

RAMPUR FERTILIZERS LIMITED

CODE OF CONDUCT FOR BOARD MEMBER

1 INTRODUCTION

1.1 This Code of Conduct (“this Code”) shall be called "The Code of Conduct for Board Members of RAMPUR FERTILIZERS LIMITED (RFL) hereinafter referred to as “the Company”.

1.2 This code aims at enhancing ethical and transparent process in managing the affairs of the Company.

1.3 The Company currently has Conduct & Discipline Rules, which govern the conduct of all permanent employees of the Company including Whole-time Directors but excluding Non-Whole-time Directors and those governed by the Standing Orders under the Industrial Employment (Standing Orders) Act, 1946. This Code for Board Members has now been framed. In respect of Whole-time Directors this Code is to be read in conjunction with the Conduct & Discipline Rules.

2. PURPOSE OF THE CODE.

The prime purpose of the Code of Conduct is to create an environment where all the Board Members and Senior Executives of the Management of the Company maintain ethical standards and comply to the ethical standards and transparent process for managing the affairs of the Company that are laid down. This code of conduct will act as guideline to all as under:

- Promote honest and ethical conduct.
- Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
- Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- Assure the proper use of the Company's assets.

This Code does not specifically address every potential form of unacceptable conduct, and it is expected that the Board Members and Senior Executives of the Management of the Company will exercise good judgment in compliance with the principles set out in this Code. The Board Members and Senior Executives of Management of the Company

have a duty to avoid any circumstance that would violate the letter and spirit of this Code.

3 It shall come into force with effect from 01 Apr 2016.

4. DEFINITIONS AND INTERPRETATION

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

4.1 The term “Board / Board of Directors” shall mean the Board of Directors of the Company.

4.2 The term “Board Members” shall mean the Members on the Board of Directors of the Company.

4.3 The term “Functional Director” shall mean the Board members who are in Whole-time employment of the Company.

4.4 The term “Non-Whole-time Directors” shall mean the Board Members who are part - time Directors and not in whole time employment of the Company.

4.5 The term “Relative” shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956. (Refer Appendix-I).

4.6 The term “Conflict of Interest” means where the interests or benefits of one person or entity conflict with the interests or benefits of the company.

5. APPLICABILITY

This Code shall be applicable to the following persons:

- a) All Whole-time Directors.
- b) All Non Whole-time Directors unless specifically exempted from some provisions of this Code.
- c) All Senior Executives of the Management of the Company.
- d) The whole-time Directors and Senior Management Personnel should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

6. KEY REQUIREMENTS

Board Members shall act within the authority conferred upon them, keeping the best Interests of the Company in view and observe the following:-

- (i) Shall act with utmost care, skill, diligence and integrity.
- (ii) Shall act in utmost good faith and fulfill the fiduciary Obligations without allowing their independence of judgment to be compromised.
- iii) Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his opinion is likely to arise.
- IV) Shall make disclosures to the Board relating to all material financial and commercial transactions, if any, where they have personal interest that may have a potential conflict with the interest of the company at large.
- iv) Shall not, in his official capacity, enter into business with (a) a relative or (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more paid-up share capital and (d) with a firm in which the relative is a partner, except with the prior approval of the Board unless otherwise permitted by law.
- v) Shall avoid having any personal and/or financial interest in any business dealings concerning the Company.
- vi) Shall avoid any dealing with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision to be made by the Board Members/ Company.
- vii) Shall not hold any position or job or engage in outside business or other interest that is prejudicial to the interests of the Company.
- viii) Shall not exploit for their own personal gain, opportunities that are discovered through use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Board of Directors of the Company and the Board declines to pursue such opportunity and allow him to avail such opportunity.
- ix) Shall not seek or accept, directly or indirectly any gift from anyone having business dealings with the Company.
- x) Shall not make any statement which has the effect of adverse criticism of any policy of the Company or which is capable of embarrassing the relations between the Company and the public including all the stakeholders.

Provided that nothing in this clause shall apply to any statement made or views expressed by a Board Member, which are purely factual in nature and are not considered as confidential, in his official capacity or in due performance of the duties assigned to him.

xi) Shall not use corporate funds, credit, property or services, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board of Directors of the Company.

xii) shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, contractors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud.

xiii) Shall not commit any offence involving moral turpitude.

7. COMPLIANCE OF LAW

The Board Members shall comply with all laws, rules and regulations relating to the business of the Company.

8. OTHER DIRECTORSHIPS

Unless specifically permitted by the Board, the Board Members shall not serve as Director of any other Company or as Partner of a Firm that is engaged in a business competing with the Company or with which the Company has business relations. This clause is not applicable to Nominee Directors.

The Board Members shall not accept any appointment or post, whether advisory or administrative, in any company or firm, whether Indian or Foreign, having competitive nature of business and or with which the Company has or had business relations, within two years from the date of cessation of Directorship/service of the Company unless approved by Board of Directors.

9. RELATED PARTY DISCLOSURES

The Board Members shall make disclosure of related party transactions to the Board of Directors in the format provided under Accounting Standard 18 (AS-18) (Appendix II) issued by the Institute of Chartered Accountants of India (ICAI) and/or any modification or recodification thereof.

10. CONFIDENTIALITY OF INFORMATION

Subject to the Code of Corporate Disclosure Practices as may be prevalent in the Company from time to time any information concerning the Company's business, its

customers, suppliers, etc. to which the Board Members have access or which are in their possession, must be considered confidential and held in confidence. No Board Member shall provide any information either formally or informally, to the press or any other media, unless specifically authorized. Provided that Board Members shall be free to disclose such information which is:

- (a) part of the public domain at the time of disclosure; or
- (b) authorised or required to be disclosed pursuant to a decision of the Board or any of its Sub-Committees; or
- (c) required to be disclosed in accordance with applicable laws, rules, regulations.

11. PROTECTION OF ASSETS

The Board Members shall protect the Company's assets including physical assets, information and intellectual rights and shall not use the same for personal gain.

12. AMENDMENTS TO THE CODE

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date stated therein.

13. PLACEMENT OF THE CODE ON WEBSITE

This Code and any amendment thereto shall be hosted on the website of the Company.

15. ENFORCEMENT OF CODE OF CONDUCT

Each Board Member shall be accountable for fully complying with this Code.

16. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE

In case of breach of this Code by the Directors, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary.

17. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members shall acknowledge receipt of this Code or any modification(s) thereto, in the acknowledgement form as at Appendix-IV and forward the same to the Company Secretary/Compliance officer indicating that they have received, read, understood and agreed to comply with this code.

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APPENDIX-I
RAMPUR FERTILIZERS LIMITED
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EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956

Meaning of “relative”

6. A person shall be deemed to be a relative of another if, and only if,-
- (a) they are members of a Hindu undivided family; or
 - (b) they are husband and wife; or
 - (c) the one is related to the other in the manner indicated in Schedule IA.

SCHEDULE IA

LIST OF RELATIVES

- 1. Father
- 2. Mother (including step-mother)
- 3. Son (including step-son)
- 4. Son's wife
- 5. Daughter (including step-daughter)
- 6. Father's father
- 7. Father's mother
- 8. Mother's mother
- 9. Mother's father
- 10. Son's son
- 11. Son's son's wife
- 12. Son's daughter
- 13. Son's daughter's husband
- 14. Daughter's husband
- 15. Daughter's son
- 16. Daughter's son's wife
- 17. Daughter's daughter
- 18. Daughter's daughter's husband
- 19. Brother (including step-brother)
- 20. Brother's wife
- 21. Sister (including step sister)
- 22. Sister's husband

APPENDIX – II
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The Board Members shall disclose the following, in respect of all transactions with related parties, as covered in AS-18 issued by ICAI:

- (i) the name of the transacting related party;
- (ii) a description of the relationship between the parties;
- (iii) a description of the nature of transactions;
- (iv) volume of the transactions either as an amount or as an appropriate proportion;
- (v) any other elements of the related party transactions necessary for an understanding of the financial statements.

Signature:.....

Name:.....

Designation:.....

Date:.....

Place :.....

Note: The following are illustrative and not exhaustive list of examples of the related party transactions in respect of which disclosures should be made by Board Members:

- purchases or sales of goods (finished or unfinished) ;
- purchases or sales of fixed assets;
- rendering or receiving of services;
- agency arrangements;
- leasing or hire purchase arrangements;
- transfer of research and development ;
- licence agreements;
- finance (including loans and equity contributions in cash or in kind);
- guarantees and collaterals ; and
- management contracts including for deputation of employees.

APPENDIX-IV
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ACKNOWLEDGEMENT FORM

I, have received and read the Company's
"CODE OF CONDUCT FOR BOARD MEMBERS ("this Code"). I have understood
the provisions and policies contained in this Code and I agree to comply with this
code. Signature:

Name:.....

Designation:.....

Date:.....

Place :.....

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