

## Code of Business Principles and Conduct for Directors & Senior Management

This Code of Conduct is applicable to the Directors and Senior Management (hereinafter referred to as the “Covered Official/s” or “Employee/s” as the case may be and wherever the context so permits) of ELANTAS Beck India Ltd.

### **1. Basic principles**

The competence and responsibility of Covered Officials are a major prerequisite for ELANTAS Beck India’s success. Responsibility towards other people and the environment, as also fairness and tolerance, are particularly stressed in the Company’s corporate policy guidelines. These include the following principles:

- Compliance with legal requirements, and ethical conduct.
- Loyalty to ELANTAS Beck India
- Fair, polite and respectful conduct towards other employees
- Consideration for the interests of customers, business partners, authorities, the public and the community at large
- Refraining from any form of sex discrimination or discrimination attributable to an affiliation with a specific race, caste or religion
- Responsible and transparent conduct in dealing with risks
- Professionalism, fairness and reliability in all external business relationships

This Code of Conduct cannot comprehensively explain the legal requirements with regard to the conduct of Covered Officials. It is expected that the employee/Covered Official shall seek advice and guidance from his/her superior or bring it to the attention of the Board of Directors of the Company in case of any doubts in his/her area of work/specialization. Openness and trust are very important - especially in a situation which could damage the interests of the Company.

### **2. Safety Health and Environmental protection**

The avoidance and reliable control over risks to people and the environment is an essential part of responsible conduct particularly in the areas of production, storage, product development and product quality.

Compliance with safety requirements is absolutely essential regardless of whether or not it is specified by law, or by internal corporate guidelines. Even through one may think that a potential risk can be safely controlled, or if a safety regulation is regarded as onerous, this should never give rise to negligence.

Environmentally conscious behaviour is not only an entrepreneurial obligation but also an important requirement for maintaining our economic efficiency and competitiveness.

Strict approval requirements are usually the norm in the erection and operation of chemical plants. Any unauthorized operation, any intentional or tolerated violation of restrictions specified in a business license, or an unapproved discharge of materials into the soil, air or water may result in criminal prosecution of the responsible employees.

Safety must be ensured when handling polluting materials and products, during transport, loading and unloading, storage and in chemical reactions. If such materials are nonetheless released or if a similar accident occurs, the persons in the company responsible for environmental protection and the Managing Director must be notified immediately.

### **3. Conflict of Interest**

The Covered Officials are expected to devote their full attention to the business interests of the Company, and are prohibited from engaging in any outside activity which conflicts with the interests of the Company. Whilst the Company encourages Covered Officials to contribute to the community and society, activities of such nature should not impinge on Company time such that it impairs the performance of business duties and responsibilities. Covered Officials should desist from investing in the business of any customer, supplier or competitor, unless such investments are made through public stock exchange and is not significant to influence decisions affecting the Company's relationship with such external agencies.

Employees should avoid conducting business with any organization in which a relative has a significant interest or influence, unless it can be reasonably established that it is in the Company's interest to conduct such business, in which case it should be approved by the Managing Director.

The Company discourages acceptance of gifts of value, directly or indirectly from any person/organization which has a business relationship with the Company. Any gift offered with the intention of gaining undue advantage should be reported to the immediate superior. However, exceptions apply in case of gifts which correspond to custom and politeness, and which are too minor in value to influence decisions in respect of the person/organization.

Conflicts of interest should be avoided and are prohibited as a matter of Company policy, unless they have been approved by the Company's Audit Committee. If the Covered Official becomes aware of a conflict of interest or any material transaction or relationship that reasonably could be expected to give rise to such a conflict, he or she is required to promptly discuss the matter with the chairman of the Company's Audit Committee and, unless the conflict is approved, to take all action necessary or appropriate to resolve the conflict.

### **4. Corruption and granting advantage**

The Company sells its products on the basis of performance, quality, price and suitability of the product. No personal advantage, either directly or indirectly, may be offered or granted to officials of customers for preferential treatment, negotiation or execution of an order.

### **5. Insider Trading**

Insider information refers to the facts relating to the Company which are not publicly known and public knowledge of which may have a material influence on the stock exchange or market price of certain securities.

No Covered Officials may use insider information to gain advantage by purchasing or selling the shares of the Company, nor shall he pass on inside information to any third party to enable him gain advantage through trade in the Company shares.

Information in the public domain such as quarterly published results are not considered as insider information. Nevertheless out of abundant caution the Covered Officials intending to buy/sell the Company's share should get prior clearance from the Managing Director.

## **6. Conduct with Revenue Agencies**

The Company's policy is to respect the spirit and intention of various laws and rules governing the imposition of taxes, such as Income Tax, Sales Tax, Excise, Octroi, Municipal Taxes etc. It is the responsibility of concerned Covered Officials /employees to minimize the tax burden of the Company through legitimate means and under advice from qualified experts. However, Covered Officials/employees will under no circumstances compromise the position of the Company by being a party to tax evasion or non-compliance of tax laws/rules.

## **7. Duties of Independent Directors**

In view of Section 149 and Schedule IV of the Companies Act, 2013, Independent Directors of the Company shall perform the following duties.

- (1) To undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (2) To 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) To strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) To participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) To 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) To keep themselves well informed about the Company and the external environment in which it operates;
- (8) To not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) To 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) To 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) To report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct;
- (12) To act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- (13) To 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.

## **8. Discrimination**

All employees have the right to fair, polite and respectful treatment by their superiors, employees and colleagues. No one may be harassed, discriminated or, without justified reason, placed at a disadvantage on account of sex, race, caste, colour of skin, nationality, political inclinations, age, physical constitution or outward appearance.

Every employee is obliged to respect the personal sphere of other employees. Sexual harassment is prohibited.

Recruitment of employees will be solely on merit with no bias to community, caste or religion.

## **9. Public Activities**

The Company will support industry associations in developing legislation to protect the legitimate interests of the business community. However, the Company will not engage with political parties, nor contribution towards promoting political parties' interests.

## **10. Protection of company property and business secrets**

Business secrets and other confidential information must be treated in confidence and must be protected from onward transmission to unauthorized persons. Covered Officials /Employees who have access to business secrets and confidential information relating to ELANTAS Beck India or other Companies must not pass such information to third parties (including members of the family and friends), nor should they use such information for business purposes.

In respect of information on the electronic media, care should be taken to ensure that computers are protected by issuing and regularly changing passwords.

## **11. Prompt Internal Reporting of Violations of the Code**

The Company's Audit Committee is responsible for applying this Code to specific situations in which questions may arise and has the authority to interpret this Code in any particular situation. An employee/Covered Official, who becomes aware of any existing or potential violation of this Code, is required to notify the chairman of the Company's Audit Committee promptly. Failure to do so is itself a violation of this Code. To encourage reporting of violations, the Company will not retaliate, or permit retaliation, for reports made in good faith.

## **12. Accountability for Adherence to the Code**

The Company's Audit Committee shall take all action it considers appropriate to investigate any reported violations of this Code. If a violation has occurred, the Company will take such disciplinary or preventive action as it deems appropriate, after consultation with the Company's Audit Committee. In doing so, the Company will follow the following procedures:

- Violations and potential violations will be reported to the Company's Audit Committee.

- The Company's Audit Committee will investigate all violations or potential violations reported to it, and, in doing so, may use the assistance of the Company's Legal Head.
- If the Company's Audit Committee determines that a material violation has occurred, it will inform the Board of Directors. Otherwise the Audit Committee will consider whether, in light of all relevant facts and circumstances, the violation warrants disciplinary or preventive action and, if so, will take such measures as it deems appropriate.
- Upon being notified that a material violation has occurred, the Board of Directors will take such disciplinary or preventive action as it deems appropriate, up to and including dismissal or, in the event of criminal or other serious violations of law, notification of the appropriate law enforcement authorities.
- Any changes to or waivers of this Code will, to the extent required, be promptly disclosed as provided by the rules and regulations applicable to the Company.

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Signature: .....

Name:

Year: 2015

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