

CODE OF CONDUCT FOR THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT POLSON LIMITED

INTRODUCTION & BACKGROUND

This Code is formulated in line with the requirement of Clause 49 (Corporate Governance) of Listing Agreement with Stock Exchanges.

This Code of Conduct ("Code of Conduct" or "Code") helps ensure compliance with the regulatory requirements. The Board of Directors and the Senior Management Personnel's are expected to read and understand this Code of Conduct, uphold these standards in day-to-day activities and also comply with all applicable standards, policies and procedures of the company.

PURPOSE OF CODE OF CONDUCT

Polson is committed to the highest standards of integrity and business conduct. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company. Accordingly, the Company adopts this Code of Conduct (the "Code") to reflect its commitment to endorse and promote the Company's commitment of ethical conduct including fair dealing and ethical handling of conflicts of interest, provide mechanisms to report unethical conduct, and help foster a culture of honesty and accountability.

APPLICABILITY

This Code applies to:

- i. Board of Directors of Polson Limited ('the Company') hereinafter referred to as the 'Board';
- ii. Senior Management Personnel (i.e. members of core management team excluding the Board of Directors but including all members of management one level below the executive directors) hereinafter referred to as 'Senior Management';
- iii. Such other employee/s of the Company as may be designated as a member of the Senior Management for the purpose of this Code by the Managing Director of the Company from time to time.

REGULATORY COMPLIANCE:

The Board and the Senior Management of the Company shall observe the following Code of Conduct:

- comply with all applicable laws and regulations, in letter and spirit. If the ethical and professional standards of applicable laws and regulations are below that of this Code, then the standards of the Code shall prevail.
- act with integrity, including being honest and candid while still maintaining the confidentiality of information where required or consistent with the Company's policies.
- deal fairly with the customers, suppliers, employees and other business partners.
- adhere to a high standard of business ethics professional standards in all the professional dealings.

- Avoid using any information or opportunity received in the capacity of the employment for personal gain or in a manner that would be detrimental to the Company's interest.
- Be transparent in all the business dealings of the Company.
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of the service and even after cessation of service except when authorized or where disclosure is required as a matter of law.
- Neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived to obtain uncompetitive favours.
- Protect Company's assets and properties, including intellectual property and ensure its efficient use.
- Disclose financial or other material interest by oneself or through relatives / organisation in any contract with the Company and abstain from discussion, voting or otherwise influencing decision on such matters.
- The Board Members and Senior Management Personnel shall comply with the Code of Internal Procedures and Conduct for Prevention of Insider Trading in dealing with securities of the Company.

CONFLICT OF INTEREST:

- The Directors and Senior Management should refrain, in the best interests of the Company without allowing one's personal interest to conflict with the interest of the Company.
- Shall not engage in any business relationship or activity, which may be in conflict with the interest of the Company.
- Any situation that involves or may reasonably be expected to involve a conflict of interest with the Company, should be disclosed promptly to the Chairman of the Board and the Chairman will determine what action shall be take to deal with the concern.
- In the extremely unlikely event that a waiver of this Code for a Director would be in the best interest of the Company, it must be approved by the Audit Committee and the Board of Directors.

❖ DUTIES OF DIRECTORS

A) Applicable to all Directors in general

The Directors of the Company shall, in terms of Section 166 of the Companies Act, 2013:

1. act in accordance with the Articles of Association of the Company.
2. 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, stakeholders, the community and for protection of environment.
3. exercise his duties with due and reasonable care, skill and diligence and also exercise independent judgement.

4. not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
5. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
6. not assign his office and any assignment so made shall be void.

B) Applicable to Independent Directors

In addition to the duties imposed upon the Directors of the Company under Clause 3 (A) above, the Independent Directors of the Company shall also be bound by the following additional provisions in respect of their conduct as Independent Directors on the Board of the Company:

a. Guidelines of Professional Conduct

The Independent Director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his / her duties;
3. exercise his / her responsibilities in a bona fide manner in the interest of the Company;
4. devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his / her 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;
6. not abuse his / her 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;
7. refrain from any action that would lead to loss of his / her independence;
8. where circumstances arise which make an Independent Director lose his / her independence, the Independent Director must immediately inform the Board accordingly;
9. assist the Company in implementing the best corporate governance practices.

b. Role and Functions:

The Independent Directors shall, while discharging their duties as a member of the Board of Directors and/or any Committee of the Board of Directors, as the case may be:

1. 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;
2. bring an objective view in the evaluation of the performance of the Board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. 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;
8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

c. Duties:

In addition to the duties of Directors as mentioned under Clause 3 (A), the Independent Directors shall —

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
2. 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;
3. strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the Company;
6. strive to attend the meetings of the Independent Directors whenever held;
7. 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;
8. keep themselves well informed about the Company and the external environment in which it operates;
9. not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
10. 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;
11. ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
12. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
13. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;

14. 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.

4. AFFIRMATION OF COMPLIANCE:

The Compliance of this Code of Conduct shall be affirmed, in writing, by the Board and Senior Management, on an annual basis, coinciding with the closing of the financial year of the Company i.e. 31st March.
