

KAMINI FINANCE AND INVESTMENT COMPANY LTD.

CODE OF CONDUCT AND ETHICS

1. INTRODUCTION

The Company aims to be the industry leader by achieving excellence in everything it does including standards of business conduct. This objective shall be achieved by adopting a policy to conduct its business with responsibility, integrity, fairness, transparency and honesty.

The purpose of this code of conduct is to promote conduct of business ethically in an efficient and transparent manner and to meet its obligations to shareholders and all other stakeholders. This code of conduct is also a tool in carrying out the Company's social responsibility in a more effective manner. This Code sets out a broad policy for one's conduct in dealing with the Company, fellow directors and employees and the external environment in which the Company operates.

2. APPLICATION OF THIS CODE

This Code of Conduct applies to all the directors and senior executives of the Company. Senior Executives shall comprise of all the members of management one level below the executive directors, including all functional heads.

Where the Company is a major or strategic shareholder in another company, that company and any joint venture partner or other shareholder(s) should also be made aware of this Code and encouraged to have similar Code.

We aim to choose as business partners, people with high moral and ethical values compatible with our own. If we find ourselves in a business relationship with anyone (e.g. distributor, agent, joint venture partner, supplier, etc.) where it is clear that there is a serious incompatibility, which cannot be resolved we will seek to terminate the relationship.

3. REGULATORY COMPLIANCE

The Company is committed to high standards of corporate governance and believes in compliance with all the laws and regulations both in letter and spirit. The Company has endeavored in setting standards for itself, which are ahead of time and higher than those stipulated by the law. The Company is committed to provide in time, accurate and complete information as required, to all concerned including its stakeholders.

Every Director and Senior Executive of the Company shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which they operate.

4. RESPECT FOR INDIVIDUAL

The Company's vision is based on inspiring and unleashing creative potential in human assets of the Company. This is possible in an environment where we all respect the rights of those around us. In this direction, the Company shall:

- treat individuals on all aspects of employment solely on the basis of ability irrespective of race, caste, creed, religion, age, disability, gender, sexual orientation or marital status, and
- not tolerate racial, sexual or any other kind of harassment.

5. HONEST AND ETHICAL CONDUCT

The Directors and senior executives of the Company should act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct is conduct that is free from any fraud or deception. Ethical conduct is the conduct conforming to the accepted professional standards of conduct and shall include ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

6. CONFLICTS OF INTEREST

The Directors and Senior Executives shall not engage in any activity or enter into any pecuniary relationship which might result in conflict or interest, either directly or indirectly.

A "conflict of interest" occurs when an individual's private interest directly or indirectly interferes or appears to interfere with the interests of the Company. The Directors and senior executives must act at all times in the Company's best interests and avoid putting themselves in a position where their personal interests conflict or appears to conflict with the interest of the Company. The personal interests will include those of their relatives. Any director or senior executive, who is aware of a conflict of interest or is concerned that a conflict might develop, is required to disclose the matter promptly to the Board of Directors in case of a director and to the Whole Time Director in case of senior executive.

7. CONCURRENT EMPLOYMENT

The senior Executives of the Company shall not without the prior approval of the Whole Time Director/ CEO of the Company, accept employment or a position of responsibility (such as consultant or a Director) with any other Company, nor provide "free lance" services to anyone. In case of Whole Time Director/ CEO such prior approval must be obtained from the Board of Directors of the Company.

8. MISUSE OF OPPORTUNITIES AND INFORMATION

Directors and senior executives owe a duty to the Company to advance the Company's business interest when appropriate. Directors and senior executives are prohibited from taking (or directing to a third party) a business opportunity (relevant to the line of business intended to be pursued by the Company) that is discovered through the use of corporate property, information or position, unless the Company has already been offered the opportunity and turned it down. The directors and senior executives are

prohibited from using corporate property, information or position for personal gain and from competing with the Company. Wherever, it is difficult to differentiate between personal and Company benefits or there are both personal and Company benefits in certain activities, the only prudent course of conduct for the directors and senior executives is to make sure that any use of Company property or services or such transactions that is not solely for the benefit of the Company has prior approval of the competent authority.

9. CONFIDENTIAL INFORMATION

During the course of employment or dealing with the Company, any information of the confidential nature (whether about the Company, other companies or individuals) that is known to directors or senior executives shall be treated as confidential unless publicly available. Such information should be used only for the purpose of business of the Company. This obligation continues for three years even after leaving the Company.

The Company also respects the rights of others regarding their confidential information. Where information is received from third parties under conditions of confidentiality, the directors and senior executives shall comply with those conditions but no-one should solicit confidential information from third parties without prior authorization.

The use of Company information for personal gain is strictly prohibited. In particular, directors and senior executives or members of their families should not trade in securities of the Company when in possession of unpublished price sensitive material and during trading window restriction period. The Directors and Senior Executives shall also comply with the SEBI (Prohibition of Insider Trading) Regulation, 1992 and 'Code of Internal Procedures and Conduct for Trading in Securities of the Company'. **(Refer Annexure 1)**

10. FAIR DEALING

The Company does not seek competitive advantages through illegal or unethical business practices. Each director and senior executive should endeavor to deal fairly with the Company's customers, service providers, suppliers, competitors and employees. No director or senior executive should take advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any unfair dealing practice. The Directors and Senior Executives shall immediately bring to the notice of the Board and Whole Time Director, respectively, any unethical behavior and actual or suspected fraud.

11. PROTECTION AND PROPER USE OF COMPANY ASSETS

The assets of the Company shall not be misused by the Directors and Senior Executives during the course of conducting the business of the Company or otherwise. The Assets include tangible assets such as equipment and machinery, systems, facilities, materials, resources, etc. as well as intangible assets such as proprietary information, process, design, etc. whether patented or not, relationships with customers and suppliers, etc.

12. BRIBERY

The payment of bribes, kickbacks or other payments of this nature in cash or kind to obtain business or otherwise gain advantage for the Company is strictly prohibited, irrespective of whether payments or offers are made directly or indirectly.

13. GIFTS AND ENTERTAINMENT

Though business gifts and entertainment are customary in many parts of the world they need to be viewed with caution. The directors and senior executives may accept and offer nominal gifts which are customarily given and/ or are of commemorative nature for special events. Except for above, the Directors and Senior Executives shall neither receive nor offer or make directly/ indirectly any illegal payments, gifts or any benefits which are intended to obtain unethical favour.

14. WEALTH CREATION

The Directors and Senior Executives shall be committed to enhance the shareholders' worth/value and shall strictly comply with all regulations and laws that govern shareholders' rights. The Board shall duly and fairly inform the shareholders all relevant aspects about the company's business and disclose such information as may be required, from time to time. In accordance with the applicable rules and regulations.

15. CORPORATE SOCIAL RESPONSIBILITY

The Company is committed to serve the community around its area of operations. The Company believes that no organization can survive in isolation and it has a responsibility towards public at large. The Company aims to reach out to the neighboring communities, conserve the environment and nurture young people. The Company shall continuously take requisite community development initiatives around the areas of its operations.

16. SAFETY, HEALTH AND ENVIRONMENT

The Company's vision envisages no compromise in its commitment to safety, health and responsible care for the environment. Health and safety of the people in and around its area of operations are of paramount importance to the Company.

The Company is committed to environment protection, pollution control and maintenance of ecological balance. The Company shall maintain high standards of pollution control, environment protection and safety.

17. FINANCIAL AND OPERATIONAL INTEGRITY

The Company is committed to disclose in its financial statements all the information required to be disclosed under the relevant accounting standards or under any laws or regulations. It is essential to record all the transactions fully and properly in the financial statements.

Internal accounting and audit procedures shall fairly and accurately reflect all the Company's business transactions and disposition of assets.

The fees and compensation payable to the Directors – both executive and non-executive, shall be fixed by the Board and approved by the shareholders as per the applicable provisions of law and the same will be fully disclosed in the Annual Report to the Members.

No record entry or document shall be false or misleading and no undisclosed or unrecorded account, fund or asset shall be established or maintained. The auditors shall be provided full access to all information and records of the Company.

The Company will not knowingly assist fraudulent activity by others.

18. IMPLEMENTATION

Directors and senior executives are accountable for full compliance with this Code of Conduct. Sanctions for breach of this code shall be determined by the Board of Directors in case of Directors and Whole Time Director in case of senior executives. Sanctions may include serious disciplinary action, removal from office as well as other remedies, all to the extent permitted by law and as appropriate under the circumstances.

A formal implementation and monitoring plan shall be designed to promote awareness of and adherence to the Code.

Any significant breaches of the Code by the Directors and Senior Executives must be notified to the Board of Directors and Whole Time Director, respectively. The Whole Time Director shall report to the Company's Board on the Code's operation and effectiveness along with any significant breach of the code.

19. INTERPRETATION

Any question relating to how this Code should be interpreted or applied should be addressed to the Company Secretary.