabling of items at Board meetings

Tabling of items at Board meetings is generally discouraged. Only in rare circumstances or for items of extreme confidential nature and where immediate decision is required, the senior management may table additional items for discussion with the permission of the CMD.

### 1.6.6 Quorum, voting rights, manner of attendance and other procedures

It is expected that each Director will make every effort to attend each Board meeting. Attendance in person is preferred but attendance by tele / video conference is permitted, if necessary.

Each Director is expected to have carefully reviewed all materials distributed in advance of the meeting, be prepared to participate meaningfully in the meeting, and to discuss all scheduled items of business at the meeting.

The proceedings and deliberations of the Board are confidential. Each Director will maintain the confidentiality of information received in connection with his or her service as a Director.

#### 1.6.7 Recording of Dissent at Board Meetings

The Directors are expected to actively participate in the discussions of the Board and express their free and frank opinion. If any Director expresses his dissent, he should be able to present his views at the Board and after discussions, the view of all the Directors including dissent, if any, should be recorded in the minutes.

#### 1.6.8 Preparation of minutes, circulation and ratification

Within 7 days after the Board meeting, the Secretarial department shall prepare draft minutes of the proceedings of the Board meeting and submit to the Chairman of the meeting for his approval.

The draft minutes shall then be circulated to all the Directors within 15 days of the meeting for their comments. Comments / suggestions received from the Directors will be appropriately incorporated. The final minutes shall thereafter be recorded in the minutes book within 30 days of the meeting.

The minutes shall be placed before the Board in the next meeting for noting and shall be duly signed.

#### 1.6.9 Issuing certified copies of resolutions / minutes

The Secretarial department shall issue certified copies of the resolutions passed or extracts of the minutes of Board meetings, as and when required by any other division to enable them to take appropriate steps in the matter.

## 1.7 Board Committees

The Board has established the following Committees to assist the Board in discharging its responsibilities:

1. Audit Committee
2. Shareholders'/Investors' Grievance Committee
3. Remuneration Committee
4. Corporate Governance and Stakeholders' Interface Committee
5. Finance Committee
6. Health, Safety and Environment Committee

The Board has adopted charters setting forth the roles and responsibilities of each of the above Committees as well as qualifications for Committee membership, procedures for Committee member appointment and removal, Committee structure and operations and reporting to the Board. The Board may constitute new Committees or dissolve any existing Committee, as it deems necessary for the discharge of its responsibilities.

### 1.7.1 Audit Committee Charter

#### 1.7.1.1 Constitution

The Audit Committee shall function in accordance with the terms of reference covered under this Charter, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 1956 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

#### 1.7.1.2 Role of the Audit Committee

The Audit Committee assists the Board with its responsibility for overseeing the quality and integrity of the accounting, auditing, and reporting practices of the Company and its compliance with the legal and regulatory requirements. The Committee's purpose is to oversee the accounting and financial reporting processes of the Company, the audits of the Company's financial statements, the qualifications, independence and performance of

the statutory auditors, the performance of internal auditors and MNR's risk management policies.

### 1.7.1.3 Composition

#### Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 3. Each Committee member shall be an Independent Director as defined under the Listing Agreement. All members of the Committee shall be 'financially literate' and the Committee will have at least one member who shall have financial and accounting expertise. The Company Secretary shall act as the Secretary to the Committee.

#### Chairman:

The Chairman of the Audit Committee will be appointed by the Board at the time of constitution / reconstitution of the Audit Committee. The members of the Committee may also elect the Chairman amongst themselves.  
Induction and Training: The Committee members shall keep themselves updated of the new developments in accounting practices and procedures. The members shall ensure that they are appropriately informed of the implication of such new developments by the management and / or auditors of the Company.

#### Reconstitution:

The Board may at its discretion or as may be recommended by the CGSI Committee, reconstitute the Audit Committee at any time.

### 1.7.1.4 Procedures

#### Meetings:

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings. The Committee shall meet at least 6 times every financial year. The schedule shall specify the broad Agenda to be discussed and considered at each

meeting to ensure that the Committee's responsibilities are fully met. Usually, the Audit Committee meeting is held before a Board meeting. Additional meetings may be held, as the Committee deems fit. The Committee may request Head of Finance, representatives of the Internal Auditors, Statutory Auditors and Cost Auditors, or any other personnel to attend the Audit Committee meetings. At least twice a year the Committee shall meet the Statutory Auditor and internal auditors without the executive management being present.

### Agenda:

The Chairman of the Committee shall approve the Agenda for every meeting, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 4 days in advance of each meeting to facilitate meaningful overview.

### Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and reports on its actions and activities are placed at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, or as may be specifically referred to them by the Board or any other Committee of the Board, beyond the provisions of this Charter.

### Quorum:

The quorum for the purpose of the Committee meetings shall be either two members or one third of the members of the Committee, personally present, whichever is higher.

#### 1.7.1.5 Authority

The Committee is authorized:

- To investigate any activity covered under this Charter;
- To seek any specific information, as may be required, from any employee(s) of the Company and the concerned employee(s) shall co-operate with the request of the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

#### 1.7.1.6 Responsibilities

The Audit Committee's specific responsibilities in carrying out its oversight role are provided by the revised Clause 49 of the Listing Agreement with the Stock Exchanges. Briefly, the Committee's duties are classified under 4 categories:

##### Financial Statements and Related Disclosures

- Review and discuss with management and external auditor(s), the financial results including Management Discussion and Analysis of Financial Condition and Results of Operations, prior to placing the same for approval by the Board.
- Review the financial information provided to media and analysts.
- Review critical accounting policies, financial reporting and accounting standards and principles (including significant changes to those principles or their application) and key accounting decisions and judgments affecting the Company's financial

statements and disclosures. This shall include rationale for such choices and possible alternative treatments.

- Review the risk management policies periodically and make recommendations to the Board
- Review with the external auditors any audit problems or difficulties and management's response to the same.

#### Statutory Auditors' Qualifications, Independence, Remuneration and Performance

- Select, evaluate, and if necessary, recommend change in the statutory auditors. The Committee's recommendation is annually submitted to the Board for placing before the shareholders for approval.
- Approve the audit engagement fees and any non-audit services to be provided by the statutory auditors.
- Oversight / overview of the statutory auditor including resolution of disagreements between management and the statutory auditor.
- Review with the management and the statutory auditor, the scope, planning and staffing of the proposed audit on an annual basis.
- Obtain and review with the lead audit partner, annually or more frequently as the Committee considers appropriate, a written report by the Statutory Auditors describing, the Auditors' internal quality control of processes and procedures, any issues raised in any inquiry, review or investigation by governmental, professional or other regulatory authorities with respect to independent audits carried out by the Statutory Auditor and any steps taken to deal with these issues; and all relationships between the Statutory Auditor and the Company. The Committee shall annually confirm the independence of the Statutory Auditors on the basis of the above report and review with the lead audit partner.
- Pre-approve the hiring of any employee or former employee of the Statutory Auditor for senior positions within the Company.

#### Internal Audit

- Appointment of Internal Auditors - The Internal Audit Cell of the Company shortlists several firms based on their size, experience and ability to function as Internal Auditors of the company for various activities / functions. Based on the recommendation of the Internal Audit Cell, the Audit Committee shall approve the panel of internal audit firms on an annual basis.
- The Committee shall be kept informed of the scope of audit given to such firms from time to time.
- The Committee shall review the performance of the internal audit department including the objectivity and authority of its reporting obligations, the proposed audit plans for the coming year and the results of internal audits.
- The Committee shall review with management and the statutory auditors, the quality, adequacy and effectiveness of the Company's internal control systems and risk management tools and any significant deficiencies or material weaknesses in the internal controls.

#### Compliance with Legal and Regulatory Requirements

- The Committee shall receive reports from the management on any legal matters as may be statutoMNRy required and any material reports or inquiries from regulatory or governmental agencies on the financial statements of the Company. The Committee shall review such matters with the management, and any internal or external counsel, as the Committee considers appropriate.

#### Other Duties

- The Committee may perform such other functions, as may be necessary or appropriate for the performance of its oversight function. It is the responsibility of the Company's management to prepare the financial statements in accordance with applicable laws and regulations, and of the Statutory Auditors to audit those

financial statements. Therefore, each member of the Committee shall be entitled to rely on the integrity of such persons and organizations from whom information is received, for the accuracy of the financial and other information provided to the Committee.

#### Confidentiality

- The members of the Audit Committee and all other individuals attending the meetings of the Audit Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

#### Current Requirements on authority and responsibilities of the Audit Committee

In terms of the revised Clause 49 of the Listing Agreement, the terms of reference / powers of the Audit Committee have been specified as follows:

- A. The Audit Committee shall have the following powers: -
  1. To investigate any activity within its terms of reference.
  2. To seek information from any employee.
  3. To obtain outside legal or other professional advice.
  4. To secure attendance of outsiders with relevant expertise, if it considers necessary.
- B. The role of the Audit Committee shall include the following:
  1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
  2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of Statutory auditor and fixation of audit fees.

3. Approval of payment to Statutory Auditors for any other services rendered by the Statutory Auditors.
4. Reviewing with the management, the annual financial statements before submission to the Board for approval, with particular reference to: -
  - Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act, 1956.
  - Changes, if any, in accounting policies and practices and reasons for the same.
  - Major accounting entries involving estimates based on the exercise of judgment by management.
  - Significant adjustments made in the financial statement arising out of audit findings.
  - Compliance with listing and other legal requirements relating to financial statements.
  - Disclosure of related party transactions.
  - Qualifications in draft audit report.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management the performance of statutory and internal auditors, adequacy of internal control systems.
7. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
8. Discussion with internal auditors any significant findings and follow up there on.
9. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
10. Discussion with Statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

11. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
12. To review the functioning of the Whistleblower Mechanism.
13. Carrying out such other function as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.
14. To review the following information:
  - The Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the Audit Committee), submitted by management.
  - Management letters / letters of internal control weaknesses issued by statutory auditors;
  - Internal audit reports relating to internal control weaknesses; and
  - The appointment, removal and terms of remuneration of the Chief Internal Auditor.
15. Reviewing the financial statements and in particular the investments made by the Unlisted Subsidiaries of the Company.

## 1.7.2 Shareholders' / Investors' Grievance Committee Charter

### 1.7.2.1 Constitution

The Shareholders' / Investors' Grievance Committee shall function in accordance with the terms of reference covered under this Charter, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 1956 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

### 1.7.2.2 Role of the Shareholders' / Investors' Grievance Committee

The primary purpose of the Shareholders' / Investors' Grievance Committee is to oversee all matters pertaining to investors of the Company.

### 1.7.2.3 Composition

#### Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 3. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

#### Chairman:

The Chairman of the Shareholders' / Investors' Grievance Committee shall be appointed by the Board at the time of constitution or reconstitution of the Committee. The members of the Committee may also elect the Chairman amongst themselves.

#### Induction and Training:

The Committee members shall keep themselves updated of the new developments in securities related laws. The members shall ensure that they are appropriately informed of the implications of such new developments by the Company Secretary and / or Registrars and Transfer agents of the Company.

#### Reconstitution:

The Board may at its discretion reconstitute the Shareholders' / Investors' Grievance Committee at any time.

### 1.7.2.4 Procedures

#### Meetings:

The Committee shall meet at least 6 times a year based upon a schedule established at the first meeting of the year. . Additional meetings may be

held, as the Committee deems fit. Apart from the Committee members, Company executives and the Registrars and Transfer Agents and the Securities Auditors may be invited to attend the Committee meetings, as desired by the members.

### Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the Company Secretary. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful overview.

### Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meetings, which is then reviewed and approved by the Chairman of the meeting for circulation to the other members for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into any other matter as it deems fit to ensure better servicing and protection of investor interests, beyond the provisions of this Charter.

### Quorum:

The quorum for the purpose of the Committee meetings shall be any three members, personally present.

### 1.7.2.5 Authority

The Committee is authorized:

- To investigate any activity covered under this Charter;

- To seek any specific information, as may be required, from any employee(s) of the Company and/or Registrars & Transfer Agents, who shall co-operate with any request of the Committee;
- To obtain legal or other independent professional advice;
- To secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

#### 1.7.2.6 Responsibilities

The principal responsibilities and functions of the Shareholders' / Investors' Grievance Committee are as follows:

- Oversight and review, all matters connected with the transfer of securities of the Company.
- Approve issue of duplicate certificates of the Company.
- Monitor redressal of investors / shareholder grievances related to transfer of shares, non-receipt of balance sheet, non-receipt of declared dividend etc., if any.
- Oversight of the performance of Registrars and Transfer Agents of the Company.
- Recommend methods to upgrade the standard of services to the investors.
- Monitor implementation of the Company's Code of Conduct for Prohibition of Insider Trading.
- Carry out any other function as is referred by the Board from time to time or enforced by any statutory notification / amendment or modification as may be applicable.

### Confidentiality

The members of the Shareholders' / Investors' Grievance Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

## 1.7.3 Remuneration Committee Charter

### 1.7.3.1 Constitution

The Remuneration Committee shall function in accordance with the terms of reference covered under this Charter, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 1956 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

### 1.7.3.2 Role of the Remuneration Committee

The role of the Remuneration Committee is to recommend /review remuneration of the Managing Directors and Whole-time Directors based on their performance and defined assessment criteria.

### 1.7.3.3 Composition

#### Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 3 members. All the members of the Remuneration Committee shall be Independent Directors. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

#### Chairman:

The Chairman of the Remuneration Committee shall be appointed by the Board at the time of constitution or reconstitution of the Committee.

**Induction and Training:**

The Committee members shall keep themselves updated of the new developments in managerial compensation. The members shall ensure that they are appropriately informed of the implications of such new developments by the Company.

**Reconstitution:**

The Board may at its discretion reconstitute the Remuneration Committee at any time.

### 1.7.3.4 Operations

**Meetings:**

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings. The Committee shall meet at least once every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the Remuneration Committee meeting, if desired by the members.

**Agenda:**

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

**Meeting proceedings:**

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their

comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Charter.

#### Quorum:

The quorum for the purpose of the Committee meetings shall be either two members or one third of the members of the Committee, personally present, whichever is higher.

#### 1.7.3.5 Authority

The Committee is authorized:

- To investigate any activity covered under this Charter;
- To seek any information, as may be required, from any employee(s) of the Company and the concerned employee(s) shall co-operate with the request of the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

#### 1.7.3.6 Responsibilities

The principal responsibilities and functions of the Remuneration Committee are as follows:

- Recommending / reviewing remuneration of the Managing Directors and Whole-time Directors, based on their performance and defined assessment criteria.

- Approving appointment, if any, of a relative of a Director for holding office of profit in the Company as per the provisions of the Act and Rules issued thereunder.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.

The above list is not exhaustive and the Committee may in addition perform such other functions as may be necessary or appropriate for the performance of its duties.

#### 1.7.3.7 Confidentiality

The members of the Remuneration Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company, which has become known to them in such meetings to any other person other than in course of conducting their normal duties.

### 1.7.4 Corporate Governance & Stakeholders' Interface Committee Charter

#### 1.7.4.1 Constitution

The Corporate Governance and Stakeholders' Interface Committee shall function in accordance with the terms of reference covered under this Charter, such additional provisions as may be stipulated under Listing Agreement with Stock Exchanges, the Companies Act, 1956 (the Act) and other statutes or any modification or re-enactment thereof and as may be specified by the Board from time to time.

#### 1.7.4.2 Role of the Corporate Governance and Stakeholders' Interface Committee

The CGSI Committee takes a leadership role in shaping corporate governance policies and practices, including recommending to the Board, the Corporate Governance Guidelines applicable to the Company and monitoring compliance with the said policies and guidelines.

#### 1.7.4.3 Composition

##### Members:

The Committee consists of such number of members, as the Board may determine from time to time, but in any event not less than 3. All the members of the CGSI Committee shall be Independent Directors. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

##### Chairman:

The Chairman of the CGSI Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

##### Induction and Training:

The Committee members shall keep themselves updated of the new developments and practices in corporate governance. The members shall ensure that they are appropriately informed of the implications of such new developments to the Company.

##### Reconstitution:

The Board may at its discretion reconstitute the CGSI Committee at any time.

#### 1.7.4.4 Operations

##### Meetings:

The Chairman of the Committee, in consultation with the other Committee members, finalizes the schedule and frequency of the Committee meetings. The Committee shall meet at least 4 times every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the CGSI Committee meeting, if desired by the members.

##### Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

##### Meeting proceedings:

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Charter.

##### Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

#### 1.7.4.5 Authority

The Committee is authorized:

- To investigate any activity covered under this Charter;
- To seek any required information from any employee(s) and the concerned employee(s) shall co-operate fully with any request made by the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary.
- To form and delegate authority to its sub-committees or to one or more members of the Committees

The Company shall bear all such expenses to support the requirements of the Committee.

#### 1.7.4.6 Responsibilities

The principal responsibilities and functions of the CGSI Committee are as follows:

- Observance of practices of Corporate Governance at all levels and to suggest remedial measures wherever necessary.
- Provision of correct inputs to the media so as to preserve and protect the Company's image and standing.
- Dissemination of factually correct information to investors, institutions and the public at large.
- Interaction with the existing and prospective FIIs and rating agencies etc.
- Establishing oversight on important corporate communication on behalf of the Company with the assistance of consultants / advisors, if necessary.

- Ensuring institution of standardized channels of internal communications across the Company to facilitate a high level of disciplines participation.
- Ensuring compliance with the corporate governance norms prescribed under Listing Agreement with Stock Exchanges, the Companies Act and other statutes or any modification or re-enactment thereof.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
- Periodically identify and recommend to the Board, individuals for nomination based on qualifications, capability, availability to serve, conflicts of interest, and other relevant factors.
- Periodically review the compensation paid to Non-Executive Directors and sitting fees, if any, and make recommendations to the Board for any adjustments.
- Advise the Board periodically with respect to significant developments in the law and practice of corporate governance and make recommendations to the Board for appropriate revisions to the Company's Corporate Governance Guidelines.
- Monitor Company's compliance with the Corporate Guidelines and applicable laws and regulations and make recommendations to the Board on all such matters corrective action to be taken, as the Committee appropriate. Governance and on any may deem
- Review and assess the adequacy of the Company's Code of Conduct for Directors and Senior Management, the Code of Ethics and other internal policies and guidelines and monitor that the principles described therein are being incorporated into the Company's culture and business practices.
- Obtain or perform an annual evaluation of the Committee's performance and make applicable recommendations.

- Establish criteria and processes for, and assist the Board and each of its Committees in their annual performance evaluations.

The above list is not exhaustive and the Committee may in addition perform such other functions as may be necessary or appropriate for the performance of its duties.

#### Confidentiality

The members of the CGSI Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in the course of conducting their normal duties.

### 1.7.5 Finance Committee Charter

#### 1.7.5.1 Constitution

The Finance Committee shall function in accordance with the terms of reference covered under this Charter, such additional provisions as may be stipulated under the applicable statutes or any amendment, modification or re-enactment thereof and as may be specified by the Board from time to time.

#### 1.7.5.2 Role of the Finance Committee

The primary purpose of the Finance Committee is to review the Company's financial policies, strategies and capital structure and take such action and make such reports and recommendations to the Board, as it deems advisable.

#### 1.7.5.3 Composition

##### Members:

The Committee shall consist of such number of members as the Board may determine from time to time, but in any event not less than 3. The

## MNR Exports Pvt. Limited

Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

### Chairman:

The Chairman of the Finance Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

### Induction and Training:

The Committee members shall keep themselves updated of the new developments in financial markets, new financial instruments as well as the business requirements. The members shall ensure that they are appropriately informed of the implications of new developments to the Company.

### Reconstitution:

The Board may at its discretion reconstitute the Finance Committee at any time.

## 1.7.5.4 Operations

### Meetings:

The Committee meetings are held depending on the requirement of the business. Apart from the Committee members, Company executives may be invited to attend the Finance Committee meeting, as desired by the members.

### Agenda:

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

### Meeting proceedings:

The Committee shall act only on the affirmative vote of a majority of the members at a meeting or by unanimous written consent. The Committee

shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Charter.

**Quorum:**

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

#### 1.7.5.5 Authority

The Committee is authorized:

- To investigate any activity covered under this Charter;
- To seek any required information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary.
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

#### 1.7.5.6 Responsibilities

The principal responsibilities and functions of the Finance Committee are as follows:

- Review, as the Committee deems appropriate, the Company's financial policies, strategies and capital structure, working capital and cash flow management and make such reports and recommendations to the Board with respect thereto as it may deem advisable.
- Reviewing banking arrangements and cash management
- Exercising all powers to borrow moneys (otherwise than by issue of debentures), from time to time, such that the amount of all such borrowings including bonds / debentures, but excluding temporary loans obtained from the bankers in the ordinary course of business outstanding at any time shall not exceed Rs. 35,000 crore and taking necessary actions connected therewith including refinancing for optimization of borrowing costs.
- Giving of guarantees / issuing letters of comfort / providing securities up to Rs. 6500 crore.
- Borrowing monies by way of loan and / or issuing and allotting Bonds / Notes denominated in one or more foreign currencies, up to an aggregate amount equivalent to US \$ One Billion, in international markets, for the purpose of refinancing the existing debt, capital expenditure, general corporate purposes including working capital requirements and possible strategic investments.
- Approval to open and operate Investment Management Accounts with Foreign Banks and appoint them as Agents, establishment of representative / sales offices in or outside India etc.
- Carrying out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment or modification as may be applicable.
- Other transactions or financial issues that the Board desires to have reviewed by the Finance Committee.
- Regularly review and make recommendations about changes to the charter of the Committee
- Obtain or perform an annual evaluation of the Committee's performance and make appropriate recommendations

### 1.7.5.7 Confidentiality

The members of the Finance Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

## 1.7.6 Health, Safety and Environment Committee Charter

### 1.7.6.1 Constitution

The Health, Safety and Environment Committee shall function in accordance with the terms of reference covered under this Charter, such additional provisions as may be stipulated under the applicable statutes or any amendment, modification or re-enactment thereof and as may be specified by the Board from time to time.

### 1.7.6.2 Role of the Health, Safety and Environment (HSE) Committee

The primary purpose of the HSE Committee is to monitor and ensure maintaining highest standards of environmental, health and safety norms and compliance with applicable pollution and environmental laws at all works / factories / locations of the Company and to recommend measures, if any, for improvement in this regard.

### 1.7.6.3 Composition

#### Members:

The Committee shall consist of such number of members, as the Board may determine from time to time, but in any event not less than 3. The Committee members shall be appointed by the Board. The Company Secretary shall act as the Secretary to the Committee

**Chairman:**

The Chairman of the HSE Committee will be appointed by the Board at the time of constitution or reconstitution of the Committee.

**Induction and Training:**

The Committee members shall keep themselves updated of environment and safety aspects. The members shall ensure that they are appropriately informed of the implications of related new developments to the Company.

**Reconstitution:**

The Board may at its discretion reconstitute the HSE Committee at any time.

### 1.7.6.4 Operations

**Meetings:**

The Chairman of the Committee, in consultation with the Committee members, finalizes the schedule and frequency of the Committee meetings. The Committee shall meet at least 4 times every year based upon a schedule established at the first meeting of the year. The schedule shall specify the broad Agenda to be discussed and considered at each meeting to ensure that the Committee's responsibilities are fully met. Additional meetings may be held, as the Committee deems advisable. Apart from the Committee members, Company executives may be invited to attend the HSE Committee meeting, as desired by the members.

**Agenda:**

The Chairman of the Committee finalizes the Agenda, in consultation with the management. The Agenda and information concerning the business to be conducted at each meeting, shall be, as far as practical, communicated to the members at least 2 days in advance of each meeting to facilitate meaningful discussion.

**Meeting proceedings:**

The Committee shall ensure that minutes of all its proceedings are kept and shall report on its actions and activities at the next meeting of the Board. The Secretary of the Committee records the proceedings of the Committee

meeting which is then reviewed and approved by the Chairman of the meeting for circulation to the other members of the Committee for their comments. The final minutes are noted at the ensuing meeting of the Committee and signed by the Chairman of the meeting. The Committee is governed by the same rules regarding meetings, notice and voting requirements as are applicable to the Board. The Committee is authorized and empowered to look into other matter as it deems fit, beyond the provisions of this Charter.

#### Quorum:

The quorum for the purpose of the Committee meetings shall be any two members, personally present.

#### 1.7.6.5 Authority

The Committee is authorized:

- To investigate any activity covered under this Charter;
- To seek any required information from any employee(s) of the Company and the concerned employee(s) shall co-operate with any request made by the Committee;
- To obtain legal or other independent professional advice and secure attendance of outsider(s) with relevant experience if the same is considered necessary;
- To form and delegate authority to its sub-committees or to one or more members of the Committee.

The Company shall bear all such expenses to support the requirements of the Committee.

#### 1.7.6.6 Responsibilities

The principal responsibilities and functions of the HSE Committee are as follows:

- Monitoring and ensuring the highest standards of environmental health and safety norms;

- Ensuring compliance with applicable pollution and environmental laws at all works / factories / locations of the Company by putting in place effective systems in this regards and reviewing the same periodically;
- Review, as the Committee deems appropriate, the Company's health, safety and environment related policy and make recommendations as necessary;
- Review the performance of the Company on health, safety and environment related matters and suggest improvements as the Committee may deem necessary;
- Review the procedures and controls being followed at the Company's various manufacturing facilities and plants for compliance with the relevant statutory provisions;
- Regularly review and make recommendations about changes to the charter of the Committee;
- Obtain or perform an annual evaluation of the Committee's performance and make appropriate recommendations;

#### 1.7.6.7 Confidentiality

The members of the HSE Committee and all other individuals attending the meetings of the Committee should not disclose the information contained in the reports they receive, the contents of discussion or confidential information regarding the Company which have become known to them in such meetings to any other person other than in course of conducting their normal duties.

### 1.8 Board Performance Evaluation

While there is no formal requirement on Board performance evaluation in India, based on the guiding principles enunciated in the Higgs Report and other international best practices, the Company has initiated an evaluation policy with respect to the Board performance evaluation.

## MNR Exports Pvt. Limited

The performance of the Board as a whole, of its committees, and of its members shall be evaluated at least once a year keeping in view the objectives of the Company.

It is the responsibility of the Chairman who shall be supported by the Company Secretary to organize the evaluation process and act on its outcome.

The results of board evaluation shall remain confidential between the Chairman, Directors concerned & the Company Secretary.

The evaluation process will be used constructively as a mechanism to improve board effectiveness, maximize strengths and tackle weaknesses.