

Code of Conduct for the Members of Board of Directors & Senior Members of Management

1. Preamble

A Code of Conduct is a written document that outlines company values, principles and guidelines in a variety of areas and enables the company to publicly state to its external stakeholders (suppliers, customers, consumers and shareholders), the way in which they intend to do business.

All Directors and Senior Members of Management Heubach Colorants India Limited

(i) shall endeavor to act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts while dealing with the third parties and promote ethical and honest behavior within the company;

(ii) are committed for conducting the business of the company in accordance with the applicable laws, rules & regulations and with highest standards of business ethics.

2. Applicability of the Code

This Code of Conduct and business ethics apply to Directors of Heubach Colorants India Limited who are the members of the Board of Directors of the Company. It also applies to the members of the Management Committee of the Company i.e. one level below the Board of Directors, referred to as Officer.

3. Financial Reporting

Heubach Colorants India Limited shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, applicable accounting standards, laws and regulations of the country.

Accounting and procedures shall fairly and accurately reflect all the business transactions and disposition of assets of the company. All required information shall be accessible to company auditors and other authorised parties/agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

4. Attendance & Participating Every Director:

- a. should use reasonable efforts to attend Board and Committee meetings regularly;
 - b. must bring an open and independent mind to Board or Committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting;
 - c. must disclose the fact that he/she dissented in cases where decision is not unanimous.
2. Every Officer:
- d. should use reasonable efforts to attend Management Committee meetings regularly;
 - e. must bring an open and independent mind to Management Committee meetings, actively participate in the deliberations of the meeting and express his opinion/suggestions on the matters without hesitation.

5. Conflict of Interest

5.1 A Director or Officer of the company shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of the company. A conflict of interest may arise:

- (a) when a Director or Officer engages in a business, relationship or activity with anyone who is party to a transaction with the company;
- (b) when a Director or an Officer or a member of his or her immediate family receives personal benefits by making or influencing decisions relating to any transaction;
- (c) when a Director or an Officer is having a significant ownership interest in any supplier, customer, business associate or competitor of the company.

5.2 In case there is likely to be a conflict of interest,

- (a) the concerned Director must make full disclosure of all facts and circumstances thereof that may come before the Board and abstain from discussion and voting on any matter in which the Director may have a conflict of interest;
- (b) the concerned Officer must disclose to the Managing Director and/or Management Committee, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the company. Confidentiality of Information & Insider Trading

A Director or an Officer of the company and his or her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the company, which is not in the public domain and thus constitutes insider information.

A Director or an Officer of the company shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the company on which such insider information has been obtained.

Such insider information might include the following:

- a. Periodic financial results
- b. Acquisition and divestiture of businesses or business units;
- c. Issue of securities or buy-back
- d. Financial information such as profits, earnings and dividends;
- e. Disposal of whole or substantial part of undertaking
- f. Announcement of new product introductions or developments;
- g. Asset revaluations;
- h. Investment decisions/plans;
- i. Restructuring plans;
- j. Major supply and delivery agreements
- k. Raising finances

7. Protection and proper use of Company Assets

Protecting the company's assets is a key fiduciary responsibility of every Director/Officer. The assets of the company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorisation.

8. Gifts and Donations

The Company and its Directors/Officers shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. The Directors/Officers may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events.

Safety, Health & Environment

The safety of the activities and the protection of people and the environment are among Heubach Colorants India Limited most important objectives.

Heubach Colorants India Limited strives for continuous improvement of its environmental, safety and health performance by developing new and better products, processes and services with efficient use of energy and resources, minimisation of environmental impact and waste generation, and safe and responsible disposal of residual wastes.

9. Product & Services

Heubach Colorants India Limited aim is for a continuous renewal of its broad product portfolio to offer appropriate and innovative products, services and applications with consistent support and new ideas to its customers to strengthen their competitiveness and performance in their own industries. The Company recognises that meeting its customers' needs is necessary for its own success.

10. Political non-alignment

Heubach Colorants India Limited shall not support, directly or indirectly, any specific political party or candidate for political office. The Company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

11. Shareholders

The company shall comply with all regulations and laws that govern shareholders' rights. The company shall duly and fairly disclose information in accordance with the respective regulations to its shareholders which allow them to understand the value of their investments.

12. Equal-opportunities

The company shall provide equal opportunities to all its employees, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employee policies and practices shall be administrated in a manner that ensures that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

13. Reporting concern

Every Director or Officer of the company shall promptly report to the

Board/Management Committee any actual or possible violation of this code, or an event he or she becomes aware of that could affect the business or reputation of the company.

14. Citizenship

Company shall be committed to be a good corporate citizen, not only in compliance with all relevant laws and regulations, but also by actively assisting in the

improvement of the quality of life of the people in the communities in which it operates.

An Officer of the company shall in his or her private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interest of the company.

15. Amendment, modification and waiver

This Code may be reviewed, amended, modified, or waived by the Board of

Directors, subject to the disclosure and other provisions of the SEBI, and the rules thereunder and the applicable rules of the Stock Exchanges.

16. Special Provisions 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) scrutinize 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 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;



COC for members of Board and Senior Management - HCIL

- (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.

This Code of Conduct for Members of the Board of Directors & Senior Members of Management, is in addition to the provisions of the Code of Conduct of the Group, as is applicable to all Business Units, employees and officers of the Company (COC of Group) and doesn't vitiate or dilute in any manner the provisions of the COC of Group.