



Chemistry of Success at Work

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Meghmani Organics Limited

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CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

BACKGROUND

Pursuant to the Composite Scheme of Arrangement as approved by Hon'ble National Company Law Tribunal(NCLT) Ahmedabad Bench, vide its order dated May 3, 2021, between Meghmani Organics Limited (the "Demerged Company" or "Transferor Company" or "MOL 1"), Meghmani Organochem Limited (the "Resulting Company" or "MOL 2") and Meghmani Finechem Limited (the "Transferee Company" or "MFL") and their respective shareholders and creditors under Sections 230 to 232 read with Section 66 and other applicable provisions of the Companies Act, 2013 and other applicable laws ("Scheme of Arrangement"/ "Scheme"), the Company needs to apply to National Stock Exchange of India Limited and BSE Limited for listing of its Equity Shares. In order to comply with SEBI Listing Regulations, the Company has framed and implemented the Code of Conduct for Directors and Senior Management which is set out below.

The Board of Directors (the "Board") and the senior management of Meghmani Organics Limited (MOL) ("the Company") subscribe to the following Code of Conduct adopted by the Board. All employees irrespective of level, across all units and offices of the Company, are expected to adhere to the following tenets of the Code:

1. National Interest

MOL shall be committed in all its actions to benefit the economic development of the countries in which it operates, and shall not engage in any activity that would adversely affect such objectives. It shall not undertake any project or activity to the detriment of the nation's interests or those that will have any adverse impact on the social and cultural life patterns of its citizens. MOL shall conduct its business affairs in accordance with the economic, development and foreign policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level as appropriate.

2. Financial reporting and records

MOL shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs. All required information shall be accessible to company auditors and other authorised parties and government agencies. There shall be no wilful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

3. Competition

MOL shall fully strive for the establishment and support of a competitive open market economy in India and abroad and shall cooperate in the efforts to promote the progressive and judicious liberalisation of trade and investment by a country. Specifically, MOL shall not engage in activities, which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

4. Equal-opportunities to employees

MOL shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employees of MOL shall be treated with dignity and in accordance with the MOL's policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological.

5. Gifts and donations

Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain 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 of commemorative nature for special events.

6. Government agencies

The company and its employees shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favourable performance of official duties.

7. Political nonalignment

The company shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. MOL shall not support directly or indirectly any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

8. 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 it operates in. MOL shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products on the ecological environment.

9. Quality of products and services

The company shall be committed to supply goods of the highest quality standards consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the company's goods should at least meet the required national standards and the company should endeavour to achieve international standards.

10. Public representation of the Company

The Company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as the media, the financial community, employees and shareholders, MOL shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the company.

11. Third-party representation

Parties which have business dealings with the company but are not members of the group such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorised to represent the company if their business conduct and ethics are known to be inconsistent with the code.

12. Shareholders

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

13. Ethical conduct

Every employee of MOL which shall include whole-time directors and the managing director, shall deal on behalf of the company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties. Every employee shall be responsible for the implementation of and compliance with the code in his professional environment. Failure to adhere to the code could attract the most severe consequences including termination of employment.

14. Regulatory compliance

Every employee of MOL shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code then the standards of the code shall prevail.

15. Concurrent employment

An employee of MOL shall not, without the prior approval of the managing director of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide 'freelance' services to anyone. In the case of a whole-time director or the managing director such prior approval must be obtained from the board of directors of the company.

16. Conflict of interest

An employee of MOL shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of his company or the group. A conflict of interest, actual or potential, may arise where, directly or indirectly:

17. Securities transactions and confidential information

An employee of MOL and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the company or the group, which is not in the public domain and thus constitutes insider information.

An employee of MOL shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the company on which such insider information has been obtained.

Such insider information might include the following:

- Acquisition and divestiture of businesses or business units;
- Financial information such as profits, earnings and dividends;
- Announcement of new product introductions or developments;
- Asset revaluation's, investment decisions/plans, restructuring plans;
- Major supply and delivery agreements, raising finances.

18. Protecting the company's assets

The assets of the Company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

19. Citizenship

An employee of the Company shall in his private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the company or the group.

20. Integrity of data furnished

Every employee of the Company shall ensure, at all times the integrity of data or information furnished by him to the Company.

21. Reporting concerns

Every employee of the Company shall promptly report to the management any actual or possible violation of the code or an event he becomes aware of that could affect the business or reputation of his or any other Group Company on ethicmanager@meghmani.com.

Note: This Code was adopted by BOD in their meeting held on 20 May, 2021.
