

## **CODE OF CONDUCT FOR BOARD OF DIRECTORS & SENIOR MANAGEMENT**

### **INTRODUCTION:**

Hikal Limited ('Hikal' or the 'Company') has a philosophy of corporate governance, which envisages the highest level of transparency, accountability and equity in all its dealings with all its stakeholders - be they shareholders, employees, government, lenders, suppliers or customers. The company's guiding principles are focused on achieving the highest standards of corporate governance.

Hikal has adopted the following code of conduct for board of directors and senior management. All 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 and 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 and management. The Company appoints 'Company Secretary' as a 'Compliance Officer' for the purposes of the code, who will be available to directors and senior management to answer questions and to help them comply with the code.

### **1. COMPLIANCE WITH LAWS, RULES AND REGULATIONS:**

Obeying the law, both in letter and in spirit, and behaving in a manner consistent with the Hikal's values is the foundation on which the Hikal's ethical standards are built. All directors and senior management are expected to conduct all their business and affairs in full compliance with applicable laws, rules and regulation, and shall encourage and promote such behavior for themselves, officers and employees.

In order to assist Hikal in promoting lawful and highly ethical behavior, directors and senior management are encouraged to report any possible violation of law, rule, regulation and this Code to the Compliance Officer.

**2. HONESTY AND INTEGRITY:**

All directors and senior management shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. Directors and senior management are expected to deal fairly with the Company, its clients, suppliers, officers and employees and competitors and to avoid any situation in which unfair advantage may be taken of anyone through manipulation, concealment, abuse of privileged information, or misrepresentation of fact or any other unfair practice.

Each individual is responsible for his or her own actions. In situations where a director or senior management is not sure about the ethical position of his or her proposed action, Hikal urges that person to use the "newspaper headline test" by asking, "If my actions were reported on the front page of the newspaper and made public, would I be comfortable with my decision?" If the answer is "no," the proposed action should not be taken.

**3. CONFLICT OF INTEREST:**

Hikal respects the right of any director and senior management to participate in outside financial business or other activities, provided those activities are legal and do not conflict with the director's duties. Accordingly, directors are to avoid any business or other relationship that may create a conflict with the best interests of Hikal.

Conflicts can arise in many situations. It is impossible to cover every potential conflict situation, and at times it will not be easy to distinguish between proper and improper activity. In doubtful cases directors or senior management should adopt the highest standard of conduct or consult the Compliance Officer before taking action.

Set forth, are some of the more common situations that may lead to a conflict of interest and the duties of directors and senior management in connection with such developments: -

- Directors/ senior management 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/ senior management 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/ senior management 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 Compliance Officer of the Company.

**4. OTHER DIRECTORSHIPS:**

Hikal views the issue of service on other boards of directors as raising, potentially, substantial conflict of interest concerns or appearances thereof. Accordingly, directors are required report such relationship to the Board on 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:**

The Company's confidential information is a valuable asset. Any information concerning Hikal's business, its customers or other entities with which Hikal does business that has not been made public by Hikal must be considered confidential and held in confidence unless 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. INSIDER TRADING:**

Obligations under the Securities and Exchange Board of India (SEBI) laws and regulations apply to everyone. Any director/ senior management of the Company shall not 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 constitutes insider information.

In the normal course of business, directors and senior management of the Company may come into possession of significant, unpublished price, sensitive information. This information is the property of the Company and should not be used for deriving any kind of personal benefit or profit. The purpose of this policy is to inform and make clear that the misuse of unpublished price sensitive information is contrary to Company policy and SEBI laws.

**7. GIFTS AND DONATIONS:**

No director or senior management of the Company should accept, directly or indirectly, any gifts, donation, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favours or decision for the conduct of business. Similarly, no director or senior management should offer any gift, gratuity, fee or other payment of any kind to a customer, potential customer, or related party of Hikal for the purpose of, or appearing to have the purpose of, influencing any transaction between such entity and Hikal.

Nominal gifts of memorial nature, for special events may be accepted and reported to the Board.

**8. PROTECTION OF ASSETS:**

Directors must protect the Company's assets, labour and information and may not use these for personal use, unless approved by the Board. Any misapplication or improper use of Hikal's assets or property must be reported to the Compliance Officer.

**9. CORPORATE OPPORTUNITIES:**

Directors and senior management may not exploit for their own personal gain opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors.

**10. WAIVERS:**

Any waiver of any provision of this Code of Conduct for Directors or senior management must be approved by the Company's Board of Directors and promptly disclosed.

**11. DISCIPLINARY ACTION:**

The matters covered in this Code of Conduct are of the utmost importance to the Company, its shareholders, employees, government, lenders, suppliers and customers, and are essential to the Company's ability to conduct its business in accordance with its stated values. The Company will take appropriate action against such persons whose actions are found to violate these policies or any other policies of the Company.

**12. PERIODIC REVIEW:**

Once every year or upon revision of this code, every director and senior management must acknowledge and execute an understanding of the code and an agreement to comply. New directors or senior management will sign such a deed at the time when their directorship begins.

**ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT:**

I have received and read the Company's Code of Conduct. I understand the standards and policies contained in the Company Code of Conduct and agree to comply with the same.

If I have questions concerning the meaning or application of the Company's code of Conduct, any Company policies, or the legal and regulatory requirements, I know I can consult the Compliance Officer, knowing that my questions or reports to these sources will be maintained in confidence.

**NAME:**

**DESIGNATION:**

**SIGNATURE:**

**DATE:**

**PLACE:**