

NIRMA LIMITED

Code of Conduct for the Board of Directors and Senior Management

Approved by:

(i) Board Meeting dated – 13th February, 2025



INTRODUCTION

As per regulation 17(5) of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 (“Listing Regulations”) as amended, the board of directors of High Value Debt Listed Company shall lay down a code of conduct for all members of board of directors and senior management of the listed entity and the code of conduct shall incorporate the duties of independent directors as laid down in the Companies Act, 2013 (“the Act”). In compliance with the said provisions, “The Code of Conduct for the Board of Directors and Senior Management” (hereinafter referred to as “the Code”) has been formulated by the Company.

DEFINITION

“**Senior Management**” shall mean the officers of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Managing Director or Whole Time Director and shall specifically include the functional heads, by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors, by the Company. .

APPLICABILITY

The Code shall be applicable to the following persons:

- All the members of the Board of Directors; and
- All the Senior Management.

GUIDELINES FOR CONDUCT

The Code expects the following from all the members of the Board of Directors and Senior Management of the Company

- Act in accordance with highest standard integrity, honesty, ethically and maintaining confidentiality of information.
- True, fair, adequate and accurate disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies
- Compliance of applicable laws, rules and regulations



- Act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders
- Use the Company's assets and resources for purposes/interest of the Company and not for any personal benefits or gains.
- They shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

CONFLICT OF INTEREST

A conflict of interest occurs when a directors'/members' of Senior Management personal interest interfere in any way, with the interest of the Company as a whole.

Senior Management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large. Director and members of Senior Management of the Company should avoid conflict of interest with the Company.

DISCLOSURE STANDARDS

The members of the Senior Management shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, auditors, regulators and other statutory agencies, as may be required under applicable laws, rules and regulations.

CONFIDENTIALITY AND FAIR DEALINGS

Director and members of the Senior Management of the Company should maintain the confidentiality of information entrusted to them by the Company.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for personal gain or advantage of the Director or anyone other than Company.

Director and members of the Senior Management of the Company shall adhere to the provisions of SEBI [Prohibition of Insider Trading] Regulations, 2015, as may be applicable.



The Company's confidential information shall include all trade related information, trade secrets etc. in connection with the Company and commercial, legal, technical data that are either provided to or made available to each member of the Board and the Senior Management by the Company by virtue of their position with the Company.

ACCEPTANCE OF GIFTS AND PAYMENTS

The Company requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorisation to pay any money, gift, or anything of value from customers, suppliers, stakeholders, etc. of the Company, that is perceived as intended, directly or indirectly, to influence any business decision. However, this is not intended to include gifts of a customary nature.

KEY FUNCTIONS OF THE BOARD OF DIRECTORS

- Reviewing and guiding corporate strategy, risk policy, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.
- Monitoring the effectiveness of the Company's governance practices and making changes as needed.
- Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.
- Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the Company and its shareholders.
- Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.
- Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.
- Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place.



in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards as applicable to the business of the Company.

- Overseeing the process of disclosure and communications.
- Monitoring and reviewing board of director's evaluation framework.

OTHER RESPONSIBILITIES OF THE BOARD OF DIRECTORS:

- shall provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the Company and the shareholders.
- shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders.
- Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
- The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
- shall exercise objective independent judgement on corporate affairs.
- shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk-
- When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
- shall be able to commit themselves effectively to their responsibilities.
- shall have access to accurate, relevant and timely information in order to fulfil their responsibilities.

DUTIES OF INDEPENDENT DIRECTORS

All Independent Directors on the Board shall adhere to the Code for Independent Directors as prescribed in Schedule IV to the Act under the provisions of section 149[7]. The Code is a guide to professional conduct for independent directors. An independent director shall



- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

In addition, an Independent Director shall also abide by the provisions of the "Code for Independent Director" as provided in Schedule IV of the Act.



AFFIRMATION OF COMPLIANCE WITH THE CODE

All members of the Board of Directors and Senior Management personnel shall affirm compliance with the Code of Conduct of Board of Directors and Senior Management on an annual basis. They shall be forward the said affirmations to the Company Secretary in the format prescribed in Annexure 1.

VIOLATIONS OF THIS CODE

Violations of this Code by Senior Management and by Members of the Board of Directors should be promptly reported to the Chairman of the Company. The Company will investigate any matter so reported and will take appropriate corrective action as may be required.

DISCLOSURE AND AMENDMENT:

Any amendment / modification in the Listing Regulations and / or any other laws in this regard shall automatically apply to align with this Code, for which no approval of Board would be required. However, the Board may also make any amendments to the Code from time to time, as and when required.



NIRMA LIMITED

**ANNUAL AFFIRMATION OF COMPLIANCE WITH THE CODE OF CONDUCT
FOR THE BOARD OF DIRECTORS AND THE SENIOR MANAGEMENT***

To,
The Company Secretary
Nirma Limited
Ahmedabad

I do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for the Board of Directors and Senior Management of Nirma Limited during the financial year ending 31st March _____.

Signature

Name.....

Designation.....

*Date.....

Place.....

* To be submitted by 30th April every year.

