



Code of Conduct and Ethics

**Applicable to all Directors, Designated Officers of NHC Foods Limited
(Herein after referred as 'Company')**

In supersession of earlier Code of Conduct, the revised Code of Conduct is given below incorporating the Duties of Independent Director(s) as laid down under Companies Act, 2013 and SEBI Circular CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014

This Code of Conduct (the “Code”) sets forth legal and ethical standards of conduct for Directors and all employees of NHC Foods Limited (“NHC Foods,” or the “Company”) and ensures compliance with legal requirements under Clause 49 ‘Corporate Governance’ of the Listing Agreement and to promote:

- I. Honest, fair and ethical conduct, including the ethical handling of conflicts of interest between personal and professional relationships;
- II. Protection and Proper Use of Corporate Assets & Company’s Confidential Information;
- III. Compliance with governmental laws, rules and regulations;
- IV. The prompt internal reporting of violations of the Code to an appropriate person or persons identified in the Code.

All of our Directors and employees must conduct themselves accordingly and seek to avoid improper behaviour.

If one has any questions regarding this Code or its application to him in any situation, one should contact the Compliance Officer(s) (appointed by the Company under Corporate Governance Regulations).

1. Honest and Ethical Conduct and Fair Dealing:

All of our Directors and employees should endeavour to deal honestly, ethically and fairly with the Company’s suppliers, customers, competitors, employees and shareholders. Statements regarding the Company’s products and services must not be untrue, misleading, deceptive or fraudulent. All of our Directors, employees must not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice.

We seek to outperform our competition fairly and honestly. We seek competitive advantages through superior performance, never through unethical or illegal business practices. Stealing proprietary information, possessing trade secret information that was obtained without the owner’s consent, or inducing such disclosures by past or present employees of other companies is prohibited.



To maintain the Company's reputation, compliance with our quality processes and safety requirements is essential. In the context of ethics, quality requires that our products and services reflect our ethical obligations. All operations must be conducted in accordance with all applicable regulations.

2. Conflicts of Interest

The following pertains to all conflicts of interest other than those relating to transactions between NHC Foods Limited and its affiliates/subsidiaries. All of our Directors and employees must act in the best interests of the Company. All of our Directors and employees must refrain from engaging in any activity or having a personal interest that presents a "conflict of interest." A conflict of interest occurs when their personal interest interferes, or appears to interfere, with the interests of the Company. A conflict of interest can arise whenever our director and employee, take action or have an interest that prevents them from performing the Company duties and responsibilities honestly, objectively and effectively. In order to avoid conflicts of interest, employees, our directors and employees must observe the following restrictions, which are not to be construed as a comprehensive list:

- a. No employee, or director or close relative of a employee or director may own any financial interest, a proprietorship interest or a partnership interest in any enterprise exceeding 5% interest (other than NHC Food's affiliates / subsidiaries) which competes with the Company without obtaining prior written consent from the Chairman in case of employee or his relative and from the Board of Directors of the Company in case of any director or his relative.
- b. No employee or director may use the Company's name, property, proprietary or confidential information, or goodwill for personal gain or for the gain of others.
- c. No employee or director or close relative of an employee or director may engage in any activity as an officer, director, employee, contractor, supplier or consultant with any enterprise (other than NHC Food's affiliates / subsidiaries) that competes with the Company.

A "close relative" means a spouse, dependent child or parents.

Conflicts of interest are prohibited as a matter of Company policy. It is responsibility of the individual to disclose any material transaction or relationship that reasonably could be expected to give rise to a conflict of interest to the Compliance Officer(s). The Board of Directors or any authorized Director shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.



Conflicts of interest may not always be clear-cut, so if one has a question, one should consult with the Compliance Officer(s).

3. Confidential Information:

The disclosure of confidential information regarding Company business, financial, legal, regulatory or scientific operations, whether intentional or accidental, can adversely affect the financial stability and competitive position of NHC Foods and the job security of its employees.

On account of this risk of harm to NHC Foods, individuals must not, during the term of their employment by, service or affiliation with NHC Foods or thereafter, disclose to third parties any confidential information obtained during the course of employment, service or affiliation without confidential disclosure agreement or confidentiality provision.

“Confidential Information” means all non-public information in Company’s possession, whether through internal or external development, that might be of use to competitors, or harmful to the financial stability or competitive position of NHC Foods if disclosed, including but not limited to:

- Discoveries, inventions, improvements and innovations, whether patentable or Copyrightable or otherwise
- Methods, processes and techniques, including manufacturing process information
- Formulae, compounds and compositions
- Equipments
- Personnel data
- Customer lists
- Financial, pricing and accounting data⁴
- Supplier data (names of suppliers, pricing, sources of supply, anticipated requirements)
- Results of regulatory inspections/audits
- Business plans and updates to business plans
- Potential acquisitions, licenses or other business deals
- Potential equity interests
- Regulatory filings and approval datas
- Marketing and sales information

4. Corporate Opportunities

Directors and employees shall not exploit for their own personal gain, opportunities that are discovered through their position with the Company, use for themselves corporate



information or property unless the same is disclosed prior to use in writing to the Chairman in case of employee and to the Board of Directors in case of any director.

5. Other Directorships:

The Company feels that serving on the Boards of Directors of other companies may raise substantial concerns about conflict of interest. Therefore, all Directors and employees must report / disclose such relationships to the Board, when such relationships are formalised and thereafter, on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the Company. In view of this, the prior written consent of the Chairman in case of employee and to the Board of Directors in case of any director must be obtained before joining the Board of Directors of any pharmaceutical company.

5. Compliance with Laws, Rules and Regulations:

Directors and employees are required to comply with all applicable laws, rules and regulations, and Company procedures, rules and policies as may be made applicable by the Company from time to time. In order to assist the Company in promoting lawful and ethical behaviour, Directors and employees must report any violation of law, rules, regulation or the code of conduct to the Compliance Officer(s).

6. Protection and Proper Use of Corporate Assets:

Executive Directors and employees should seek to protect the Company's assets. Theft, carelessness and waste have a direct impact on the Company's financial performance. Executive Directors and employees must use the Company's assets and services solely for legitimate business purposes of the Company and not for any personal benefit or the personal benefit of anyone else. Company equipment should not be used for non-Company business or activity.

The obligation of Directors and employees to protect the Company's assets extends to its proprietary information. Proprietary information includes intellectual property such as customer data or information, trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, designs, databases, records, salary information and any unpublished financial data reports. Unauthorized use or distribution of this information would violate Company policy and could also be illegal resulting in civil or even criminal penalties.

7. Gifts and Gratuities

The purpose of business entertainment and gifts in a commercial setting is to create good will and sound working relationships, not to gain unfair advantage with suppliers and



customers. No gift or other favors should ever be offered, given, provided or accepted by any Director and employees, or close relative of Director and employees unless it

- a. is not a cash gift
- b. is consistent with customary business practices
- c. cannot be construed as a bribe or payoff and
- d. does not violate any laws or regulations.

This policy does not bar acceptance of courtesies or invitations to social or sports events which are customary and proper under the circumstances and in keeping with good business ethics so long as no obligation is involved in such acceptance.

8. Electronic Media Usage

NHC Foods provides access to and use of electronic mail, voicemail, the intranet, the Internet, and other electronic media for business purposes. This is provided to make it easier for NHC Foods employees to communicate with each other and with appropriate outside parties – including contractors, suppliers, customers, shareholders, government agencies and academic institutions.

Company's electronic media is not to be used for any purposes that violate applicable laws, rules and regulations and NHC Foods standards, policies or procedures. This includes transmission of threatening, obscene or harassing materials.

Incidental personal use of electronic media that does not interfere with NHC Foods business or an employee's performance of his or her abilities is acceptable, as long as such use does not include illegal, unethical or otherwise offensive subject matter.

Except as otherwise provided by applicable law, no officer or employee has any right to privacy regarding use of or access to any electronic media provided by or through NHC Foods. NHC Foods may monitor or access employee use of its electronic media at any time in accordance with applicable law.

9. Financial Reporting

High standards of integrity are integral to our business conduct. Our financial reports should stand as a barometer of not just high performance but also high transparency and accountability.

It should be our constant endeavour to share and disclose to our stakeholders material information as recommended in statutory guidelines.



10. Third Party Engagement

Our responsibility does not end at our premises. We should act as catalysts to cascade Responsible Practices across our entire value chain. Any member of our value chain found to be indulging in irresponsible and unethical business practices should be condemned and appropriate action should be taken.

11. Insider Trading

The Company has formulated a Code of Internal Procedures and Code of Conduct for Prevention of Insider Trading. The Directors and the Management personnel covered under the said Insider Trading code shall comply with the requirements of the said code.

If a person possesses material non-public information concerning the Company that issues publicly-traded securities, it is generally illegal for the person to trade in securities of that company or to “tip” others who might trade in such securities.

Directors and Personnel covered by the said Insider Trading code, all other employees covered under this Code and third parties who are in a confidential relationship with NHC Foods (as well as such individuals’ household members and close relatives) (“Covered Persons”), shall not trade in or recommend the purchase or sale of NHC Foods common shares (or any other equity or debt securities of NHC) while they are in possession of material information regarding the operations or prospects of NHC Foods that have not been publicly disclosed and disseminated.

Covered Persons covered by this Code shall not disclose any such material non-public information to third parties except when done for valid business purposes (and covered by an appropriate confidential disclosure agreement). In such cases the covered persons must have no reason to believe the information will be misused or the disclosures might otherwise violate securities laws.

12. Code for Independent Directors:

The independent directors of the Company 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) 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
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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;
- (10) 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;
- (11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

13. Accountability for Adherence to the Code

Directors and employees are responsible for decision-making and for adherence to this Code.

- Internal Investigations: NHC Foods will promptly investigate all alleged violations and potential violations of this Code, or of any related NHC Foods standard, policy or procedure. Any allegations will be treated confidentially, to the extent consistent with NHC Foods interests and its legal obligations

All are expected to cooperate in the investigation of an alleged violation of the Code. If NHC Foods determines that corrective action is necessary to fix a problem and avoid the likelihood of its recurrence, NHC Foods will promptly decide what steps to take, including legal proceedings when appropriate.



- Disciplinary Action. To the extent legally permissible under applicable law, appropriate disciplinary action will be taken, in relation to this Code or any related NHC Foods standard, policy or procedure.
- Certification. All Directors and employees must certify, in writing or electronically, that they have received, read, understood and shall abide by this Code.

14. Duty to Report Violations

Directors and employees are responsible for reporting in good faith to the Company any circumstances that he believe may constitute a violation of this Code, as well as any other Company policies. One should direct policy violations to the Compliance Officer(s) will know about his identity The Company will investigate any matter so reported and will take appropriate corrective action. There will be no retribution against individuals for reporting in faith of policy violations. However, individuals will not be protected from possible disciplinary action if matter reported is with a malicious intent (bad faith) or if the individual has otherwise engaged in misconduct.

15. Waivers of this Code of Business Conduct and Ethics

While some of the policies contained in this Code must be strictly adhered to and no exceptions can be allowed, in other cases exceptions may be possible.

Any Director who seeks an exception to any of these policies must contact the Chairman of the Company. Any employee who seeks an exception to any of these policies must contact the Compliance Officer(s). Any waiver of this Code or any change to this Code may be made only by the Board of Directors or such designated authorities of the Company.



16. Dissemination, Annual Review and Amendment

The Company reserves the right to amend, alter or terminate this Code at any time without giving any reason. The Company will make public disclosure as and to the extent required by applicable laws, rules and regulations, of amendments of this Code.

This document is not an employment contract between the Company and any of its Director and employees and does not alter NHC Foods employment at will policy.



Code of Conduct for Directors and all employees of the Company,
dated October 1, 2014

CERTIFICATION

I, _____ do hereby certify that:
(Print Name Above)

1. I have received and carefully read the Code of Conduct of NHC Foods Limited
2. I understand the Company's Code of Conduct.
3. I have complied and will continue to comply with the terms of the Code of Conduct and have reported or will report any known violations of the Code according to the procedures outlined in the Code.

Date:

(Signature)