

**CODE OF BUSINESS CONDUCT & ETHICS
FOR BOARD MEMBERS &
SENIOR MANAGEMENT**

(Approved by BOD, during their 282nd meeting held on 12th September, 2009)



सेन्ट्रल वेयरहाउसिंग कारपोरेशन

(भारत सरकार का एक उपक्रम)

CENTRAL WAREHOUSING CORPORATION

(A Govt. of India undertaking)



ISO 14001:2004 ISO 9001:2008
EW 66416 TW 34701

CENTRAL WAREHOUSING CORPORATION
(A GOVT OF INDIA UNDERTAKING)

CODE OF BUSINESS CONDUCT AND ETHICS
FOR BOARD MEMBERS AND SENIOR MANAGEMENT

1.0 Introduction

- 1.1 This Code shall be called " The Code of Business Conduct & Ethics for Board Members and Senior Management of Central Warehousing Corporation (hereinafter referred to as "the Corporation")
- 1.2 The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Corporation.
- 1.3 This Code for Board Members and Senior Management has been framed specially in compliance of the provisions of Clause 49 of the Listing Agreement with Stock Exchanges and as per the Guidelines of DPE.
- 1.4 It shall come into force with effect from 12th September, 2009.

2.0 Definitions and Interpretations:

- 2.1 The term "Board Members" shall mean Directors on the Board of Directors of the Corporation.
- 2.2 The term "Whole-time Directors" or "Functional Directors" shall be the Directors on the Board of Directors of the Corporation, who are in whole-time employment of the Corporation.
- 2.3 The term "Part-time Directors" shall mean Directors on the Board of Directors of the Corporation, who are not in whole time employment of the Corporation.
- 2.4 The term "Relative" shall have the same meaning as defined in Section 6 of the Companies Act, 1956.
- 2.5 The term "Senior Management" shall mean personnel of the Corporation who are members of its core management team i.e. AGMs/ EEs and above.
- 2.6 The term "the Corporation" shall mean Central Warehousing Corporation.

Note: In this Code words importing the masculine gender shall include feminine and words importing singular shall include the plural or vice-versa.

3.0 Applicability

- 3.1 This code shall be applicable to the following personnel:
- a) All Whole-time Directors including the Managing Director and the Full-time Directors of the Corporation.
 - b) All Part-time Directors including Chairman, official and non-official Directors under the provisions of law and
 - c) Senior Management.
- 3.2 The Whole-time Directors and Senior Management should continue to comply with other applicable / to be applicable policies, rules and procedures of the Corporation.

4.0 Contents of Code

- Part I General Moral Imperatives
- Part II Specific Professional Responsibilities
- Part III Specific Additional Provisions for Board Members and Senior Management

This code is intended to serve as a basis for ethical decision making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in the code of ethics and conduct document are subject to varying interpretations. In case of any conflict, the decision of the Board shall be final.

PART - I

5.0 General Moral Imperatives

5.1 Contribute to society and human well being

- 5.1.1 This principle concerning the quality of life of all people, affirms an obligation to protect fundamental human rights and to respect the diversity of all cultures. We must attempt to ensure that the products of our efforts will be used in socially responsible ways, will meet social needs and will avoid harmful effects to health and welfare of others. In addition to a safe social environment, human well being also includes a safe natural environment.

5.5.3 Remain vigilant and work towards growth and reputation of the Corporation.

5.5.4 Bring pride to the organization and provide value-based services to Corporation's stakeholders.

5.5.5 Do duty conscientiously and without fear or favour.

PART II

6.0 Specific Professional Responsibilities

6.1 Live the Vision, Mission and Values of the Corporation - each day.

They are as under:

Vision

To emerge as the leading global market facilitator by providing integrated warehousing infrastructure and logistic services, as a support to India's economy, with emphasis on customer's delight.

Mission

To provide total quality services on a global scale in the field of Warehousing, Logistic Services and related activities with value addition to the Customer's satisfaction.

Values

- * Zeal to excel and zest for change
- * Integrity and fairness in all matters
- * Respect for dignity and potential of individuals
- * Strict adherence to commitments
- * Ensure speed of response
- * Foster learning, creativity and team-work
- * Loyalty and pride in the Corporation

6.2 **Strive to achieve the highest quality, effectiveness and dignity in both the processes and products of professional work:** - Excellence is perhaps the most important obligation of a professional. Everyone, therefore, should strive to achieve the highest quality, effectiveness and dignity in their professional work.

2 Therefore, all Board Members and Senior Management who are accountable for the design, development, manufacture and promotions of Corporation's products, must be alert to, and make others aware of, both a legal and a moral responsibility for the safety and the protection of human life and environment.

Be honest and trustworthy & practice Integrity

Integrity and honesty are essential components of trust. Without trust, an organization cannot function effectively.

All Board Members and Senior Management are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while conducting business of the Corporation.

Be fair and take action not to discriminate

The value of equality, tolerance, respect for others, and the principles of equity and justice govern this imperative. Discrimination, on the basis of race, sex, religion, caste, age, disability, national origins or other such factors, is an explicit violation of this Code.

Honour confidentiality

The principle of honesty extends to issues of confidentiality of information. The ethical concern is to respect all obligations of confidentiality to all stakeholders, unless discharged from such obligations by requirements of the law or other principles of this Code.

Board Members and Senior Management, therefore, shall maintain the confidentiality of all confidential unpublished information about business and affairs of the Corporation.

Integrity & Practice

Strive continuously to bring about integrity and transparency in all spheres of the activities.

Strive unstintingly for eradication of corruption in all spheres of life

- 6.9 **Conduct in a manner that reflects credit to the Corporation:-** All are expected to conduct themselves, both on and off duty, in a manner that reflects credit to the Corporation. The sum total of their personal attitude and behavior has a bearing on the standing of Corporation and the way in which it is perceived within the organization and by the public at large.
- 6.10 **Be accountable to Corporation's stakeholders:-** All of those whom we serve, be it our Customers, without whom the Corporation will not be in business, the Shareholders, who have an important stake in its business, the Employees, who have a vested interest in making it all happen, the Vendors, who support the Corporation to deliver in time and Society to which Corporation is responsible for its actions – are stakeholders of the Corporation. All, therefore, must keep in mind at all times that they are accountable to Corporation's stakeholders.
- 6.11 **Prevention of Insider Trading –** The Board Members and Senior Management shall comply with the Code of Internal Procedures and Conduct for prevention of Insider Trading in dealing with securities of the Company.
- 6.12 **Identify, mitigate and manage business risks:-** It is everybody's responsibility to follow the Risk Management Framework of the Corporation to identify the business risks that surround function or area of operation of the Corporation and to assist the Corporation-wide process of managing such risks, so that Corporation may achieve its wider business objectives.
- 6.13 **Protect properties of the Corporation:-** The Board Members and Senior Management shall protect the assets including physical assets, information & intellectual rights of the Corporation and shall not use the same for personal gain.
- 6.14 Act in the best interests of, and fulfill their fiduciary obligations to the Corporation.
- 6.15 Conduct themselves in a professional, courteous respectful manner and not take improper advantage of the position of Director / senior Management.
- 6.16 Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated;
- 6.17 Not to use any information or opportunity received by them in their capacity as Directors / Senior Management in a manner that would be detrimental to the Corporation's interests;

- 6.3 Acquire and maintain professional competence:-** Excellence depends on individuals who take responsibility for acquiring and maintaining professional competence. All are, therefore, expected to participate in setting standards appropriate levels of competence, and strive to achieve those standards.
- 6.4 Compliance with Laws:-** The Board Members and Senior Management of the Corporation shall comply with all the applicable provisions of existing local, state, national, and international laws. They should also follow and obey the policies, procedures, rules and regulations relating to business of the Corporation.
- 6.5 Accept and provide appropriate professional review:-** Quality professional work depends on professional review and comments. Whenever appropriate, individual members should seek and utilize peer review as well as provide critical review of the work of theirs.
- 6.6 Manage personnel and resources to enhance the quality of working life:-** Organizational leaders are responsible for ensuring that a conducive working and business environment is created for fellow employees to enable them delivering their best. The Board Members and Senior Management would encourage and support the ensuring human dignity of all employees, would encourage and support the professional development of the employees of the Corporation by providing them all necessary assistance and cooperation, thus enhancing the quality of working.
- 6.7 Be upright and avoid any inducements:-** The Board Members and Senior Management shall not, directly or indirectly through their family and other connections, solicit any personal fee, commission or other form of remuneration arising out of transactions involving Corporation. This includes gifts or other benefits of significant value, which might be extended at times, to influence business for the organization or awarding a contract to an agency, etc.
- 6.8 Observe Corporate Discipline:-** The flow of communication within the Corporation is not rigid and people are free to express themselves at all levels. Though there is a free exchange of opinions in the process of arriving at a decision, but after the debate is over and a policy consensus has been established, all are expected to adhere and abide by it, even when in certain instances one may not agree with it individually. In some cases policies act as a guide to action, in others they are designed to put a constraint on action. All must learn to recognize the difference and appreciate why they need to observe them.

PART – III

7.0 Specific Additional Provisions

7.1 **As Board Members and Senior Management:** They shall undertake to actively participate in the meetings of the Board and Committees on which they serve.

7.2 As Board Members

7.2.1 Undertake to inform the Chairman and Managing Director / Company Secretary of the Corporation of any changes in their other Board positions, relationship with other business and other events / circumstances / conditions that may interfere with the ability to perform Board / Board Committee duties or may impact the judgment of the Board as to whether they meet the independence requirements of Listing Agreement with Stock Exchanges and Guidelines of DPE.

7.2.2 Undertake that without prior approval of the disinterested members of the Board they will avoid apparent conflict of interest. Conflict of interest may exist when they have personal interest that may have a potential conflict with the interest of the Corporation. Illustrative cases can be:

- **Related Party Transactions:** Entering into any transactions or relationship with Corporation or its subsidiaries in which they have a financial or other personal interest (either directly or indirectly such as through a family member or relation or other person or other organization with which they are associated).
- **Outside Directorship:** Accepting Directorship on the Board of any other Corporation that competes with the business of the Corporation.
- **Consultancy / Business / Employment:** Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment) which is likely to interfere or conflict with their duties / responsibilities towards Corporation. They should not invest or associate themselves in any other manner with any supplier, service provider or customer of the Corporation.
- **Use of Official position for personal gains:** Should not use their official position for personal gains.

7.3 Compliance with the Code of Business Conduct and Ethics

7.3.1 All Members of the Board and Senior Management of Corporation shall uphold and promote the principles of this code.

The future of the organization depends on both technical and ethical excellence. Not only it is important for Board Members and Senior Management to adhere to the principles expressed in this Code, each of them should also encourage and support adherence by others.

7.3.2 Treat violations of this code as inconsistent association with the Corporation:

Adherence of professionals to a code of ethics is largely and generally a voluntary matter. However, if any of Board Members and Senior Management does not follow this Code, the matter would be reviewed by the Board and its decision shall be final. The Corporation reserves the right to take appropriate action against the defaulter.

7.4 Miscellaneous Points

7.4.1 Continual updation of Code

This Code is subject to continuous review and updation in line with any changes in law, changes in Corporation's philosophy, vision, business plans or otherwise as may be deemed necessary by the Board and all such amendments / modifications shall take effect prospectively from the date stated therein.

7.4.2 Where to seek clarifications

Any member of Board or Senior Management requiring any clarification regarding this code of conduct may contact Director (HR) / Secretary.

**ACKNOWLEDGEMENT OF RECEIPT OF
CODE OF BUSINESS CONDUCT AND ETHICS
FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

I have received and read the code of Business Conduct and Ethics for Board Members and Senior Management of Central Warehousing Corporation (9 Pages). I understand the standards and policies contained in the said Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the said Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the said Code of Business Conduct and Ethics, any policies of the CPSE or the legal and regulatory requirements applicable to my job, I know I can consult the Director or Company Secretary concerned of the CPSE knowing that my questions or reports will be maintained in confidence.

Further, I undertake to provide the Affirmation, as enclosed, on an Annual basis to the Secretary of the Corporation within 30 days from the end of 31st March every year.

Place:
Date :

Signature :
Name :
Designation :
Employment Number :
Telephone No. :

AFFIRMATION

(By Board Members/ Senior Management of the Corporation on Annual basis
by 30th April of every year)

I,.....(name),.....(designation),
having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and have not violated any of the provisions of the Code during the year ended 31st March

Place:
Date

Signature :
Name :
Designation :
Employment Number :
Telephone No. :
