

FOMENTO RESORTS AND HOTELS LIMITED

Code of Conduct for Board of Directors and Senior Management Personnel (Pursuant to the provisions of Section 148(8) of the Companies Act 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

1. INTRODUCTION:

Fomento Resorts and Hotels Limited recognizes ethical and lawful conduct of business and adherence to all applicable laws, rules and regulations. This code is intended to guide the Board of Directors and Senior Management Personnel's in all business dealings of the Company, provide mechanisms to report any unethical conduct, and to help foster a culture of honesty and accountability.

1. 1 This Code of Conduct ("this Code") shall be called "The Code of Conduct for Board of Directors and Senior Management Personnel" of Fomento Resorts and Hotels Limited (hereinafter referred to as "the Company").
1. 2 This Code has been framed specifically in compliance with the provisions of Section 148(of the Companies Act 2013 and provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
1. 3 The purpose of this Code is to further enhance the ethical and transparent process of managing the affairs of the Company.
1. 4 This code shall come into force with effect from October 1, 2014.

2. DEFINITIONS & INTERPRETATIONS:

2. 1 The term "Board of Directors" shall have meaning as defined under Companies Act, 2013 read along with the rules made thereunder and amended from time to time.
2. 2 The term "Managing Director" shall have the same meaning as defined in Companies Act, 2013 including any rules made there under, as amended from time to time.
2. 3 Independent Directors shall mean an Independent Director as per the provisions of the Companies Act, 2013 read with the rules made thereunder and Listing Regulations (as amended/ revised from time to time).
2. 4 Key Managerial Personnel, i.e. the Chief Executive Officer or the Managing director; the company secretary; the whole-time director, if any; the Chief Financial Officer; and such other officer as may be

prescribed (hereinafter collectively referred to as the “KMP”).

2.5 The term “Conflict of Interest” means where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

2.6 Senior Management shall include all Key Managerial Personnel and employees in the Grade of M-6 and above and also consist of the Managing Director & CEO, Whole Time Directors, Company Secretary, Chief Financial Officer and Consultants namely Accounts Manager- Corporate , Director- Technical and such other employees as may be decided by the Board of Directors from time to time.

3 APPLICABILITY:

This Code of conduct applies to Board of Directors including person appointed as Chairman, Managing Director or Whole-time/Executive Director, KMPs and the personnel’s in the Senior Management of the Company.

4 PURPOSE:

The prime purpose of the Code of Conduct is to create an environment where all the Board of Directors and executives in Senior Management of the Company maintain and comply with the ethical standards that are laid down. This Code of Conduct will act as a guide in the performance of duties & responsibilities & ensure compliance with the Company’s commitment to:

- Act diligently, honestly and in good faith and in the best interests of all the stakeholders of the company;
- Promote honest and ethical Conduct of the affairs of the Company;
- Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
- Assure compliance with laws, rules and regulations that govern the Company's business activities
- Assure the proper use and safeguard of the Company’s assets;
- Act in a manner to enhance and maintain the reputation of the company;
- Understand the business and the environment in which the Company is operating and to take initiatives to further the business goals and consolidate its position in the marketplace;
- Disclose any changes in the other Board memberships or in other business;
- Inform to the Board any potential conflicts of interest in any transaction and abstain from discussion and voting on any matter in which the Director has or may have conflict of interest;
- Maintain confidentiality of all information relating to the company that is not in public domain;

- Comply with the requirements of stock exchange with regard to insider trading;
- Treat other members on the Board with courtesy and to engage in vigorous debate on matters of principle;
- Make available and share all appropriate information with fellow members which may help the Board in the conduct and sound operation of the company's business activities;
- Where a decision is not unanimous, a dissenting Director may disclose the fact that he/she dissented.

This Code does not specifically address every potential form of unacceptable Conduct, and it is expected that all the Board of Directors and Executives in the Senior Management of the Company will exercise appropriate judgment in compliance with the under mentioned principles as set out in this Code.

5 PRINCIPLES:

This Code is designed to provide all the Directors and members of Senior Management with guidelines for appropriate professional Conduct. It is intended not as a statement of new beliefs or a codification of new rules of Conduct, but as a reaffirmation of enduring values and practices. Board of Directors and Senior Management Personnel's, by virtue of their positions of authority, must be ethical role models for all employees. An important part of a manager's leadership responsibility is to exhibit the highest standards of integrity in all dealings with customers, both internal & external. Managers must avoid even implicit or unspoken approval of any actions that may be fatal to the reputation of the Company and must always exercise sound business judgment in the performance of their duties.

A. PERSONAL RESPONSIBILITIES:

- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision making by reviewing in advance any materials distributed and making reasonable inquiries.
- Seek to comply with all Corporate Policies.
- Act in the best interests of, and fulfill their fiduciary obligations to, Company's shareholders and all other stakeholders.
- Conduct themselves in a professional, courteous and respectful manner.
- Comply with all applicable laws, rules and regulations.
- Act in a manner to enhance and maintain the reputation of the Company.
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as an Executive, except when authorized or legally required to disclose such information.
- Not use confidential information acquired in the course of their service as Executive in senior management of the Company for their personal advantage.

- Comply with Code of conduct for insider trading.

B. LEGAL COMPLIANCES:

Board of Directors and Members of the Senior Management should be committed to obeying all the applicable, laws, rules and regulations wherever they do business in the world. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the Managing Director of the Company.

All Board members and Members of the Senior Management are expected to understand, respect and comply with all of the laws, regulations, policies and procedures that apply to them in their position with the Company.

Particularly, the Company is committed to:

- a) Maintaining a safe and healthy work environment.
- b) Supporting and strictly adhering to all laws and internal discipline of the Company and safety measures
- c) Complying with all applicable Laws of SEBI and other Corporate & Labour laws.

C. ACCOUNTING AND REPORTING:

All the Executives in Senior Management of the Company should attach great importance to the accuracy and completeness of the financial reports and they should be committed to its integrity. All accounting records should accurately reflect and describe corporate transactions.

The recording such data must not be falsified or altered in any way to conceal or distort assets, liabilities, revenues, expenses or the nature of the activity.

All public disclosures made by the Company, including disclosures in reports and documents filed with or submitted to the Statutory Authorities shall be accurate and complete in all material respects.

D. CONFIDENTIAL INFORMATION:

Confidential information, be it technical, operational or commercial should not be disclosed to anyone, for personal gain or otherwise. Such information is confidential and for exclusive use of the Company.

In carrying out the Company's business, Executives often get access to confidential or proprietary information about the Company, its suppliers or joint venture parties. The Executives must maintain the confidentiality of all such information, except when disclosure is authorized or legally mandated. Confidential or proprietary information of the Company, and of other companies, includes any non-public information that would be harmful to the relevant company or useful or helpful to competitors if disclosed.

E. CONDUCT OF BUSINESS AND CONFLICTS OF INTEREST:

The Board of Directors and Executives in Senior Management shall adhere to prudent commercial practices & sound business principles in conduct of the Company's business. All their actions should be free from fraud and deception. They should conform to the best accepted professional standards of conduct.

Executives in senior management are expected to dedicate their full time towards advancing of company's interests and to make decisions based in the best interests of the company and independent of any outside influences. They should avoid putting themselves or any of their family members in any situation that would lead to a conflict between their personal interests and the interests of the company.

In case of any conflict of interest he/she should report the full facts and circumstances thereof to the Managing Director and a prior written approval should be obtained.

F. PROPER USE OF COMPANY'S ASSETS:

The Board of Directors and executives in Senior Management should protect the Company's Assets and property and ensure that they are used only for the legitimate business purposes of the Company. They should also ensure at all the assets and property of the company are put to effective and efficient use and avoid carelessness and waste of the company's assets and property.

G. RESPONSIBILITIES TO OUR GUESTS / CUSTOMER/ BUSINESS PARTNERS

Executives in Senior Management shall be committed to render services of the highest quality standard as per the requirements of the guests , customers and Business Partners to ensure their total satisfaction,.

H. RESPONSIBILITIES TO OUR SHAREHOLDERS:

The Senior Management shall act in the best interests of our shareholders and ensure that they are informed of all material matters affecting the company's businesses and their investments in accordance with statutory requirements. They should provide accurate and timely information to the Board and help in the proper and effective governance by the Board of Directors.

6 CODE OF CONDUCT FOR INDEPENDENT DIRECTORS:

Code of conduct applicable to the Independent Directors shall be as per the Annexure-III to this code.

7 ENFORCEMENT OF CODE OF CONDUCT:

- A. Company Secretary shall be the Compliance Officer for the purpose of this Code.
- B. Each Board Member, KMP and Senior Management Personnel shall be accountable for fully complying with this Code.
- C. Compliance Officer shall report breach of this Code, if any, which comes to his notice to the : (a) Board the case of all Board Members and (b) Managing Director in the case of Senior Management Personnel.
- D. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or as suspected violation of law, of this Code or other Company policies, or against any person who is assisting in an investigation or process with respect to such a violation.
- E. Penalty for breach of this Code by Senior Management Personnel shall be determined by the Managing Director. In case of breach of this Code the Managing Director or Non-Executive Directors, the same shall be examined by the Board of Directors for initiating appropriate action as deemed necessary.

8 INSIDER TRADING:

The Company has formulated a Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading. The Directors and the Management personnel shall comply with the requirements of the code.

If a person possesses material non-public information concerning the Company that issues publicly traded securities, it is generally illegal for the person to trade n securities of that company or to “tip” others who might trade in such securities.

Directors and Senior Management Personnel covered by this Code (“covered persons”) and third parties who are in a confidential relationship with the Company (as well as such individuals’ household members and close relatives), shall not trade in or recommend the purchase or sale of the Company’s common shares while they are in possession of material information regarding the operations or prospects of the Company that have not been publicly disclosed and disseminated.

Directors and Senior Management Personnel covered by this Code shall also similarly abstain from trading in, or recommending the purchase or sale of the securities of any other company that issues publicly traded

securities of which they have obtained material non-public information as a result of their employment by or affiliation with the Company. Directors and Senior Management Personnel covered under this Code shall not disclose any such material non-public information to third parties except when done for valid business purposes (and covered by an appropriate confidential disclosure agreement). In such cases the covered persons must have no reason to believe the information will be misused or the disclosures might otherwise violate securities laws.

9 COMPLIANCE WITH CODE OF CONDUCT:

The Company expects its Senior Management to live upto the guidelines articulated in this Code of Conduct. Where there is no stated guideline in the Code, it shall be the responsibility of members in the senior management to apply his personal judgement and ethical standards in making business decision.

If any executive in the senior management who knows or suspects of a violation of applicable laws, rules or regulations of this code of conduct, he/she must immediately report the same to the Managing Director.

Such person should provide the details of suspected violations with all facts relating to the issue. All reported violations will be investigated. Violation of this code will result in disciplinary action, which may even include termination of services of the Executive in Senior Management of the company. The Managing Director shall determine appropriate action for any violation of the Code of Conduct.

10 INTERPRETATION OF CODE AND DISCLOSURE:

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Managing Director.

Executives in Senior Management shall affirm the compliance with the code on annual basis. The Annual Report of the company shall carry a declaration to this effect signed by the Managing Director / CEO or CFO of the Company.

Each Executive in Senior Management will annually sign a confirmation that they have read and will comply with this code.

11 DISCLOSURE:

1. The Board of Directors and Senior Management Personnel's shall affirm the compliance with the code on Annual Basis as per Annexure-I and Annexure-II respectively.
2. As required by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, this code and any amendments thereto shall be posted on the website of the Company.

DECLARATION FORM FOR THE BOARD OF DIRECTORS

Date:

To,
Board of Directors
Fomento Resorts and Hotels Limited,
Vainguinim beach,
Goa – 403004

I, _____, Director of the Company certify that:

- (1) I have read and understand the Fomento Resort and Hotels Limited's Code of Conduct for Board of Directors (Prepared pursuant to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015).
- (2) I am not in violation of any of the policies contained in the Code of Conduct and I am not aware of any violation that has not been ported in accordance with the procedures set forth in the Code.
- (3) I understand that failure to comply with the Code of Conduct may result violation of the Code of Conduct may also constitute a violation of law that may result in penalties for me and/or the Company. I will abide by and support the policies set forth in our Code of Conduct. I further understand my agreement to comply with the Code of Conduct.

Thanking you,

DECLARATION FORM FOR THE SENIOR MANAGEMENT PERSONNEL

To,
Board of Directors
Fomento Resorts and Hotels Limited,
Vainguinim beach,
Goa – 403004

Name:
Department:
Designation:
Date:

I, the undersigned, hereby certify that:

- (1) I have read and understood the Fomento Resort and Hotels Limited's Code of Conduct.
- (2) I am not in violation of any of the policies contained in the Code of Conduct and I am not aware of any violation that has not been reported in accordance with the procedures set forth in the Code.
- (3) I understand that failure to comply with the Code of Conduct may result in disciplinary action, and that a violation of the Code of Conduct may also constitute a violation of law that may result in penalties for me and/or the Company. I will abide by and advocate the policies set forth in our Code of Conduct. I further understand my agreement to comply with the Code of Conduct.
- (4) I understand that in addition to the reporting provisions set forth in the Code of Conduct, including e Ethics, I shall report a concern regarding accounting, internal counting controls, or auditing matters directly to the Managing Director or Company's Board f Directors. Such a report shall be made in a confidential anonymous submission.

Thanking you,

CODE FOR INDEPENDENT DIRECTORS

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

I. 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.

II. 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 controls and the systems of risk management are robust and defensible;
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.

III. 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 the minutes of the Board meeting;
7. keep themselves well informed about 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.

IV. MANNER OF APPOINTMENT:

1. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :
 - a) the term of appointment;
 - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d) provision for Directors and Office (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) the remuneration, mentioning fees, reimbursement of expenses for participation in the Boards and other meetings.
5. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office the company by any member during normal business hours.
6. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

RE-APPOINTMENT:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. RESIGNATION OR REMOVAL:

1. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
2. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
3. Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. SEPARATE MEETINGS:

1. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
2. All the independent directors of the company shall strive to be present at such meeting;
3. The meeting shall:
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
 - c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. EVALUATION MECHANISM:

1. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
2. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.