



**DIRECTORS' CODE OF ETHICS**  
**MAURILAIT PRODUCTION LIMITEE**

The Board of Directors of the Company has adopted this Code of Ethics to:

- (a) Provide guidance to the Directors and help them recognize and deal with ethical issues;
- (b) Help foster a culture of honesty, accountability and transparency in reporting unethical conduct.

## **1. Duties of Directors**

The Directors of the Company shall act in good faith and make and enact informed decisions and policies in the best interests of the Company. They have a responsibility to carry out their duties diligently, in an honest manner, with reasonable competence and to act within the scope of their authority. They must attend board meetings regularly and devote sufficient time to ensuring familiarity with the Company's business and environment.

Directors should ensure observance of confidentiality provisions of non-public information disclosed to them. They must act in a manner which enhances and maintains the reputation of the Company at all times.

## **2. Professional integrity**

A Director should not obtain, attempt to obtain or accept any bribe, secret commission or illegal inducement of any sort.

A Director must be prepared, if necessary, to express disagreement with colleagues, including the Chairman or General Manager. However, if there is no need to express disagreement, a Director should be prepared to accept collective responsibility and implement the decisions of the Board.

If there is any doubt whether a proposed course of action is inconsistent with a Director's fiduciary duty, then the course of action should not be supported. Independent advice should be sought as soon as possible to clarify the issue.

When a Director concludes that he is unable to acquiesce to a decision of the Board, some or all of the following steps should be considered:

- (a) Making his dissent and its possible consequences clear to the Board as a means of seeking to influence the decision;
- (b) Asking for additional legal, accounting or other professional advice;
- (c) Asking that the decision be postponed to the next meeting to allow time for further consideration and informal discussion.

## **3. Conflicts of interest and related party transactions**

### **(a) Conflicts of interest**

A Director must, as far as possible, avoid conflicts of interest. However, where a conflict or potential conflict arises, the said conflict must be disclosed and all procedures for dealing with such cases

must be strictly adhered to. The timely disclosure of any conflict, or potential conflict, must be made known to the Board and must be entered on the Register of Interests of the Company.

A Director who is conflicted regarding a particular issue shall not be counted in the quorum for the decision-making process and as such shall not participate in the related discussions and decision-making. A conflict of interest may occur when:

- (a) A Director's personal interest is adverse to or may seem to be adverse to the interests of the Company;
- (b) A Director, or a member of his immediate family, receives improper personal benefits as a result of his/her position in the Company.

In the extreme case of continuing material conflicts of interest, the Director should consider resigning from the Board.

#### **(b) Related party transactions**

A potential conflict of interest exists if the Company intends to enter into a transaction with a related party and if the related party includes any of the following:

- (a) The board members, the holding company, the subsidiaries, sister companies and associates;
- (b) The General Manager, and key officers including anyone who directly reports to the Board or the General Manager;
- (c) Any significant shareholder owning or controlling more than 5% of the voting shares and thus having the ability to control or exercise a significant influence on the Board;
- (d) The associates of a Director, as per the definition of the Securities Act 2005;
- (e) Any person involved in a business, or who is a member of the governing board of a business, or is a CEO or key officer of a business in which the persons mentioned above in (a) to (d) own jointly or severally at least 5% of the voting rights;
- (f) Any person whose judgement or decisions could be influenced as a consequence of an arrangement or relationship involving themselves and any persons mentioned in (a) to (e) above.

A board member shall abstain from taking part in any discussion or decision-making regarding any subject or transaction in which he has a conflict of interest with the Company.

All transactions in which there are conflicts of interest with board members shall be agreed on terms that are customary for arm's length transactions in the Company's business. Decisions to enter into transactions in which there are conflicts of interest with board members require the approval of the board.

#### **4. Use of property and information**

A Director must not take improper advantage of his position or use the Company's property or position for personal gain.

A Director must not make improper use of information acquired by virtue of his position as a Director. This prohibition applies irrespective of whether or not the Director or any associated person would gain, directly or indirectly, a personal advantage or whether or not the Company would be harmed.

Matters such as trade secrets, processes, advertising and promotional programmes, as well as statistics affecting financial results are particularly sensitive and must not be disclosed.

A Director who has been nominated to the Board by outside parties should recognise the particular sensitivity of his position and should be especially careful not to disclose to the nominators matters that are confidential unless the prior agreement of the Board has been obtained.

A Director should ensure that any information which is not publicly available is not disclosed to a third party. Such information includes, but is not limited to: profit forecasts, proposed share issues, borrowing, impending changes in the Company's shareholdings, impending litigation, significant changes in operations, new products, new discoveries and financial problems.

Furthermore, a Director must treat matters relating to the Company, acquired in his capacity as Director, as strictly confidential and must not divulge them to anyone without the authority of the Board. The Board must consider each such request on its merits and on a case by case basis.

A Director who takes the serious step of resigning on a point of principle should have regard to the following:

- (a) The duty not to disclose any information that is likely to be prejudicial to the Company;
- (b) The duty to act *bona fide* in the interests of the Company.

#### **5. Personal benefits and gifts**

Members of the Board should not:

- (i) Receive personal benefits from a person/company seeking to do business or to retain the services of the Company;
- (ii) Accept gifts which are not customary in normal business relationships nor make gifts to any potential client with whom the Company is seeking to do business or to retain the services of the Company;
- (iii) Engage in any outside business, professional or other activities that would directly or indirectly adversely affect the Company.

#### **6. Compliance with laws, rules, regulations and the Code**

Directors must comply, and oversee compliance by employees, officers and other directors, with laws and regulations applicable to the company. Directors must deal fairly, and must oversee fair

dealings by employees and officers, with the company's customers, suppliers, competitors and employees.

Directors should encourage the reporting of any illegal or unethical behavior. They should communicate any suspected breaches of this code promptly to the Chairperson of the Board or any other person responsible for compliance in the company.

All directors of the Company shall adhere to this Code. Any breach of the Code will be investigated and appropriate actions taken as necessary.

Adopted on 28 May 2018.