



**METRO BRANDS LIMITED**  
(Formerly Metro Shoes Limited)

**CODE FOR INDEPENDENT DIRECTORS**

**(As adopted by the Board of Directors on 30th January, 2019)**

**METRO BRANDS LIMITED**  
**(Formerly Metro Shoes Ltd.)**

**CODE FOR INDEPENDENT DIRECTORS**

1. During the tenure as an Independent Director, they will have to submit a declaration at the beginning of every Financial Year under Section 149 (7) of the Companies Act, 2013("Act") stating that they meet the criteria of Independence.
2. So long as they are an Independent Director of the Company, the number of companies in which they hold office as a Director or a Chairman or Committee Member will not exceed the limit stipulated under the Act and Listing Agreement.
3. So long as they are an Independent Director of the Company, they should ensure that they do not get disqualified to act as a Director pursuant to the provisions of the Companies Act and other Legislations.
4. They should ensure compliance with other provisions of applicable enactments and Listing Agreement as applicable to them as an Independent Director.

**B. Term**

In accordance with the provisions of the Companies Act, 2013 and other applicable laws, they will serve as an Independent Director of the Board till the next Annual General Meeting and at the said meeting, their appointment will be taken up for the approval of Shareholders, for a term of 5 years from the date of appointment by the Board.

**C. Code of Conduct, Duties and Responsibilities**

1. They will abide by Metro Brands Limited's Code of Ethics to the extent applicable to an Independent Director of the Company, as set out separately in **Annexure-1**.
2. They will abide by the guidelines of professional conduct, role, function and duties as an Independent Director provided in Schedule IV of the Companies Act, 2013, as set out at **Annexure-2**.
3. They will not hold office as a Director or any other office in a competing firm/entity.
4. As Independent Director they shall be at liberty to:

- (i) take decisions objectively and solely in the interests of the Company;
- (ii) facilitate Company's adherence to high standards of ethics and corporate behaviour;
- (iii) guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
- (iv) guide the Board in monitoring and managing potential conflicts of Interest of Management, Board Members and Stakeholders, particularly in related party transactions if any;
- (v) guide the Board in ensuring integrity of the Company's accounting and financial reporting systems, including independent audit and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, compliance with law and relevant standards.
- (vi) To be updated on Independent Director's roles, responsibilities, duties and liabilities, under applicable laws, including changes and trends in economic, political, social, financial, legal and corporate governance practices.

#### **D. Performance Evaluation**

Their re-appointment or extension of term and remuneration will be recommended by the Nomination, Remuneration and Compensation Committee of the Board, pursuant to performance evaluation carried out by the Board.

#### **E. Remuneration**

They will be entitled for Sitting fees for attending each meeting of the Board and its Committees as may be determined by the Board from time to time, and

They will be entitled to reimbursement of expenses incurred by them in connection with attending Board meetings, Board Committee meetings, General meetings and in relation to the business of the Company (subject to prior confirmation and subject to documentary proofs) towards hotel accommodation, if any, travelling and other out-of-pocket expenses.

## **F. Training**

They will be entitled to the benefit of a training programme to familiarize themselves with the business and affairs of the Company, growth plans, peculiarities of the industry in which the Company operates, its goals, expectations, long term plans and objectives.

## **G. Miscellaneous**

They will have access to confidential information, whether or not the information is marked or designated as “confidential” or “proprietary”, relating to the Company and its business including legal, financial, technical, commercial, marketing and business related records, data, documents, reports, etc., client information, intellectual property rights (including trade secrets), (“**Confidential Information**”).

They shall use reasonable efforts to keep confidential and to not disclose to any third party, such Confidential Information.

If any Confidential Information is required to be disclosed by them in response to any summons or in connection with any litigation, or in order to comply with any applicable law, order, regulation or ruling, then any such disclosure should be, to the extent possible, with the prior consent of the Board.

**ETHICS POLICY**

*As Adopted by the Board of Directors of Metro Brands Limited (Formerly Metro Shoes Limited on 11<sup>th</sup> February, 2008*

**Introduction**

This Ethics policy of Metro Brands Limited (Formerly Metro Shoes Limited) (the “Company”) applies to all directors, officers and employees of the Company, merchandisers, sales managers, selling agents and their staff (the “Employees”). The Ethics policy is a set of the professional ethical standards regulating the relationship of Employees with the customers (guests), fellow staff members, suppliers, business associates and the public in general. The purpose of the Ethics policy is to encourage a culture of openness, trust and integrity in management and business practices.

The Company expects the Employees to act in accordance with the highest standards of personal and professional conduct in all aspects of their employment and association with the Company, to comply with all applicable laws, rules and regulations, and to adhere to the policies and procedures adopted by the Company.

**Principles**

- We respect the rights of every individual and are committed to promoting an environment that nurtures dignity, mutual respect and professionalism in our employees, contractors, suppliers, and business associates.
- We do not and will not tolerate mistreatment or abuses of human rights of any kind by Employees or contractors.
- We are committed to act in good faith, and are dedicated to conducting business with the highest professional and ethical standards in compliance with all applicable local and international laws and regulations.
- We care for our own as well as others time and are punctual.
- We do not exploit for our own personal gain, opportunities that are discovered through the use of Company’s property, information or position.

- We ensure that intellectual property rights of the Company, such as, trade marks, copyrights, patents etc. are duly protected through registration of the same with concerned authorities and report any infringement thereto to prevent any misuse by others.
- We remain dedicated to our Customers and to our cause. We are committed to continuous improvement to our products and services.
- We believe that striving to be the best in our work, our relationships, our ideas and our services is the greatest demonstration of our pledge to Customer satisfaction. Our success depends on our ability to deliver the consistent level of excellence expected by all who deal with us.
- In an effort to support our mission, we are willing to take calculated and prudent risks. We strive to be proactive, innovative and creative in all we do.

## **Duties**

Each person subject to the Code of Ethics must:

- Engage in honest and ethical conduct and proactively promote such conduct in the workplace.
- Avoid real or perceived conflict of interest between the private interest of the individual and the interest of the Company, as when an individual receives improper personal benefits as a result of his/her position in the Company, or when the individual has other duties, responsibilities or obligations that run counter to his/her duties to the Company.
- Disclose to the Company's Ethics Officer or the Directors any transaction or relationship that could reasonably be expected to give rise to a real or perceived conflict of interest.
- Promote the production of full, fair, accurate, timely and understandable disclosure in reports, documents and other public communications made by the Company.
- Comply with, and take all reasonable measures to ensure the Company's compliance with, all applicable governmental laws, rules and regulations.

- Promptly report any questionable behavior of any person to the Ethics officer or the Directors.
- Maintain the confidentiality of information entrusted to him by the Company except when authorized by the Directors or otherwise legally obligated to disclose.
- Protect and ensure the proper use of Company's Assets.

### **Guests (Customers)**

- We are dedicated to 100% customer satisfaction.
- We greet the Guests with WELCOME or NAMASTE
- We provide correct and adequate information to the Guests about the product.
- We do not give false promises or provide exaggerated features of the product or service to the Guests
- We provide the company's products whose qualities meet at least the required national standards and we endeavour to achieve international standards.
- We market our products on their own merits and not make unfair and misleading statements about competitors' products.
- We provide excellent service to give the Guest 'a pleasant shopping experience'.
- We offer excellent after sales service, in tune with the Repair/Replacement Policy formulated by the Company.

### **Suppliers**

- We share non-confidential information with the suppliers, which encourages sale of their products from our outlets.

- We do not accept gift in the form of cash or cash equivalents. We also do not accept gift in kind or other favours from the suppliers or any other person without prior consent of the Directors, if monetary value of such gifts exceeds Rs.1000/- p.a. per supplier or any other person.
- We do not encourage incentive scheme from the suppliers or any other person, directly to the showroom Manager and / or showroom staff unless authorized by the Directors.

## **Employees**

- We provide equal opportunities to all Employees without regard to their race, caste, religion, colour, ancestry, marital status, sex and age.
- We treat Employees with dignity and in accordance with the policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological.
- We strive to provide a safe and healthy working environment.
- We believe in offering the Employees fair compensation through salaries and perquisites.
- We are committed to make the organization a comprehensive learning center and a place for personal growth for the Employees to realize the fullness of their capabilities, talents and skills.
- We shall not accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide 'freelance' services to anyone, without the prior approval of the Directors of the Company.
- We or our family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the company, which is not in the public domain and thus constitutes as insider information.
- We shall not accept loans or any financial assistance of any kind from employees reporting to us.



## **Shareholders**

- We shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights.

## **Reports of Violations**

The Employees has a duty to promptly report to his/her boss and to the Ethics Officer/Directors, any action that he/she reasonably believes to constitute a violation of this Ethics Policy. The reporting individual may submit the report in writing and may submit such report anonymously if he/she so desires. No retaliatory action will be taken against any person reporting a violation.

## **Accountability, Enforcement and Penalties for Non-compliance**

All persons subject to the Ethics Policy will be held accountable for their adherence to the Policy and that their continued employment in the Company or its subsidiaries shall depend on their full compliance with the policies and duties stated in this Policy.

The Ethics Policy is a part of the Personnel policies of the Company. Accordingly, formal warnings, suspension and termination shall be used as remedies and penalties for violations of this Policy as the nature and circumstances of the violations warrant. The Ethics Officer will promptly notify the Board of Directors of any violation of the Policy. The Board of Directors will review any violation of this Policy brought to its attention and take appropriate action.

Violations of this Ethics Policy may also constitute violations of law and may result in civil and criminal penalties for the officers and/or the Company.

## **Amendments**

This Ethics Policy will be reviewed at least annually and revised, if necessary, to reflect changes in applicable law or regulation and to cover new ethical issues as they arise.

## **Ethics Officer; Administration**

The Board of Directors of the Company has appointed Mr. Jaiprakash J. Desai as an Ethics Officer, who will be responsible for the administration of the Ethics Policy. Any person who has questions regarding the appropriate course of action in a particular situation should promptly contact the Ethics Officer.

## Annexure 2

### **GUIDELINES OF PROFESSIONAL CONDUCT, ROLE, FUNCTION AND DUTIES AS AN INDEPENDENT DIRECTOR (Extract - As provided in Schedule IV of the Companies Act, 2013)**

#### **I. Guidelines for Professional conduct:**

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention towards his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent Director lose his independence, the independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

## **II. Role and functions:**

The independent director shall:

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

## **III. Duties:**

The independent director shall:

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;

3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the Company;
6. where they have concerns about the running of the Company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
7. keep themselves well informed about the Company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
10. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
12. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.