

CMI LIMITED

Code of Ethics for Board Members and Senior Management Personnel

I. INTRODUCTION

CMI Limited (the “**Company**”) is committed to conduct its business in accordance with the applicable laws, rules & regulations and with highest standards of business ethics. This code of ethics (the “**Code**”) is intended to provide guidance and help in recognizing & dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director and Senior Management Personnel is expected to comply with the letter and spirit of this Code.

The Directors and Senior Management Personnel of the Company 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. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

The code has been framed specifically to also comply with the Regulation 17(5) of the Listing Obligations and Disclosure Requirements Regulations, 2015 (**‘LODR’**) and Schedule IV of Companies Act, 2013 (**‘the Act’**).

The Code shall be applicable with December 01, 2015.

The Code is applicable to:

- (i) All members of Board of Directors
- (ii) Senior Management – shall include personnel of the Company who are members of its core management team excluding Board of Directors. This would comprise all members of management one level below the Executive Directors, including all functional heads directly reporting to Whole-time Directors.
- (iii) Employees

II Key Requirements

Each Director and Senior Management Personnel shall conduct himself or herself within the authority conferred upon them and must not engage in unethical conduct. This code attempts to describe some of the examples of ethical conduct for reference of those covered in this code:

Avoid Conflicts of Interest - The Directors and Senior Management Personnel should be scrupulous in avoiding ‘conflicts of interest’ with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof and obtain prior written approval from the Applicable Authority.

A conflict of interest may arise:

- a. When an employee, officer, or director takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
- b. When Directors takes outside Directorships without obtaining the prior approval from the Company's Audit Committee,
- c. The receipt of any personal benefit by a member of his or her family from any supplier, customer or competitor of the Company unless disclosed to Applicable Authority,
- d. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,
- e. The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
- f. Any investment interest by Director or Senior Management Personal or their relative, who is in possession of any unpublished price sensitive information, in any supplier, customer, or competitor of the Company,
- g. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

Honest and Ethical Conduct: The Directors and Senior Management Personnel shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises & offsite but also at company sponsored business, social events and other place where Officers are representing the Company. They shall act and conduct themselves free from fraud and deception.

Corporate Opportunities-

Directors and Senior Management Personnel owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. They are expressly prohibited from:

- a. Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position.
- b. Competing directly with the business of the Company or with any business that the Company is considering.
- c. Using Company's property, information, or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after obtaining prior approval to the Applicable Authority.

Confidentiality- The Directors and Senior Management Personnel shall maintain the confidentiality of unpublished price sensitive information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The use of confidential information for his/her own advantage or profit is also prohibited.

Fair Dealing - Each Directors and Senior Management Personnel should deal fairly with customers, suppliers, and competitors of the company. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

Protection and Proper Use of Company's Assets - All Directors and Senior Management Personnel should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes.

Compliance with Laws, Rules, and Regulations: The Directors and Senior Management Personnel shall comply with all applicable laws, rules, and regulations.

Special clause for Independent Directors

The independent director 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 behavior, 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.

Compliance with Code of Ethics: If any director, officer or employee who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of Ethics, he/she must immediately report the same to the Applicable Authority . Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

Violations of this Code of Ethics will result in disciplinary action, which may even include termination of services of the employee. The Applicable Authority shall determine appropriate action in response to violations of this Code of Ethics.

Interpretation of Code - Any question or interpretation under this Code of Ethics will be handled by the Applicable Authority.

III . **Enforcement of Code Of Conduct**

The Company Secretary shall be the Coordinator for the purpose of this code.

Each Board Member and Senior Management Personnel shall be accountable for fully complying with this code.

All Whole-time Directors and Senior Management Personnel shall return all remuneration, stock options, and other benefits to the Company accruing to them on account of any assignment, position etc. held in any other organization unless the same is approved otherwise by the Applicable Authority.

Each Director and Senior Management Personnel, who by virtue of the office held by him/her in the Company possesses unpublished price sensitive information about the supplier, customer or competitor of the Company, shall seek prior permission of the Applicable Authority before acquiring any shares of the Company or any supplier, customer or Competitor after the completion of the transaction.

Each Member of the Board and Senior Management Team shall report breach, if any, to the Applicable Authority.

IV. **CERTIFICATION OF COMPLIANCE OF CODE OF CONDUCT**

All Officers shall affirm compliance with the Code of Conduct on an annual basis. The Annual report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer.

V. **WAIVER AND AMENDMENTS OF THE CODE**

No waiver and amendments of any of the provisions of this code shall be valid unless, they are specifically approved by the Board of Directors of the Company.

VI. INSERTION OF THE CODE IN WEBSITE

As per the requirement of the LODR this code and any amendments thereto shall be posted on the website of the Company.

VII. AFFIRMATION OF COMPLIANCE OF THE CODE

All Board Members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code.

A proforma of Annual Compliance Certificate annexed to this Code as Appendix-1 shall be forwarded to the Secretarial Department of the Company.

VIII. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE

All Board Members and Senior Management Personnel shall acknowledge the receipt of this code in the acknowledgment form annexed to this Code as Appendix-2 indicating that they have received the code and send the same to the Secretarial Department. Upon revision of this code, the Board Members and Senior Management Personnel shall execute an acknowledgment of the revised Code.

CMI LIMITED

Code of Ethics

For

Board Members and Senior Management Personnel

ANNUAL COMPLIANCE REPORT

I _____{Name}, Designation}do hereby solemnly affirmed_____ having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have fully complied with and has not violated any provisions of the code during the year ending 31st March _____.

Signature :
Name :
Designation:
Employee Number (if any)
Email Id
Mobile Number

Date :
Place :

Note: Please sign and return this form to the Secretarial Department.

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Board Members and Senior Management Personnel

ACKNOWLEDGEMENT FORM

I, have received and read the Company's "**CODE OF ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL** (this "**Code**"). I have understood the contents and agree to comply with this code.

Signature :

Name :

Designation

Date:

Place :