

# 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 is 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 polices 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. Honesty & Integrity**

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

## **3. 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.

## **4. 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.

#### **5. Protection of Assets**

Directors, officers and employees must protect the Company's assets, labour and information and shall not use these for personal use.

#### **6. 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.

#### **7. 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.

#### **8. Quality of Product**

The company shall 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.

#### **9. 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.

## **10. 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 for 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 in nature for special events.

## **11. Fair Dealing**

Each director, officer and employee 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.

## **12. 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.

## **13. 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.

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.

#### **14. 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.