

ZUARI AGRO CHEMICALS LIMITED

CODE OF CONDUCT AND ETHICS

FOR EMPLOYEES

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Section 1: Preface

1.1 About the Code of Conduct

The Code of Conduct (“The Code”) pertains to Zuari Agro Chemicals Limited (“The Company”) and has been divided into four key sections namely:

Section 1: Contains details on the Company’s values and culture in maintaining high standards with regards to its Code of Conduct.

Section 2: Addresses the main content of the policy.

Section 3: Includes details such as implementation framework and roles and responsibilities of the different committees governing this policy. It also covers implications for any violation.

Section 4: Provides the definitions and templates.

1.2 Our Values

Our reputation and ability to sustain and grow our business, while complying with applicable laws, depends on the integrity and upright behaviour of each one of us. The Code seeks to ensure that we conduct our business and relationships with honesty, integrity, fairness, transparency and responsibility. It forms the basic tenet of our business operations.

This Code lays down a set of expectations and desired behavior for Company’s employees and business associates. It is expected that all understand this Code and uphold thisCode in their day-to-day activities and interactions.

1.3 Applicability

- The Code applies to all Employees and Business Associates.
- The Code supersedes all other such Codes, policies, procedures, instructions, practices, rules and written or verbal representations.
- The Code will be subject to periodical review.
- Where the Code is silent, open to interpretation and/or requires specific guidance and direction from the management, employees should talk to their immediate supervisor and/ or Head of HR.

Section 2: Codes of conduct

2.1 Honesty & Integrity

All Employees and business associates are required to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. Honest conduct is the conduct that is free from any fraud, deception and indiscipline. 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. The employees are required to be aware of and be compliant with Company's policies and procedures applicable in the performance of their day-to-day activities. They should also be vigilant of any non-compliance and report such non-compliance as per this Code.

2.2 Conflict of Interest

No Conflict of interest is a basic concept of business ethics. Conflict of Interest exists where the interests or benefits of an employee or a business associate, conflict directly or indirectly, with the interests or benefits of the Company. Employees and business associates are prohibited from engaging in any activity that interferes with their performance or responsibilities in the Company or is otherwise in conflict with or prejudicial to the Company.

Examples:

- An Employee/Business Associate or his/her family member has a significant financial interest in an entity that has dealings with the Company, and the Employee is in a position to influence any business dealings such as a decision to select vendors or agents
- An Employee/ Business Associate or his/her family member has a significant financial interest in a company that competes with the Company
- An Employee/Business Associate or his family member is a director, officer, employee or consultant in a company that has business dealings with or competes with the Company
- Participation of an Employee/BA as an owner, partner, director, officer, employee, consultant or promoter in an outside business, related or unrelated to the business of the Company, which prevents him/her from devoting their full time to the job with the Company.

Do's:

- An employee should disclose to the Head of HR every year, in writing about any outside business interests that he/she or his/her family members have if these interests create or even appear to create a conflict of interest.
- Before an employee or his/her family member becomes involved in a new outside business that could create conflict of interest, the immediate supervisor should be informed in writing. The immediate supervisor shall consult Head of HR for guidance. Before accepting a position as a director, officer, employee, consultant or promoter in such an Organization (that would lead to conflict of interest), obtain written approval from the Head of HR. Head of HR shall inform the Disciplinary Committee of such instance and provide approval/ disapproval based on the decision of the Disciplinary Committee.

- Obtain written approval from Reporting Manager and HR Heads for undertaking any activities at educational institutions, industry associations, societies, technical forums etc. with or without honorarium.
- If conflict of interest arises, an employee should inform his/ her immediate supervisor and take steps recommended by him to resolve the conflict.

Don'ts:

- Do not work or act as consultant for any business requiring work similar to the Job-profile in the Company.
- Do not use Company resources other than for business use of the Company.
- Do not use any information, property, resources obtained during the course of business for personal purposes.
- Do not take up any business opportunity (relevant to the line of business pursued or intended to be pursued by the Company) or direct the opportunity that is discovered through the use of corporate property, information or position to a third party unless the Company has already been offered the opportunity and it has turned it down

2.3 Confidential Information

During the course of employment or dealing with the Company the employees, may have access to significant amount of information about the Company, that may not be available to the public, and employees should preserve the confidentiality of information obtained in the Company's service.

Confidential or proprietary information about clients, our organization, or other parties, which has been gained through employment or affiliation with the Company, shall not be used for personal advantage or for the benefit of third parties.

Upon joining, all employees shall sign a Confidentiality and Non-Disclosure Agreement which details their confidentiality obligations to the Company. This obligation of Confidentiality and Non- disclosure continues during, and for a period of 3 years from cessation of the employment with the Company.

2.4 Regulatory and Policy Compliance

The Company is devoted to maintaining high standards of corporate governance and integrity to ensure enhancement of stakeholder value through sustained growth and business development. The major elements of Regulatory and Policy Compliance are:

- Compliance with applicable laws, rules and regulations in letter and spirit in all areas in which the Company operates
- Compliance with the Company's policies and Procedures

All employees and business associates are expected to be aware of the legal and policy requirements and internal controls that apply to their activity. They are responsible for:

- Keeping accurate financial records for all their transactions, forecasts and business assessments.

- Safeguarding Company's assets that are entrusted to them.
- Support the organization in complying with all laws and regulations.
- Perform day-to-day activities in accordance with the Company's Policies and procedures.

2.5 Community Services

The Company encourages all employees to participate in community service. It does not discriminate in favour of or against employees based on the organizations and/ or cause they choose to support. The employees are required to plan any community activities outside of normal working hours. For events scheduled during work hours, the employees are required to make advance arrangements and obtain approvals from their immediate supervisor for any time off, as per their entitlement. The immediate supervisor may disallow leave for business reasons. Employees are restricted from donating/ utilizing company resources or performing activities, such as making calls, making copies or supplying paper or other stationery items, for personal community activities. Employees are prohibited from using Company's resources for all non-official communication or correspondence.

2.6 Corporate Social Responsibility

Being dedicated to partnering for prosperity with the Indian farmer, the Company touches the lives of many through its many corporate social responsibility initiatives like Jai Kisaan Sangam, Watershed Development, Bore-well Recharge, supply of amenities such as water, construction and maintenance of bus stops, highway medians, Scholarships etc.

The Company is committed to serve the community around its area of operations. It 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 neighbouring communities, conserve the environment and nurture young people. It shall take requisite community development initiatives around the areas of its operations.

Before making a charitable contribution on behalf of Company, we should keep in mind the following:

- The contributions are permissible under applicable local laws.
- Contributions are made without demand or expectation of business in return.
- Beneficiaries of such contributions should not be related to the directors or executive officers of the company.
- Contributions shall not be made in cash or to the private account of an individual.
- Any amounts contributed or donations made towards charitable causes shall be fairly and accurately reflected in Company's books of accounts.

Employees are required to participate in community services taken up by the Company. While participating in community service activities and events, the Employees shall not influence the Company to make donations or contributions to community of his / her personal choice.

2.7 Diversity

The Company's vision is based on inspiring and unleashing creative potential. This is possible in an environment where we all respect the rights of those around us. In this direction, the Company treats all employees in all aspects of employment solely on the basis of ability irrespective of race, colour, caste, creed, religion, age, disability, gender, sexual orientation and marital status. It does not discriminate in hiring, promoting, training or terminating people on the basis of the factors mentioned above. Employees and business associates are expected to share and respect this vision.

2.8 Safe Work Environment

The Company does not compromise in its commitment to environment, health and safety. Health and safety of the people in and around its area of operations are of paramount importance. It is committed to environment protection, pollution control and maintenance of ecological balance and maintains high standards of pollution control, environment protection and safety. The Company provides good physical working conditions and encourages high standards of hygiene and housekeeping.

Employees who by themselves or in collusion with others, threaten or commit acts leading to fear, violence or otherwise, affecting the safe work environment will be subjected to necessary disciplinary action. The employees should refer the safety manual for further details.

2.9 Alcohol and Substance Abuse

The Company views alcohol and substance abuse very seriously and takes a tough stand against it. Employees are not permitted to report to work or operate any equipment, machines or vehicles while under the influence of alcohol or controlled substances. This also applies to any other work site where employees are assigned during work hours. In addition, the policy forbids employees and business associates from selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the premises. Smoking is strictly banned in the factory premises and other 'No Smoking' areas across the facility.

2.10 Harassment

The Company does not tolerate harassment of employees based on their caste, religion, race, gender etc. It shall investigate, promptly and thoroughly, all allegations of harassment. An employee's behaviour must be conducive in promoting a harmonious work environment. An employee shall not conduct himself / herself in a manner that is uncomfortable to others. Employees who by themselves or in collusion with others, subject another employee of business associate to any kind of harassment, will be subjected to disciplinary action.

Sexual Harassment

Sexual harassment has been recognized as a violation of human rights and it is considered as a crime which violates the dignity and respect of a woman. In this regard, the Company strictly follows the guidelines laid down in the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules framed thereunder (Sexual Harassment Act).

The Company has instituted Internal Complaints Committee for redressal of sexual harassment complaint (made by the victim) and for ensuring time bound treatment of such complaints. Complaints shall be dealt with in accordance with the guidelines laid down in the Sexual Harassment Act.

To protect the interests of the victim, the accused person and others who may report incidents of sexual harassment, confidentiality will be maintained throughout any investigatory process to the extent practicable and appropriate under the circumstances.

The Company is committed to ensuring that no employee who brings forward a harassment concern is subjected to any form of reprisal. Any such reprisal will be subject to disciplinary action. Misuse of this provision, in any form, shall invite disciplinary action.

2.11 Dress Code

The employees are the ambassadors of the Company in the eyes of public and must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of work performed including wearing of uniforms and using personal protection equipment. The manner of dressing should help them to work comfortably at the workplace and at the same time project a professional image to other co-employees and Business Associates.. Employees should adhere to the dress Code during the job or while representing the Company within or outside the Company premises.

2.12 Protecting Assets

2.12.1 Protecting Information Assets

The Company categorizes its information assets in two kinds:

- Public Information Asset that is accessible to all and can be shared with all
- Private Information Asset that is not accessible to all and cannot be shared with all
The Code governs private information asset. Private information asset must not be shared or divulged without written approval of the designated person.
Private information asset can be categorized into:
 - <Confidential> Information that, if disclosed, would likely result in serious financial injury, damage to Company`s competitive position, embarrassment, privacy violation, breach of contract or legal violations. This category includes information such as business strategy, corporate budgets, product costing data, personally identifiable information such as PAN number, medical reports etc.
 - <Internal Use Only> Information that is not as sensitive as confidential but is restricted to use by employees on a need-to-know basis
 - <Third-Party Confidential> Information provided by vendors or other external agencies, including a commercial partner, under an appropriate non-disclosure agreement

Do's

Employees having access to private information asset shall:

- Mark and handle these based on their contents
- Take appropriate steps to safeguard Company information from unauthorized disclosure or misuse
- Safely store Company classified information when the employee is away from the work area
- Destroy such information as per the Company's Procedure

Don'ts

- Employees working with confidential documents as part of job shall not use any classified information for personal purposes
- Any information that is confidential in nature and not available publicly shall not be used other than for business and not be disclosed up to 3 years from leaving the Company
- Any information received from third party and subject to confidentiality agreement then such information shall not be disclosed without prior approval from such third party
- No one should solicit confidential information from third party without prior approval from the designated person

2.12.1 (a) Company records and Archival of Documents

Company records, being an information asset, must be preserved and maintained as per the Policy On Preservation Of Documents And Archival Of Documents formulated by the Company and uploaded on its website (www.zuari.in.)

2.12.1 (b) Protecting Intellectual Property

Intellectual property includes plant processes and design documents, proprietary information (including management information, other trade secrets, technical know-how, whether patented or not, trademarks, copyrights, patents and relationship with customers and suppliers etc). The Company protects, maintains and defends its rights in all commercially significant intellectual property and original works of authorship. These include proprietary computer programs, Company manuals and databases. Unauthorized use of the intellectual property rights or copyrighted materials of others may expose the Company to lawsuits and damages. Any design, method, research, invention utilising the resources of the Company including working hours, of any employee shall be the intellectual property of the Company. Employees are expected to handle Intellectual Property with due care without resorting to any act of infringement. No employee shall, during or after his employment, use any intellectual property of the Company in his/her personal name.

Do's

To protect the Company's intellectual property, employees need to:

- Understand their responsibilities to the Company regarding new works of authorship that they may create while being an employee
- Respect copyrighted materials of others by not reproducing, distributing or altering them without a license or the permission of the copyright owner
- Respect valid patent rights, copyrighted materials and other protected intellectual property of others
- Consult with the designated person before entering into agreements to acquire or distribute third-party published software (other than standard shrink-wrapped software) to ensure that the necessary licenses and/or permissions have been obtained
- Consult with the designated person if there are any questions about licenses, copyright issues or about one's responsibilities
- Understand the need for the designated person to review transactions involving licensing of intellectual property.

Don'ts

It is against Company policy to:

- Distribute copyrighted materials without the appropriate copyright notice
- Enter into agreements with third parties to grant or receive licenses for intellectual property (other than standard shrink-wrapped copyright licenses) without appropriate approval
- Employ an individual who previously worked for a competitor without putting in place safeguards to prevent that person from inadvertently disclosing or using the competitor's proprietary information
- Accept online freeware or shareware without first consulting the designated person
- Copy computer software licensed to the Company for personal, Company or customer use

- Accept proprietary information from an outsider without first consulting the designated person, particularly under circumstances where a confidential relationship exists or may be implied
- Pass on, for technical or management review, an outsider's suggestion for a new product, product feature, service or name
- Introduce or divulge information about a new future product, system, service or solution before a patent application has been filed or a final decision has been made not to file an application
- Introduce a new product, system, service, solution or name before checking for patent or trademark infringement

2.12.1(c) Insider Trading and Inside Information

For the Code on insider trading and inside information please refer to the Company's Policy "Code of Conduct to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015 which is available on the website of the Company (www.zuari.in).

2.12.2 Protecting Physical Assets

The Company's assets include physical assets such as buildings, plant and machinery, estate, facilities, equipment, raw materials and finished goods. All employees are responsible for judicious using of the assets entrusted to them and protecting them from loss, theft, damage or misuse.

Do's

- Employees are required to display the identification badge while on the Company premises to prevent and restrict unauthorized access and use
- Time Card, electronic access control cards and other tools that provide access to Company facilities and systems should be used only as authorized
- Security to be notified immediately if property is lost or stolen
- The designated person shall be notified if any criminal activity detrimental to assets of the Company is suspected

Don'ts

Should not lend or allow unauthorized access to / use of these assets to anyone without prior approval

Computers and Other Electronic Systems

To help the employees work efficiently, the Company provides electronic information systems. Based on their responsibilities, employees may have access to e-mail, computers, personal digital assistants (PDA), printers, fax machines, telephones, flash drives, voicemail, wireless devices and software. Company expects that all employees should use these tools for business purposes and with discretion. Employees who misuse information systems may lose access to privileges and, depending on the situation, also may be subject to disciplinary action. Employees should refer to the 'Internet Usage Guidelines' available with the IT department for further details.

2.13 Privacy Rights

The Company takes steps to protect personal and private information relating to employees and former employees. It keeps and discloses personal information only as required for business or legal reasons. It complies with all laws about the privacy of employee information and medical records.

Exclusions

Privacy protection does not apply to personal information that an employee may have stored on any equipment or in his / her office files. Any electronic information stored on the Company's computers, servers and voicemail belongs to the Company, and it can access such information at any time without employee consent. It has the same access rights to hard copy files in Company offices, including those in desk drawers, lockers and other storage areas. Release of any information is subject to the Company policy.

Do's

- To protect personal information, like salaries and performance and other private information
- To cooperate with authorities if there are any violation of privacy rights

Don'ts

The Company should not disclose salary information without the employee's written consent and /or except as required by law.

2.14 Third Party Relationship

2.14.1 Dealing with the Media

The Public Relations Department (PRD) works with the media / press every day to ensure that they have the right information. PRD also works closely with Investor Relations to ensure that all external communications comply with regulatory and Company guidelines. If a member of the media reaches out to an employee then the employee is required to direct the concerned person to the PRD.

2.14.2 Dealing with the Investors

The rules relating to talking with investors, including institutional investors, securities analysts and individual investors are very strict. Only the Chairman, Managing Director, Executive President and Company Secretary (jointly or severally) shall have the authority to represent the Company to the investors.

2.14.3 Gifts and Entertainment

It is against the policy to give or receive anything of value to gain an unfair competitive advantage. Giving and receiving gifts, favours and entertainment by employees is subjected to strict standards. Creating goodwill is the only acceptable purpose of gifts or entertainment. Gifts that make the receiver feel obligated to "repay the favour" by doing business with the giver are improper. Gifts must not be expensive and should be reasonable in value.

Gifts include not only tangible items and cash but also entertainment, personal services and even discount on purchases.

Entertainment, whether at the giving or receiving end, should fall comfortably within the range of common business courtesies. Examples of common business courtesies are lunch at a local restaurant, tickets to a local sporting event etc. Entertainment that does not pass the 'common business courtesy' test are, tickets to an international concert, overnight stay at a luxurious resort/hotel, weekend trips to an exotic location etc.

Do's

- Good judgment should be exercised in offering entertainment. It should not be lavish, unusual or extravagant in the eyes of an objective third party.
- While giving any gift, receiver's gift policy should also be taken into account.
- Employee must disclose to immediate supervisor any gifts and entertainment offered or received by vendors, customers, suppliers and other vendors or received to the immediate supervisor.

Don'ts

Employees are not permitted to:

- Solicit or accept any amount of money or favour from customers, suppliers or any third party.
- Accept from any third party, entertainment that goes beyond common courtesies associated with business practice (this also applies to members of his / her immediate family).
- Give money or any gift to an executive, official or employee of any supplier or customer if it creates the appearance he / she is seeking special treatment in return.

2.14.4 Customer / Supplier Privacy Rights

The Company safeguards its own information from misuse, and also protects information that customers/ suppliers entrust to it. All employees must take care to prevent this customer/supplier provided information, especially personally identifiable information from Unauthorized use.

The employees shall deal fairly with the Company's customers, suppliers, partners, service providers, competitors and anyone else with whom employees interact while at work. The employees should not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of facts or any other unfair dealing practice.

Do's

Employees shall do the following:

- Use customer / supplier information only as per approval of such customer / supplier.
- All confidential customer records, paper and electronic should be secured.
- Information to be shared with other employees only on a need-to-know basis.

Don'ts

Information not to be shared with third parties (such as financing vendors) without the customer's written permission.

2.14.5 Bribery and Improper Payments

No employee shall offer anything in cash or kind to gain an improper advantage in any transaction. The Company prohibits improper payments directly or indirectly in all its dealings with customers, government officials and any other national or international agencies.

Bribe is the offer of something of value with the intent to influence an official act of a customer, supplier, government official or international agency. Bribery statutes do not require that a bribe be paid, only that it be offered, promised, asked for or requested in connection with some official act. The official act may be one of commission or omission. It is not necessary that the public official have the authority to act; only that the briber thinks he or she does. This policy allows lawful reimbursement for reasonable bonafide expenses, like customer travel, related to a Company contract.

The Company's internal controls require that all transactions be properly recorded. Company's records must fairly reflect these transactions and transfer / appropriation of Company assets.

Do's

If an employee is responsible for selecting individuals or firms to represent the Company, he/she should:

- Use due diligence
- Check on their reputations and references
- Require that they comply with the law
- Be wary of anyone who claims "special arrangements" with officials
- Report any such bribery or improper payments to the designated person, if it is believed that a public official may be soliciting a bribe

Don'ts

If an employee works with customers, government officials and international agencies then he/she should:

- Never give, directly or indirectly, anything of value to gain an improper advantage
- Not to offer a business courtesy, like a gift or entertainment, if it creates even the impression of seeking an improper advantage
- Never make payments to any official, customer or other agencies to expedite a routine administrative action, or for any other purpose, without consulting the Legal Department
- Never offer any favour during the course of procurement or contract negotiations.

2.14.6 Related Party Transactions

Conducting business

As a general rule, conducting Company business with a relative, or with a business entity in which a relative is associated in any significant role, should be avoided. Transactions with related parties are governed by the Policy on Related Party Transactions available on the website of the Company (www.zuari.in)

Employment

The Company discourages the employment of relatives in positions or assignments within the same department and prohibits the employment of such individuals in positions that have a financial or other dependence or influence (e.g. an auditing or control relationship or a supervisor / subordinate relationship). The purpose of this policy is to prevent conflicts of interest and impairment of independence. The Company retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

Do's

- If a prohibited relationship exists or develops between two employees, the employee must bring this to the attention of his / her immediate supervisor
- Fully disclose the nature of the related party transactions to the immediate supervisor

2.14.7 Collusive Bidding

Statutory regulations prohibit particular types of anticompetitive behaviour—that is, business arrangements among competitors that restrict open competition in various procurements. These activities generally are labeled as collusive bidding. This Code applies to all employees and business associates.

The most common collusive bidding schemes are:

- Bid suppression, which occurs when two or more competing contractors agree either not to bid on a particular contract or withdraw their bids so a particular contractor wins the award
- Complementary bidding, which involves two competitors who agree that one of them, will win an award. The designated winner-to-be either shares with the others the price he intends to offer or simply instructs others what they should bid. This scheme creates the illusion of competition where there really is none
- Bid rotation, in which contractors bidding on the same contracts agree to take turns as low bidder over a period of time. Some of these plans allow the losing bidders to become Subcontractors to the winner
- Market division, in which competitors agree to divide a market among themselves on the basis of criteria other than rotation

Don'ts

Employees to refrain from sharing Company pricing and bid strategies with any outside individuals or companies without prior approval from the designated person.

2.14.8 Kickbacks

Statutory laws and regulations impose civil and criminal penalties against companies that offer or accept kickbacks in connection with public sector procurements. In essence, these laws prohibit giving anything of value in exchange for favourable treatment between prime contractors and subcontractors. A kickback does not have to be completed to fall within the scope of these laws. Even attempts to provide or receive a kickback are illegal.

Do's

To avoid the appearance of kickbacks on government contracts the employee should:

- Deal with subcontracting partners and vendors at arm's length
- To the extent possible, obtain competitive proposals for subcontracts

Don'ts

- Not to exchange business favours with contractors or subcontractors
- Not to award contracts or subcontracts to unqualified vendors

2.14.9 Black Marketing, Adulteration and Counterfeit Products

The Company views activities such as black marketing, adulteration and counterfeit products as a serious offence which results in reputational risk to the Company and therefore it takes a tough stand against it. Statutory laws and regulations impose civil and criminal penalties against companies that indulge in black marketing of their products or selling adulterated / counterfeit products. Employees and business associates shall make sure that Company products are sold in the market only through legal and proper business channels recognized by the Company and all such transactions are being recorded in the books of accounts. Also, employees and business associates shall not indulge in adulterating any Company products, buying any counterfeit products or selling any counterfeit products as a Company's product.

Do's

- Immediately inform the designated person in case any instance of black marketing, adulteration or counterfeit goods is observed
- Inform the designated person in case any transaction is not getting reflected in the books of accounts

2.14.10 Political Activities & Contributions

- No employee shall take an active part in politics, represent a political party and contest for elections and shall not involve other employees/ business associates or any other party with whom the company does business.
- Employees shall not contribute the Company's funds or assets, resources to any political candidate, party, or similar organization; unless such contribution is expressly permitted by law/ regulation / directive and has been pre-approved by the appropriate authorized representative of the Company. Under no circumstances will the Company directly or indirectly reimburse any employee for their individual contributions.
- Employees shall not utilize company's resources to solicit political contributions.
- Volunteering of personal services during employee's working hours on behalf of a candidate, lobbying or engaging in any outreach to public officials, including attempts to influence legislation, government agencies, etc. is prohibited.

Section 3: Implementation of the Code of Conduct

The matters covered in this Code of Conduct are of utmost importance to the Company, its employees and its business associates, and are essential to the Company's ability to conduct its business in accordance with its stated values. The Company expects all employees and business associates to adhere to these rules in carrying out their duties for the Company. The following procedure would be followed in the event of Non-Compliance with this Code:

3.1 Reporting Non-Compliance

The following procedure would be followed to report non-compliance with this Code:

- Non-compliance with this Code is required to be reported in writing in the template specified under the Section 4 - Appendix of this Code. The Complainant is required to complete the template in its entirety without leaving any section blank. The instructions for completing the template are appended to the template. Copies of this complaint form shall be available with the HR Department.

3.2 Investigation procedure for Non-Compliance

The policy provides for an investigation and resolution process in 4 stages:

Stage 1 – Initial Review

The template duly filled in by the complainant shall be reviewed by his/her immediate supervisor for credibility, genuineness and bonafide intentions of the complainant and submitted to the Department Head for further action.

The Department Head shall record the details received such as background, details of the subjects, documentary evidence etc. in a dashboard. The Department Head shall perform an initial review of the complaint and confirm the facts presented by examining the validity and severity of the non-compliance. The Department Head may dismiss the complaint or direct the complaint to the Head of the HR Department depending upon the nature, extent and materiality of the violation and update the same in the dashboard.

If it is found that the allegation is frivolous then the Department Head shall deal with the complainant, in accordance with the procedures specified in clause '3.6 Implications' of this Code.

Stage 2 – Preliminary Investigation

The Head of the HR is required to maintain a complaint register or a database of complaints received from Department Heads, containing fields such as complaint reference, details of the complaint, action taken etc. The format of the complaint register has been provided in Section 4 - Appendix of the Code.

The Head of the HR shall initiate and conduct a preliminary investigation where both the complainant and the subject shall be provided an opportunity to be heard. Evidence provided by both the parties shall be investigated thoroughly. The investigation shall be conducted in a fair manner, as a neutral fact finding process and without presumption of guilt. The Head of HR shall document the findings of the investigation in the complaint register and based on the results of the preliminary investigation decide if a detailed investigation is required.

Stage 3 – Detailed Investigation

Upon completion of Stage 2, if Head of the HR is of the opinion that a detailed investigation is required, it shall initiate it. The Head of the HR shall be responsible for appointing the investigation team and overseeing the investigation process. Depending on the specifics of the allegation, the investigation team may include a subject matter expert from different departments or disciplines to provide the knowledge and skill sets required. Investigations shall be performed in accordance with the established protocols.

Stage 4 – Reporting to the Head of HR

The findings of the detailed investigation shall be reported in writing by the investigation team to the Head of the HR for further action. The Head of the HR shall take suitable action specified in clause '3.5 Implications' of this Code.

Investigation procedure where Non-Compliance with the Code of Conduct detected is in the nature of fraud

If during or after completion of the 'Detailed Investigation' in stage 3 above, the Head of the HR finds out that the reported non-compliance is in the nature of fraud, he shall, in writing, report this directly to Disciplinary Committee. The Disciplinary Committee shall accordingly inform the Chairperson Audit Committee or the Ombudsperson appointed under the Whistle Blower Policy and necessary procedure under the same shall be followed. The Whistle Blower Policy is available on the Company website. (www.zuari.in).

3.3 Timelines

The following activities shall be performed within the timelines mentioned below:

Activity	Timelines (from date of receipt of complaint)
Department Head shall document in dashboard	Within 1 working day
Department head to complete initial review	Within 3 working days
Head of HR to complete Preliminary investigation	Within 7 working days
Investigation team to complete detailed investigation	Within 30 working days
Reporting of findings by investigation team to head of HR	Within 45 working days
Reporting of findings by Head of HR to Disciplinary Committee	Within 60 working days

3.4 Framework

Approval of the Code

- Responsibility – Board of Directors
- Procedure: The Head of HR (through the Company Secretary) shall place the code to the Audit Committee, which in turn shall make recommendations to the Board of Directors for obtaining approval. This code and any subsequent modifications to it would only become enforceable upon appropriate approval by the same approving authority. The date on which this code or any such modifications becomes enforceable shall be clearly stated in the approval.

Implementation of the Code

- **Responsibility** – Managing Director
- **Procedure**–Managing Director shall decide upon an implementation plan in consultation with the Board, which would include implementation approach, responsibilities and communication plan.

Communication of the Code

- **Responsibility** – Head of HR
- **Procedure** – The Head of the HR shall communicate the Code and spread awareness across the Company as per the implementation plan. A copy of the Code shall also be made available to all employees of the Company. Periodic training sessions shall be planned and conducted for awareness and compliance to this code

Review and modification of the code

- Responsibility – Head of HR
- Procedure: The Head of HR from time to time shall review and assess the effectiveness of the code in line with certain factors such as management directives, statutory compliance, market conditions and employee feedback. If any such assessment leads to modification to any part of this Code, such modification shall be done by the Head of HR and placed before the Audit Committee which in turn shall make recommendations to Board of Directors for approval.

Monitoring implementation of the Code

- Responsibility: Head of HR

Procedure: Department Heads shall be responsible for monitoring the compliance to this code within their respective function. Any non-compliance reported in their function by anyone or observed by them, shall be assessed for genuineness. Genuine violations shall be directed to the Head of HR for further investigations and actions. Periodic reports/ Entries in Register in the prescribed format as provided in Section 4 shall be submitted to the Managing Director.

Investigation

- **Responsibility** – Head of HR
- **Procedure** – Head of HR shall get an inquiry conducted on all reported violations to evaluate the extent of non compliance to the Code. An Investigation Team may be appointed which may include Department Heads and Company Secretary, depending upon the circumstances of the situation. All findings and evidences collated during the investigation shall be reported and shared with the Head of HR.

Code of Conduct Non Compliance

Decision Making

- **Responsibility** – Head of HR

- **Procedure** – Based upon the findings and evidences collated during the investigation conducted, the Head of HR, in consultation with the Investigation Team and the Management Committee shall take sufficient and appropriate disciplinary action against the violator. This decision shall be communicated in writing to the violator and all affected parties. This communication should include details of the violation of the Code and reasons for such disciplinary action.

Custody

- **Responsibility** – Head of HR
- **Procedure** – Original copy of the Code of Conduct shall remain in custody of the Head of HR. Also all documents including reports and filled in templates pertaining to incidents reported and action taken shall remain in custody of the Head of HR and shall be retained as per the Company's Policy on Preservation of Documents, which is available on the Company website (www.zuari.in) .

3.5 Implications – Non-Compliance

The implications of the non-compliance with the Code of Conduct can be broadly categorized into the following sections namely:

Employment Implications

Non-compliance with the Code of conduct of frivolous reporting by the employees would result in disciplinary action. The disciplinary action could be of various forms such as Counseling, Warning letters, Demotion, Transfer, withholding promotion, Suspension, Termination, withholding pay rise or increments.

The type of disciplinary action would be based on various factors such as severity of the violations, material impact of the violations, repetitiveness of violations by employee etc. The disciplinary action is solely based on the investigation findings and judgment of the Head of HR alongwith the Management Committee.

Financial Implications

Non-compliance with the Code of Conduct by the employees and business associates could result a loss to the Company. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible for such non-compliance.

Contractual implications

Non-compliance with the Code of conduct by the business associates could result in termination of contracts.

Legal Implications

Any non-compliance with the Code of Conduct could result in the following two types of legal proceedings namely:

- **Civil Liability** - Liabilities arising out of disputes involving torts (such as accidents, negligence, and libel), contract disputes, property disputes, administrative law violations, commercial law violations, and any other private matters that involves private parties and organizations including government departments

- **Criminal Liability** - Liabilities arising due to serious criminal activities or failure to abide by laws of the land. Fines also may be imposed, seizing money or property from a person convicted of a crime

3.6 Reporting to the Disciplinary Committee

The Head of HR shall collect data pertaining to all non compliances reported to the Department Heads (including those disposed off by the Department Heads) and submit the consolidated results to the Disciplinary Committee on a quarterly basis. The report shall include details such as:

- Whether the report was from an employee or business associate
- The determination of merit
- The results of the initial review and preliminary investigation
- The results of the detailed investigation
- The implication, if any, resulting from the investigation

3.7 Waiver / Exceptions

Any waiver of any provision of this Code of conduct with respect to any employee or business associate must be approved in writing by the Head of HR and promptly disclosed to the Management Committee. Any such waiver must be approved in writing in the format as specified under Section 4 - Appendix of the Code of Conduct.

Section 4 – Appendix

4.1 Templates

Zuari Agro Chemicals Limited

Complaint Form

Date : _____

Location _____ Complaint Ref No [HR to fill] _____

Complainant Name _____

Complainant Employee No _____ Complainant department _____

Complaint

Subject _____

Brief Description of

Violation _____

Prepared by
[Name, Signature & Date]

Reviewed by
[Name, Signature & Date]

Approved by
[Name, Signature & Date]

General Instructions

1. The employee shall complete the form in its entirety and revert to the Head of HR for any further clarifications.
2. The description of the violation could include details such as name of violator, department name, date of violation, details of violation, place of violation etc.
3. The employee is required to be objective and truthful when completing this form and any frivolous reporting shall be severely dealt with in accordance with the clauses of this Code.
4. The employee can complete the form in English or the vernacular language based on the convenience of the complainant; any other language would be disallowed and the complaint would be treated invalid.

Zuari Agro Chemicals Limited

Waiver Form

Name _____

Individual Type (Emp, Vendor etc) _____ Date _____

Reason for

waiver _____

Period from _____ Period To _____

Code of Conduct Clause Ref _____

Waiver Declaration

The clauses of the Code of Conduct as specified in this form shall not be applicable to the party and period mentioned above. The declarant shall however comply with all other relevant clauses of the Code of Conduct.

Prepared by
[Name, Signature & Date]

Reviewed by
[Name, Signature & Date]

Approved by
[Name, Signature & Date]

4.2 Definitions

Conflict of Interest is a situation in which the impartiality of an employee or business associate in discharging their duties could be called into question because of the potential, perceived or actual influence of personal considerations, financial or otherwise. The conflict in question is between official duties and obligation, on the one hand, and private interest on the other.

Designated Person includes Immediate Supervisor, Department Head or owner of the information, asset or process referred to in the clause.

Disciplinary Committee is a committee comprising of President, Ombudsperson and investigation team

Employee- shall mean all individuals on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment.

Family Member includes spouse, siblings, children and parents.

Immediate Supervisor Immediate Reporting Manager as per the Organizational hierarchy chart.

Management Committee: is a committee comprising of Managing Director, Presidents, Vice Presidents, Chief Financial Officer, Chief Manufacturing Officer and Company Secretary.

Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws.

Substance abuse All use of controlled drugs (e.g. opium, cocaine, heroin, cannabis) and all use of other drugs in a manner not dictated by convention (e.g. according to physician's orders or societal norms) is abuse.

Notes

Version Control

OFFICE NOTE 20.12.2019

Clause no. 3.3 of the code of conduct of ZACL requires constitution of a disciplinary committee to investigate non compliances of code of conduct which are in the nature of fraud and to fulfill this requirement, it is proposed to constitute a disciplinary committee for ZACL as follows:

1. A Senior Executive from Goa operation team nominated by the COO - Chairman
2. An HR Dept. Representative (Goa Plant) - Member
3. A Finance Dept. Representative (Goa Plant) - Member
4. An HR Dept. Representative (Sales & Marketing) - Member

The above committee will take up investigations by itself on receipt of the complaint from Head HR. The disciplinary committee can have additional member/s as required on an invitation on a case to case basis. Such inclusions for any specific investigations on invitation can be approved by the Chairman/Ombudsman. In the event the HR Head anticipates any conflict of interest by having any of investigating team member in a particular complaint, the HR Head can seek exclusion of such member/s from the committee in that particular complaint as may be required and seek a substitute member with the approval of Agri-Business HR Head.

The committee shall comply with the investigation procedures laid down in the code of conduct & submit a detailed investigation report to the concerned HR Head. The concerned HR Head on receipt of the investigation report will initiate appropriate action against the individual against whom disciplinary committee has recommended necessary action and comply with the provisions of the code of conduct of the company.

Put up for approval,

A.A. Pacheco

Nitin Kantak

Rahul Maitra