



## **AKSH OPTIFIBRE LIMITED**

**Regd. Office: F-1080, RIICO INDUSTRIAL AREA, PHASE- III, BHIWADI- 19, RAJASTHAN**

### **CODE OF CONDUCT**

The Company and its Officers which inter alia includes the Board of Directors and the management officials especially the senior management shall strictly follow the Code of Conduct as enumerated hereunder:

#### **National Interest**

The Company and its Officers shall conduct its business affairs in accordance with the economic, development and foreign policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level, as appropriate.

#### **Corporate Governance Policy**

The Corporate Governance Policy is the apex level instrument guiding conduct of the affairs of the Company and clearly delineates the roles, responsibilities and authorities of the key entities in the governance structure of the Company. This code forms an integral part of the Company's Governance Policy. The directors, senior management and employees must adhere to the Corporate Governance Policy of the Company.

#### **A Gender Friendly Workplace**

As a good corporate citizen, AKSH is committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment/colored remarks and any other unwelcome verbal or non-verbal conduct at the workplace and institute good employment practices

#### **Financial Reporting and Records**

The Company and its Officers shall prepare and maintain accounts of the Company's business affairs fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company in which the Company conducts its business affairs. Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of



assets. All required information shall be accessible to Company auditors and other authorized parties and government agencies. There shall be no willful omissions of any Company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

Any willful material misrepresentation of and /or misinformation on the financial accounts and reports shall be regarded as a violation of this code, apart from inviting appropriate civil or criminal action under the relevant laws.

### **Competition**

The Company and its Officers shall market the products and services of the Company on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

### **Transparency and Auditability**

All directors, officers and employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes including as appropriate, segregation of duties, tiered approval mechanism and involvement of more than one manager in key decisions and maintaining supporting records. It shall be necessary to voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

### **Equal- Opportunities Employer**

Employees of the Company shall be treated with dignity and in accordance with the Company policy to maintain a work environment free of harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

### **Company Facilities**

No director, officer and employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.



### **Gifts and Donations**

The Company and its officer or employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, the Company and its employees may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events provided the same shall be disclosed appropriately to the management.

### **Health, Safety and Environment**

The Company and its officers shall strive to provide a safe and healthy working environment and comply, in the conduct of the business affairs of the Company, with all regulations regarding the preservation of the environment of the territory it operates in. The Company and its officers shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

### **Quality of Products and Services**

The Company and its officers shall be committed to supply goods and services of the highest quality standards, backed by efficient after sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's goods and services should at least meet the required national standards and the Company should endeavor to achieve international standards.

### **Corporate Citizenship**

The Company and its officers shall be committed to be a good corporate citizen, not only in compliance with all relevant laws and regulations, but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates, with the objective of making them self reliant.

Such social responsibility would comprise, to initiate and support community initiative in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities.





The Company would also not treat these activities as optional ones, but would strive to incorporate them as integral part of its business plan. The Company would also encourage volunteering amongst its employees and help them to work in the communities. The Company is encouraged to develop social accounting systems and to carry out social audit of their operations.

### **Cooperation of Group Companies**

The Company shall cooperate with other Group Companies by sharing physical, human and management resources as long as this does not adversely affect its business interests and shareholder value. In the procurement of products and services, the Company shall give preference to another Group Company as long as it can provide these on competitive terms relative to third parties.

### **Public Representation of the Company and the Group**

The Company and its officers shall honour the information requirements of the public and the stakeholders of the Company. In all its public appearance with respect to disclosing Company and business information of the public constituencies such as the media, the financial community, employees and shareholders of the Company or the Group shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the Company or the group.

### **Third - Party Representation**

Parties which have business dealings with the Group but are not members of the Group, such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorized to represent the Company if their business conduct and ethics are known to be inconsistent with this code.

### **Use of the Company Brand**

The use of the Company name and trademark owned by the Company shall be governed by manuals, codes and agreements to be issued by the Company. The use of the Company brand is defined in and regulated by the Company Brand Equity & Business Promotion Agreement.

### **Ethical Conduct**

Every employee of the Company, including whole - time Directors, Executive and Non Executive Directors, Managing Director, CEO, CFO and CCO shall deal on behalf of the Company with professionalism, honesty and integrity, as well as high moral and ethical standards. Such conduct



shall be fair and transparent and be perceived to be as such by third parties.

### **Legal Compliances**

The officers shall comply with all applicable government laws, rules and regulations. The employees and directors shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable themselves to recognize potential dangers. Violations of applicable governmental laws, rules and regulations may subject them to individual criminal or civil liability, as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

### **Group Policies**

The Company and its officers shall recommend to its board of directors the adoption of policies and guidelines periodically formulated by the Company.

### **Shareholders**

The Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The Board of Directors of the Company shall duly and fairly inform its shareholders about all relevant aspects of the Company's business, and disclose such information in accordance with the respective regulations and agreements.

Every employee shall be responsible for the implementation of and compliance with this code in his professional environment. Failure to adhere to the code could attract the most severe consequences, including termination of employment or directorship, as the case may be.

### **Concurrent Employment**

The officers and employees of the Company shall not, without the prior approval of the managing director, CFO or CEO of the Company, accept employment or a position of responsibility (such as a consultant or a director) with any other Company, nor provide 'freelance' services to any one. In the case of the managing director, CFO or CEO, such prior approval must be obtained for providing such services from the Board of Directors of the Company.

### **Corporate Opportunities**

The officers shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity.



### **Confidentiality**

The officers shall not disclose/ reveal any facts/figures/information/trade secrets or confidential documents in written/verbal form, obtained during the course of business relationship with Company to any person(s)/authority/organization/statutory body unless required by law and/or with specific written permission of the Company.

### **Representation**

The officers shall nor write/ appear or represent himself to any third party unless authorized by the Company in writing.

### **Intellectual Property Rights**

All documents, processes, manuals, literature, systems etc. or any other intellectual property developed or created by the officers during the association of the officers with the Company are sole property and Intellectual Property Rights of the Company.

### **Conflict of Interest**

The officers and employees of the Company shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of his Company or the group. A conflict of interest, actual or potential, may arise where, directly or indirectly:

- a) An officer or employee of the Company engages in a business, relationship or activity with anyone who is party to a transaction with his or her Company.
- b) An officer or employee is in a position to derive a personal benefit to any of his or her relatives by making or influencing decisions relating to any transaction.

The main areas of such actual or potential conflicts of interest would include the following:

- An employee of the Company conducting business on behalf of his or her Company, or being in a position to influence a decision with regard to his or her Company's business with a supplier or customer of which his or her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative.
- Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee or officer of the Company, where such an individual is in a position to influence the decision with regard to such benefits.



### **Securities Transactions and Confidential Information**

The officers and employees of the Company and his or her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain and thus constitutes insider information.

The officers and employees of the Company shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the respective Company on which such insider information has been obtained.

Such insider information might include the following:

- Periodical financial results of the Company;
- Acquisition and divestiture of businesses or business units;
- Financial information such as profits, earnings and dividends;
- Announcement of new product introductions or developments;
- Assets revaluations;
- Investment decisions/ plans;
- Restructuring plans;
- Major supply and delivery agreements;
- Raising finances
- Issue of new securities and buy back of its own shares;
- Expansion/new projects;
- Amalgamation, merger or takeover.

### **Protecting Company Assets**

The assets of the Company should not be misused but employed for the purpose of conducting the business for which they are duly authorized. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationship with customers and suppliers, etc.



## Duties 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.
- (14) discharge such other duties as may be prescribed in the Companies Act, 2013, the Rules thereunder and the Listing Agreement with the Stock Exchanges.



### **Integrity of Data Furnished**

Every officer and employee of the Company shall ensure, at all times, the integrity of data or information furnished by him or her to the Company.

### **Reporting Concern**

Every officer and employee of the Company shall promptly report to the management any actual or possible violation of this code, or an event he or she becomes aware of that could affect the business or reputation of his/ her or any other Group Company.

### **Waivers**

Any waiver of any provision of this Code of Conduct for a director, officer or employee must be placed for approval before the Company's Board of Directors/ Corporate Management Committee, as appropriate.

### **Non Adherence**

Any instance of non - adherence to the Code of Conduct/ any other observed unethical behavior on the part of those covered under this Code should be brought to the attention of the immediate reporting authority, who shall take appropriate and corrective measures in this regard.

