



**FIEM INDUSTRIES LIMITED**  
**CODE OF CONDUCT**

**FOR BOARD MEMBERS, SENIOR MANAGEMENT**  
**AND EMPLOYEES**

## 1. **Background:**

- 1.1 This **Code of Conduct (Code)** was originally formulated under erstwhile Listing Agreement applicable on the Company w.e.f. listing date i.e. 19<sup>th</sup> October, 2006. It was further revised pursuant to Companies Act, 2013 read with revised Clause 49 of the Listing Agreement (revised Code effective from 1<sup>st</sup> October, 2014).
- 1.2 The Code was further revised w.e.f.12<sup>th</sup> February, 2016 to incorporate suitable changes because of substitution of Listing Agreement with SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 (“Listing Regulations”).
- 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.
- 1.4 The Code is further revised w.e.f. 13<sup>th</sup> November, 2024 to incorporate suitable changes, so that this Code also be applied to all **Employees** of the Company, in addition to **Senior Management** and **Board Members**.

## 2. **Definitions:**

- 2.1 ‘**Board Member**’ shall mean **Director** of the Company, including **Independent Director**.
- 2.2 ‘**Employee(s)**’ for the purpose of this Code shall mean employees on roll of Fiem Industries Limited (Company), its subsidiary companies, persons engaged by the Company on retainer-ship basis and on contractual basis by the Company.
- 2.3 **Senior Management** mean the term ‘Senior Management’ as defined and referred under Regulation 16(1)(d) and other regulations of Listing Regulations read with section 178(2) of the Companies Act and term ‘**Senior Management Personnel**’ (**SMP**) shall be construed accordingly.
- 2.4 All references to male gender shall be construed to also mean references to female gender.
- 2.5 Any other specific term used in this Code and not defined herein, will have the same meaning as ascribed in Listing Regulations and/or Companies Act.
- 2.6 For the ease of reference, this Code is named as ‘**FIEM Code of Conduct**’.

## 3. **Objective and Scope:**

- 3.1 The objective of this Code is to provide a guiding document to Board Members, Senior Management and Employees so that they always act and discharge their duties in good faith, with highest standard of integrity, ethics and values, in the best interests of the Company, employees, community at large and all other stakeholders, as well as in due compliance of applicable Laws, Rules and Regulations.
- 3.2 This Code is applicable to the Board Members, Senior Management and all Employees of the Company and its subsidiaries. It reflects the Company’s underlying core ethical values and commitment to standards of integrity, transparency, fairness and accountability.

**3.3** With respect to entities on which the Company does not have control, it is encouraged that such entities (Contractors, Suppliers and Service Providers) adopt and follow this Code. In addition, Contractors are required to comply with this Code when acting on behalf of the Company.

#### **4. GUIDING PRINCIPLES OF CONDUCT:**

**Each Board Member, Senior Management Personnel and Employee must adhere following guiding Principles of Conduct:**

##### **4.1 To adhere the Honest & Ethical Conduct**

- (a) Promote and ensure honest and ethical conduct including ethical handling of actual or apparent conflicts of interests between Company and personal or professional relationship;
- (b) Perform duties and exercise authority and power with due care, skill, independent judgment and diligence in the best interest of the Company and all the stakeholders;
- (c) Shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, friends, partners, or associates;
- (d) Promote and ensure full and fair disclosure in reporting and compliance with all applicable laws, rules and regulations;
- (e) Abide by all policies and business principles of the Company;
- (f) Not to act or conduct in a manner which may bring disrepute to office or harm the reputation and image of the Company;
- (g) Uphold ethical standards of integrity and probity and facilitate the Company in implementing the best corporate governance practices.

##### **4.2 To provide the Equal Opportunity Employment**

- (a) Company is committed to provide **equal opportunities** to all employees and aspirants for employment in the Company, irrespective of gender, caste, religion, race, colour, marital status, sexual orientation, ethnic origin or disability etc.
- (b) Human resource policies shall comply with all local labour laws, while encouraging the adoption of industry best practices across its locations.

##### **4.3 Focus on Health, Safety and Environment**

- (a) Company values each individual as an important asset of the organisation and is committed to provide a safe and healthy workforce. The Company believes in creating awareness regarding work place practices and communicate information, instruction and training programs to all employees to enable them to comply with its environment, health and safety policies. All employees and other concerned persons are under obligations to be aware about and follow the health and safety policies, procedures and applicable laws and regulations.

- (b) Company believes that commitment to sustainable development and protection to environment is prime responsibility under any responsible business conduct. Accordingly, it is committed to the best practices in environmental matters arising out of its business activities. In addition to complying with applicable laws and regulations and best measure for positive impact on environment, the Company encourages its employees to actively participate in measures of environment protection, conservation of natural resources and reducing the pollution.

#### **4.4 Respect for Human Rights**

Company value and respect the human rights of each individual and committed to upholds dignity, fundamental freedoms and human rights of its employees, business partners and communities in which the Company operates. Company committed that across its operations, human rights are protected and all requisite measures are in place, including following:

- (a) Company shall not cause or permit any child below the minimum age for employment (18 years of age) to engage in labour or work;
- (b) Company shall not cause or permit forced labour (i.e., coercing labourers to work against their free will and choice by means of violence, intimidation, confinement or other measures that cause unjust physical or mental restraints);
- (c) Company shall ensure a safe working environment and support occupational health as required under applicable laws;
- (d) Company shall respect freedom of association, including trade unions;
- (e) Company shall not cause or permit any forms of discrimination, including but not limited to discrimination on the basis of race, descent, disability, age, sex and religion;
- (f) Company shall pay at least the minimum wage required under applicable laws, without any gender discrimination; and
- (g) Company shall comply with all other applicable laws related to human rights, safe working conditions and equal opportunities.

#### **4.5 To avoid the Conflict of Interest**

All Directors, Senior Management and Employees 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 can be explained by the following examples / situations:

- (a) He or his relative receives improper personal benefits as a result of his position as a Director, Senior Management or Employee of the Company;
- (b) Any outside or parallel professional, educational, business, social, political or other pursuit or activity that hinder his ability to devote appropriate time and attention to his responsibilities with the Company;

- (c) 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;
- (d) 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;
- (e) Diverting voluntarily or allowing diversion of any business opportunity or potential business of the Company to any outside party or competition, either for his personal direct or indirect interest or for any other reason whatsoever.

#### **4.6 Care, Protection and Proper use of Assets of the Company**

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.

#### **4.7 Information Technology and Anti-Piracy Software Policy**

- (a) Company follow the policy of using licensed software or open source software only, which are legally permitted. Illegal copying, installing, downloading or use of unauthorized software on Company's computers and Network is strictly prohibited and can expose the user employee to civil and criminal liability under copyright and other laws. For any such unauthorized usage the concerned employee shall be personally liable.
- (b) The Company will not tolerate any employee making unauthorized copies of software. Employee should not download or upload unauthorized software over the Internet from the Company Network.
- (c) Employee should not open the unauthorized websites or portals, which are not connected to the business of the Company.
- (d) Usage of personal mail domains like yahoo, gmail etc. are strictly prohibited for the Company's official communication.

#### **4.8 Not to receive Gifts**

Directors, Senior Management and Employees should not receive any gift, favors, entertainment or special treatment from any person or organization with which the Company has business dealings, except which are customary and are of commemorative nature and small value for special events and should never be of kind or high value that create or deemed to create impropriety.

#### **4.9 No Kickbacks and Secret Commissions**

The Company strictly prohibits the acceptance of kickbacks and secret commissions from suppliers, contractors, dealers or other business associate. Any breach of this rule, if proved, shall result in immediate termination of employment and appropriate legal action.

#### **4.10 No Bribery, Corruption and Fraud**

- (a) Not to resort to any instance of bribery or corruption in conducting the Company's business and shall not offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any business advantage for the Company.
- (b) Not resort to any financial fraud, cheating, embezzlement, or any other such crime with the Company or any third party or any member of general public.

#### **4.11 No Discrimination and Harassment**

- (a) Company respects the personal dignity, privacy, personal rights and human rights of everyone and is committed to maintain 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 for any reason.
- (b) All concerned shall adhere to and facilitate effective functioning of the Company's mechanism for redressal of complaints of harassment of any nature as per laid down policies and procedures.

#### **4.12 Corporate Opportunities**

Opportunities that are discovered through use of corporate property, information or position are included in corporate opportunities. All the Director, Senior Management and Employee are prohibited from:

- (a) Utilizing the opportunity related to the Company's business, personally;
- (b) Using the Company's property (other than those provided by the Company under remuneration package), information or position for personal benefit.
- (c) Competing with the Company for business opportunities.

#### **4.13 Confidentiality of Information and Data**

- (a) Company follows the policy of strict confidentiality while dealing with confidential and proprietary information and data, to protect its own interests and interests of all business associates as well as to comply the covenants under Confidentiality and Non-Disclosure Agreements with third parties. Company follows the principle of '**need to know basis**' while dealing in confidential information. Hence, the confidential information are to be only disclosed to the persons (internal or external) who **need to know** them under discharge of their legitimate duty for the purpose of business of the Company. The proposed recipient must also be made aware (preferably by written notice or by executing confidentiality agreement), that the information to be shared to him is subject to confidentiality obligations.
- (b) Director, Senior Management and Employees shall themselves observe and simultaneously ensure that other employees / concerned persons (consultants & third parties) practice strict confidentiality while dealing with confidential and proprietary information and data acquired in the course of discharge of their duties and not use the same for any other or personal purpose or advantage.

- (c) Director, Senior Management and Employees shall not disclose any trade secrets, business proposal under discussion, information relating to product specifications, product designs, technology, customers' business, unpublished financial data etc., whether or not confidentiality agreement signed or not in connection to any such information with the third party. Any unauthorized sharing or leakage of data is a serious offence and will be dealt seriously.

#### **4.14 Prohibition of Insider Trading, Dealing in Shares of the Company and handling of Unpublished Price Sensitive Information (UPSI)**

- (a) "**Insider trading**" in general and broadly can be understood as an act of trading / dealing in securities (shares) of a listed company based on certain insider information i.e. Unpublished Price Sensitive Information (UPSI). Insider trading also includes the act of passing of / leaking/ receiving of UPSI in relation to a listed entity or its securities. Insider trading is a serious financial offence and illegal act and subject to severe consequences and punishment under applicable laws, including SEBI (Prohibition of Insider Trading) Regulations, 2015.

For general understanding, following examples can be referred as insider trading:

- Employees / consultants / counsels / auditors etc. of the company communicate /pass on / leak the UPSI to the outsiders: Both giver and recipient of UPSI did the offence of Insider trading and violated the applicable laws, whether or not anybody dealt in the securities of the company based on these UPSI.
  - Any person whether insider or outsider got the UPSI by any mean and dealt in the securities of the company. He did the illegal act of Insider trading and violated the applicable laws.
- (b) Dealing in shares of the Company by any Insider is restricted and subject to compliance of **SEBI (Prohibition of Insider Trading) Regulations, 2015** as amended from time to time.
- (c) 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 (PIT Regulations)** as amended from time to time and **Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons and their Immediate Relatives (Code of Conduct-PIT)**. Every Director, Senior Management, Employee and any other person to whom **Code of Conduct-PIT** applicable, must consult Company Secretary / Compliance Officer before dealing in shares of the Company either by himself or by his Immediate Relatives (as defined under above PIT Regulations). There are strict **Pre-clearance, Reporting** and **Disclosure requirements** before and after dealing in shares of the Company under above PIT Regulations and Code of Conduct-PIT and Each Director, Senior Management and Employee must familiarize themselves with above.

#### **(d) Communication or Procurement of Unpublished Price Sensitive Information (UPSI).**

- No Director, Senior Management and Employees or other Insider shall communicate, provide, or allow access to any Unpublished Price Sensitive Information (UPSI) relating to the Company or its shares of the Company, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- No person shall procure from or cause the communication by any Director, Senior Management and Employees or other Insider of Unpublished Price Sensitive Information (UPSI), relating to the Company or its shares, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.

#### **4.15 Disclosures Requirements**

All Directors, Senior Management Personnel and Employees (who are Designated Persons under Code of Conduct-PIT) must consult Company Secretary / Compliance Officer and familiarize themselves with the Disclosure / Reporting requirements applicable on them under Companies Act, 2013, SEBI (Prohibition of Insider Trading) Regulations, Listing Regulations and applicable Code(s) of Conduct of the Company from time to time.

### **5. Communication and Compliance with the Code of Conduct**

- 5.1** The matters stated in this Code are of utmost importance to the Company, its shareholders and every other stakeholder. All Directors, Senior Management and Employees shall strictly comply with this Code.
- 5.2** For information to all concerned, this Code shall be hosted at website of the Company and deemed to be communicated to all Directors, Senior Management Personnel, Employees and all other concerned.
- 5.3** All **Board Members** and **Senior Management Personnel** shall acknowledge the receipt of Code and shall submit an Annual Compliance Declaration. **[Please Refer Appendix-I and Appendix-II formats]**. Other Employees, while, be obligated to comply the Code, will not be required to submit the acknowledgement and Annual Compliance Declaration.
- 5.4** As mandated under Regulation 17(5) of the Listing Regulations, this Code also include 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 Directors**. **[Please Refer Appendix-III]**.

### **6. Reporting Illegal or Non-Compliant Conduct**

- 6.1** In case of any instance of breach of this Code, the same should be reported to the Chairman & Managing Director. Further, mechanism provided under Whistle Blower Policy can also be used to report any beach of this Code. In case alleged breach is by an Employee, the same shall be dealt with and decided by the Chairman & Managing Director. In case alleged breach is by any Board Member, then same will also be dealt with by the Board of Directors.
- 6.2** Wherever appropriate, complaints may be made on a confidential basis. All complaints shall be properly investigated. Company prohibits retaliation against any complainant for such reports made in good faith.

**7. Interpretation and Amendments to the Code**

- 7.1** This Code is meant to be a guiding document from which the concerned Director, Senior Management and Employees draw guidance and inspiration for proper and wholesome conduct in the discharge of their duties and responsibilities as aligned with the values and commitments of the Company. Further, the Code is not meant to override or derogate the applicable legal provision but in addition to the applicable legal requirements.
- 7.2** Subsequent amendment in Listing Regulations or Companies Act, 2013 read with rules thereunder, requiring change in the Code shall have impact as if Code stand amended to give effect to that amendment and the Code shall be revised in due course of time.
- 7.3** The provisions of this Code can be amended/ modified in due course and shall be approved by the Board of Directors of the Company from time to time in line with any changes in law, Company's philosophy or otherwise.

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**APPENDIX-I**

**FIEM INDUSTRIES LIMITED**

**CODE OF CONDUCT**

**Acknowledgement Form**

**FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I..... have received and read the Company's Code Of Conduct for Board Members, Senior Management Personnel and Employees ("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**

**Annual Compliance Declaration**

**FOR  
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I ..... do hereby confirm that I have fully complied with the provisions of the Code of Conduct for Board Members, Senior Management Personnel and Employees during the financial year ending 31<sup>st</sup> 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