



Punjab Skills Development Fund

Director's Code of Conduct

Approval Date:	January 08, 2021
Effective Date:	January 08, 2021
Version Number:	1
Last Review Date:	-
Next Review Date:	-
Policy Owner:	Board of Directors
Approval Authority Signature:	-

Contents

Punjab Skills Development Fund..... 1

1. Introduction3

2. Compliance with Laws, Rules and Regulations3

3. Fair and Honest Dealing4

4. Conflicts of Interest4

5. Outside Activities and Compensation4

6. Anti-Bribery and Dealings with Governmental Officials4

7. Anti-Discrimination and Harassment5

8. Gifts and Relationships with external parties5

9. Confidential Information5

10. Protection and Proper Use of Company Assets.....5

11. Integrity and Accuracy of Financial Records5

12. Compliance and Reporting of Potential Violations6

13. No Rights Created 6

14. Change in Responsibilities6

15. Active Participation6

16. Disclosure; Amendments; Waivers7

1. Introduction

The members of the Board of Directors (the “Board”) of Punjab Skills Development Fund (The Fund) shall adopt this Directors’ Code of Conduct (“Directors’ Code”) in fulfilling their duties to the Fund.

In addition to assisting the Directors in complying with their duties to the Company, this Directors’ Code is also intended to focus the Board and each Director on areas of ethical risk, to provide guidance to Directors to help them recognize and deal with ethical issues, to provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. These standards are also intended to provide guidance to Directors in complying with applicable laws, rules and regulations.

This Directors’ Code applies to all members of the Board (collectively, “Covered Persons”). The standards contained in this Directors Code are neither exclusive nor complete. The Directors are required to comply with all applicable laws, rules and regulations, whether or not specifically addressed in these policies.

2. Compliance with Laws, Rules and Regulations

The Fund strives to ensure that all activity by or on behalf of the Fund is in compliance with applicable laws, rules and regulations (“applicable laws”). In the conduct of our business, all Directors are required to comply with all applicable laws.

3. Basic Principles of Conduct:

Following are the seven basic principles on which this code is based, and which directors should exhibit all the time being members of the board of a Not for Profit and public sector body.

- i. **Selflessness:** The principle dictates that a director should always act solely in terms of the public interest.
- ii. **Integrity:** The principle dictates that directors must avoid placing themselves in situations that negatively influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships or any other transaction that may give rise to a conflict of interest.
- iii. **Objectivity:** The principle of Objectivity dictates that directors must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
- iv. **Accountability:** The principle of Accountability dictates that directors are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
- v. **Transparency:** The principle of transparency dictates that directors should act and take decisions in an open and transparent manner.
- vi. **Honesty:** The principle of honesty dictates that directors should be truthful and honest.

- vii. **Leadership:** The principle of Leadership dictates that directors should exhibit these principles in their own behavior and set the tone at the top which others can follow.

4. General Code of Conduct

a) Fair and Honest Dealing

The Directors shall deal fairly and honestly with the Fund's stakeholders. The Directors shall behave in an ethical manner and shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

b) Conflicts of Interest

The Fund and its Directors must adhere to the highest standards of honest and ethical conduct. These include, but are not limited to, sensitivity to the existence of a conflict of interest or the appearance of a conflict of interest. These shall be dealt with in accordance with the Fund's Conflict of Interest Policy and Board Charter.

c) Outside Activities and Compensation

Following his or her appointment to the Board, and except as expressly approved in advance by the Board, no director may take up any management or other employment position with or have any material interest in any firm or company which is in direct or indirect conflict with the Fund.

Service with organizations outside of the Fund can, in addition, raise serious regulatory issues, including access to material non-public or insider information. It is critical that a proper information barrier be in place between the Fund and the outside organization, and that the Directors do not communicate such inside information to other Directors or to employees or agents of any other organization.

Similarly, the Fund may have a business relationship with the outside organization or may seek such a relationship in the future. In those circumstances, the Directors must not be take any part in the discussion of, or vote on, contract or arrangement entered into, or to be entered into, between the Fund and the outside organization.

In the event that the Board concludes that the independence of any non-executive Director has been impaired, the Board may remove such Director from any Board committee, and, if requested by the Board, such non-executive Director shall resign from the Board or if he fails to resign, may be removed by the members in accordance with section 163 of the Companies Act 2017 in order to maintain the Company's compliance with applicable corporate governance rules and regulations.

d) Anti-Bribery and Dealings with Governmental Officials

The Fund has a zero-tolerance approach to bribery and corruption, and this also applies to the Board of Directors who are entrusted with the Fund's governance. Corruption and bribery

may expose the Fund to risk of achieving operating, reporting and compliance objective and reputational risk.

The Fund requires all Covered Persons to safeguard the assets of the Funds for which they are responsible for whilst acting with honesty and with integrity at all times and to comply with the Fund's policies pertaining to bribery and corruption and all the applicable laws and regulations.

e) Anti-Discrimination and Harassment

The Fund strives to maintain a workplace that is free from illegal discrimination and harassment. While all forms of harassment are prohibited, it is the Fund's policy to emphasize that sexual harassment is specifically prohibited. Any board member who engages in discriminatory or harassing conduct is subject to removal from the Board. Complaints alleging misconduct on the part of Board members will be investigated promptly and as confidentially as possible by the Board.

f) Gifts and Relationships with external parties

The Fund seeks to do work with external parties on a fair and equitable basis. Covered Persons may not accept gifts of the value over Rs. 5,000, , or other valuable benefits or special favors from any external party. Covered Persons must also observe any limits imposed by local laws or regulations with respect to the acceptance of gifts or gratuities.

g) Confidential Information

Confidential information includes all non-public information that might be of use to external parties, or harmful to the Fund or its stakeholders, if disclosed. All information (in any form, including electronic information) that is created or used in support of Fund's activities is the property of the Fund. This Fund's information is a valuable asset, and the Directors are expected to protect it from unauthorized disclosure.

h) Use of Donations and Public Funds

All Covered persons shall strive to take appropriate measures to ensure that the donations or funds received by the Fund are utilized efficiently, economically and effectively, avoiding waste and extravagance.

i) Protection and Proper Use of Company Assets

All Covered Persons shall strive to preserve and protect the Fund's assets and resources and to promote their efficient use. Covered Persons are not to convert assets of the Fund to personal use. Fund property should be used for the Fund's legitimate business purposes and the business of the Fund shall be conducted in a manner designed to further the Fund's interests rather than the personal interests of an individual Covered Person. Covered Persons are prohibited from the unauthorized use of the Fund's equipment, supplies, materials or services.

j) Integrity and Accuracy of Financial Records

The preparation and maintenance of accurate books, records and accounts is required by law and essential to the proper discharge of financial, legal and reporting obligations. All Covered

Persons are prohibited from directly or indirectly falsifying or causing to be false or misleading any financial or accounting book, record or account. In addition, all financial data must be completely and accurately recorded in compliance with applicable law and the Fund's accounting policies and procedures. A Covered Person may violate this section by acting or by failing to act when he or she becomes aware of a violation or potential violation of this section.

k) Compliance and Reporting of Potential Violations

Each Covered Person is expected to comply with all of the provisions of this Directors' Code. The Directors' Code will be strictly enforced, and violations will be dealt with promptly. The Fund may make reports of violations, if appropriate, to civil, criminal or regulatory authorities.

Covered Persons should promptly communicate any suspected violations of this Directors' Code to the Chairman of the Nomination Committee. Any concerns relating to the conduct of the Chairman of the Nomination Committee should be communicated to the Chairman of the Audit Committee. Violations will be investigated by or at the direction of the Nomination Committee, the Audit Committee or the Board, as appropriate.

Directors should promote ethical behavior and an environment in which the Fund encourages employees to talk to supervisors, managers or their appropriate personnel about illegal and unethical behavior and, when they are in doubt, about the best course of action in a particular situation.

l) Change in Responsibilities

Any non-executive Director who changes the primary job responsibility that he or she held at the time of election or appointment to the Board shall promptly inform the full Board of such change. The Board shall, in its sole discretion, consider whether such change in responsibilities will impair the affected Director's qualifications or ability to effectively serve on the Board or any committees thereof under applicable laws, rules and regulations.

m) Active Participation

Board members are expected to exercise the duties and responsibilities of their positions with integrity, collegiality, and care. This includes:

- i. Making attendance at all meetings of the board a high priority.
- ii. Being prepared to discuss the issues and business on the agenda and having read all background material relevant to the topics at hand.
- iii. Cooperating with and respecting the opinions of fellow Board members, and leaving personal prejudices out of all board discussions, as well as supporting actions of the Board even when the Board member personally did not support the action taken.
- iv. Putting the interests of the organization above personal interests.
- v. Representing the organization in a positive and supportive manner at all times and in all places.
- vi. Showing respect and courteous conduct in all board and committee meetings.
- vii. Refraining from intruding on administrative issues that are the responsibility of management, except to monitor the results and ensure that procedures are consistent with board policy.
- viii. Observing established lines of communication and directing requests for information or assistance to the executive director.

n) Compliance

Board members shall ensure compliance with the provisions of the Companies Act 2017 specifically sections 204 and 208, Public Sector Companies (Code of Governance) Rules 2013, Related Party Transactions Policy, Conflict of Interest Policy and all other applicable statutes, rules, regulations, policies etc.

5. Disclosure; Amendments; Waivers

To the extent required by law, the Fund should publicly disclose this Directors' Code and its application to all of the Fund's Covered Persons. This Directors' Code may only be amended by the Board. Any waiver of the Directors' Code may be made only by the Board and shall be disclosed to members of the Fund as required by law.