

**KSB LIMITED
(FORMERLY KSB PUMPS LIMITED)**

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

Preamble

All Directors and Senior Management Personnel's must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interest of the Company and its shareholders/ stakeholders.

With a view to maintain the high standards that the Company requires, the following rules/ code of conduct should be observed in all activities of the Board. The Company appoints the company secretary as a compliance officer for the purposes of the code, who will be available to Directors and Senior Management Personnel's to answer questions to help them comply with the code.

1. Honesty & Integrity

All Directors and Senior Management Personnel's shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Personnel's will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgment to be subordinated. Directors and Senior Management Personnel's will act in the best interest of the Company and fulfill the fiduciary obligations.

2. Conflict of Interest

Directors on the Board and Senior Management Personnel's of the Company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the group.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential-

- a) Directors and Senior Management Personnel's should not engage in any activity/ employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.

- b) Directors, Senior Management Personnel's and their immediate families should not invest in the Company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company.
- c) Directors and Senior Management Personnel's should avoid conducting Company business with a relative or with a firm/ company in which a relative/ related party is associated in any significant role.

If such related party transaction is unavoidable, it must be fully disclosed to the Board of the Company.

3. Compliance

Directors and Senior Management Personnel's are required to comply with all applicable laws, rules and regulations, both in letter & spirit. In order to assist the Company in promoting lawful & ethical behaviour, Directors and Senior Management Personnel's must report any possible violation of laws, regulation or code of conduct to the company secretary.

In addition to the above, Independent Directors would have specific duties as prescribed from time to time by the Companies Act, 2013 in Schedule IV which forms part of this code of conduct as Annexure-I.

4. Other Directorships

The Company feels that serving on the Boards of Directors of other companies may raise substantial concerns about potential conflict of interest and therefore, all directors and Senior Management Personnel's must report/ disclose such relationships to the Board on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the Company.

5. Confidentiality of information

Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which the Directors and Senior Management Personnel's has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No director and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

6. Insider Trading

Any Director or Senior Management Personnel of the Company shall not derive benefit or assist other to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information. All Directors and Senior Management Personnel's will comply with insider trading guidelines as issued by SEBI and code of conduct of the Company for Insider Trading.

7. Gifts and donations

No Director or Senior Management Personnel of the Company shall receive or offer, directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favours or decisions for the conduct of business. Normal gifts of commemorative nature, for special events may be acceptable and reported to the Board.

8. Protection of Assets

Directors and Senior Management Personnel's must protect the Company's assets, including its employees and any information that he may be privy to due to the position held by him. The Company's assets as detailed above should not be used for personal purposes, unless approved by the Board.

9. Periodic Review

Once every year or upon revision of this code, every Director and Senior Management Personnel must acknowledge and execute an understanding of the code and an agreement to comply. New Directors will sign such a deed at the time when their directorship begins.

RAJEEV JAIN
MANAGING DIRECTOR

Duties of Independent Directors –

The Independent directors shall -

- (1) Undertake appropriate induction & regularly update & refresh their skills, knowledge & familiarity with the company;
- (2) Seek appropriate clarification or amplification of information &, where necessary, take & follow appropriate professional advice & opinion of outside experts at the expense of company;
- (3) Strive to attend all meetings of Board and of Board committees of which he is a member;
- (4) Participate constructively & 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 &, to the extent that they are not resolved, insist that their concerns are recorded in Board meeting minutes;
- (7) Keep themselves well informed about the company & 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 & ensure that adequate deliberations are held before approving related party transactions & assure themselves that the same are in interest of the company;
- (10) Ascertain & ensure that the company has an adequate & functional vigil mechanism & 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 legitimate interests of the company, shareholders & its employees;
- (13) Not disclose confidential information, including commercial secrets, technologies, advertising & sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.