

KANANI INDUSTRIES LIMITED CODE OF CONDUCT & ETHICS

I. What is CODE OF CONDUCT?

- A code of conduct is a set of rules outlining the responsibilities of or proper practices for an individual or organization
- All employees of the Company have a responsibility to carry out their duties in an honest and business-like manner and within the scope of their authority
- Applicable to all employees of Kanani Industries Limited and its subsidiaries (incorporated in India and aboard)

II. Importance of Code of Conduct:

- Importance
 - Encourage high standards of honesty, integrity and ethics among the employees of the Company
 - Encourage observance of standards to protect the interests of employees, customers, suppliers, and creditors
 - Guide employees in following the practices considered necessary to maintain confidence in the Company's integrity
 - Achieve responsible use of and control over all the assets and resources employed or entrusted
 - Set out responsibility of employees to report and investigate any reported violations of this code or unethical or unlawful behavior

Difference COC & COE:

- What's the difference between a code of ethics and a code of conduct?
 - A code of ethics expresses fundamental principles that provide guidance in cases where no specific rule is in place or where matters are genuinely unclear.
 - A well drafted code of conduct will be consistent with the primary code of ethics, however, it will provide much more specific guidance.

III. Policy | COC:

- Conflict of Interest
 - A conflict of interest exists where the interest or benefit of one person conflicts with the interests of the Company. A conflict of interest, actual or potential, may arise where, directly or indirectly:
 - An employee of the Company engages in a business, relationship, or activity with **anyone who is a party to a transaction with the Company**
 - An employee is in a position to **derive a personal benefit** or a benefit to any of his relatives or friends and associates by making or influencing decisions relating to any transaction.

- In case situation arises, it is the duty of the concerned employee to disclose the nature of transactions to **Chief Financial Officer**, who may take suitable decision or refer the matter to the Board of Directors or to any committee of the Company.
- Related Parties
 - As a general rule, employees shall avoid conducting business with any company or firm, **with which their relatives are associated**
 - Relatives for the purpose shall include the following :
 - Spouse
 - Children and their spouses
 - Parents
 - Sisters/brothers and their spouses
 - Any other relative /friend with whom an employee can act in concert
 - Employee to make a full disclosure to the Company's Chief Financial Officer, of any interest, which he or his relative may have in a Company or firm which is a supplier, customer, distributor of or has any other business dealings with the Company.
- Corporate Opportunities
 - All employees of the Company are expected not to use their position to gain from the opportunities that are vested with the Company.
 - If the Company decides not to pursue an opportunity that is discovered through the use of corporate property, information or position, an employee may pursue such an activity but only after disclosing the same to the **Board of Directors** or the nominated person/committee and after obtaining the permission from them.
- Confidential Information of the Company
 - The Company's confidential information, among others, includes product architectures, source codes, product plans, business plans names and lists of customers, and financial information.
 - At the time of joining the Company, every employee shall sign an agreement to protect the confidential information of the Co
 - Company has filed applications for Registration of Trade Mark for several of its products company.
- Fair Dealings
 - The employee shall not take any unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing/practice.
 - No employee under any circumstances shall accept any offer, payment, promise to pay, or authorization to pay any money, gift from customers, suppliers, consultants etc.

- Honest and Ethical Conduct
 - Every employee shall act in accordance with the highest standards of personal and professional integrity, honesty, and ethical conduct not only on Company's premises and offsite but also at the Company sponsored business and social events.
- Protection and Proper Use of Company's Assets
 - Every employee shall protect the Company's assets and properties against loss, damage, misuse, or theft and ensure its efficient use.
 - No employee shall misuse the Company facilities.
- Relationship
 - with Competitors
 - ✘ An employee shall avoid discussing matters like pricing policy, terms and conditions, costs, business plans, survey reports or any other proprietary information of the Company with its competitors.
 - with Suppliers
 - ✘ An honest, fair, and open treatment and opportunity shall be given to all suppliers of the Company to present their products and services to the Company
 - with Clients
 - ✘ An employee shall behave with courtesy, respect, integrity, and discretion with the clients. Friendly relations with the Company clients are desirable and may be advantageous to the Company. However, any kind of favoritism, preferential treatment, and unethical business practices shall always be avoided.
- General Conduct and Relationships
 - All employees shall
 - ✘ At all times make an endeavor to attend meetings/ trainings as are required of the person for the benefit, growth and development of the Company.
 - ✘ Dedicate sufficient time, energy and attention to the Company to ensure diligent performance and be aware of and seek to fulfill his duties and responsibilities as set out.
 - ✘ Not show disrespect to their superior officers or to the authority of the Board.
 - ✘ Uphold values of trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self-respect and human dignity when dealing with other employees of the Company.
- Confidential Information of the Company
 - The Company's confidential information must be used by the employees for the Company's business purposes only.

- Common Contractors For Residential Homes Of Decision Makers And Of The Company
 - An employee shall not, for their personal use, employ such contractors or architects who are engaged by the Company, except with the prior written approval of the Managing Director of the Company.
- Accepting Outside Directorships
 - Accepting any directorship on the board of a company that competes with the Company is strictly prohibited. Even for accepting directorships on the board of any other company, prior approval from the Managing Director shall be required.
- Access Control
 - The Company has installed access control system at its Development Center at NOIDA to safeguard its assets from theft, misuse, and destruction. Every employee of the Company shall comply with the policy of access control.
- Unfair Trade Practices in the Securities Market
 - The Company has implemented a Code of Conduct for prevention of Insider Trading by the employees of the Company, and they are required to comply with the provisions of the same for doing any transaction in the Company's securities exceeding the limits specified in Code of Conduct. The employees are also required to make initial as well as continual disclosure of their shareholding in the Company as per the Code.
- Workplace free of Harassment
 - The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment based on race, religious creed, color, national origin, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by state or local law or ordinance or regulation.