



## **EMAMI INFRASTRUCTURE LIMITED**

### **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT EXECUTIVES**

#### ***GENESIS***

Regulation 17(5) of the SEBI (Listing Obligations and Requirements) Regulations, 2015 requires that the Board of Directors shall lay down a Code of Conduct for all Board Members and Senior Management of the Company. This Code of Conduct shall be called “The Code of Conduct for Board Members and Senior Management Personnel” of Emami Infrastructure Limited (hereinafter referred to as “the Company”). This Code shall also be treated as Code of Business Ethics for the purpose of Schedule IV of the Companies Act, 2013. This Code of Conduct shall be posted on the website of the Company.

All Board members and senior management personnel shall affirm compliance with the Code on an annual basis. The Corporate Governance Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer (CEO).

#### ***Applicability***

The Code of Conduct shall apply to:

- 1) All Directors of the Company, whether executive or non-executive including nominee directors;
- 2) All members of management one level below the Board of Director, including all functional heads, such as Accounts & Finance Head, Sales Head, Branch Head, Production Head, Company Secretary such other similar personnel.

#### ***INTRODUCTION***

The Board of Directors is vested with all powers of management of the affairs of the Company. The Board thus becomes the working organ of the Company. The Directors alone are exclusively empowered to manage the affairs of the Company. Even the shareholders, who appoint them, cannot interfere in their domain of power.

The contribution of directors on the Board of a Company in providing leadership, vision, strategy, monitoring, supervision and accountability towards the various stakeholders of the Company, with a view to achieving greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance, has been phenomenal.

The Senior Management constantly interacts with the Board of Directors and is primarily responsible for executing the plans, policies and programmes laid down by the Board and for achieving the targeted objectives.

Therefore, this Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every employee is expected to comply with this Code in letter and spirit. One must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business.

This Code of Conduct or the Code defines what the Company expects from its business and personnel regardless of the location or their background. We recognize society as an important stakeholder in this enterprise and therefore it is part of our responsibility to practice good corporate citizenship

## **THE CODE:**

### **Obligations with respect to directors and senior management:**

- (1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:
  - (a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
  - (b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.
- (2) A person shall not serve as an independent director in more than seven listed entities. The maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time.  
Provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities.
- (3) Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.
- (4) All the board members and the senior management team shall furnish to the Compliance Officer, within 15 days of close of every financial year their affirmation regarding compliance with the Code in the format prescribed under **Appendix I** to this code.
- (5) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director
- (6) Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

*Explanation.-* For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

### **Compliance of Law**

The Board members and the Senior Management personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from the Finance and Secretarial and Legal department and shall comply with all laws, rules and regulations applicable to the business of the company.

### **Conflict of Interest**

A conflict of interest situation would be deemed to have arisen, when an individual's interest is perceived to be inconsistent with or is in conflict with the business interest of the Company. One should avoid such conflict of interest with the Company. However, in case such a situation arises, he shall, on becoming aware of the same, make full and true disclosure of all facts and circumstances thereof to the Company. Some of the situations wherein a conflict of interest may be deemed to have arisen are elucidated below:

***a) Pecuniary benefit***

Where one's conduct is likely to confer a pecuniary benefit to oneself or in favour of any relative(s) or in favour of any company, body corporate or firm where one or one's relative is an employee, member, director or partner.

***b) Related Party Transactions***

Where one enters into transaction(s)/arrangement(s) (directly or indirectly through relatives) with companies, bodies corporate or firms, for personal gain, which may conflict with the business interest of the Company.

***c) Corporate Opportunities***

Where one uses and/or exploits for personal gain, opportunities that rightly belong to the Company or are discovered through the use of one's position or through the Company's image, property or information.

***d) Outside directorships***

It is a conflict of interest to serve as a director of any company that competes with the Company. Directors/ Senior Management must first obtain approval from the Company's Board/Managing Director before accepting a directorship.

**Conduct of Business**

The Board Members and the Senior Management team shall conduct the Company's business in an efficient and transparent manner and in meeting its obligations to shareholders and other stakeholders.

The Board Members and the Senior Management team shall not be involved in any activity that would have any adverse effect on the objectives of the Company or against national interest. The corporate objectives to be pursued shall be to sustain the competitive edge of the company and not to indulge in any activity which is detrimental to the society at large.

**Compensation and Disclosures**

The fees and compensation payable to the Board Members (both executive and non-executive) shall be fixed in accordance with the approvals as per the applicable provisions of law and the same shall be disclosed in the Annual Report to the Members, as required by applicable law.

**Compliance Officer**

Company Secretary of the Company shall be the Compliance Officer for the purpose of this code.

**Dealing in the Company's Securities:**

As the Company's securities are listed, the Company is committed to comply with securities laws in all jurisdiction in which its securities are listed. The Company prohibits its Directors / Senior Management and those who could be considered as Insiders from any fraudulent and unfair trade

practices in the securities market, with regards to the securities of the Company or of any other company with whom the Company has business dealing to the best of their knowledge.

#### **Employment/Outside Employment:**

With regard to the employment with the Company, the executives are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their employment with the Company. Our policies prohibit them from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, they must disclose to the Company's Board/Managing Director, any interest that they have that may conflict with the business of the Company.

#### **Insertion of the Code in website**

As required by Regulation 46(2)(d) of the Listing Regulations, this code and any amendments thereto shall be posted on the website of the Company.

#### **Protection & Proper use of Company's Assets & Resources:**

All the assets of the Company are properly secured through insurance, used optimally in the best business interest of the Company. The Board Members and the Senior Management team shall:

- a) Ensure that equipment/ facilities/ amenities provided to him/her by the Company for discharge of his/her duties in terms of his employment are used with proper care and diligence and return the possession thereof upon his resignation, termination or retirement from the services of the Company, as the case may be.
- b) Ensure that proprietary information and trade secrets belonging to the Company, including any information concerning pricing, products and services that are being developed, internal system designs and other such trade secrets are held in strict confidence and due care is exercised to avoid inadvertent and inappropriate disclosure. Such information shall be used in the manner as required or mandated and as a part of the duties assigned and not for personal gain.
- c) Ensure that all other personal and financial information relating to the customers, associates and stakeholders of the Company is accessed, used and disclosed in accordance with the policies, systems and controls laid down by the Company, from time to time.
- d) Take steps to use and protect the Company's assets and ensure their efficient use as also use the assets only for the legitimate business purposes of the Company or such other purposes as may be authorized by the Management.

#### **Prevention of Insider Trading**

The Board Members and the Senior Management team shall comply with the Code of Conduct to regulate, monitor and report trading by insiders & Code of Practices and Procedures for Fair Disclosure of UPSI.

#### **Secrecy**

Ensure that proprietary information and trade secrets belonging to the Company, (including any information concerning pricing, products and services that are being developed, internal system, designs and such other trade secrets) are held in strict confidence and care is exercised to avoid inadvertent and inappropriate disclosure, except when such disclosure is authorised or legally

mandated and is not for personal gain. Such respect for confidentiality shall also continue after such person ceases to hold office as Director or serve the organisation. All Directors and Senior Management Executives shall not give any statement to the press or any other form of media without due authorisation from the appropriate authority/body.

### **Gender Friendly Environment**

The Board Members and the Senior Management team shall:

- A) practice a conduct that promotes equality of gender, class and caste and should promote the same values and also exercise their duties in a manner that encourages healthy personal and career growth of the employees of the Company.
- B) not conduct themselves in such manner as would be construed to be an incident of sexual harassment at the workplace.
- C) encourage women employees to report any harassment concerns and be responsive to any complaints of harassment or other unwelcome and offensive conduct.

### **Whistle Blower – Reporting of illegal or unethical behavior**

The Company shall promote ethical behavior in all the spheres of its business operations. The Employees are free to report existing / probable violations of laws, rules and regulations or unethical conduct in accordance with the Whistle Blower Policy.

The Directors and the Senior Management shall not attempt to suppress / conceal any such view or reporting. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practice.

### **CODE OF CONDUCT FOR INDEPENDENT DIRECTOR INCLUDING THEIR DUTIES:**

The Code of Conduct applicable to Independent Directors shall be as per the Appendix II to this Code.

#### **General:**

The Board Members and the Senior Management team:

- A) shall at all times make an endeavor to attend such meetings /occasions including Board and Committee meetings as are required of the person for the benefit, growth and development of the Company.
- B) Shall dedicate sufficient time, energy and attention to the Company to ensure diligent performance and be aware of and seek to fulfill his or her duties and responsibilities as set forth in the Company's Memorandum & Articles of Association and Corporate Governance Guidelines.
- C) shall not use abusive or offensive language at the workplace or any such location connected to official business.
- D) shall not illegally withhold any property or documents of the Company and should ensure protection of the same at all times.
- E) shall not knowingly suppress a material fact, which can be detrimental to the interest of the Company, from the appropriate authority/body.
- F) shall not give any directions, which exposes to risk, the health and safety of any person.
- G) shall not make any statement, verify any return or form, containing any particulars, knowing them to be false.
- H) shall not fail to invite the attention of the appropriate authority/body in respect of matters affecting the Company or arising out of professions, any material departure from the generally accepted principles of propriety.

**NO RIGHTS CREATED**

This Code sets forth guidelines for conduct for the Board of Directors and Senior Management Executives. It is not intended to and does not create any rights in any Director or Senior Management Executive, client, supplier, customer, shareholder, or any other person or entity.

**Violations of the Code**

It is not intended that disciplinary action would be appropriate for every violation of the provisions of this Code. Whether a disciplinary action is appropriate or not and the extent of disciplinary action /penalty to be imposed, will depend on factors such as the seriousness of the violation, the intent behind any such violation, whether there has been a pattern of improper conduct and the effect of such improper conduct on employees, their morale or on the corporate governance system of the Company.

Decision regarding whether or not disciplinary action is to be taken and the nature and extent thereof, shall rest with the Board of Directors of the Company, whose decision in this regard shall be final and binding on the concerned member of the Senior Management.

**Amendment to the Code**

This Code is subject to continuous review and updation in line with any change in law, the Company's policy, vision & plans or otherwise the Board may deem as necessary.

**Appendix 1**

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

**ANNUAL COMPLIANCE REPORT\***

To,  
The Company Secretary & Compliance Officer  
Emami Infrastructure Limited  
Emami Tower, 2<sup>nd</sup> Floor  
687 Anandapur, E. M. Bypass  
Kolkata – 700 107

Dear Sir/Madam,

I, ..... do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT during the financial year ended ..... 20..... and I am not aware of nor I a party to any non-compliance with the said Code.

Signature:.....

Name: .....

Designation: .....

Date: .....

Place: .....

\* To be submitted by 15th April each year.

\*\* This declaration shall be valid for the Financial Year \_\_\_\_\_.

**APPENDIX II**  
**CODE FOR INDEPENDENT DIRECTORS**  
**(SCHEDULE IV TO THE COMPANIES ACT, 2013)**

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;
- (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:

- i. the term of appointment;
  - ii. 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;
  - iii. the fiduciary duties that come with such an appointment along with accompanying liabilities;
  - iv. provision for Directors and Officers (D and O) insurance, if any;
  - v. the Code of Business Ethics that the company expects its directors and employees to follow;
  - vi. the list of actions that a director should not do while functioning as such in the company; and
  - vii. 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:
  - i. review the performance of non-independent directors and the Board as a whole;
  - ii. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - iii. 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.