

GUIDELINE ON CODE OF CONDUCT



GUIDELINE NO HR/66

The Policy has been established in order to make the company position clear to all its employees, suppliers and their co-workers, as well as any other parties. The requirements in this guideline are mandatory for all employees working in the company, company suppliers and their sub-contractors.

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01. BACKGROUND & SCOPE

Our Company, that is Gujarat Fluorochemicals Limited and its subsidiaries is committed to conduct the business of the Company in accordance with the applicable laws, regulations, terms of the Listing Agreement and with the highest standard of ethics and values. The matters covered in the code are of utmost importance to the Company, Shareholders and other Stakeholders. Please refer to :

1. **Annexure II** for Code of Conduct for GFL



02. CODE OF CONDUCT FRAMEWORK & COMPLIANCE

2.1 Any employee who learns of a potential violation of this guideline is required to report his or her suspicion promptly to the Company Ethics Committee. Employees who report potential misconduct or who provide information or otherwise assist in any inquiry or investigation of potential misconduct shall be protected against retaliation. All grievances and complaints shall be taken seriously and treated with sensitivity and fairness. If confronted with such an incident for violation of this Policy, it must be immediately rejected and reported to the Company's Ethics Committee of the respective business comprising of the following incumbents:

1. Chief Executive Officer of the Business
2. Chief Finance Officer of the Business
3. Unit Head or Site Head/Functional Head as the case may be
4. Group Chief Finance Officer
5. Head — Group Corporate Human Resources
6. Company Secretary



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The Company Secretary shall be the “Company Ethics Officer” and any three member of the above List and along with the Company Secretary shall form a quorum of the Ethics Committee. Similarly, if any employee or agent knows or believes that an improper gratification has been or shall be made, the employee or agent must also report such incident to the Ethics Committee. The Company’s policy is that no adverse employment action will be taken against any personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of the related laws or this Policy. The Company shall offer multiple mandatory trainings through various forums and workshops to its suppliers and employees responsible specifically to identify such issues in the company and respond in accordance with the applicable laws. The Company’s suppliers shall also be required to assess their businesses and supply chain to ensure compliance with the provisions of the Act and other requirements as incorporated under this Statement.

2.2 The Company Secretary shall be the “Company Ethics Officer” and any three member of the above List and along with the Company Secretary shall form a quorum of the Ethics Committee. The Company’s policy is that no adverse employment action will be taken against any personnel in retaliation for, honestly and in good faith, reporting a violation or suspected violation of related laws or this Policy.

2.3 Any employee (full time, part time or employees appointed on adhoc / temporary / contract basis), vendors, suppliers, contractors, consultants, service providers or any other agency or their representative doing any type of business with the Company as soon as he comes to know of any misconduct must report such incident to any member of the Ethics Committee.

2.4 The reporting of such incident normally should be in writing. In case the reporter is not willing to furnish a written statement of fraud, but is in a position to give sequential and specific transaction of misconduct, then the Member of the Ethics Committee receiving the information shall record such details in writing as narrated by the reporter and also maintain the details about the identity of the official / employee / other person reporting such incident.

2.5 Reports can be made in confidence and the person to whom the incident has been reported must maintain the confidentiality with respect to the reporter and such matter should under no circumstances be discussed with any unauthorized person.

2.6 Member of the Ethics Committee receiving input about any such incident / nodal officer(s) shall ensure that all relevant records, documents and other evidence is being immediately taken into custody and being protected from being tampered with, destroyed or removed by suspected perpetrators of such misconduct or by any other official under his influence.

2.7 The Ethics Committee, conduct preliminary verification of any suspected activity and conduct a appropriate investigation. Such investigation can be vested to any other person or committee as the Ethics Committee deems fit. **2.8** After completion of the investigation, due & appropriate action, which could include administrative action, disciplinary action, civil or criminal action or closure of the matter if it is proved that discrimination is not practiced etc. depending upon the outcome of the investigation, shall be undertaken.

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2.1.1. COMPLIANCE

All Employees worldwide working with the company are expected to sign an undertaking to comply with all applicable laws, regulations, codes and sanctions relating to the code of conduct and all applicable company policies. Signing of the undertaking shall be a part of the joining process of all new employees with immediate effect.

Failure to comply with this guideline would attract the disciplinary action and may include a reprimand, stoppage of increment, suspension without pay, demotion or dismissal termination for more serious offences.



03. POWER TO AMEND

1. Any change of the guideline shall be approved by the Head – Group Corporate HR.
2. The management shall have the overriding right to withdraw and/or amend the guideline at its own discretion as it deems fit from time to time. The decision of the management shall be final and binding.

Annexure:

Annexure I - Undertaking

Annexure II - Code of Conduct for GFL

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Annexure I - UNDERTAKING

To

The Compliance Officer

DECLARATION: ANTI-BRIBERY AND CORRUPTION, ANTI – FRAUD, MONEY LAUNDERING, TAX EVASION, CONFLICT OF INTEREST AND CODE OF CONDUCT DECLARATION

I, Mr/Ms.....Emp. Code confirm that I have gone through the FOLLOWING guidelines of the Company on and having understood the same I declare that throughout the course of my employment, I will comply with all the provisions of the below mentioned Guidelines -

- HR/69 - Guideline on Prevention of Corruption and Bribery
- HR/70 - Guideline on Code of Conduct
- HR/71 - Guideline on Prevention of Fraud
- HR/72 - Guideline on Conflict of Interest

I also affirm that I will not engage in any activity, practice or conduct which are in contravention of the clauses of the Guidelines, including but not limited to the Prevention of Corruption Act 1988, Prevention of Money Laundering Act 2002 and Income Tax Act, 1961 or any equivalent local law that I am subject to.

I will also take a zero-tolerance approach to bribery, corruption, fraud, tax evasion, conflict of interest and money laundering and observe the highest ethical standards in my activities.

Where applicable to my role, adopt and comply with measures to prevent and detect the commission of bribery, corruption, fraud, money laundering and conflict of interest offences, including measures to prevent the facilitation of tax evasion.

I will not only ensure my activities to comply with the related guidelines, but also ensure all my associates, vendors, service providers also comply with the same. In case any violation or intended violation by any party, I will report immediately the same to you.

I understand that if I violate any of the clauses of the said guidelines, the Company will take appropriate disciplinary action me as deemed fit.

Name of Employee_____ Signature of Employee_____ Employee Code_____ Company Name_____

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Annexure II - Code of Conduct for GFL

Code of Conduct

The purpose of Code of Conduct (the “Code”) is to conduct the business of the Company in accordance with the applicable laws, regulations, terms of the Listing Agreement 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.

Consistent with its values and beliefs, Gujarat Fluorochemicals Limited (“GFL”) has formulated the following code of conduct as guide. The Code does not attempt to be exclusive and exhaustive. It encourages each and every Director and Officer (as defined below) to take positive actions which not only commensurate with the values and beliefs, but are also perceived to be so.

The Code shall come into force with effect from 01st January, 2006. Each and Every Director/Officers (as defined herein below) are expected to be fully aware this code and uphold these standards in the business dealings and activities. They shall also be duty bound to follow the provisions of this Code of conduct 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.

1. APPLICABILITY

This Code of Conduct applies to the following

All the Members of the Board of Directors of the Company; (hereinafter referred to as the “Directors”)

Chief Executive Officer President and Vice President

Head of Finance Function (by whatever name called) Company Secretary

All Departmental/Functional heads of different functions of the Company (by whatever name they are called)

All professionals at corporate serving in the roles of finance, tax, accounting treasury and internal and statutory audit (Hereinafter referred to as “officers”)

2. ETHICAL CONDUCT

All the Directors and Officers are expected to 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 the Company’s sponsored business and social events, and /or at any other place where the Directors/Officers represent the Company.

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3. CONFLICTS OF INTEREST

Duty of Directors / Officers of the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interests or benefits exists where the interest or benefits of one person or entity conflict with the interests or benefits of the Company.

A. Employment

In consideration of employment with the Company with the Company or even thereafter all Officer/s shall not disclose, divulge, or make public or shall personally use for the personal gain. Officers are expected to devote full time to the business interest of the Company and are prohibited from engaging in activities which will affect the performance of or responsibilities to the recorded in the Company's books and records.

G. Protection of Assets

Directors/Officers are responsible for the proper use, protection and conservation of the Company's assets and resources. This includes Company properties, assets, proprietary manufacturing process, engineering designs, process technology, application knowledge, financial data, strategies, trade secrets, corporate information and other Company rights. Company assets are to be used solely to pursue and achieve Company goals and not for personal benefit, unless approved by the Board.

4. 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 law relating to their duties so as to enable them recognize potential danger in their areas and to know when to take advice from the appropriate authorities. Violations of applicable governmental laws, rules and regulations may invite criminal and or civil liability to the individual or Company.

5. Confidential Information

Any information concerning the Company's business, its customers, suppliers etc which is not in public domain and to which the Director/Officer has access or possesses such information must be considered as confidential and held in confidence unless authorized to do so and when disclosure is required as a matter of law. No Director/Officer shall provide any information either formally or informally to the Press or any other publicity media unless specially authorized.

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6. Disclosures

It is the policy of the Company to provide the information in the reports which is required to be given as under statutes and/or applicable rules and regulations that the Company file with or submit to the stock exchanges, SEBI and/or any other government agency and in all other public communications made by the Company.

7. Violations of the Code

Directors/Officers should be alert to possible violations as it is part of their job and their responsibility to help enforce this code. They must cooperate in any internal or external investigations of possible violations, reprisal threats, retribution, and retaliation against any person who has in good faith reported a violation or a suspected violation of law.

Actual violations of law, this code or other Company policies or procedures should be promptly reported to the reporting authority

8. Waivers and Amendments of the Code

The Company is committed to a continuous review and updating of this Code, Policies and Procedures. Any amendment or waiver of any of the provisions of this code must be pre approved in writing by the Company's Board of Directors and promptly disclosed in applicable regulatory filings pursuant to applicable laws and regulations together with details about the nature of the amendment or waiver.



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Gujarat Fluorochemicals Limited

Inox Towers, 17 Sector 16 A,
Noida - 201301, Uttar Pradesh

Tel.: +91 120 6149600

Fax: +91 120 6149610

www.gfl.co.in



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