

Code of Conduct

for members of the Board and Senior Management

1. Introduction

Atul Ltd (Company) endeavors to set a high standard of conduct for the Officers in its senior management and the Directors on its Board. It aims to achieve its objectives by establishing a sound framework of Corporate Governance based on the pillars of ethical practices and transparency. This Code of Conduct (Code) helps to maintain the standards of business conduct and ensures compliance with legal requirements and terms of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI LODR). The matters covered in the Code are of utmost importance to the Company, its shareholders and other stakeholders and are essential so that it can conduct business in accordance with ethical values to which it is strongly committed.

The Code is divided into two parts:

- i. Part I of the Code provides standards to be followed by the Officers in the senior management of the Company and**
- ii. Part II of the Code provides standards for the Directors on the Board of the Company.**

The Code was approved and adopted by the Board at its meeting held on March 18, 2005 and last amended in its meeting held on March 23, 2018.

Part I

01 Applicability of Part I

Part I of the Code is applicable to the following persons, referred to as Officers:

- i. Executive Directors**
- ii. All managers in Grade 7 and above**

Ethical conduct is essential for long-term sustenance of any business. As such, the Officers are expected to read and understand Part I and uphold these standards in day to day activities and comply with all applicable laws, rules and regulations, the Code and the applicable policies and procedures of the Company that govern the conduct of all employees.

The Officers shall sign the acknowledgement form at the end of Part I, indicating that they have received, read and understood and agree to comply with Part I. Furthermore, each year, the Officers shall sign an acknowledgement indicating their continued understanding of and commitment to Part I.

Code of Conduct

for members of the Board and Senior Management

Because the principles described in the Code are general in nature, the Officers shall also review the other applicable policies and procedures of the Company for more specific instructions. If they have any questions | need any clarifications, they may contact the Company Secretary and Chief Compliance Officer (Compliance Officer) of the Company.

2. Honesty and Integrity

The Company is committed to uphold ethical standards in all of its corporate and business activities. All the Officers are expected to display professional skills and act in accordance with the highest standards of personal and professional integrity, honesty, truthfulness and ethical approach and conduct in all business dealings.

Honest conduct is conduct which is fair, in good faith, responsible and done with due care, competence and diligence and which is free from fraud or deception. Ethical conduct is conduct which conforms to the accepted professional standards of conduct and includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

3. Conflict of interest

A conflict of interest may exist whenever the interest or benefits of an Officer conflicts in any way (or even appear to conflict) with the interest or benefits of the Company (or its subsidiary | joint venture | associate entities). The duty of an Officer to the Company demands that he (she) avoids or discloses actual and apparent financial, business or other relationships that might be opposed to the interests of the Company or may cause a conflict with the performance of his (her) duties. Examples of circumstances that may lead to actual or potential conflict of interest are:

3.1 Employment

The Officers are expected to devote their full attention to the business interests of the Company and are prohibited from engaging in any activity that interferes with the performance or responsibilities to the Company or is otherwise in conflict or prejudicial to interests of the Company. While in general, the Officers cannot take up any other employment (even if outside of office hours) without the permission of the Compliance Officer, the Officers are specifically forbidden from accepting employment with competitors | customers | suppliers of the Company or from taking part in any activity that enhances or supports the position of a competitor, while in employment with the Company.

The Officers must disclose to the Compliance Officer any interest which they have that may conflict with the business of the Company (or its subsidiary | joint venture | associate entities).

Code of Conduct

for members of the Board and Senior Management

3.2 Investments

The Officers must take care that investments held or proposed to be held in any competitors | customers | suppliers of the Company do not compromise their responsibilities to the Company. Factors to be considered in determining whether a conflict of interest exists include the size and nature of investment, the ability of the Officers to influence decision of the Company, their access to confidential information of the Company and the nature of relationship between the Company and the other company | entity.

The Officers must inform the Compliance Officer on such investments made or proposed to be made.

3.3 Business transactions

The Officers shall not be personally involved in any business transaction, negotiation or contract with any relative or a business in which the relative is associated in any significant role. Relative means husband, wife, father (or step-father), mother (or step-mother), son (or step-son), son's wife, daughter, daughter's husband, brother (or step-brother), sister (or step-sister) and members of a Hindu Undivided Family. Such business transactions shall have the prior written permission of the Compliance Officer.

The Company discourages employment of relatives of the Officers in positions of assignment within the same business. The Company further prohibits the employment of such individuals in positions that have a financial dependence or influence (i.e. auditing or control relationship, supervisor | subordinate relationship).

3.4 Corporate opportunities

An Officer shall not exploit for his (her) own personal gain, opportunities that are discovered through the use of property of the Company, information or position, unless the opportunity is disclosed fully in writing to the Board and the Board permits pursuit of such opportunity by the Officer.

3.5 Other situations

Other situations of conflicts of interest, which will be impractical to list, may arise. If a proposed situation raises any question or doubt, the Officers must consult the Compliance Officer.

Code of Conduct

for members of the Board and Senior Management

4. Other directorships

An Officer is not allowed to serve as a Director of any company or its subsidiary | joint venture | associate entities) except with the prior approval of the Compliance Officer.

5. Confidentiality of information

The Officers must maintain the confidentiality of confidential information entrusted to them by the Company or obtained in the course of employment, except when the Company authorizes disclosure or disclosure is required by laws, regulations or legal proceedings. The Officers shall not use confidential information for purposes that benefit any employee personally or that benefit any third party. The term 'confidential information' includes all non-public information that is entrusted to or obtained by an Officer by reason of his (her) position in the Senior Management of the Company, especially if such confidential information may be of use to competitors of the Company, or harmful to the interests of the Company or its customers, if disclosed. Confidential information includes, but is not limited to, non-public information about:

- The financial condition, prospects or plans, marketing and sales programs, research and development information, security and risk analyses, and information about potential corporate transactions and similar proposals of the Company,
- The customers, suppliers or joint venture partners of the Company, information the Company is under an obligation to maintain as confidential, and possible business transactions with other companies, or
- Discussions and deliberations relating to business issues and decisions between and among employees.

The Officers are expected to consult the Chairman of the Board or the Compliance Officer if they believe they have a legal obligation to disclose confidential information.

This duty of confidentiality will continue after an Officer no longer serves the Company, as to all confidential information, and for so long as such information continues to be confidential information. No Officer shall provide any information either formally or informally to the press or any other publicity media, unless specially authorised.

Code of Conduct

for members of the Board and Senior Management

6. Insider trading

Non-public information, which may influence the market price of the Company shares, shall be kept in strict confidence until publicly released in accordance with applicable legal requirements and stock exchange regulations. The Officers shall not derive personal benefit or assist others to derive benefit from the access to and possession of information about the Company not in public domain and which can constitute insider information.

The Company is committed in complying with SEBI (Prohibition of Insider Trading) Regulations, 2015. The Officers shall refer to the Policy on Insider Trading issued by the Company in this regard for further information on pre-clearance of securities, reporting of securities and matters concerning dealing in securities of the Company to reduce the risk or appearance of insider trading.

7. Gifts and donation

The aim of the Company is to deter providers of gifts or entertainment from seeking or receiving special favours from the Officers in connection with activities performed by, or for business relationships established with, the Company. Under no circumstances, the Officers shall accept any offer, payment, favour, special service or treatment, promise to pay or authorization to pay any money, gift or anything of substantial value from any agent, contractor, customer, supplier, etc that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud or harming reputation of the Company.

Gifts given by the Company or received from agents, customers, contractors, suppliers, etc will be appropriate to the circumstances and shall never be of a kind that can create an appearance of impropriety or cause the Officers to feel placed in a position of 'obligation' and | or give the appearance of a conflict of interest. Inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate Part I. The nature and cost must always be properly authorized and recorded in the books and records of the Company in case of gifts given by the Company. The Officers are also encouraged to be guided by their own sense of ethical responsibility along with any policies or guidelines adopted from time to time by the Company with respect to gifts and entertainment.

Clarifications | questions as to whether a particular payment, expense or gift violates Part I will be directed to the Compliance Officer.

Code of Conduct

for members of the Board and Senior Management

8. Protection of assets

The Officers are expected to exercise their business judgment in a manner that protects assets and resources of the Company and promote their efficient use. This includes properties, assets, proprietary manufacturing processes, engineering designs, process technology, application knowledge, financial data, strategies, trade secrets, corporate information and other rights of the Company. The assets of the Company are to be used for legitimate business purposes and not for personal benefit unless approved and granted by the Board. The Officers shall promptly report the loss, theft or destruction of any confidential information or intellectual property and data of the Company or that of others dealing with the Company.

9. Compliance with Governmental laws, rules and regulations

Officers must comply with all applicable governmental laws, rules and regulations including anti-money laundering, anti-fraud and anti-corruption laws. The Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them recognise potential danger areas and to know when to seek advice from the Finance | Legal and independent experts. Violations of applicable governmental laws, rules and regulations may subject the Officers to individual civil or criminal liability as well as disciplinary action by the Company. Such individual violations can also subject the Company to civil and criminal liabilities and | or loss of its business or reputation.

10. Disclosures to SEBI, DCA and the public

The Policy of the Company is to provide full, fair, true, timely and understandable disclosure in i) reports and documents that are filed with or submitted to Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA) and ii) other public communications. The Officers must ensure that they and others in the Company comply with the duty of confidentiality, disclosure, controls and procedures and internal controls for financial reporting.

11. Violations

The Officers shall be alert to possible violations as it is part of their job and ethical responsibility, to help enforce the Code and also cooperate in any internal and external investigations in this matter. Reprisal, threat, retribution or retaliation against any person who has in good faith, reported a violation or a suspected violation of the Code, or against any person who is assisting in any investigation or process with respect to such violation is prohibited.

The Company shall take appropriate disciplinary action against any Officer whose actions are found to violate the Code or any other Company policies and procedures. Actions may include immediate termination of employment at the sole discretion of the Company. In case the Company has suffered losses, it may pursue its remedies against the Officers. Where laws have been violated, the Company will fully cooperate with the appropriate authorities.

Code of Conduct

for members of the Board and Senior Management

12. Waivers and amendments

The Company is committed to review and update its Code, policies and procedures. Any amendment or waiver of any provision of Part I of the Code must be pre-approved in writing by the Board of the Company and promptly disclosed in applicable regulatory filings pursuant to relevant laws and regulations, together with details about the nature of the amendment or waiver.

13. Acknowledgement of the receipt of the Code

I have received and read the Code for the Officers in the senior management and the Directors on the Board of the Company. I understand the policies, procedures, standards and expectations contained in Part I of the Code and understand that there may be additional policies or Laws specific to my function. I agree to comply with Part I of the Code.

If I have questions concerning the meaning or application of the Code, any policies of the Company or legal and regulatory requirements applicable to my function, I know I can consult the Compliance Officer and that my questions or reports will be maintained in confidence.

Signature of the officer:

Name:

Designation:

Employee number:

Date:

The Officers may submit the signed form to the Human Resources Unit.

Code of Conduct

for members of the Board and Senior Management

Part II

01 Applicability

Part II of the Code is applicable to the Directors of the Company.

Ethical conduct is essential for long-term sustenance of any business. The Directors are expected to read and understand Part II and uphold these standards in conducting the business of the Company with full compliance of all applicable laws, rules and regulations and the applicable policies and procedures of the Company.

The Directors shall sign the acknowledgement form at the end of Part II, indicating that they have received, read and understood and agreed to comply with the Part II.

Because the principles described in the Code are general in nature, the Directors will also consider other applicable laws for more specific stipulations. If they have any questions | clarifications, they may contact the Company Secretary of the Company (who is also the Compliance officer).

02 Duties of the Directors as per Section 166 of the Companies Act, 2013 (to be complied with by all the Directors)

2.1 Subject to the provisions of the Companies Act, 2013, the Directors of a company shall act in accordance with the Articles of Association of the company.

2.2 The Directors of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole and in the best interests of the company, its employees, shareholders, community and for the protection of environment.

2.3 The Directors of a company shall exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

2.4 The Directors of a company shall not involve themselves in a situation in which they may have a direct or indirect interest that conflicts or possibly may conflict with the interest of the company.

2.5 The Directors of a company shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates and if a Director is found guilty of making any undue gain, he (she) shall be liable to pay an amount equal to that gain to the company.

2.6 The Directors of a company shall not assign their office and any assignment so made shall be void.

Code of Conduct

for members of the Board and Senior Management

The above duties shall stand modified to the extent that changes may be notified by the Government from time to time.

03 Code for the Independent Directors as per Schedule IV to the Companies Act, 2013

The below referred guidelines are in accordance with paragraph I, II and III of Schedule IV of the Companies Act, 2013 which may assist the Independent Directors of a company in performing their role.

i. Professional conduct:

The Independent Directors shall -

- 3.1 uphold ethical standards of integrity and probity;
- 3.2 act objectively and constructively while exercising their duties;
- 3.3 exercise their responsibilities in a bona fide manner in the interest of the company;
- 3.4 devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- 3.5 not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- 3.6 not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 3.7 refrain from any action that would lead to loss of their independence;
- 3.8 where circumstances arise which make independent directors lose their independence, the independent directors must immediately inform the Board accordingly;
- 3.9 assist the company in implementing the best corporate governance practices.

Code of Conduct

for members of the Board and Senior Management

ii. Role and functions:

The Independent Directors shall -

- 3.10 help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- 3.11 bring an objective view in the evaluation of the performance of board and management;
- 3.12 scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- 3.13 satisfy themselves on the integrity of financial information and that financial control and the systems of risk management are robust and defensible;
- 3.14 safeguard the interests of all stakeholders, particularly the minority shareholders;
- 3.15 balance the conflicting interest of the stakeholders;
- 3.16 determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- 3.17 moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

iii Duties:

The Independent Directors shall -

- 3.18 undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 3.19 seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

Code of Conduct

for members of the Board and Senior Management

- 3.20 strive to attend all meetings of the Board of Directors and of the Board committees of which they are members;
- 3.21 participate constructively and actively in the committee(s) of the Board in which they are Chairpersons or members;
- 3.22 strive to attend the general meetings of the company;
- 3.23 where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- 3.24 keep themselves well informed about the company and the external environment in which it operates;
- 3.25 not unfairly obstruct the functioning of an otherwise proper Board or committee(s) of the Board;
- 3.26 pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- 3.27 ascertain and ensure that the company has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- 3.28 report concerns about unethical behaviour, actual or suspected fraud or violation of the code of conduct or ethics policy of the company;
- 3.29 act within their authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 3.30 not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

The above Code shall stand modified to the extent that changes may be notified by the Government from time to time.

Code of Conduct

for members of the Board and Senior Management

04 Waivers and amendments

The Company is committed to review and update its Code, policies and procedures. Any amendment or waiver of any provision of Part II of the Code must be pre-approved in writing by the Board of the Company and promptly disclosed in applicable regulatory filings pursuant to relevant laws and regulations, together with details about the nature of the amendment or waiver.

05 Acknowledgement of the receipt of the Code

I have received and read the Code for the Directors on the Board of the Company. I understand the policies, procedures, standards and expectations contained in Part II. I agree to comply with Part II of the Code to the extent of my responsibilities as a Director.

If I have questions concerning the meaning or application of the Code, any policies of the Company or legal and regulatory requirements applicable to my role as a Director. I know I can consult the Company Secretary (who is also the Compliance Officer) and that my questions or reports will be maintained in confidence.

Signature of the Director:

Name:

Designation:

DIN

Date:

The Directors may submit the signed form to the Company Secretary.