

POLAR MARMO AGGLOMERATES LIMITED

CODE OF CONDUCT For DIRECTORS AND SENIOR MANAGEMENT

PREMBLE

All Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the company and its shareholders / stakeholders. Every member of the Board and Senior Management shall be duty bound to follow the provisions of this Code in letter as well as spirit.

With a view to maintain the high standards that the company requires, the following rules / code of conduct should be observed in all activities of the board. The Company appoints the Company Secretary as a compliance officer for the purposes of the code, who will be available to directors and senior management to answer questions and to help them comply with the code.

Accordingly, the Members are expected to read and understand this Code and uphold these standards in their business dealings and activities.

The provisions of this Code shall be read as under:

1. HONEST & ETHICAL CONDUCT

All the Members are expected to act in accordance with the highest standards of personal & professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations, at Company sponsored business and social events, or at any other place where the members are representing the Company.

An honest conduct shall mean a conduct free from fraud and deception.

2. CONFLICT OF INTEREST

The Code demands that the members should avoid and disclose actual & apparent conflict of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests of the Company. It may take the following forms:

- a) **Employment / Outside employment:** The members are expected to devote their full attention to the business interests of the Company and are prohibited from engaging in any activity that interferes with their performance or responsibilities towards the Company.
- b) **Outside directorships:** To serve as a director of any company that competes with the Company shall be viewed as conflict of interest. Any member intending to serve on the Board of the business competitor shall obtain a prior approval of the Board.
- c) **Related parties:** As a general rule, the members should avoid conducting business with a relative. Further, contracts with organizations/firms where a relative of the member is working as a principal officer or partner should be avoided.
- d) **Payment or Acceptance of gifts:** Under no circumstances shall the members accept any offer, payment, promise to pay, or authorization to pay any money or gift from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision.

3. CONFIDENTIALITY OF INFORMATION

Any information concerning the company's business, its customers, suppliers etc., which is not in public domain and to which the director has access or possesses such information, must be considered confidential and held in confidence, unless authorised to do so and when disclosure is required as a matter of law. No director shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorised.

4. INSIDER TRADING

Any director of the company shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the company, not in public domain and therefore constitutes insider information. All directors will comply with insider trading guidelines as issued by SEBI.

5. PROTECTION OF ASSETS

Directors must protect the company's assets, labour and information and may not use these for personal use, unless approved by the Board.

6. SHAREHOLDERS

The Polar Marmo Agglomerates Limited shall be committed to enhancing shareholders wealth & value. The Board of Directors of Company commits itself to abide by all regulations and laws that govern shareholders rights. Further, the Board members also commits in keeping its family of shareholders thoroughly informed about all relevant aspects of the company's business, and discloses such information in accordance with relevant regulations and agreements.

7. EQUAL OPPORTUNITIES EMPLOYER

The Company shall provide equal opportunities to all its employees and all qualified applicants for employment without discriminating with regard to their race, caste, sex, religion, etc.

Our Human resource policies always promote equality in the workplace promoting equal opportunities to all its employees. Among our goals are to make benefits and services available to our employees with regard to their wellbeing, to communicate effectively with them, to ensure equal employment treatment, to assist employees in realizing their potential and maximizing their productivity, and to fairly evaluate and recognize performance.

Further our all human resource policies be administered in a manner consistent with applicable laws and other provisions of this Code, respect for the right to privacy and the right to be heard, and that in all matters equal opportunity will be provided to those eligible and decisions shall be based on mutual discussions.

For its part, the company expects employees to perform excellent work in a cost effective manner, and to strive for quality and productivity. Also we expect from our employee that they follow all directions and instructions, properly care for facilities and equipment, to anticipate problems and suggest improvements, to treat other employees and clients and customers with honesty and courtesy, and to be energetic in the performance of tasks and fulfillment of goals.

8. SAFETY, HEALTH AND ENVIRONMENT

The company attaches a great importance to a healthy environment and to the safety of its employees.

9. ETHICAL CONDUCT

Every employee of the company including the Board Members shall deal on behalf of the company professionalism, honesty & integrity, while conforming to high moral and ethical standards. Such conduct shall be fair, reasonable & transparent and be perceived to be so by third parties.

Every employee of the Company shall preserve the human rights of every individual and the community, and shall strive to honour commitments.

Every employee shall be responsible for the implementation of and compliance with the Code in his/her environment. Failure to adhere of the code could attract severe consequences, including termination of employment

10. TRANSPARENCY AND ACCOUNTABILITY

All Company employees ensure that their actions in the conduct of business and employment are totally transparent except where the need of business security demands otherwise. All employees shall voluntarily ensure that their areas of operation are always be open to audit and the conduct of their activities are totally auditable.

11. POLITICAL NON ALIGNMENT

Polar Marmo Agglomerates Limited shall not support, directly or indirectly, any specific political party or candidate for political office. The Company shall not offer or give any Company's fund or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

12. COMPLIANCE WITH APPLICABLE LAWS, RULES AND REGULATIONS

The Board Members and Designated Employees of the Company have a duty to comply with all the laws, rules and regulations that apply to the Company's business. They must acquire appropriate knowledge of the legal requirements relating to their duties, either from internal source or from an outside source. Violations of applicable laws, rules and regulations may subject them to individual criminal or civil liabilities, as well as disciplinary action/s by the Company.

13. REPORTING CONCERNS

Every employee of company shall promptly report to the management, they become aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanor or act not in the company's interest. It is the ethical responsibility of the employees to abide by and enforce this Code. The Board of Directors shall take necessary disciplinary action against any Director and/or employees who would be found guilty of violating this Code.

14. WHERE TO SEEK CLARIFICATION

The Board Members and Designated Employees can get clarification regarding this Code of Conduct from the Compliance Officer of the Company.

15. ROLES AND DUTIES OF INDEPENDENT DIRECTORS

As a member of the board, the Independent Director's role, duties and responsibilities will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Agreement.

In terms of Section 166 of the Companies Act, 2013, he shall:

- I. act in accordance with the Company's Articles of Association.
- II. act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interest of the Company, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment.
- III. exercise his duties with due and reasonable care, skill and diligence.
- IV. not involve himself in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- V. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners or associates.
- VI. not assign his office as Director and any assignments so made shall be void.

He shall also abide by the 'Code for Independent Directors' as outlined in Schedule IV to the Companies Act, 2013, and duties of directors as provided in the said Act and in Clause 49 of the Listing Agreement. For ready reference, the relevant provisions have been extracted and attached to this Code as Annexure A.

16. WAIVERS & AMENDMENTS OF THE CODE

The Company is committed to continuously reviewing and updating its policies and procedures and hence, the Code is subject to modifications to meet the future requirements.

Once every year or upon revision of this code, every director must acknowledge and execute an understanding of the code and an agreement to comply. New directors will sign such a deed at the time when their directorship begins.

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 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.

DUTIES OF DIRECTORS AS PER SECTION 166 OF COMPANIES ACT, 2013

- (1) Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.
- (7) If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

Extracts of Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015

Regulation 25 – Obligations with respect to Independent Directors

(1) A person shall not serve as an independent director in more than seven listed entities: 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.

(2) 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.

(3) The independent directors of the listed entity shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting.

(4) The independent directors in the meeting referred in sub-regulation (3) shall, *inter alia*-

- (a) review the performance of non-independent directors and the board of directors as a whole;
- (b) review the performance of the chairperson of the listed entity, 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 management of the listed entity and the board of directors that is necessary for the board of directors to effectively and reasonably perform their duties.

(5) An independent director shall be held liable, only in respect of such acts of omission or commission by the listed entity which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations.

(6) An independent director who resigns or is removed from the board of directors of the listed entity shall be replaced by a new independent director by listed entity at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later: Provided that where the listed entity fulfils the requirement of independent directors in its board of directors without filling the vacancy created by such resignation or removal, the requirement of replacement by a new independent director shall not apply.

(7) The listed entity shall familiarise the independent directors through various programmes about the listed entity, including the following:

- a) nature of the industry in which the listed entity operates;
- b) business model of the listed entity;
- c) roles, rights, responsibilities of independent directors; and
- d) any other relevant information. Obligations with respect to directors and senior management.

Regulation 26 – Obligation 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) 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.

(3) All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis.

(4) 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

(5) 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.