

## **MAFATLAL INDUSTRIES LIMITED**

### **Code of Conduct for Board of Directors and Senior Management.**

#### **Preamble:**

This Code of Conduct (“the Code”) shall apply to all the Members of the Board of Directors and Officers of the Company at the level of Deputy General Manager and above. The Code has been adopted by our Board of Directors and summarizes the standards that must guide our action. While covering a wide range of Business practices and procedures, these standards cannot and do not cover every issue that may arise, or every situation where decisions must be on rational basis, but rather set forth the key guiding principles that represent the policies of the Company.

All the Members of the Board of Directors and Senior Management 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 interests 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 for the purposes of the code. The Company Secretary who is a Compliance Officer of the Company will be available to resolve queries, if any, relating to the code. It is further clarified that the word “Director” wherever used in this Code, necessarily include all the members of the Board of Directors and Senior Management i.e. Officers of the Company at the level of Deputy General Manager and above

#### **(1) Honesty & Integrity**

Directors shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. Directors will act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated and will act in the best interests of the Company and fulfill their fiduciary obligations.

#### **(2) Conflict of Interest**

Directors 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 -

Directors 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.

Directors and their immediate families should not invest in a company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company.

Directors 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 or to the CEO of the Company.

**(3) Compliance**

Directors are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behavior, directors must report any possible violation of law, rules, regulation or the code of conduct to the Company Secretary.

**(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 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 the public domain and to which the director 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 shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

**(6) Prevention of Insider Trading**

No director of the Company shall derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constituting insider information. All directors will comply with the prevention of insider trading guidelines as issued by SEBI.

**(7) Gifts & Donations**

No director 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) favors or decisions for the conduct of business. Nominal gifts of commemorative nature, for special events may be accepted and reported to the Board.

**(8) Protection of Assets**

Directors must protect the Company's assets and information and may not use these for personal use, unless approved by the Board.

**(9) Periodic Review**

Once every year or upon revision of this code, every director 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.

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