

# **CODE OF CONDUCT**

(As approved by the Board of Directors of the Company at their meeting held on 11<sup>th</sup> August, 2008)

## **INTRODUCTION**

This Code of Conduct (“Code”) reflects the business practice and principles of behavior to effectively fulfill the commitment of the Company, to conduct its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct.

The Code is designed to provide guidance in the identification and resolution of ethical issues and to help the Board of Directors and Senior Management Personnel of the Company to maintain the culture of honesty, integrity, transparency and accountability. Since no code or policy can anticipate every situation that may arise, this Code is intended to provide guidance for handling unforeseen situations which may arise.

## **APPLICABILITY**

This Code is applicable to the Board of Directors and Senior Management of the Company. Each such Directors and members of Senior Management must comply with the letter and spirit of this Code.

For the purpose of this Code, “Senior Management” would comprise members of the management one level below the Executive Directors, including all functional heads.

## **LEGAL COMPLIANCE**

In the discharge of their duties and responsibilities, Directors and Senior Management Personnel must ensure to comply with all applicable laws, rules and regulations of India and other countries in which the Company conducts its business.

To ensure necessary compliance with all applicable laws, rules and regulations, the Board has assigned such responsibility on every Departmental heads that they will provide such compliance reports to the Compliance Officer for placing the same in consolidated form to the Board.

## **CONFLICT OF INTEREST**

Every member of the Board and Senior Management must avoid conflicts of interest. A conflict of interest can arise when a Director or Senior Management Personnel or a member of his/her family gets any undue advantage or improper personal benefits as a result of his/her position with the Company. Such a situation can also arise when a Director or Senior Management

Personnel takes an action or has an interest that may make it difficult from him/her to perform his/her duties, functions and responsibilities objectively and effectively.

If there are any transactions proposed with such related parties within the knowledge of Directors or Senior Management Personnel, they must report the same to the Compliance Officer. If such transactions determined to be material to the Company, the same shall be placed before Audit Committee for review. Any such dealings must be conducted purely on commercial terms and no preferential treatment shall be given.

In addition to mandatory disclosures, all Non - Executive and Independent Directors may disclose their association with any other company which, in their opinion, may lead to conflict of interest.

While the Code does not attempt, and indeed it would not be possible, to describe all conflicts of interest that could develop, the following are some examples of situations which may constitute conflicts of interest:

- Working, in any capacity, for a competitor, customers, supplier or other third party while employed by the Company
- Competing with the Company for the purchase or sale of property, products, services or other interests.
- Directing business to a supplier owned or managed by, or which employs, a relative or a friend.
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company.

Any question relating to actual or potential conflict of interest by the Directors and Senior Management Personnel, with the Company should be brought promptly to the attention of the Chairman of the Board, who will review the question and determine a proper course of action, including whether a consideration or action by the full Board is necessary.

## **FAIR DEALING**

All our Directors and Senior Management Personnel shall be fair and reasonable with our Clients, Suppliers, Competitors, Associates and other connected parties with whom they have to deal during the course of business. They shall not take any un-due advantage by means of manipulations, concealment, abuse of confidential information, proprietary and/or trade secrets, mis-representation of material facts or any other un-fair dealings practice.

## **CONFIDENTIALITY**

All the Directors and Senior Management Personnel must maintain the confidentiality of confidential information entrusted to them or disclosed or acquired by them in carrying out their duties and responsibilities, except such disclosure is authorized by the Company or is required by laws, rules, regulations or legal proceedings. The term “Confidential Information” includes, but not limited to, non-public information that might be of use to the Competitors of the Company or harmful to the Company or its customers, if disclosed.

## **INSIDER TRADING IN SECURITIES**

It is prohibited to trade in securities or tip others to trade in securities of 20 Microns Limited, on the basis of insider information before it is made available to the public.

Insider trading means buying or selling shares or other securities while in the possession of confidential material information about the Company, its customers or suppliers.

Material information is information that would be important to a reasonable investor in deciding whether to buy, sell or hold securities including non-public information about Company’s earnings, new products, pending mergers or acquisitions, alliances, partnerships or business gains or losses. Insider trading is both unethical and illegal. It is unethical and may be illegal to pass on to anyone non-public material information that comes to your attention in the course of your association/employment other than in the necessary course of business. Everyone should be careful not to disclose any non-public information to any outsiders including family members and friends.

## **PROPER USE OF COMPANY’S ASSETS AND COST CONSCIOUSNESS**

All Directors, Senior Management Personnel and employees at all levels should protect the Company’s assets against any misappropriation, loss, damage, theft etc. by evolving internal control system and procedures.

## **MONITORING COMPLIANCE OF CODE**

Each Director, Senior Management Personnel of the Company is expected to monitor his/her compliance with this Code. An Annual reaffirmation of the Compliance with this Code is required of all the Directors and Senior Management Personnel within 15 days of the close of the financial year of the Company. Such certification shall be in the form provided in Annexure - A to this Code.

**REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOUR**

All the members of the Board and Senior Management Personnel are encouraged to promptly contact the Chairman of the Board or the Compliance Officer if they believe that he/she has observed illegal or unethical behavior by any employee, officer or director, or any one purporting to be acting on the Company's behalf or any violation or possible of this Code and the reporting person has any doubt as to the best course of action in a particular situation. Confidentiality will be maintained, to the extent permissible by law.

**AMENDMENT, MODIFICATION AND WAIVER**

This Code can be found on the Company's website at <http://www.20microns.com>

This Code may be amended, modified or waived only by the Company's Board of Directors and must be publicly disclosed, if required by any applicable law, rules and regulations.

Any waiver of any provision of this Code may be granted only by the Board of Directors and shall be promptly disclosed as required by any applicable law. Such waiver must be accompanied by appropriate controls designed to protect the interest of the Company.

**Annexure - A**

To,  
The Compliance Officer,  
20 Microns Limited

Sub : Compliance Certificate

I, being a member of the Board of Directors / Senior Management Personnel of 20 Microns Limited ("the Company") hereby confirm and certify that:

I have understood the Code of Conduct for Directors / Senior Management Personnel of the Company;

I am bound by the said Code to the extent applicable to my functions as a member of the Board of Directors /Senior Management Personnel of the Company;

During the financial year ....., I have complied with provisions of the said Code;

I am not aware of nor am I party to any non-compliance with the said Code.

Signature :

Name :

Designation:

Date :