

INDO BORAX & CHEMICALS LIMITED

Code of Conduct & Ethics Code

Preamble

Company's Philosophy on Code of Governance

The company's philosophy is to conduct its affairs in a manner which is transparent, clear and evident to those having dealing with or having a stake in the company, namely shareholder, lender, creditors and employees. The Company's philosophy on corporate governance is thus concerned with the ethics and values of the company and its Directors, who are expected to act in the best interest of the company and remain accountable to shareholders and other beneficiaries for their action.

Applicability

This code applies to all members of the Audit Committee, all members of the Board of Directors of the company and to members of the Senior Management Team of the company. The Directors and members of the senior management team of the company are expected to abide by this code as well as other applicable company policies or guidelines.

“Senior Management” for the purpose of this code includes the following personnel of the company:

- Departmental heads serving in the role of finance, marketing, production & secretarial.

Purpose of the code

IBCL is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standard of business ethics. This code is intend to deter wrongdoer and provide guidance and help in recognizing and dealing with ethical issues, provide mechanism to report unethical conduct, and to help foster a culture of honesty and accountability. Each director, officer and employee is expected to comply with letter and spirit of this code.

The directors, officers and employees of the company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business.

IBCL's Code of Business Conduct and Ethics

1. Financial Reporting and Records

The Company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards, which represents the generally accepted guidelines, principles, standards, laws and regulations of the country in which company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. There shall be no willful omissions of any company transactions from the books and records.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as violation of code apart from inviting appropriate civil and criminal action under relevant laws.

2. Equal Opportunities by Employer

Company shall provide equal opportunities to all its employees and applicants for employment without regard to their race, cast, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employees of IBCL shall be treated with dignity and in accordance with Company's Policy to maintain work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

3. Gifts & Donations

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

4. Health, Safety and Environment

The company shall strive to provide a safe and healthy working environment and comply in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory in which it operates. The company shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products on the ecological environment.

5. Quality of Product

The company shall be committed to supply goods of the highest quality standards. The quality of the goods should at least meet the required national standards and the company should endeavor to achieve international standards.

6. Shareholders/Stakeholders

The company shall be committed to enhance shareholders value and comply with all regulations and laws that govern shareholders/stakeholders rights. The Board of Directors of IBCL shall duly and fairly inform its shareholders/stakeholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.

7. Corporate Opportunities

The Directors, officers and employees owe a duty to the Company to advance its legitimate interest when the opportunity to do so arises. The Directors, officers and employees are expressly prohibited from:

- i. Taking for themselves personally, opportunities that are discovered through the use of company's property, information and position.
- ii. Competing directly with the business of the company or with any business that the Company is considering.
- iii. Using Company's property, information or position for personal gain.

8. Conflicts of Interest

The directors, officers and employees should be conscientious in avoiding conflict of interest with the company. A situation of conflict of interest, actual or potential can arise:

- a. When employee, officer or director takes action or has interest that may make it difficult to perform his or her work objectively and effectively;
- b. The receipt of improper personal benefits by a member of his or her family as a result of one's position in the company;
- c. Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the company;
- d. The receipts of non-nominal gifts or excessive entertainment from any person/company with which the company has current and prospective business dealings;
- e. Any significant ownership interest in any supplier, customer, development partner or competitor of the Company;
- f. Any consulting or employment relationship with any supplier, customer, business associate or competitor of the company.

In case there is likely to be conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of Directors or any committee/officer nominated for this purpose by the Board and a prior written approval should be obtained.

9. Confidentiality

The directors, officers and employees shall keep confidential and not divulge directly or indirectly any information (except which is in the public domain) relating to the Company, its intellectual properties, its business and its customers/vendors which they have become aware of in the course of their directorship, employment. Confidential information includes all non-public information that might be of use to competitor or harmful to the company or its associates. Such confidential information might include, among other things, the following:

- a) Financial information such as profits, earnings and dividends.
- b) Acquisition of business or business units.
- c) New products introduction or developments
- d) Asset Revaluations

- e) Investment decisions/plans
- f) Raising finance
- g) Restructuring plans

The use of confidential information for his/her own advantage or profit is also prohibited.

10. Protection and proper use of Company's of Assets

Directors, officers and employees must protect the Company's assets, property, and ensure its efficient use and only for the legitimate business purpose.

11. Not to Make Secret Profit

Director, officer and employee shall not make any secret profit out of his/her position. If a director, officer or employee receives information on a potential business opportunity in his capacity as a Director, officer or employee of the Company he/she shall not use that opportunity for his/her own purpose.

12. Fair Dealing

Each director, officer and employees should deal fairly with customers, suppliers, competitors and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

13. Compliance with Laws, Rules and Regulations

The directors, officers and employees shall comply with all applicable laws, rules, and regulations. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's Compliance Officer. Any director, officer or employee who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the Secretarial Department of the Company before taking any action that may jeopardize the Company or that individual.

14. Compliance with code of conduct and reporting concerns

If any director, officer or employee who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of Conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the company that will help to safeguard the company's assets, financial integrity and reputation.

The company has instituted vigil mechanism through which employees and other persons like contractors, vendors, customers and business consultants can report instances of unethical behavior, actual or suspected fraud or violation of Company's Code of Conduct or Ethics Policy to management. These instances referred to as Protected Disclosures should be

addressed to the Company Secretary & Compliance Officer of the company at complianceofficer@indoborax.com. Protected disclosures against the company secretary should be addressed to the Chairman & Managing Director at info@indoborax.com. Protected disclosures against the Chairman & Managing Director of the Company should be addressed to the Chairman of the Audit Committee.

Company will provide protection against victimization to the persons making protected disclosures. Disciplinary actions will be taken against the person making a protected disclosures if it is found to be frivolous, bogus or made with mala fide intention. Everyone involved in making and handling the protected disclosures will maintain complete confidentiality and secrecy. The vigil mechanism will not substitute normal communication channels nor should it be used to report routine or operational matters.

In the event of non-compliance with the code, it is left to the discretion of the Board of Directors to take appropriate action against the person who has violated this Code. This discretion, however, will not be exercised arbitrarily and regard will be had to various factors such as the nature and circumstances of each case, the severity and impact of the non-compliance, whether the intention of the accused was malafide, etc.

Disciplinary actions may include termination of employment. 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.

15. Duties of Independent Directors

The Independent Directors shall

- i. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company
- ii. Seek appropriate clarification of information and where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company.
- iii. Strive to attend meeting of the board of directors and of the board committees of which he is the member.
- iv. Participate constructively and actively in the committees of the Board in which they are chairperson or member.
- v. Strive and attend general meeting of the company.
- vi. 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.
- vii. Keep themselves well informed about the company and the external environment in which it operates.
- viii. Not to unfairly obstruct the functioning of an otherwise proper board or committee of the Board.
- ix. 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.
- x. Ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of person who uses such mechanism are not prejudicially affected on account of such use.

- xi. Report concerns about unethical behavior, actual or suspected fraud or violations of the company's code of conduct or ethic policy.
- xii. Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and employees;
- xiii. Not disclose confidential information, including commercial secrets, technologies, and sales promotion plans, unpublished price sensitive information, unless such disclosures is expressly approved by the Board or required by Law.

16. Interpretation of Code

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person / committee authorized by the Board of the Company. The Board of Directors or any designated person / committee has the authority to waive compliance with this Code of Business Conduct for any director, officer or employee of the Company. The person, seeking waiver of this Code shall make full disclosure of the particular circumstances in writing to the Board or the designated person / committee.