

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

INTRODUCTION

Chemfab Alkalis Limited (CCAL) expresses its commitment to ethical and lawful business conduct through its fundamental shared value of the Board of Directors, the Senior Management and all other employees of the Company. The Company aims to be the industry leader by achieving excellence in everything it does, including standards of business conduct. This objective shall be achieved by adopting a policy to conduct its business with responsibility, integrity, fairness, transparency and honesty. The purpose of this 'Code of Conduct' is to promote conduct of a business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all the stakeholders in line with the its ethical charter which applies within all companies forming a part of the Chemfab group.

APPLICATION OF THIS CODE

This Code of Conduct applies to all the Directors (Board Members) and the Senior Executives of the Company. Senior Executives shall mean the members of the core management team of the Company, excluding the Board of Directors and shall comprise all the members of the management, one level below the Directors, including the functional heads and the Company Secretary.

GUIDELINES FOR CONDUCT

All the Directors and the Senior Management Personnel should take due care in the performance of their duties, be loyal to the Company and act in good faith and in a manner the Directors and the Senior Executives reasonably believe to be in or not opposed to the best interests of the Company. A Director and Senior Executive should ensure statutory compliance and dedicate themselves fully to the growth of the Company.

CORPORATE BUSINESS OPPORTUNITIES

All the Directors and the Senior Management Personnel may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors declines to pursue such opportunity. The Directors and the Senior Management Personnel should not compete with the Company for the purchase or sale of property, products, services or other interests.

ETHICAL CONDUCT

Ethical business conduct is critical to the Company's business. All the Directors and the Senior Management Personnel shall deal on behalf of the Company with professionalism, honesty and integrity, as well as with high moral and ethical standards. Such conduct shall be fair and transparent.



CONFLICTS OF INTEREST

All the Directors and the Senior Management Personnel have an obligation to conduct themselves in an honest and ethical manner and act in the best interests of the Company. All the Employees, Officers and Directors should endeavour to avoid situations that present a potential or actual conflict between their interests and those of the Company.

A “Conflict of Interest” occurs when a person’s private interest interferes in any way, or even appears to interfere, with the interest of the Company. A conflict of interest can arise when an Employee, Officer or a Director takes an action or has an interest that may make it difficult for him or her to perform his or her work objectively and effectively. Conflicts of interest may also arise when an Employee, Officer or a Director receives improper personal benefits as a result of their position in the Company.

Although it would not be possible to describe every situation in which a conflict of interest may arise, the following are some common examples of situations, which may constitute a conflict of interest:

Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the Company.

Accepting gifts of that worth more than the modest value or receiving personal discounts (if such discounts are not generally offered to the public) or other benefits as a result of one’s position in the Company from a competitor, customer or supplier.

CONFIDENTIALITY

All the Directors and the Senior Management Personnel have an obligation to maintain confidentiality of the processes, techniques, and customer/supplier employee related information. This information is the property of the Company. This obligation extends to confidential information of third parties.

Confidential information includes all non-public information that might prejudice the ability of the Company in pursuing its objectives or likely to be of use to any outsiders or competitors who may use the same to either harm the Company or affect the interests of the Company. The confidential information would also include any information relating to the operations and affairs of the business that would result in or is likely to result in a considerable change in the market value of the Company’s securities and that information which is likely to be reckoned by any investor for any decision making but in the normal course is not available to them or disclosed. The Senior Management Personnel must not use the confidential information for their advantage or profit, directly or indirectly.

MISUSE OF OPPORTUNITIES

All the Directors and the Senior Management Personnel shall not use their position, corporate property or information for their own personal gains.



REGULATORY COMPLIANCE

The Company is committed to conducting the business with honesty and integrity and in full compliance with all the applicable laws, rules and regulations. Every Director and Senior Executive of the Company must abide by the applicable Company policies and procedures designed to promote compliance with this policy.

FAIR DEALING

The Directors and the Senior Executives of the Company should endeavour to deal fairly with customers, suppliers, competitors and one another at all times and in accordance with ethical business practices. No one should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice. No payment in any form shall be made directly or indirectly to or for anyone for the purpose of obtaining or retaining business or obtaining any other favourable action. The Company, its Directors and the Senior Executives involved, may be subject to disciplinary action as well as potential civil or criminal liability for violation of this policy.

PROTECTION AND PROPER USE OF THE COMPANY'S ASSETS

The Directors and the Senior Executives of the Company are responsible for the proper use of Company's assets and they must safeguard such assets against loss, damage, misuse or theft.

PREVENTION OF CORRUPTION

The Directors and the Senior Executives of the Company shall not, directly or indirectly, accept anything, whether in cash or kind, to gain advantage or retain business for the Company.

GIFTS AND ENTERTAINMENT

Occasional business gifts to, and entertainment of non-employees in connection with, business discussions or the development of business relationships, are generally deemed appropriate in the conduct of the Company's business. However, these gifts should be given not frequently and their value should be modest. Gifts or entertainment in any form that would likely to result in a feeling or expectation of personal obligation should not be extended or accepted.

WEALTH CREATION

The Directors and the Senior Executives of the Company are committed to enhance the shareholders' value and shall strictly comply with all the regulations and laws that govern shareholders' rights. The Board shall duly and fairly inform the shareholders about all the relevant aspects of the Company's business and such other information as may be required, from time to time, in accordance with the applicable rules and regulations.



SAFETY, HEALTH AND ENVIRONMENT

The Company is committed to provide a safe and healthy working environment, duly complying with all the applicable regulations, in the conduct of its business affairs. The Company is striving to provide clean environment, adequate pollution control and maintenance of ecological balance. The Company shall maintain a high degree of pollution control, environment protection and safety.

QUALITY OF PRODUCTS AND SERVICES

The Directors and the Senior Management Personnel should ensure that the Company is committed to the supply products and rendering of services to the customers leading to their total satisfaction. The quality standards of the Company's goods and services should be of a very high order.

HONESTY & INTEGRITY

All the Directors and the Senior Management Personnel shall conduct their activities on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All the Directors and the Senior Management Personnel shall act in good faith, with responsibility, competence and diligence. All the Directors and the Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.

OTHER DIRECTORSHIPS – DISCLOSURES

The Directors should promptly disclose their appointment of, and cessation from, the directorship of other companies.

RELATED PARTY DISCLOSURES

Every Directors and the Senior Management Person shall make disclosure to the Board in respect of any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned.

SHAREHOLDERS

The Directors and the Senior Management Personnel shall be committed to enhancing the shareholders' value and ensuring that the Company complies with all regulations and laws that govern the rights of the shareholders. The Directors and the Senior Management Personnel should cause the Board to duly and fairly inform the Company's shareholders about all the relevant aspects of the Company's business and disclose all information in accordance with the respective regulations and agreements.

INSIDER TRADING

The Directors and the Senior Management Personnel are prohibited by Company Policy and the law from buying or selling securities of the Company when in possession of material unpublished price sensitive Information. Passing on such information to someone who may buy or sell securities (tipping) is also illegal. The prohibition applies to the Company's securities and to securities of other



companies if one comes to learn material unpublished price sensitive Information about other companies, such as the Company's customers or suppliers, in the course of their discharging the duties for the Company. The Directors are subject to additional requirements relating to reporting and effecting transactions in the Company securities.

INTERNAL CONTROL SYSTEM

It is the responsibility of the Directors and Senior Executives to ensure that an adequate internal control system is in operation towards safeguarding the assets of the Company. It is also their duty to ensure that adequate data security and password control is maintained in order to prevent others from having unauthorised access to the transactions of the Company.

EMPLOYEE RELATIONS

The Directors and the Senior Management Personnel should strive for causing the Company to maintain cordial employee relations. The Directors and the Senior Management Personnel should assist the Company in aligning its human resources policies, processes and initiatives to meet its business needs.

CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to operating in a socially responsible manner in terms of protecting the environment, water resources and energy conservation.

IMPLEMENTATION

The Directors and the Senior Management Personnel are accountable for full compliance with this Code of Conduct. Any significant breach of this Code by the Directors and the Senior Management Personnel must be notified to the Board of Directors.

INTERPRETATION

Any question relating to how this Code should be interpreted or applied, should be addressed to the Company Secretary/Compliance Officer.

AFFIRMATION OF THE CODE

All the Directors and the Senior Management Personnel should sign the acknowledgement form as given below and return the form to the Compliance Officer indicating that they have received, read and understood and agreed to comply with the Code.

ACKNOWLEDGMENT OF RECEIPT OF THE CODE OF THE CONDUCT BY THE MEMBERS OF THE BOARD/SENIOR EXECUTIVES

I have received and read the Company's Code of Conduct and agree to comply with the said Code. If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements relative thereto, I know I can inform/consult the Board of Directors



and that my questions or reports to these sources will be maintained in confidence. Name of the Director/Senior Executive: Signature: Date: Please sign and return this form to the Company Secretary forthwith.

AMENDMENT

The provision of this Code can be amended / modified by the Board from time to time and all such amendments/modifications shall take effect from the date stated therein. All the Directors and the Senior Management Personnel shall be duly informed of such amendments and modifications.



Certificate No. OHS 62228 / EMS 71748
An OHSAS 18001 and ISO 14001 Certified Company

CIN No.: L24290TN2009PLC071563
Member - Dr. Rao's Group of Companies
Regd. Off: 'TEAM House', GST Road, Vandalur, Chennai - 600 048, India.
Plant : "Gnanananda Place", Kalapet, Puducherry - 605 014, India Ph : +91 413 2655111,
E-mail: chemfabalkalis@draoholdings.com, www.chemfabalkalis.com

