



# ASIAN TEA & EXPORTS LIMITED

4/1, Middleton Street, Kolkata-700071

## Code of Conduct for Board of Directors and Senior Executives

### 1. INTRODUCTION

In line with the provisions contained in revised clause 49 of Listing Agreement and Companies Act, 2013, the Board hereby adopts the Code of Business Conduct & Ethics for Board Members and Senior Management Personnel of Asian Tea & Exports Limited, which shall come into effect from 12<sup>th</sup> Day of February 2015.

Asian Tea & Exports Limited endeavours to set a high standard of conduct for its Board members and senior management personnel. It aims to achieve its objectives by establishing a sound framework of Corporate Governance based on the pillars of ethical practices and transparency. This Code of Conduct intends to establish yardsticks, which should be followed to ensure that the Vision, Mission and Values of the company are followed in spirit. The purpose of the Code is to continually enhance ethical and transparent processes in managing the affairs of the company.

Every Director and Senior Management personnel of the company has a responsibility to work on the principles of fairness, honesty, integrity and transparency in their quest for achieving organizational goals.

### 2. APPLICABILITY

This is a comprehensive code and applies to all Directors/senior Executives. However, the provisions shall apply to Executives and Non-Executives Directors including Independent Directors only to such extent as may be applicable depending on their respective roles and responsibilities.

### 3. OBJECTIVE

The Board of Directors of the Company desires to document a Code of Conduct for all Directors and Senior Management Executives with the following objectives:

- a. To ensure that all Directors act within limits of authority conferred upon them and they function in the best interest of the Company and all stakeholders.
- b. Enhancing the standards on honest and ethical conduct
- c. Evolving as good corporate citizens by implementing highest degree of transparency, integrity, accountability and corporate social responsibility.
- d. To further achieve good corporate governance by complying with all laws, rules and regulations applicable to the Company and fulfilling responsibilities towards stakeholders.

### 4. HONEST AND ETHICAL CONDUCT

All Directors and Senior Executives are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working in the Company's premises or at any other place where Directors and Senior Executives represent the Company.

Honest conduct is understood as such conduct that is ethical, free from fraud or deception and conforming to the accepted professional standards.

## **5. PROFESSIONAL CONDUCT OF INDEPENDENT DIRECTORS**

The following is a guide to professional conduct for Independent Directors of the Company and also incorporates the duties of Independent Directors of the Company as laid down in the Companies Act, 2013.

### **A. 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.

### **B. 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 control and the systems of risk management are robust and defensible;
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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.

### **C. 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;
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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.

An Independent Director and a Non-Executive Director (not being promoter or key managerial personnel) shall be held liable only, in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently.

## **6. CONFLICTS OF INTEREST**

An Executive's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. 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:

- A. **Employment / Directorship:** In consideration of employment with the Company, Directors and Senior Executives are expected to devote their full attention to the business interests of the Company. Directors and Senior Executives are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company.
- B. **Related parties:** As a general rule, Directors and Senior Executives should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. A relative for this purpose means the list of Relatives laid down in Companies Act, 2013 and includes spouse, children, parents, brothers and sisters etc.
- C. **Payments or gifts from others:** Under no circumstances shall Directors and Senior Executives of the Company accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, 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, or opportunity for the commitment of any fraud.
- D. **Corporate opportunities:** Directors and Senior Executives may not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company.

## **7. DISCLOSURE**

The Company's policy is to provide full, fair, accurate and timely disclosure in reports and documents that are filed with or submitted to any outside agency. The Directors and Senior Executives must ensure the proper compliance of this policy.

## **8. COMPLIANCE WITH LAWS, RULES AND REGULATIONS/ INTERNAL COMPANY POLICIES**

The Directors and Senior Executives must comply with all applicable laws, rules and regulations. Directors and Senior Executives must acquire appropriate knowledge of the legal requirements relating to their duties so as to ensure proper compliance of the policy.

## **9. VIOLATIONS**

The Directors and Senior Executives are responsible for strict enforcement of this code. Any violations of law and company's laid down policies or procedures, should be promptly reported to the Secretarial Department/Chairman & Managing Director (CMD).

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The Company will take appropriate action against any Director or Senior Executive whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard.