

KKV AGRO POWERS LIMITED

**Vivaaga Building,
#637, Oppanakara Street,
Coimbatore -641 001.**

CODE OF CONDUCT

Applicable to all directors, senior management and employees of the Company

PREAMBLE

KKV Agro Powers Limited's (KKV APL) Code of Conduct is derived from two interlinked fundamental principles, viz. good corporate citizenship and exemplary personal conduct.

PHILOSOPHY

KKV APL is a professionally managed organisation and the core value underlying our corporate philosophy is "trusteeship". We believe this organisation has been handed to us by the various stakeholders in "trust" and we as professionals are the "trustees" of these stakeholders. It is therefore our responsibility to ensure that the organisation is managed in a manner that protects and furthers the interests of our stakeholders. We recognise society as an important stakeholder in this enterprise and therefore it is part of our responsibility to practise good corporate citizenship.

It is also our belief that in order to serve the interests of our stakeholders in perpetuity, we must build KKV APL into an institution whose dynamism and vitality are anchored in its core values.

CORPORATE GOVERNANCE POLICY

The Corporate Governance Policy is the apex level instrument guiding conduct of the affairs of the Company and clearly delineates the roles, responsibilities and authorities of the key entities in the governance structure of the Company. This Code forms an integral part of the Company's Governance Policy. The directors, senior management and employees must adhere to the Corporate Governance Policy of the Company.

GOOD CORPORATE CITIZENSHIP

In the conduct of the Company's business, the practice of good corporate citizenship is a prerequisite and embraces the following:

A. Dealing with People in the Organisation

In dealing with each other, directors, senior management and employees shall uphold the values which are at the core of our HR Philosophy - trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self respect and human dignity. Indeed, these values form the basis of our HR management systems and processes. In selection and recruitment, while meritocracy will be a prime criterion, managers will scrupulously consider all factors that go towards securing the interests of the Company. KKV APL will focus on meritocracy, equity and upholding of Company values in all people processes including performance management systems, appraisals, remuneration and rewards.

B. A Gender Friendly Workplace

As a good corporate citizen, KKV APL is committed to a gender friendly workplace. It seeks to enhance equal opportunities for men and women, prevent/stop/redress sexual harassment at the workplace and institute good employment practices.

Sexual harassment includes unwelcome sexually determined behaviour such as: unwelcome physical contact; a demand or request for sexual favours; sexually coloured remarks; showing pornography and any other unwelcome physical, verbal or non-verbal conduct of a sexual nature.

KKV APL maintains an open door for reportees; encourages employees to report any harassment concerns and is responsive to employee complaints about harassment or other unwelcome and offensive conduct. A [committee](#) has been constituted to enquire into complaints and to recommend appropriate action, wherever required.

KKV APL demands, demonstrates and promotes professional behaviour and respectful treatment of all employees.

C. Relationships with Suppliers and Customers

All directors, senior management and employees shall ensure that in their dealings with suppliers and customers, the Company's interests are never compromised. Accepting gifts and presents of more than a nominal value, gratuity payments and other payments from suppliers or customers will be viewed as serious breach of discipline as this could lead to compromising the Company's interests

D. Legal Compliance

It is the Company's policy to comply fully with all applicable laws and regulations. Ensuring legal and regulatory compliance is the responsibility of the Chief Executives of the Businesses and the Divisional Management Committees. The Company cannot accept practices which are unlawful or may be damaging to its reputation. Divisional Management Committees must satisfy themselves that sound and adequate arrangements exist to ensure that they comply with the legal and regulatory requirements impacting each business and identify and respond to developments in the regulatory environment in which they operate. In the event the implication of any law is not clear, the Company's Legal Department shall be consulted for advice.

E. Health and Safety

The Company attaches great importance to a healthy and safe work environment. KKV APL is committed to provide good physical working conditions and encourages high standards of hygiene and housekeeping. Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious or fatal accidents.

H. Environment Policies

The Company believes that commitment to sustainable development is a key component of responsible corporate citizenship and therefore deserves to be accorded the highest priority.

Accordingly, the Company is committed to Best Practices in environmental matters arising out of its business activities and expects each business to fully demonstrate this commitment.

In addition to complying with applicable laws and regulations, Businesses must establish procedures for assessing the environmental effects of their present and future activities. They should adopt Best Practices in their environmental policies and procedures.

PERSONAL CONDUCT

All directors, senior management and employees have the obligation to conduct themselves in an honest and ethical manner and act in the best interest of the Company at all times. They are expected to demonstrate exemplary personal conduct through adherence to the following:

A. Avoidance of Conflict of Interest

All directors, senior management and employees must avoid situations in which their personal interest could conflict with the interest of the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that conflict, if any, or potential conflict must be disclosed to higher management for guidance and action as appropriate.

B. Transparency and Auditability

All directors, senior management and employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including as appropriate, segregation of duties, tiered approval mechanism and involvement of more than one manager in key decisions and maintaining supporting records. It shall be necessary to voluntarily ensure that areas of operation are open to audit and the conduct of activities is totally auditable.

C. Protection of Confidential Information

No director, senior management and employee shall disclose or use any confidential information gained in the course of employment/ association with the Company for personal gain or for the advantage of any other person. No information either formally or informally shall be provided to the press, other publicity media or any other external agency except within approved policies.

D. Company Facilities

No director, senior management and employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

E. Leading by Example

The organisation's directors and senior management set the professional tone for the Company. Through both their words and their actions, the organisation's leadership conveys what is acceptable and unacceptable behaviour. KKV APL's directors, senior management and employees must constantly reinforce through their actions and behaviour that KKV APL's stated beliefs of responsible corporate citizenship are rooted in individual conviction and personal integrity.

WAIVERS

Any waiver of any provision of this Code of Conduct for a director, senior management or employee must be placed for approval before the Company's Board of Directors / Corporate Management Committee, as appropriate.

NON ADHERENCE

Any instance of non-adherence to the Code of Conduct should be brought to the attention of the immediate reporting authority, with copies to the relevant Divisional Chief Executive / Head of Corporate Department and the Head of Corporate Human Resources. In respect of senior management, any such instance should be brought to the attention of the Chairman of the Audit Committee with a copy to the Company Chairman.

DUTIES OF INDEPENDENT DIRECTORS

The duties of Independent Directors of the Company, as laid down under Schedule IV to the Companies Act, 2013, are incorporated herein pursuant to Clause 49 of the Listing Agreement with Stock Exchanges. It shall be the duty of Independent Directors to:

- 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 they are a member;
- d. participate constructively and actively in the Board Committees in which they are chairpersons or members;
- e. strive to attend the general meetings of the Company;
- f. ensure, where they have concerns about the running of the Company or a proposed action, that these are addressed by the Board of Directors;
- 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 Board Committee;
- 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 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 Code of Conduct;
- l. act within their authority and assist in protecting the legitimate interests of the Company, shareholders and its employees;
- m. not to disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans and unpublished price sensitive information, unless such disclosure is expressly approved by the Board of Directors or required by law.

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WHISTLEBLOWER POLICY

A. Philosophy

KKV APL believes that every employee is a trustee of its stakeholders and must adhere to the Company's Code of Conduct (hereinafter referred to as 'KKV APL Code') and conduct himself or herself at all times in a professional and ethical manner.

B. Purpose

The "Whistleblower Policy" encourages Directors and employees (hereinafter referred to as 'employees') to bring to the Company's attention, instances of unethical behaviour, actual or suspected incidents of fraud or violation of the KKV APL Code, that could adversely impact the Company's operations, business performance and / or reputation. The Company will investigate such reported incidents in an impartial manner and take appropriate action to ensure that the requisite standards of professional and ethical conduct are always upheld.

C. Policy

It is KKV APL's Policy:

- (a) To create an environment where every employee feels free and secure to report specific incidents of unethical behaviour, actual or suspected incidents of fraud or violation of the KKV APL Code;
- (b) To investigate such reported incidents in a fair manner;
- (c) To take appropriate disciplinary action against the delinquent employee(s);
- (d) To ensure that no employee is victimised or harassed for bringing such incidents to the attention of the Company.

The practice of this Policy will be overseen by the Audit Committee.

D. Reporting Mechanism

- (a) Employees are encouraged to bring to the attention of the Company incidents pertaining, inter alia, to:
 - (i) Illegal or unethical conduct including that which adversely affects investors, shareholders, customers, suppliers, other employees, or the business performance or image or reputation of the Company;
 - (ii) Violation of any law or regulation including actual or suspected fraud;
 - (iii) Conflict of interest with the Company;

(iv) Leaking of confidential or proprietary information of the Company;

(v) Any other violation of the KKV APL Code.

(b) A Whistleblower complaint may be made by any employee (hereinafter referred to as the 'complainant'). Such complaint should be sent to his or her immediate reporting authority, with copies to the relevant Divisional Chief Executive / Head of Corporate Department and the Head of Corporate Human Resources. Anonymous complaint will not be entertained. If the complainant has reasons to believe that the concerned immediate reporting authority or his / her superior is involved in the suspected violation, the complaint may be addressed directly to the Head of Corporate Human Resources.

Complaint by or against senior management (as defined in the KKV APL Code) should be made to the Chairman of the Audit Committee with a copy to the Company Chairman.

(c) Complaint shall be made in writing and must include as much information about the suspected violation as the complainant can provide. It should describe:

(i) the nature, period of commission and details of the alleged violation;

(ii) the identities of the persons suspected to have committed the alleged violation; and

(iii) a description of the documents that would prove or relate to the suspected violation.

(d) Employees are encouraged to report such incidents as early as possible, in any case within 30 days of the suspected violation / breach noticed by him / her, so that timely action can be taken.

E. Investigation

(a) Upon receipt of a complaint (other than by or against senior management), the Head of Corporate Human Resources, who should keep the Line Director informed, will make an assessment thereof and on being satisfied as to the seriousness and credibility of the complaint, direct the complaint for investigation, in consultation with the General Counsel, to the Internal Audit Department of the Company.

(b) All employees have a duty to cooperate in an investigation.

(c) All information disclosed during the course of an investigation, including the identity of the complainant, will be kept confidential, except as necessary or appropriate to disclose for the purposes of the investigation or where required to be statutorily disclosed.

(d) The report of the investigation shall be submitted by the Internal Audit Department to the Corporate Management Committee alongwith reasoning and supporting material. Depending on the materiality, the investigation findings will be reported to the Audit Committee.

(e) Complaint by or against senior management will be investigated as directed by the Audit Committee.

(f) If the Corporate Management Committee / the Audit Committee determines that a violation has occurred, the Company will take appropriate action which may include disciplinary proceedings against the violator, including termination of employment.

F. No Retaliation

(a) This Policy is intended to encourage and enable employees to raise bonafide concerns. No employee who reports a violation shall suffer any harassment, retaliation or adverse employment condition as a consequence of such reporting.

(b) Any employee who retaliates against a person reporting a violation will be subject to disciplinary proceedings, which may extend to termination of employment.

G. Complaint to be made in good faith

(a) A complainant must act in good faith and have reasonable grounds for forming a belief that his or her complaint constitutes a violation as described under Clause 4(a).

(b) This Policy must not be used as a tool for victimisation, making false allegation or acting malafide.

(c) Any person who is found to be making baseless, reckless, malicious or deliberately false allegation, shall be subject to disciplinary proceedings, which may extend to termination of employment.