

**JOHN COCKERILL INDIA LIMITED.**

**CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

**Preamble -**

John Cockerill India Limited (formerly CMI FPE Limited) (“the Company”) is committed to conduct its business in accordance with the applicable laws, rules and regulations and the highest standards of business ethics and ethical conducts.

All Directors and Senior Management Personnel must act within the bounds of the authority conferred upon them and with a duty to take informed decisions and create policies in the best interests of the Company and its shareholders/stakeholders.

With a view to maintain the high standards that the Company requires, the following code of conduct should be observed in all activities in respect of the Company.

**Applicability**

This code of conduct for Directors and Senior Management Personnel “the code” is applicable to all members of Board of Directors (“the Board”) and all Senior Management Personnel of the Company, collectively “Leaders”.

“Senior Management Personnel” shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally this would comprise of all members of management one level below the Executive Directors, including all functional heads.

In addition to this Code, all Independent Directors shall abide by the provisions of the Code for Independent Directors, as specified in Schedule IV to the Companies Act, 2013, which forms part of this Code. Independent Directors shall also abide by the terms of letter of appointment issued by the Company.

In addition to this Code, Executive Directors and Senior Management Personnel shall also abide by the letter of appointment issued by the Company.

**1] Honesty & Integrity:**

Leaders shall

- Act in accordance with the highest standard of personal and professional honesty, integrity, fairness and ethical conduct in the discharge of duties and promote professionalism in the Company.
- Act in good faith, responsibly, with due care, competence and diligence, exercise independent judgment on issues of strategy, performance and policy matters etc.
- Act in the best interest of the Company and fulfill their fiduciary obligations.

## 2] Conflict of Interest:

Directors on the Board of the Company shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Whenever there is a doubt, it is important that the Director should disclose the possible conflict of interest with the Chairman/Managing Director who may at his discretion take up the matter with Board in consultation with the Director. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential:-

- Leaders should not engage in any activity/employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.
- Leaders should not divert to his own advantage any business opportunity that the Company is in pursuit.
- Leaders and their immediate families should not invest substantially or in a material manner in a Company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company, without relevant disclosures.
- Leaders should avoid conducting Company business with a relative or with a firm /company in which a relative/related party is associated in any significant role.

If such related party transaction is unavoidable, it must be immediately disclosed to the Managing Director of the Company to ensure that necessary approvals of the Audit Committee / the Board may be obtained, as may be required in terms of the Listing Agreement and/or the Companies Act, 2013.

## 3] Compliance:

Leaders have a continuing obligation to familiarize and comply with all applicable laws, Company policies, procedures and work rules, both in letter and in spirit.

## 4] Disclosures:

The Directors shall promptly disclose all necessary information as may be required by the Company in compliance with the provisions of the Listing Agreement, SEBI Regulations, the Companies Act, 2013 and other applicable laws.

## 5] Confidentiality of Information:

Any information concerning the Company's business, its customers, suppliers, etc., which is not in the public domain and to which Leaders have access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure

is required under any law. Leaders shall not provide any information either formally or informally, to the press or any other publicity media, unless specially authorized. (The Chairman & Managing Director does not require specific authority.)

#### **6] Insider Trading:**

Leaders shall not derive benefit or assist others to derive benefit by giving investment advice on dealing in Company's shares, from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information and they will comply with SEBI (Prohibition of Insider Trading) Regulation, 1992 and Insider Trading Policy of the Company.

Leaders and designated employee are expected to strictly adhere to the Company's Code for prevention of insider trading.

#### **7] Prevention of Sexual Harassment and Exploitation**

In order to create a healthy atmosphere that allows women to work without fear of discrimination, gender bias and sexual harassment, the Company has implemented a Policy to prevent sexual harassment of women at workplace and lays down the adequate redressal process.

All employees shall not indulge in any form of such activities and treat every woman employee with dignity and respect.

#### **8] Health, Safety & Environment**

The Company shall strive to provide a safe, healthy, clean and ergonomic working environment for its employees. The safety and security of employees in the workplace is a primary concern of the Company.

The Company has formulated the Occupational Health & Safety Policy to create and provide a safe, supportive and productive work environment to all its employees and business associates.

#### **9] Gift & Donations:**

Leaders shall neither receive nor offer, directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business(or uncompetitive) favours or decisions for the conduct of business. However, they may accept and offer nominal gifts / hospitality which are not of a material nature and are customarily given on occasions or are of commemorative nature for special events.

#### **10] Protection of Assets:**

The assets of the Company shall not be misused; they shall be employed primarily and judiciously for legitimate business purposes only. These include tangible assets such as

equipment and machinery, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and suppliers.

Employees shall protect the Company's assets and shall not use these for personal use. Any suspected loss, carelessness, misuse or theft of the Company's assets should be immediately brought to the notice of the Managing Director and Head - HR & Administration.

#### **11] Violations of the Code**

The Company has formulated the Whistleblower Policy with a view to provide a mechanism for its director and employees to raise concerns on any violations of the Code, especially with respect to legal or regulatory requirements, incorrect or misrepresentation of any financial statements or reports (For more details, refer to the procedure for reporting & dealing with disclosures under the Whistleblower Policy).

For violations in the nature of sexual harassment, employees may refer to the procedure given in the Policy on Prevention of Sexual Harassment at Workplace.

For all other violations of the Code, employees may report or get in touch with the Compliance Officer appointed under this Code.

The Company appoints the Company Secretary as a Compliance Officer for the purposes of this code, who will be available to Directors and Senior Management Personnel to answer questions and to help them comply with the code.

#### **12] Adoption/Revision:**

The compliances to the code would be affirmed by all members of the Board and Senior Management Personnel on an annual basis.

This code is subject to revision. Such revisions shall be with the approval of the Board.

**CODE FOR INDEPENDENT DIRECTORS**  
**[SCHEDULE IV (See section 149(8))]**

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment 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;
- (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 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.