

NRB BEARINGS LIMITED

Code of Conduct for Board of Directors and Senior Management

The Company endeavours to conduct the business in an ethical manner and create a work environment which is conducive to all the stakeholders, it deals with. Therefore, Board Members and Senior Management will act as trustees in the interest of all stakeholders of the Company by balancing conflicting interest, if any, between stakeholders for optimal benefit. The adoption of this Code of Conduct (the Code) by the Board stems from the fiduciary responsibility which the Board Members and the Senior Management Personnel have towards the stakeholders of NRB Bearings Limited (“the Company”).

ETHICAL AND MORAL BEHAVIOUR:

The Code encompasses the following:-

- (a) Business shall be conducted ethically and by not committing, condoning or ratifying illegal or immoral acts. Meritocracy should be ensured and encouraged at all times. Board Members and Senior Management Personnel will at all times ensure that they shall not directly or indirectly derive any personal or improper financial or other advantage in order to gain or advance the business. All the anti-trust/anti-bribery / anti-corruption law(s) applicable in the jurisdiction of employment should also be ensured as may be applicable.
- (b) Standards of fair dealing and personal integrity will be observed. Highest moral and ethical standards would be confirmed.
- (c) An environment free from gender specific harassment, discrimination and exploitation will be maintained. In case of any such instances, the Company’s Policy on prevention of sexual harassment at workplace should be adhered to.
- (d) Any Director or the Senior Management Personnel of the Company must not directly or indirectly accept or offer gifts, donations, of material value.(Materiality USD 100)
- (e) Compliance with all statutory and regulatory requirements in any geography of operation of the Company shall be ensured.

BUSINESS OPPORTUNITIES:

The Board Members and the Senior Management Personnel:

- (a) Shall perform their roles with competence, diligence, in good faith and in the best interest of the company and advance the Company’s legitimate interest whenever the opportunity to do so arises.
- (b) Should endeavour to deal fairly and promote fair dealing by the Company, its employees, agents, with customers, suppliers and employees.
- (c) Dedicate time and attention to the Company drawing upon their experience and provide expertise in their areas of specialization in the best interests of the Company and give careful independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management.

SAFETY, HEALTH AND CLEAN ENVIRONMENT:

In all aspects of the Company's operations, its employees, customers and society, safe, healthy and clean environment shall be given importance. Efforts should be made to minimise the adverse impact of business activities on the environment and communities in which the operations of the Company are located. Adherence to and meeting the qualifying requirements of the certification standards set by the Company is key. Such standards should be updated as and when required.

CONFLICT OF INTEREST:

- (a) Conflict Situations: Any relationship, influence or activity that may impair the ability to make objective and fair decisions must be referred for decision making as per guidelines for Related Party Transactions., Such transactions shall be conducted at an arm's length basis. In case of, any actual or potential conflicts of interest arise, the Directors must disclose the same to the Chairman for further necessary action as may be deemed fit. Similarly, Senior Management Personnel may approach the Managing Director in these regard.
- (b) Disclosure of Interest: Any financial or other material interest by oneself or through relatives / organisation in any contract with the Company (including vendors and customers) shall be disclosed and the Director shall reclude himself/herself on discussion for such matters where there is a conflict of interest whether or not declared. At the time of appointment/ recommendation of re-appointment by NRC as well as in case of change(s), Director should disclose their interest in any other entity in any capacity in the manner prescribed under Companies Act, 2013. Senior Management Personnel are also expected to inform about their interest, if any, in any other entity which the Company would be doing the business with. In such case(s), the Managing Director would review and take a final decision whether or not such transactions should be undertaken.
- (c) Competing with the Company: Directors are expected to sign an NDA and Non-Compete Agreement; Acceptance of any position of influence or of pecuniary interest in any other organisation, whose business is in competition with that of the Company or the business which the Company is engaged into or considering, shall be avoided.
- (d) Use of Company's Resources and information: To be used responsibly solely for the benefit of the Company.

INSIDER TRADING:

Directors and Senior Management Personnel shall comply with the Company's Code of Internal Procedures for Regulating, Monitoring and Reporting Trading by Insiders ('Insider Trading Code'). Any contravention of the Code will attract appropriate action under the Insider Trading Code.

CONFIDENTIALITY OF INFORMATION:

Any information (electronic or otherwise) relating to the Company, its intellectual property, including technology and business processes, its business and customers/vendors which is confidential shall not be divulged and shall be used for official business purposes only. Adequate measures should be taken by the Directors and Senior Management Personnel to safeguard the confidential information of the Company during their association with the Company. Such information should not be used for direct or indirect personal gain.

VIGIL MECHANISM:

The Directors and Senior Management Personnel shall report concerns about unethical behaviour, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control system, likely to impact the business interest of the Company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistleblower Policy of the Company.

DUTIES:

(a) Applicable to all Directors:

The Directors of the Company shall, in terms of Section 166 of the Companies Act, 2013: (i) act in accordance with the Articles of Association of the Company. (ii) act in good faith in order to promote the objects of the Company in the interest of all its stakeholders and for the protection of environment. (iii) exercise his duties with due and reasonable care, skill and judgement and also exercise their independent judgement. (iv) not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. (v) not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates. (vi) not assign his office and any assignment so made shall be void.

In addition to the above, from the good corporate governance perspective, Directors shall strive to attend all Board Meetings and General Meetings of the Company.

(b) Applicable to Independent Directors:

Additionally, the Independent Directors of the Company shall also ensure compliance with the Code for Independent Directors as specified in Schedule IV of the Companies Act, 2013, especially with regard to the duties of Independent Directors laid down therein.

Further the Directors and Senior Management of the Company are expected to: i. keep themselves well informed about the Company and the external environment in which it operates; ii. Comply with all the laws, rules and regulations and reporting the same in the applicable tool / systems established for the purpose.

BREACH OF THE PROVISIONS:

Any breach of provision(s) of this Code, shall be referred to the Audit Committee. The Audit Committee is empowered to initiate any inquiry proceedings/ investigations and recommend disciplinary actions and / or institution of appropriate legal proceedings. in the case of breach of Code by Senior Management Personnel. The Audit Committee may levy penalties or initiate disciplinary actions. Any such action by the Audit Committee shall be final and binding. However, in the case of breach of Code by any Director, the Audit Committee shall make its recommendation to the Chairman of the Board and the decision of the Board shall be final and binding. The Board shall disclose such breaches as it may deem material to the shareholders so as to enable the shareholders to make an informed decision in relation to the re-appointment of any such Director.

CLARIFICATIONS AND WAIVERS:

Any Director having concern with compliance of this Code or intending to seek clarification may raise the same with Chairperson of the Company, whereas, any Senior Management Personnel having any concern may raise the same with Managing Director of the Company.

AGREEMENT:

I have read the Code of Conduct for the Board of Directors and Senior Management. I understand the standards and policies contained therein. I agree to comply with the Code of Conduct and follow diligently all the guidelines stated in it.

If I have any queries regarding the meaning or application of the Code of Conduct or any of the legal and regulatory requirements, I will consult the Vice Chairman & Managing Director or the Executive Director.

Signature _____
Date _____

Name _____