



FIEM INDUSTRIES LIMITED
CODE OF CONDUCT
FOR BOARD MEMBERS AND SENIOR MANAGEMENT

1. Background

- 1.1 This Code of Conduct was originally formulated under erstwhile Listing Agreement applicable on the Company w.e.f. listing date i.e. 19th October, 2006. It was further amended pursuant to Companies Act, 2013 read with revised Clause 49 of the Listing Agreement (effective from 1st October, 2014).
- 1.2 The present revision is carried to incorporate suitable changes because of substitution of Listing Agreement with SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”) w.e.f. 1st December, 2015.
- 1.3 Regulation 17(5) of Listing Regulations, inter-alia, mandates that the board of directors shall lay down a code of conduct for all members of board of directors and senior management of the listed entity and the code of conduct shall suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013. This provision of Listing Regulations is similar to corresponding provision of erstwhile Clause 49 of the Listing Agreement, hence the existing Code of Conduct already comply with the requirements of Regulation 17(5) of the Listing Regulation.
- 1.4 Therefore, the present revision is mainly carried out to incorporate the reference of relevant Listing Regulation and remove the reference of erstwhile Listing Agreement.

2. Applicability:

- 2.1 This Code of Conduct (“Code”) is applicable to the Board Members and Senior Management of Fiem Industries Limited. It reflects the Company’s underlying core ethical values and commitment to standards of integrity, transparency, fairness, accountability and pursuit for excellence. For the purpose of this Code, Senior Management means personnel identified as such, which are one level below the Board.

3. Objective and Scope:

- 3.1 The objective of this Code is to provide a guiding document to Board Members and Senior Management so that they act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, community at large and for the protection of environment as well as in compliance of applicable Laws, Rules, Regulations and with the highest standard of ethics.

4. Guiding Principles of Conduct:

The Board Members and Senior Management shall:

- 4.1 Exercise authority, power and duties with due care, skill, independent judgment and diligence in the best interest of the Company and all the stake holders;
- 4.2 Promote and ensure honest and ethical conduct including ethical handling of actual or apparent conflicts of interests between Company and personal or professional relationship;
- 4.3 Shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates;

- 4.4 Promote and ensure full and fair disclosure in reporting and compliance with all applicable laws, rules and regulations;
- 4.5 Abide by policies and business principles of the Company;
- 4.6 Encourage employees to acquire skills, knowledge and training to expand/enhance their professional and specialized knowledge;
- 4.7 Provide equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour. Merit should be the sole criteria;
- 4.8 Not to act or conduct in a manner which may bring disrepute to office or harm the reputation and image of the Company;
- 4.9 Uphold ethical standards of integrity and probity and facilitate the company in implementing the best corporate governance practices;
- 4.10 Act objectively and constructively while exercising his duties;
- 4.11 Devote sufficient time and attention to his professional obligations for informed and balanced decision making;

5. **Discrimination and Harassment**

- 5.1 Company respects the personal dignity, privacy and personal rights of everyone and is committed to maintaining a workplace free from discrimination and harassment. Therefore, nobody is allowed to discriminate on the basis of origin, nationality, religion, race, gender, age or sexual orientation, or engage in any kind of verbal or physical harassment based on any of the above or any other reason.

6. **Conflict of Interest**

- 6.1 All Directors and persons of Senior Management must avoid any conflict of interest between themselves and company. A conflict of interest occurs when the personal interest interferes or appears to interfere with the interest of the Company as a whole and will include the following situations:
 - 6.1.1 Director or Senior Management Personnel take actions or has interests that may make it difficult to perform his duty objectively and effectively.
 - 6.1.2 He or his relative receives improper personal benefits as a result of his position as a Director / Senior Management Personnel of the Company.
 - 6.1.3 Any outside business activity that hinder his ability to devote appropriate time and attention to his responsibilities with the Company.
 - 6.1.4 The receipt of any gift/entertainment from any person/company with which the Company has business dealings, except which are customary and are of commemorative nature for special events and should never be of kind that create impropriety.
 - 6.1.5 Any significant ownership interest in any supplier, customer, development partner or competitor of the Company, which may prove prejudicial to the interest of the Company.

6.1.6 Any consulting or employment relationship with any supplier, customer, business associates or competitor of the Company, which may prove prejudicial to the interest of the Company.

6.2 If any such situation arises, it must be disclosed to the Chairman & Managing Director or Company Secretary for appropriate action.

7. Disclosures Requirements

7.1 All Directors and persons of Senior Management must consult Company Secretary / Compliance Officer and familiarize themselves with the Disclosure requirements applicable on them under Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, Listing regulations and Internal Codes of the Company and other applicable disclosure / reporting requirements from time to time.

8. Dealing in Shares of the Company

8.1 Dealing (purchase / sale) in shares of the Company by employees and their immediate relatives (*spouse of a person, parent, sibling and child of such person or of the spouse any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities*) must be in compliance of applicable laws and regulations, including **SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and Code of Conduct to Regulate, Monitor and Report Trading by Insiders (Code of Conduct-PIT)**. Every employee **must** consult Company Secretary / Compliance Officer before dealing in shares of the Company either by himself or by his immediate relatives. There are reporting and disclosure requirements before and after dealing in shares of the Company under above regulations and Code of Conduct framed under above regulations and every employee must familiarize themselves with them.

9. Corporate Opportunities

9.1 Opportunities that are discovered through use of corporate property, information or position are included in corporate opportunities.

9.2 All the Directors and persons of Senior Management are prohibited from:

9.2.1 Utilizing the opportunity related to the Company's business, personally;

9.2.2 Using the Company's property (other than those provided by the Company under remuneration package), information or position for personal benefit.

9.2.3 Competing with the Company for business opportunities.

10. Confidentiality of Information

10.1 Directors and Senior Management Personnel shall themselves observe and ensure that other employees practice strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any other or personal purpose or advantage. Any information concerning the Company's business, its customers, suppliers, etc. to which they have access or which is possessed by them, must be considered privileged and confidential and should be held in confidence at all times, and should not be disclosed to any person, unless (i) specifically authorized; or (ii) the same is part of the public

domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws. As a matter of policy, Company adhere the principle of 'need to know basis' while dealing in confidential information, hence the confidential information are only disclosed to the persons who need to know them under discharge of their duty.

11. Care, Protection and Proper use of assets of the Company

11.1 All assets should be used only for legitimate business purposes and shall not be used in violation of any applicable laws and regulations, utmost care should be exercised for the assets and resources of the company. All Assets must be protected with due care and must be used efficiently.

12. Compliance with the Code of Conduct

12.1 The matters stated in this Code are of utmost importance to the Company, Shareholders and every other Stakeholder. All Directors and persons of Senior Management shall strictly comply with this Code of Conduct. In case of breach of this Code, the same shall be dealt with by the Board of Directors as per the applicable laws. **[Refer Appendix-I and Appendix-II].**

13. Reporting Illegal or Non-Compliant Conduct

13.1 Employees shall report any practices or actions believed to be inappropriate under this Code. If it is appropriate, in view of the nature of the reported matter, reports of violations may be made directly to higher levels including the Chairman and Managing Directors or Compliance Officer. Where appropriate, complaints may be made on a confidential basis. All complaints shall be properly investigated. Company prohibits retaliation against any employee for such reports made in good faith.

14. Amendments to the Code

14.1 The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time in line with any changes in law, Company's philosophy, vision, business plans or otherwise. All Directors and persons of Senior Management shall be duly informed of such amendments and modifications.

14.2 As mandated under Regulation 17(5) of the Listing Regulations, this Code has been amended, inter-alia, to suitably incorporate the duties of independent directors as laid down in Companies Act, 2013. Further, Schedule IV of the Companies Act, 2013 (Code for Independent Directors) has been annexed with this Code for the purpose of Independent Director. **[Refer Appendix-III].**

APPENDIX-I

FIEM INDUSTRIES LIMITED

**CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

Acknowledgement Form

I..... have received and read the Company's Code Of Conduct for Board Members and Senior Management Personnel ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with the same.

Signature :

Name :

Designation :

Date :

APPENDIX-II**FIEM INDUSTRIES LIMITED****CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL****Annual Compliance Declaration**

I do hereby confirm that I have fully complied with the provisions of the Code of Conduct for Board Members and Senior Management Personnel during the financial year ending 31st March

Signature :.....

Name :.....

Designation :.....

Date :.....

SCHEDULE IV
[Pursuant to Section 149(8) of Companies Act, 2013]
CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. Guidelines of 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 to 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 directors 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 the 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;
9. 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 directors 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.

IV. Manner of Appointment:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - a) the term of appointment;

- b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
 6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-Appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or Removal:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate Meetings:

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation Mechanism:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director