

**CODE OF CONDUCT**  
**FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**  
**OF THE REI AGRO LIMITED**

**PREFACE**

The Securities and Exchange Board of India (SEBI) vide its circular no. CIR/CFD/POLICYCELL/2/2014 dated April 17, 2014 has revised Clause 49 of the Listing Agreement, which is a master circular superseding all the other earlier circulars issued by SEBI on Clause 49. Under sub-clause II (E) of Clause-49 of the Listing Agreement, it has been provided that every Listed Company shall have a code of conduct for Board members and Senior Management personnel and the code is to be implemented by 1st October, 2014.

Accordingly, REI Agro Limited has formulated a written Code of Conduct for its Board of Directors and Senior Management Personnel.

For the purpose of code of conduct, Senior management personnel means personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the Executive Directors, including functional heads.

The following code sets out in written form the agreed standards of principle and practice which should be followed in performing their duties as Board Members and Senior Management Personnel and they are expected to comply with the Code.

**INTRODUCTION**

This Code of Conduct for Board Members and Senior Management Personnel helps maintain the standards of business conduct for REI Agro Limited and ensures compliance with legal requirements, specifically Clause 49 of the Listing Agreement with the Stock Exchanges (the "Exchange") and the rules promulgated thereunder.

The purpose of the Code is to deter wrongdoing and promote ethical conduct. The matters covered in this Code are of the utmost importance to the Company, its shareholders, business partners and bankers. Further, these are essential so that the Company can conduct its business in accordance with stated values.

Ethical business conduct is critical to the Company's business. Accordingly, Board Members and Senior Management Personnel are expected to read and understand this Code, uphold these standards in day-to-day activities, and comply with all applicable

laws, rules and regulations, and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

Because the principles described in this Code are general in nature, Senior Management Personnel should also review the Company's other applicable policies and procedures.

It should be noted that, nothing in this Code or in any Company policies and procedures, or in other related communications (verbal or written), creates or implies an employment contract or terms of employment.

### **APPLICABILITY OF THE CODE:**

This code is applicable to the Board of Directors and Senior Management employees of the Company (hereinafter referred to as "Specified Persons"). This code is applicable to the executive and non- executive directors to the extent of their role and responsibilities in the organization.

This code has to be complied both in letter and spirit by specified persons. Any violation /suspected violation of the code has to be promptly communicated to the compliance officer of the Company which would be taken up in the meetings of the Audit Committee /Board of Directors.

**1. HONEST, INTEGRITY, DUE CARE AND DILIGENCE:** Directors and Senior Management staff (hereinafter referred to as "Specified Persons") of **REI Agro Limited** (hereinafter referred to as Company) shall conduct their activities, on behalf of the Company in the best interests of the Company with honest, integrity and fairness. Due care and diligence shall be exercised by them in performing their duties of office and powers attached to their office. We also respect our competitors' rights with respect to their proprietary information. We shall support the development of laws that promote, encourage or result in fair competition.

**2. COMPLIANCE WITH LAWS, RULES AND REGULATIONS:** Specified Persons of the Company are required to conduct their business and affairs in full compliance with applicable laws, rules and regulations in letter as well as spirit and shall encourage and promote such behaviour for themselves, officers and employees across the organisation. Specified Persons must comply with all applicable governmental laws, rules and regulations. Employees must acquire appropriate knowledge of the legal requirements relating to their duties and sufficient to enable them to recognize potential dangers, and to know when to seek advice from the relevant department. Violations of applicable government laws, rules and regulations may subject Employees 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 reputation or business. We will conduct our business as a responsible corporate citizen, and follow the applicable legal framework of the Country/Region in which we operate by the letter of the law and in spirit. The Company expects its employees to function in line with this principle. Considering that our businesses are spread over multiple locations, a common approach should be adopted, to the extent possible, in matters that impact us at more than one location. Any unlawful means of whatever nature to overcome difficulties in the operation or implementation of legislation is expressly prohibited.

**3. PROTECTION AND PROPER USE OF COMPANY'S ASSETS:** Specified Persons must protect the Company's assets and information and may not use these for personal use, unless approved by the appropriate authority.

**4. CORPORATE OPPORTUNITIES:** Specified Persons may not exploit for their own personal gain opportunities that are discovered through the use of Company's property, information or position unless such opportunity is disclosed to the Board of Directors / Committee of Directors in writing and the Board / Committee of Directors declines to pursue such opportunity.

**5. COMPETITION AND FAIR DEALING:** Specified Persons should not take unfair advantage of anyone through manipulation, concealment, misrepresentation of material facts or any other unfair trade practices. Specified Persons should ensure dealings with stakeholders is done in a fair manner. The Company will use its resources, knowledge and expertise to our competitive advantage, but we will avoid undermining the operation of free markets. We respect the rights of others to carry on their business. We will also avoid putting undue pressure on customers in ways that may reduce or remove their ability to choose between services of competitors. We shall support the development of laws that promote, encourage or result in fair competition.

**6. INSIDER TRADING:** Specified Persons shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of any price sensitive information, not in public domain. Specified Persons will comply with SEBI (Prohibition of Insider Trading) Regulations, 1992 & the Code of Conduct of prevention of Insider Trading of the Company including any amendment thereto as may be applicable from time to time.

**7. INTELLECTUAL PROPERTY RIGHTS:** Intellectual Property Rights is an important area for the success of the Company. Specified person should ensure that intellectual property rights of the Company viz trademarks, trade name, copyrights, etc are duly

protected through registration of the same with concerned statutory authorities to prevent any misuse of the same by others.

**8. CONFIDENTIALITY OF INFORMATION:** Specified Persons should ensure confidentiality of information they receive and is disclosed if authorized by the Company or the person from whom the information is provided or required by law.

**9. HEALTH & SAFETY:** The business of the Company shall be carried on in a congenial environment whereby adequate health and adequate safety measures are taken in the workplace of the employees. Specified persons shall ensure that due compliance of all laws and regulations pertaining to health and safety measures is done on a continuous basis.

## **10. CONDUCT RELATING TO CUSTOMERS EMPLOYEES AND STAKEHOLDERS AND OTHERS.**

**10.1 Customers:** Our products and services shall be technologically competitive and whilst fulfilling the needs of our customers, shall offer the best possible value to our customers such that we become the customers' first choice for quality and service. No false or misleading claims shall be made whilst marketing our products or services. Our service standards shall be of the highest possible order. Mutually beneficial relationships of an enduring nature shall be built with customers. Our response to the needs and expectations of customers shall be speedy, courteous and effective. We shall Endeavour to ensure that Customer complaints and warranties are attended to the satisfaction of the customer.

**10.2 Employees:** The Company want to attract, develop and motivate the best people. We will create a work environment that is open, honest and unprejudiced and which encourages people to achieve their full potential. We will value people's individual and team contributions, and offer opportunities to share in the company's commercial success. The Company will recruit, employ and reward on ability and contribution. We will provide opportunities for personal growth and professional development and engage in appropriate communication and consultation with employees. We will promote a healthy lifestyle. We are an "equal opportunity" organization that prohibits discrimination or harassment based on race, color, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability.

**10.3 Partners:** The Company will cultivate a global network of collaborative and mutually beneficial alliances. We will respect partners' customs and traditions, and be honest and ethical in our dealings. We will work with partners in the creation of

successful ventures which have high standards of integrity and business practice. We will use our values and principles in dialogue with other organizations and in considering new and existing relationships.

**10.4 Vendors:** The Company will value the diversity of our Vendors. We will work with them in innovative ways that create added value for our customers and trading partners. The Company will have a fair procurement process, administering tendering and contracting procedures in good faith.

**10.5 Community:** The Company will contribute to the well being of the societies in which we operate through our business activities and the skills of our people. The Company will maintain the highest level of integrity while respecting local laws, customs and traditions. We will work with community and other organizations to support non-profit making activities that benefit wider society. The Company will use our influence to reinforce the liberating and empowering potential of technology.

## **11. DUTIES OF INDEPENDENT DIRECTOR(S)**

The Independent Director(s) shall:

- (a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (b) 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;
- (c) Strive to attend all meetings of the Board of Directors and of the Board committees of which he/ she is a member;
- (d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (e) strive to attend the general meetings of the Company;
- (f) 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;
- (g) keep themselves well informed about the Company and the external environment in which it operates;

(h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(i) 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;

(j) 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;

(k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;

(l) acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

(m) 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.

**12. SEXUAL HARASSMENT:** The Company strictly prohibits any kind of sexual harassment. Sexual harassment includes making unwelcome advances, sexual flirtations or propositions, continual or repeated verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, humor and jokes about sex or gender specific traits, sexual innuendo, display in the workplace of sexually suggestive objects or pictures, and transmission of sexual messages via voice mail, regular mail, e-mail or the Internet or Intranet.

**13. CONFLICT OF INTEREST:** Specified Persons of the Company shall ensure that their personal interest doesn't conflict with the interests of the Company/ the group.

A Specified Person involved in any of the types of relationships or situations described in this Code should immediately and fully disclose the relevant circumstances to his or her Supervisor, if any, or any other appropriate supervisor, or the Managing Director and CEO, for a determination about whether a potential or actual conflict exists. If an actual or potential is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action. A conflict of interest exists where the

interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

**(i) Employment/ Outside Employment (applicable to our Senior Management Personnel only)** In consideration of the employees' employment with the Company, the employees are expected to devote their full attention to the business interests of the Company. Employees are prohibited from engaging in any activity that interferes with the employee's performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous employment with a Company supplier, customer, developer or competitor, or from taking part in any activity that enhances or supports a competitor's position. Additionally, employees must disclose to the Company any interest that they have and may conflict with the business of the Company. All queries on this will be addressed to the Human Resources department.

**(ii) Outside Directorships** It is a conflict of interest to serve as a director of any company that competes with the Company. Specified Persons must obtain approval from the Board of Directors before accepting a directorship other than in respect of companies in which a Director of the Company was already a Director of any other company before joining the Board of Directors of the Company. Such approval may be conditioned upon the completion of specified actions.

**(iii) Business Interests** If a Specified Person is considering investing in a Company customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise their responsibilities to the Company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; Access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

**(iv) Related Parties** As a general rule, a Specified Person should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws, other than Relatives who are not dependent upon the Specified Person. Related party transactions of Specified Persons must be reviewed and approved in writing in advance by the Company's Board of Directors. The Company must report all such material related party transactions, as required under applicable accounting rules, SEBI, Indian Companies Act, and securities market rules. Any dealings with a related party must be

conducted in such a way that no preferential treatment is given to this business. The Company discourages the employment of relatives in positions or assignments within the same department and prohibits the employment of such individuals in positions that have a financial or other dependence or influence (e.g., an auditing or control relationship, or a supervisor/subordinate relationship).

The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the Human Resources Department is responsible for determining whether an Employee's acknowledged relationship is covered by this policy and the decision.

The Human Resources Department shall advise all affected Employees of this policy. Willful withholding of information regarding a prohibited relationship/reporting arrangement will be subject to corrective action, up to and including termination. If a prohibited relationship exists or develops between two Employees, the Employee in the senior position must bring this to the attention of his/her supervisor, if any or Managing Director and CEO.

The Company retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

**(v) Other Situations** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Legal Department or Human Resources Department.

NOTE: IN THE EVENT OF ANY DOUBT PERTAINING TO CONFLICT, PLEASE DISCUSS IT WITH YOUR REPORTING AUTHORITY, IF ANY, TO AGREE ON THE WAY FORWARD

#### **14. CORPORATE DISCLOSURE POLICY:**

It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents it files with or submits to the regulatory authorities and in other public communications. The Directors and Senior Management personnel shall provide only public information to the analyst/research



person/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest.

#### **15. NON-COMPLIANCE:**

Suspected violations of this code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All required violations shall be appropriately investigated. Any waiver of this code must be approved by the Board of Directors and publicly disclosed if required by any applicable law and regulations.

#### **16. AMENDMENTS OF THE CODE:**

Any amendment or waiver of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly displayed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations

#### **17. PERIODIC REVIEW**

This Code is subject to periodic review by the audit committee and the Board of Directors. The specified persons shall make a confirmation to the compliance officer of the company within 15 days from the date of closure of the financial year in the format specified.

#### **18. ACKNOWLEDGEMENT**

The Directors and Senior Management personnel shall read and fully understand this model code of conduct and comply with the policies procedures and principles contained therein.