



SRESTA NATURAL BIOPRODUCTS LIMITED

CODE OF CONDUCT FOR DIRECTORS & SENIOR MANAGEMENT PERSONNEL

INTRODUCTION

The purpose of this Code of Conduct (the “Code”) is to conduct the business of the Company in accordance with the applicable laws, regulations, rules and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders and other stakeholders. This Code shall come into force upon listing of the Equity Shares of the Company. Each and every Director/Officer (as defined herein below) shall be duty-bound to follow the provisions of this Code in letter and spirit. Any instance of non-compliance of any of the provisions shall be a breach of ethical conduct and shall be viewed seriously by the Company. Accordingly, the Director/Officers (as defined herein below) are expected to read and understand this Code and uphold these standards in their business dealings and activities.

I. Definitions:

1. The term “**Board of Directors**” or “**Board**”, in relation to a Company, means the collective body of the Directors of the Company.
2. The term “**Whole-time Director**” shall be the Directors on the Board of Directors of the Company includes a Director who are in whole-time employment of the Company.
3. The term “**Non-Executive Director**” shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
4. The term “**Independent Directors**” shall mean an Independent Director referred to in Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015.

5. The term “**Conflict of Interest**” means where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

6. The term “**Senior Management Personnel**” shall mean individuals who are designated as Key Managerial Personnel / Presidents / Vice-Presidents and above and which term shall include all operational heads, irrespective of their designation.

7. The term “**Director**” shall mean the directors on the Board of Directors of the Company.

II. APPLICABILITY

This Code of Conduct applies to the following:

1. All Members of the Board of Directors of the Company; (hereinafter referred to as the “Directors”)
2. All the members of core management team one level below the Executive Director level including the Departmental/Functional heads in-charge of different functions of the Company (by whatever designation they are called). (hereinafter referred to as “Officers”)

III. HONEST AND ETHICAL CONDUCT

The Directors/Officers shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working at the Company’s premises, at offsite locations, at Company’s sponsored business and social events, and/or at any other place where the Directors/Officers represent the Company. Honest conduct is that which is free from fraud and/or deception. Ethical conduct is the conduct conforming to the accepted professional standards of conduct. It includes ethical handling of actual or apparent conflicts of interest as specified in III below between personal and professional relationships.

IV. CONFLICTS OF INTEREST

Directors/Officers shall disclose and avoid actual and apparent conflicts of interest. A conflict of interest or a potential conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. For eg:

- A. Employment / Outside Employment:** - In consideration of employment with the Company, Officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or

otherwise in conflict with or prejudicial to the Company. For eg. simultaneous engagement/ employment or directorship with competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Each Officer shall inform the Board of any change in events/circumstances/ conditions that may interfere with their ability to perform their duties. Additionally, Officers must disclose to the Company's Board of Directors, any interest that they have that may conflict with the business of the Company.

- B. Outside Directorships:** It is a conflict of interest to serve as a Director of any Company that competes directly with the Company. Directors/Officers must first obtain approval from the Company's Board of Directors before accepting such Directorship. Further each Director/Officer shall inform the Board of any changes in their board positions, relationship with other businesses (including charitable institutions).
- C. Business Interests:** If any Director/Officer is considering investment in the business of any competitor of the Company, he or she must first take care to ensure that these investments do not compromise on their responsibilities towards the Company. Before making substantial investment in the business of the Competitor, the Director/officer shall take permission from the Board of Directors of the Company. Substantial Investment shall mean any investment over RS. 5 mm for Directors and Rs. 0.5 mm for Officers.
- D. Related parties:** Director/Officers, before conducting Company business with a relative and/or with a business in which a relative is associated in any significant role, must disclose their interest before the Board of Directors of the Company and take their prior approval for the same. Relatives include spouse, siblings, sibling's spouse, children, children's spouse, parents, grandparents, grandchildren and step relationships.
- E. Payments or gifts from others:** Director/Officers shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc. of the Company, that is perceived and/or intended, directly or indirectly, to influence any business decision, of the Company any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud.
- F. Corporate opportunities:** Directors/Officers shall not exploit for their own personal gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is first disclosed in writing to the Company's Board of Directors and the prior consent obtained.

- G. Other situations:** The above are illustrative and not exhaustive. If a proposed transaction or situation raises any questions or doubts, Directors/Officers must consult the Company's Chairman and/ or the Board of Directors, and avoid conflict of interest.

V. RIGHTS AND RESPONSIBILITIES

- 1.1 The Board of Directors and the Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company and besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company, a Director is also expected to observe the following Code of Conduct:
- A. Shall act honestly, diligently and in good faith and integrity in all their dealings with and for the Company.
 - B. Shall maintain confidentiality of information entrusted by the Company or acquire during the performance of their duties and shall not use it for personal gain or advantage.
 - C. Shall act in accordance with highest standards of integrity, fairness and ethical conduct while working for the Company as well as in representing the Company without their judgment being subordinated and also to fulfil, their fiduciary obligations.
 - D. Shall not involve themselves in making any decision on a subject matter in which a conflict of interests arises or could arise, between their personal interest and the interests of the Company. In the event of apprehending such conflict of interests the relevant facts shall be disclosed in writing explaining the circumstances that would create or could create the conflicts of interests to:
 - a) the Board of Directors in the case of Directors (Whole-time Director and Non-Executive Director); and
 - b) Managers and above in the case of Senior Management Personnel for further directions in the matter.
 - E. Shall avoid having any personal financial interests in works or contracts awarded by the Company.
 - F. Shall avoid any relationship with a contractor or supplier (either directly or indirectly such as through a family member or other person or organization with which they are associated) that could compromise the ability to transact business on a professional, impartial and competitive basis or that may influence decision

to be made by the Company.

- G. Shall not hold any positions or jobs or engage in outside business or other interests that adversely affect the performance of duties of the Company. Whole-time Directors and Senior Management Personnel are expected to devote their full attention to the business interests of the Company and as, more particularly, subject to terms and conditions laid down in their respective contracts / appointment letters.
- H. Shall not exploit for their own personal gain, the opportunities that are discovered through Company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Chief Executive Officer as the case may be.
- I. Shall not seek to accept directly or indirectly any gifts of value more than Rs.2,000/- or its equivalent from anyone having business dealings with the Company.
- J. Shall immediately bring to the notice of the Board about any unethical behaviour, suspected fraud, or violation of the Company's policies.
- K. Shall comply with all applicable laws, rules and regulations and any violation thereon may make them personally liable. Directors and Senior Management Personnel may be subjected to disciplinary action by the Company for violation of provisions of law.
- L. Shall become and remain familiar with (Name of Company) and the economic and competitive environment in which the Company operates and understands the business plan, strategies and objectives.
- M. Shall ensure compliance with SEBI (Prohibition of Insider Trading Regulations), 2015 as amendment from time to time.
- N. 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 constitute insider information. The Directors and the Senior Management Personnel shall make timely disclosures of:
 - a) trading in the shares of the Company,
 - b) transactions having personal interest and
 - c) related party transactions that are required to be made under laws, rules and regulations and Code of Conduct / Internal Procedure for prevention of Insider Trading in the Securities of (Name of Company).

- O. Any dealings with a related party must be devoid of any preferential treatment or favouritism and must be avoided altogether wherever it is likely to impact the decision in the matter in favour of such related party. In the case of any other transaction or situation giving rise to conflicts of interests, the Audit Committee of the Board should after due deliberations decide on its impact.
- P. In case of any dealings with related parties, the transactions shall be in compliance with the provisions of the Companies Act and the SEBI Listing Regulation
- Q. Any information concerning the Company's business, its customers, suppliers, etc., which is not in the public domain and to which the Directors and Senior Management Personnel have access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Director and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.
- R. Notify the other Directors about the material personal interest in any matter and must not vote on such matter;
- S. Shall be committed to shareholders' worth value and shall strictly comply with all regulations and laws that govern shareholders' right.
- T. The shareholders shall be informed about all relevant aspects about the Company's business and disclose such information as may be required from time to time, in accordance with applicable rules and regulations.
- U. Non-executive Directors who are categorized as independent directors shall inform the Board in case of changes in their interest which impacts their independence as a Director or of any conditions which may interfere with their ability to perform their Board or Board Committee duties.
- V. All books, records, accounts, and financial statements will be maintained in reasonable detail, appropriately reflect transactions, and conform to both applicable legal requirements and systems of internal control.
- W. The Directors must disclose their Directorship, Committee membership on the Board of other companies and substantial shareholding in other companies to the Board on an ongoing basis.

VI. FAIR DEALING:

Directors/Officers shall deal fairly with customers, suppliers, competitors and employees. They shall 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.

VII. PROTECTION AND PROPER USE OF COMPANY'S ASSETS:

Directors/Officers shall protect Company's assets / property and ensure its efficient use. Company's assets should be used only for legitimate business purposes.

VIII. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS

Directors/Officers must comply with all applicable governmental laws, rules and regulations. Directors/Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the Finance and/or Legal Department. Violations of applicable governmental laws, rules and regulations may subject Directors/Officers to individual criminal and/or civil liability. Such individual violations may also subject the Company to civil and/or criminal liability and/ or the loss of business.

IX. CONFIDENTIAL INFORMATION

Directors/Officers shall maintain the confidentiality of all confidential information that they receive or become privy to in connection with the Company's business, except when disclosure is authorized or legally mandated. Confidential information includes all nonpublic information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors or harm the Company, its suppliers or its advertisers, if disclosed. Confidential information also includes any information relating to the Company's business and affairs that results in or would reasonably be expected to result in a significant change in the market value of the Company's securities or any information a reasonable investor would consider important in making an investment decision. Directors/Officers shall not use confidential information for their own advantage or profit directly or indirectly.

X. DISCLOSURES

Company's policy is to provide full, fair, accurate, timely and understandable disclosure in reports and documents that Company file with, or submit to, the stock exchange, SEBI and/or any other government agency and in all other public communications made by the Company. Directors/Officers shall ensure that such filings and communications conform to all applicable laws and regulations.

XI. VIOLATIONS OF THE CODE

Directors/Officers shall help enforce this Code. Directors/Officers should be alert to possible violations. Directors/Officers must co-operate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, to be avoided.

Actual violations of law, this Code, or other Company policies or procedures, should be promptly reported to the Legal/HR Department and the Board.

XII. WAIVERS AND AMENDMENTS OF THE CODE

The Code is subject to continuous review and updation. Any amendment or waiver of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

XIII. NO RIGHTS CREATED

This Code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and senior management of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.