

F O C U S

LIGHTING & FIXTURES LTD.

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

1. PREAMBLE:

Focus Lighting And Fixtures Limited (**'the Company'**) is committed to the highest standards of corporate governance and ethical conduct in all its activities and processes. It regards Corporate Governance as the cornerstone for sustained management performance, for serving all the stakeholders and for instilling pride of association.

The Code of Conduct of Focus Lighting And Fixtures Limited was approved by the Board of Directors (Board) of the Company on May 29, 2019 and came into effect from April 1, 2019. The said Code of Conduct based on fundamental principle of good Corporate Governance. The said Code of Business Conduct and Ethics is now adopted inter alia to include duties of Independent Directors as per Schedule IV of the Companies Act, 2013.

In furtherance of this policy, the Board of Directors has adopted this 'Code of Conduct for Board Members and Senior Management (**'the Code'**)'.

2. APPLICABILITY:

- The Code is applicable to the following persons, hereinafter referred to as 'Directors and Senior Management Executives':
 - All Members of the Board of Directors of the Company; and
 - Officers/personnel of the Company who are members of the core management team excluding the Board of Directors and normally this shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/Manager (including Chief Executive Officer/Manager, in case they are not part of the Board) and shall specifically include the Company Secretary and the Chief Financial Officer ('Senior Management Executives').

- Directors and Senior Management Executives are expected to read and understand this Code, uphold these standards in their 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.

- The principles described in this Code are general in nature. Directors and Senior Management Executives should also review the Company's other applicable policies and procedures for more specific instruction. They may contact the HR head or the Company Secretary, if they have any questions.

3. CODE OF CONDUCT:

- It shall be the first and foremost duty of every Directors and Senior Management Executive to uphold interests of the Company and its stakeholders and to endeavour to fulfil all the fiduciary obligations towards them.
- The Directors and Senior Management Executives shall act in accordance with the highest standard of honesty, integrity, fairness and ethical conduct and shall exercise utmost good faith, due care and integrity in performing their duties.

Guidelines for conduct:

The Directors and Senior Management Executives shall:

- Act within the authority conferred upon or delegated to them.
- Exercise independent judgement on issues of strategy, performance and policy matters.
- Apply themselves diligently and objectively in discharging their responsibilities and contribute to the conduct of the business and the progress of the Company.
- Bring to the attention of the Board, Chairman or the Managing Director as appropriate, any information or development either within the Company (relating to its employees or other stakeholders) or external, which could impact the Company's operations and which in the normal course, may not have come to the knowledge of the Board/Chairman or Managing Director.
- Dedicate sufficient time and attention to the Company's business to ensure diligent performance of their duties.
- Endeavour to attend all the meetings of the Board and its Committees of which they are members or invitees.
- Read in advance the material distributed for constructive deliberations at the meetings.
- Actively participate in the discussion and decision making at the meetings.

Legal compliance:

The Directors and Senior Management Executives are expected to comply with:

- The applicable laws, rules and regulations.
- All applicable policies, rules and regulations adopted by the Company, with the highest standard of personal and professional integrity, honesty and ethical conduct

(For e.g., Insider Trading Code, Guiding Principles, Policy on Prevention of Sexual Harassment at Workplace etc.)

4. CONFLICT OF INTEREST:

- All Directors and Senior Management Executives shall avoid situations in which their personal interest could conflict with that of the Company. A “conflict of interest” occurs when an individual’s private interest directly or indirectly interferes or appears to interfere with the interests of the Company.
- The Directors and Senior Management Executives must act at all times in the Company’s best interests and avoid putting themselves in a position where their personal interests’ conflict or appear to conflict with the interests of the Company. Their personal interests will include those of their relatives.
- Any Director or Senior Management Executive, who is aware of a conflict of interest or is concerned that a conflict might develop, is required to disclose the matter promptly to the Board in case of a Director and to the Managing Director/Manager/Compliance Officer in case of a Senior Management Executive.

5. RELATED PART TRANSACTION:

Any Director or Senior Management Executive or any of their relatives/associates should not derive any undue personal benefit or advantage by virtue of his position or relationship with the Company. As a general rule, Senior Management Executives should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures are made as required by law and this Code.

6. INSIDER TRADING:

Directors and Senior Management Executives of the Company must ensure that they and their relatives comply with the SEBI (Prohibition of Insider Trading) Regulations and the Company’s Policy on the Insider Trading. In particular, Directors must ensure that they do not, by themselves or through third parties, deal in the Company’s shares while in possession of material non-public information relating to the Company. Directors and Senior Management Executives must also ensure that they do not divulge such information to third parties except for a legitimate purpose as defined in the Company’s Policy who may use the information to deal in the Company’s shares.

7. CONFIDENTIALITY:

- Any information concerning the Company's business, its customers, suppliers, etc. shall be considered as confidential.
- No Directors or Senior Management Executive shall provide any information concerning the Company or its business or its customers, suppliers etc., either formally or informally, to any person including press or publicity media, unless such information is –
 - in public domain at the time of disclosure; or
 - authorized or required to be disclosed pursuant to a decision of the Board / Committee thereof; or
 - required to be disclosed in accordance with applicable laws or requirements of any government authority.
- Directors must ensure that the information is not used by them for the benefit of any of the Company's competitors or other parties who, if in possession of the said information, may use it in a manner inconsistent with the Company's interests.
- The obligation of confidentiality shall continue even after such person ceases to be Director or Senior Management Executive of the Company.

8. TRANSPARENCY AND ACCOUNTABILITY:

The Directors and Senior Management Executives shall be transparent in all their dealings except in cases where the needs of business security dictate otherwise and shall hold themselves accountable to the Board or Managing Director/Compliance Officer as the case may be.

9. OPPORTUNITIES AND INFORMATION:

- The Directors and Senior Management Executives owe a duty to the Company to advance the Company's business. The Directors and Senior Management Executives are prohibited from taking (or directing to a third party) a business opportunity (relevant to the line of business intended to be pursued by the Company) that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down.
- The Directors and Senior Management Executives are prohibited from using corporate property, information or position for personal gain and from competing with the Company. Wherever, it is difficult to differentiate between personal and Company benefits or there are both personal and Company benefits in certain activities, the only prudent course of conduct for the Directors and Senior Management Executives is to make sure that any use of Company property or

services or such transactions that is not solely for the benefit of the Company has prior approval of the Board of Directors/Managing Director/Manager of the Company.

10. RELATIONSHIP WITH SUPPLIERS AND CUSTOMERS:

The Directors and Senior Management Executives shall never compromise with the interest of the Company in all their dealings with suppliers and customers. The Directors and Senior Management Executive shall not accept gifts and presents of more than nominal value or receive gratuitous or other payments or treatments from suppliers or customers which could lead to compromising the Company's interests.

11. CORPORATE SOCIAL RESPONSIBILITY:

The Company is committed to serve the community around its area of operations. The Company believes that no organization can survive in isolation and it has a responsibility towards the public at large. The Company aims to reach out to the neighbouring communities and conserve the environment. The Company shall continuously take requisite community development initiatives around the areas of its operations. The Directors and Senior Management Executives shall in their decisions respect the necessity of environment protection and pollution control consistently with the need of sustainable development.

12. DUTIES OF INDEPENDENT DIRECTOR (AS PER SCHEDULE IV OF THE COMPANIES ACT, 2013):

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;
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.

13. REPORTING:

- The Company Secretary shall be the Compliance Officer for the purpose of this Code. Senior Management Executives are required to report observed violations of the Code and illegal or unethical behaviour to the Managing Director/Manager/Compliance Officer.
- All reports will be treated in a confidential manner and it is Company's policy not to allow retaliation for reports made in good faith of misconduct by others. In accordance with an established, documented & approved process, the Company will undertake, review & where appropriate, investigate of alleged violations or misconduct. Senior Management Executives are expected to cooperate in internal investigations of misconduct and violations of this Code.

14. ENFORCEMENT:

- Violations of this Code or other Company Policies or Procedures by Senior Management Executives should be promptly reported to the HR Department and violations by Members of the Board of Directors of the Company to the Chairman & Managing Director. The Board has the power to investigate, in such manner as it may deem fit, any breach or violation or alleged breach or violation of the Code.
- The Company will take appropriate action against any person whose actions are found to violate the Code or any other policy of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. The Board also has the absolute power to determine penalty for the same as it may consider appropriate under the circumstances.

- Such penalty may be in addition to the penalty levied under any applicable law for the time being in force for such breach or violation.

15. AMENDMENTS:

- The Board may amend the provisions of this Code from time to time.
- Unless otherwise specified, such amendments shall be effective from the date of the Board Meeting at which such amendments are approved.

16. AFFIRMATIONS:

- All Directors and Senior Management Executives shall affirm compliance with the Code on annual basis within 30 days of close of every financial year ending on 31st March.
- The Annual Affirmation (as per format specified hereunder) shall be forwarded to the Company Secretary of the Company within the said period of 30 days.

Annexure-1

FOCUS LIGHTING AND FIXTURES LIMITED

**CODE OF CONDUCT
FOR
BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

ACKNOWLEDGEMENT FORM

I _____, have received and read the Company's "**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT**" ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature:

Name:

Designation:

Date:

Place: