

GHCL LIMITED

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

[Regulation 17(5) of SEBI Listing Regulations, 2015]

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

1. APPLICABILITY

- 1.1 This code of conduct is applicable to all the members of the Board and Senior Management of the Company.
- 1.2 The term Sr. Management as defined in Regulation 16(1)(d) of the SEBI Listing Regulations, 2015, mean officers / personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the CEO / MD/ whole time director including Chief Executive Officer, in case they are not part of the Board and shall specially include company secretary and chief financial officer.

2. CODE OF CONDUCT

- 2.1 This "Code of Conduct" (hereinafter referred to as "Code") is formulated in line with the requirement of Regulation 17(5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and Schedule IV of Companies Act, 2013.



- 2.2 The objective of the Code is to
- (a) maintain standards of business conduct which is honest, fair and ethical;
 - (b) ensure compliance with all laws, rules & regulations;
 - (c) adopt the standards and values which can enhance the value of the organization;
 - (d) deter wrongdoing in all business-related activities;
- 2.3 The matters covered under this Code are of utmost importance to the Company, shareholders and business partners. Further, the Code is essential for conduct of our business in accordance with our stated values.
- 2.4 All Officers are expected to read and understand this Code, uphold these standards in day to day activities and comply with all applicable laws, rules and regulations and procedures adopted by the Company that govern the conduct of its employees.
- 2.5 As the principles described in this Code are general in nature, Officers should also review the Company's other applicable policies and procedures for more specific instruction.
- 2.6 Officers should sign the acknowledgement form at the end of this Code and return the form to the **Secretarial Department** indicating that they have received, read and understood, and agree to comply with the Code. The signed acknowledgement form will be located in each Officer's personnel files. Each year as a part of their annual review, Officers will be asked to sign an acknowledgement indicating their continued understanding of the Code.



3. HONEST AND ETHICAL CONDUCT

- 3.1 The Code expects all Officers to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at offsite locations where the Company's business is being conducted, at sponsored business and social events or at any other place where Officers are representing the Company.

Honest conduct under the Code means conduct that is free from fraud or deception. The ethical conduct under the Code means conduct that is in accordance with the accepted professional standards. The ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

Wherever an Officer is unsure about the appropriateness of an event or action the Officer should seek assistance in interpreting the requirements of the Code by contacting **Corporate HR Department**.

4. CONFLICTS OF INTEREST

- 4.1 An Officer's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interest or benefits of the Company.

- A **Employment / outside employment**: In consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit Officers from accepting



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simultaneous employment with any other organization or engage in any business without prior approval of the company.

B **Outside Directorships:** All officers must first obtain approval from the Company's Board of Directors, before accepting any Directorship. Non-executive directors must take board approval before accepting directorship in any company that competes with our company.

C **Business Interests:** If an Officer is considering investing in any customer, supplier, developer or competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities to the Company. Our Policy requires that Officers first obtain approval from the Company's Board of Directors before making such an investment. Many factors should be considered in determining whether a conflict exists, including the size and nature of investment, the Officers ability to influence the Company's decisions; his or her access to confidential information of the Company or the other Company and the nature of relationship between the Company and the other Company.



D **Related Parties:** As a general rule, Officers should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. For the purpose of this code "Relatives" include spouse, father, mother, brother, sister, son, son's wife, daughter and daughter's husband. The Company discourages the employment of relatives of Officers in position or assignment within the same Department. Further the Company prohibits the employment of such individuals in positions that have a financial dependence of influence (e.g. an auditing or control relationship, or supervisory /subordinate relationship.)

E **Payments or gifts from / to others:** The purpose of business entertainment and gifts is to promote good relationships and not to gain unfair advantage with vendors and customers. Under no circumstances any gift or other favors be offered, given, provided or accepted that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud or opportunity for the commitment of any fraud. Specifically such gifts or favors if given or accepted must be

- of nominal value
- not in cash
- consistent with customary business practice
- not construed as a bribe or payoff
- not in violation of any laws or regulations.

F **Corporate Opportunities:** Officers 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 Board declines to pursue such opportunity.



G. Other situations: Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If proposed transactions or situation raises any questions or doubts, Officers must consult the **Corporate HR Department**.

5. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS.

- 5.1 Officers must comply with all applicable governmental laws, rules and regulations.
- 5.2 Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from the **Secretarial Department**.
- 5.3 Violations of applicable governmental laws, rules and regulations may subject Officers to individual criminal or civil liability as well as to disciplinary action by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

5.4. OTHER REQUIREMENTS

- A. **Confidentiality** – All officers and directors must maintain the confidentiality of confidential information entrusted to them by the company. Such information shall not be disclosed to any third party, except when the company authorizes disclosure or when such disclosure is needed under any legal requirement. The term “confidential information” includes, but is not limited to, non-public information that might be of use to the competitors of the company, or harmful the company or its customers if disclosed.



- B. **Protection and Proper Use of Corporate Assets** – All officers and directors should perform their duties in a manner that protects the Company's assets and ensure their efficient use. Theft, carelessness and waste have a direct impact on the company's financial performance. All company assets should be used for legitimate business purposes and not for any personal benefit or the personal benefit for someone else. Company equipment should not be used for non-company business or activity.
- C. **Protection of Intellectual Property and Proprietary Information** – The obligation of directors and officers to protect the company assets extends to its proprietary information. Such information includes intellectual property such as patents, trademarks and copyrights as well as trade secrets, customer data & information, business plans, engineering & manufacturing ideas, designs, databases, process flows, financial data etc. Unauthorized use or distribution of this information would violate company policy and could also be illegal resulting in civil or even criminal penalties.
- D. **Non Discrimination** – Discrimination in employment is in violation of the company's policies. It is our policy to recruit, hire, promote, assign, compensate and train qualified persons without regard to race, color, caste, religion, sex, marital status, sexual orientation or disability.
- E. **Insider Trading** – If an officer or director possesses non-public information concerning the company, it is illegal for the person to trade in securities of the company or to "tip" others who might trade in such securities. Every officer and director must read and strictly follow the "Code of conduct to regulate, monitor and report trading" of the company.



6. VIOLATIONS OF THE CODE

- 6.1 The Code of Conduct is a part of an Officer's job and of his or her ethical responsibility is to enforce this Code. Officers should be alert to possible violations and report this to the Managing Director / Secretarial Department.
- 6.2 Officers must cooperate in any internal or external investigations of possible violations, reprisal, threat, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this code or other Company's policy or against any person who is assisting in any investigation or process with respect to such a violation is prohibited.
- 6.3 Actual violations of law, this Code, or other Company's policies or procedures as laid down in the Human Resources Policy and Procedures Manual as amended from time to time should be promptly reported to the Managing Director / Secretarial Department/ Corporate HR Department
- 6.4 The Company will take appropriate action against any Officer 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. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated the Company will cooperate fully with the appropriate authorities.
- 6.5. The Board of directors is empowered to give waiver of the conditions of the code in special circumstances.



7. AMENDMENT OF THE CODE

The Company is committed to continuously reviewing and updating its policies and procedures in line with the regulatory requirement. Therefore, this Code is subject to modification.

8. **CERTIFICATION OF COMPLIANCE OF CODE OF CONDUCT:** All Officers shall affirm compliance with the Code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer.

9. **SPECIAL CLAUSE FOR INDEPENDENT DIRECTORS:** In line with the requirement of conditions of Corporate Governance, the Independent Directors are required to perform following 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. act within their 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.

10. ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT FOR ALL THE MEMBERS OF THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL



- 10.1 I have received and read the Company's Code of Conduct for all the members of the Board and Senior Management Personnel (the "Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

10.2 If I have any questions concerning the meaning or application of the Code, any Company's Policies or the legal and regulatory requirements applicable to my job, I know I can consult the **Secretarial Department** and that my questions or reports to these sources will be maintained in confidence.

10.3 Further, I undertake to provide following Affirmation on an Annual basis to the Company within 30 days from the end of 31st March every year.

AFFIRMATION

(By Board Members/Senior Management of the Company on Annual basis by 30th April of every year)

I.....(name).....(designation), having read and understood the Code of Business Conduct and Ethics for Board Members and Senior Management, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March.....

Signature_____

Name

Designation

Employee Number (if any)

Email ID

Mobile Number

Place

Date

Note: Please sign and return this form to the **Secretarial Department**.

