

CODE OF CONDUCT

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1. INTRODUCTION

Objectives

Butterfly Gandhimathi Appliances Limited (hereinafter referred to as “BGMAL” or “the Company”) respects Laws and Regulations of the land in all forms. This law- abiding culture originates from BGMAL ’s Value of Honesty in all its business dealings. Consequently, such practices have acted as a guiding light, for informed decision making, even in areas wherein legal rules do not exist or are open to interpretation.

BGMAL is committed to imbibe the applicable Regulatory framework governing its business performance, with requisite degree of discipline. To ensure a cohesive response to business issues and concerns, it is felt necessary, to articulate and document a written Code of Business Practices and Behaviour, for all businesses of BGMAL.

The focus of this Code is to achieve a consistent perspective for business operations across variable platforms; with the end purpose of fostering optimum performance across all functions, with requisite degree of expected discipline.

Every employee is a BGMAL citizen, and this Code is meant to assist both new, as well as existing employees; young as well as experienced, to understand and promote all the principles that BGMAL stands for.

Though some of the Guidelines in this Code might seem stringent, it is expected that every BGMAL employee faithfully follows the same.

Ethical Business Practices and Behaviour are an integral part of BGMAL’s business operations; and therefore, are not explicitly emphasized in this Code.

Applicability

At BGMAL, every employee is encouraged and expected to conscientiously contribute towards attaining BGMAL 's goals and, this Code is considered an important means to achieve this end. Hence, each employee is required to abide by this Code, irrespective of hierarchy or designation and, be a Role Model, by setting a positive example for each other.

Some clarifications and guiding principles for interpretation of this Code are as follows:

- a) In this Code, the word “BGMAL” or “the Company” shall mean Butterfly Gandhimathi Appliances Limited, a company incorporated under the Indian Companies Act, 2013.
- b) This Code applies to all employees except the blue collared workforce.
- c) All White-Collar employees are expected to Role Model the various aspects of this Code, in all interactions with the blue collared workforce, to set an example.

- d) In very exceptional cases, BGMAL 's Managing Director may authorize temporary exceptions or deferment of applicability of certain obligations of this Code at a particular location.

Employees' Responsibilities

At BGMAL, whilst employees are nurtured in a stimulating environment, BGMAL expects all its employees to adhere to the law of the land with the same sanctity as Internal Regulations.

All employees, in the performance of their Job Role and in Business Interactions, both within and outside BGMAL, (with its suppliers, business associates, customers, service providers etc.) must:

- a) Comply with all applicable Laws and Regulations to fulfil and strengthen BGMAL 's non-negotiable philosophy that the Company and its employees will always abide by all Laws and Regulatory frameworks, which govern its functioning and operations.
- b) If the Laws and Regulations of a location are less prescriptive than this Code, then the standards of this Code and applicable Company Policies, as may be issued from time to time, on various matters, will apply. Employees must be aware that violation of legal requirements governing various dimensions of business operations can result into huge penalties, civil suits and/or criminal prosecutions.

All employees must:

Promote Compliance with this Code:

- a) Read and understand this Code, the applicable Company Policies and Laws & Regulations of a location and take full responsibility for their implementation.
- b) Ensure that their reportees fully comply with all applicable Laws and Regulations at a location, the contents of this Code and the applicable Company Policies.
- c) Comply with this Code, the applicable Company Policies, Laws & Regulations of a location in both letter and spirit. In ambiguous situations, when one hears oneself or someone else says, "everybody does it," "maybe just this once," "no one will ever know" or "it won't matter in the end", employees are expected to exercise caution and restraint. Situations like these, are clear indications to stop, think through the situation, reflect, and seek proper guidance.
- d) A simple self-test by which all employees can gauge the integrity and intellectual honesty of their action(s), will be to assess their own reaction, if their action(s) were to make the headlines of a nation-wide newspaper, alongside their photograph. Would this article make the Company proud of itself and the employee; would it make the employee proud, to share it with his/her family and friends; or would it embarrass the Company and the employee.

Display Personal Commitment

- e) Demonstrate the Culture of BGMAL, as espoused in the principles of this Code, during business interactions and be a Role Model. At BGMAL, we regard every employee as a brand ambassador of the Company and we expect every employee, to visibly demonstrate living the Business Practices contained in this Code.

Promote and Assist Implementation:

- f) Always make a genuine effort to prevent or stop any attempt that disregards the Practices set out by this Code. Being a silent spectator to violation by others, would be “Intellectual Dishonesty”.
- g) Report non-adherence of any violation of the Code, applicable Company Policies and Laws & Regulations, even if it does not concern him/her in any way.
- h) Be aware that:
 - (i) Influencing an employee to violate or dilute this Code or intimidating/discouraging the employee from reporting a violation is also a contravention of this Code.
 - (ii) Disregarding the written advice of Interpretation Authorities (these are the Reporting Authorities mentioned at Chapter 1 - Item 6 of this Code), will invite appropriate action against an employee.
 - (iii) Threatening or retaliating against a reporting employee is also a violation. BGMAL shall ensure that there are no instances of retaliation or reprisal against any employee who, bona-fide and in good faith, reports a violation.
 - (iv) Whilst engaging new business associates and also for existing business associates:
 - (i) Communicate the contents of this Code before engaging and at regular subsequent intervals thereafter.
 - (ii) Periodically validate that the Business Practices of such associates conform to the requirements of this Code.
 - (iii) Take steps to review, and if necessary de-list, those business associates who fail to honor BGMAL principles contained in this Code in their business relationships and interactions with BGMAL.
 - (iv) Co-operate with investigations by the Management related to violations of this Code.

Leadership Role

In addition to their obligations as employees, all employees in a Leadership Role shall have further responsibility to:

- a) Understand this Code, Role Model the Practices and Behaviour contained herein, and set an example through practice of this Code, in both letter and spirit.

- b) Create, nurture, and sustain a climate of trust and confidence, so that employees are encouraged to speak-up when and where necessary.
- c) Protect employees reporting bona-fide and in good faith, a violation of this Code, from retaliation or reprisal.
- d) Influence the work environment in a positive way.

BGMAL advocates and values the principle of “Nurturance” and hence this Role is required to be played by its Leaders.

Familiarization with this Code must be a part of every employee’s induction process. This Code must be made available to every employee of the Company on joining. Every employee, on his/her joining the Company, must acknowledge in writing, that he/she agrees to abide by this Code and this acknowledgement must be a part of his/her employee record.

Inclusivity

At BGMAL, we believe that, in this fast-moving world, Principles and Morals are a few things that remain unwavering; since, these contribute to a strong foundation. Like them, the principles of this Code are also expected to remain constant, irrespective of the circumstances.

To emphasize the enduring nature of this Code, it should be kept in mind that:

- a) Any business environment is dynamic and ever-changing. It is, therefore, not possible to predict and articulate all conceivable practices, which are not considered appropriate. There may be situations which do not find mention in this Code and where the employees may have to deal with the dilemma of interpreting, whether his/her actions would violate the spirit of this Code. In such situations, employees are expected to use the Principles of this Code, to decide their responses and behavior.
- b) If, in the slightest of doubt, the employee is expected to obtain advice from the Interpretation Authorities under this Code, (i.e., any of the Reporting Authorities mentioned at Chapter 1 - Item 6 of this Code).

Reporting

BGMAL believes that its expectations with respect to employee behavior are clearly outlined in this Code. Hence, non-adherence to this Code, would be a violation, BGMAL views non-adherence seriously.

In case there is any non-adherence, it needs to be reported to the Reporting Authority, as mentioned below.

The “Reporting” is categorized into 2 sections:

Section 1: For Chapter 2 to Chapter 13. Any violation or deviation of the Code must be reported immediately, as soon as it occurs.

Section 2: For Chapter 14 to 17 (Commitment to Communities, Respect to Human Rights, Business Meetings, Business Behaviour, and Interpersonal Behaviour & Etiquette). These items elaborate matters which impact the Company's image. In such cases, reporting should be considered only if the violation/deviation is a recurring pattern of behaviour, which is considered serious enough to be highlighted for Management attention.

If the Laws and Regulations of a location prescribe a reporting mechanism, then the same should be adhered with utmost stringency. In addition to the legal requirements, the violations or deviations under the Code, Laws & Regulations as well as Company Policies must be reported in either of the following 2 ways:

- a) Reporting on a separate e-mail ID - wbbutterfly@butterflyindia.com which has been created for reporting any violations or deviations. E-mails sent to this e-mail ID will directly reach the HR Head of BGMAL.
- b) Reporting to the following Executives:
BGMAL Company Secretary
BGMAL HR Head

Whilst reporting a non-adherence or a violation, the following information must be provided:

- a) The specific aspects of this Code which have been violated.
- b) The individual, group of people or functions involved.
- c) A comprehensive description of the violation, giving details of the incident, which will enable the Management to understand the violation. In the case of reporting under Section 2, details of the recurring pattern of behaviour must be provided.
- d) Information/data that the reporting employee has with him/her that Management can refer to, whilst investigating the violation.

Reporting with malefice or malicious intent, to “settle scores” or with “hidden agendas” will also be considered a violation of this Code; except genuinely mistaken reporting, based on evidence which could have been the subject matter of varying interpretations. If, after investigation, it is found that the reporting was malefice/malicious, the reporting employee can expect a serious Management response.

It is preferred that the reporting employee must indicate his/her full name, Division/Entity Location and e-mail ID. Anonymous reporting is discouraged and will be considered only in exceptional cases.

A Management Committee comprising Senior Management nominated by the Managing Director of BGMAL, will be responsible for objectively investigating a reported violation.

It is the Management's Commitment that the identity of the employee reporting a violation will be kept confidential, except if required to be disclosed by law.

Actions

At BGMAL, we are sensitive about discipline and decorum at the workplace and hence, this Code must be followed conscientiously by all employees. Violation of this Code may lead to severe consequences; however, the action would vary depending on the nature and seriousness of the violation.

- a) After proper investigation, the Company may respond to reported violations by taking appropriate actions like counselling, coaching, performance related actions, termination as well as legal actions, depending upon the seriousness and the Organizational impact of the violation.
- b) In order to maintain the dignity of an employee, actions taken will not be publicized.

Compliance

At BGMAL, we need the comfort, that every employee has assimilated this Code in his/her daily business life. This must be demonstrated through incorporating a positive declaration to this effect in the respective Compliance Reports, that each Division / Department / Product Line provides to the Board of Directors at the end of each quarter.

- a) It is essential that all employees diligently abide by this Code, Laws and Regulations of the locations, where BGMAL has a business presence, and all Company Policies. Adherence to Section 1 (Chapter 2 to 13) of this Code must form a part of the Compliance Reporting structure of the Division / Department and, a Declaration to this effect, must be incorporated in all Compliance Reports to the Board of Directors of the Company.
- b) At BGMAL, accountability for Regulatory Compliances cascades down, to the concerned employee directly responsible, through a documented delegation framework of the “Rules of Procedure for Management”, Powers of Attorney, Delegatory Resolutions by the Board of Directors and/or its committees etc. In the normal course, the Division / Department Head is held accountable for all Regulatory Compliances and, for this purpose, is expected to establish adequate systems for review and controls.

2. ANTI-TRUST & COMPETITION LAWS

At BGMAL, every bond is strengthened with trust and, a commitment to provide value, which leads to fair business practices. BGMAL trusts its employees, and hence, they need to engage in trustworthy relationships whilst dealing with business associates, both internally as well as externally. At BGMAL, trust is the foundation for various relationships, and an employee is expected to live up to this belief.

The purpose of Anti-Trust and Competition, as well as Trade Laws is to preserve and promote fair business competition. It is the responsibility of all employees at each location to acquaint themselves and strictly abide by such laws and enactments, whilst dealing with competitors, customers, suppliers and other business associates. Even otherwise, every employee must avoid engaging in restrictive trade practices, abuse of market dominance or maligning the products or services of its competitors. This is to ensure that the behavior of any employee or the Company cannot be interpreted as a violation of, or in conflict with the Anti-Trust and Competition Laws applicable to the location.

In addition to their obligations as employees, all employees in a Leadership Role have the further Responsibility to:

- a) Give adequate importance to discussions on Anti-Trust and Anti- Competition issues during Business Meetings. For this purpose, it is the obligation of the Function Head in consultation with the BGMAL Corporate Legal / Secretarial Department to analyse, highlight and document the business practices of each location, so that any adverse impact of Anti-Trust and Competition Laws is not attracted.
- b) Seek clarity on ambiguous practices from the Function Head or BGMAL Corporate Legal / Secretarial Department wherever applicable.

At each location, it is the obligation of the Function Head, to issue Clarifications and Guidelines with respect to expected behaviour, which could have an adverse impact with respect to violation of, or conflict with, the Anti-Trust and Competition Laws of the location. Such Clarifications and Guidelines must be approved by the Legal Department.

3. CONFLICTS OF INTEREST, FRAUD, BRIBERY & CORRUPTION

Conflicts of Interest

Every employee is expected to maintain a fine equilibrium between his / her professional and personal dealings/interactions. As regimented as it may sound, yet BGMAL requires its employees to carefully always maintain this balance. All employees must keep away from situations that may result in “Conflict of Interest”. “Conflict of Interest” arises in a situation where an employee has any private or personal interest which is sufficient to influence the objective and accordingly exercise of his/her judgement in the discharge of duties. Involvement in a situation in which, the Company's interest has an actual or potential conflict with the employee's private or personal interest is an unacceptable practice and will be viewed as a dilution of the trust that BGMAL has reposed in the employee.

An employee's primary employment obligation is to the Company. The Company's employees shall avoid entering any situation in which their personal or financial interests may conflict with those of the Company's including related party transactions. Employees should not place themselves in a position where they are, or appear to be, under personal obligation to any person who might benefit or seek to gain special consideration or favour resulting from the relationship. Business decisions must be taken on an arm's length basis, duly supported by relevant facts and justified rationale such as quality, track record, competitive pricing, etc.

Illustrative Instances that indicate Conflict of Interest:

- a) Hiring or recommending the hiring of a vendor/business associate which employs a close relative or in which, BGMAL 's employee or his/her close relative has an influencing ownership stake or relationship.
- b) Negotiating or dealing with vendor/service provider with whom the employee has personal relationship running beyond business relationship unless the relationship is disclosed and other employees form part of such negotiation / dealing.
- c) Participating in a decision of the Company to hire or promote a family member or relative of the employee or using their position in the Company to solicit clients for their business or a business operated by a family member or relative on the employees' part or who might seek in any way preferential treatment in relation to the Company.
- d) Giving preferential treatment to relatives, personal friends, or to organizations in which the employee or his or her relatives or personal friends have an interest, financial or otherwise. Using BGMAL 's assets, contacts, possessions or other resources to directly or indirectly start or support a private business activity, by oneself or through a close relative.
- e) Acceptance of gift(s) or favour(s) from a vendor/business associate by a BGMAL employee or by a close relative, except where it is in the form of sweets, dry fruits, flowers, or other items of a small value, clearly displaying a gesture of goodwill.

- f) Awarding of contract(s) to a vendor/business associate in view of his/her contributions to charitable or community campaigns to which an employee is committed.
- g) Performing services or practicing of any service externally (in the form of a consultant) for a competitor, vendor, sub-contractor, customer, business associate, etc. (whether directly or indirectly), whilst employed with BGMAL.
- h) Benefiting from a business opportunity, either through oneself or through a close relative that would otherwise belong to BGMAL, or which is in competition with BGMAL.
- i) Using BGMAL 's assets, contacts, possessions, or other resources to directly or indirectly start or support a private business activity, by oneself or through a close relative.
- j) Moonlighting, regular trading in the Company's shares, investments in the enterprises of business partners, competitors, associates, etc., whether directly or indirectly.
- k) Using Official Tours to disguise Personal Use / Purposes / Agendas / Activities.

Employees should always act in the best interests of BGMAL and should not enter any kind of private transactions that directly or indirectly bring personal advantage. Business decisions must be taken on an arm's length basis, and duly supported by relevant facts, and justified rationale such as quality, track record, competitive pricing, etc.

Identifying or recognizing a “Conflict of Interest” situation, very often requires a sensitive conscience and good judgment; especially when the “Conflict of Interest” arises from “indirect” influence(s) or relationship(s). Very often, private, and personal interpretations/perspectives may cloud a person's objectivity. Hence, it may be considerably easier to recognize a situation where another person is in conflict of interest rather than oneself. When in doubt, always seek a written clarification from any of the Reporting Authorities mentioned at Chapter 1 - Item 6 of this Code. Thereafter, act in accordance with such written clarification and advice, to discontinue or continue the actions giving rise to the real or perceived conflict of interest.

In general, a conflict of interest exists for employees, who use their position in the Company for the benefit of their own self, friends, family, or relatives. It is recommended that employees keep a safe distance from transactions/Situations that may even remotely be perceived as a “Conflict of Interest”, and distance themselves from being a part of the decision-making process.

All employees must:

- (a) Disclose to their Function Head:
 - (i) Acquisition of 2% or more number of shares of a publicly traded company, which is recognized/identified by the Management as a competitor, in any of the Company's lines of business.
 - (ii) Participation, either directly or through a close relative, in the ownership or management of private companies, closely held public companies, partnerships or sole proprietary concerns, if they are in competition/associated with the Company’s business interests.

- (iii) Analyse objectively, the situations of “Conflict of Interest” which he/she is called upon to approve and record reasons for approving/disallowing the transaction(s).
 - (iv) Give prime importance to factors like materiality of financial impact, integrity, and decision-making powers of the concerned employee, whilst taking a decision.
- (b) Seek clarifications – Should a Function Head be involved in a similar situation, he/she should seek clarifications/approval from any of the Reporting Authorities mentioned at Chapter 1 - Item 6 of this Code.

It is recommended that employees keep a safe distance from transactions /situations that may even remotely be perceived as a “Conflict of Interest” and distance themselves from being a part of the decision making process.

If a Conflict of Interest has occurred or if an employee faces a situation that may involve or lead to a Conflict of Interest, the employee shall disclose it to his or her Line Manager and/or the HR or the Legal function to resolve the situation in a fair and transparent manner.

Fraud

The Company is committed to the elimination of fraud and to rigorous investigation of any suspected cases of fraud. Where fraud or any criminal act is found, to ensure that wrong doers are appropriately dealt with, all acts of fraud will be subject to strict disciplinary action, including dismissal, possible civil and/or criminal action against the concerned employee, forfeiture of employee benefits, including salary /retiral benefits etc.

Some examples of fraud include:

- (a) Disregarding or violating Company’s Rules of Procedure or other standard processes.
- (b) Preparing / submitting / manipulating supplier quotes with the intent of awarding contracts to another identified supplier.
- (c) Submitting false expense reports.
- (d) Forging or altering cheques.
- (e) Misappropriating assets or misusing Company’s property.
- (f) Unauthorized handling or reporting of transactions.
- (g) Inflating sales numbers by shipping inventory known to be defective or non- conforming.
- (h) Making any entry on Company records or financial statements that is not accurate and in accordance with proper accounting standards.
- (i) Misuse of authority to gain benefit for yourself or for others.
- (j) Withholding information of fraud committed on the Company

Bribery & Corruption

The Company is committed to abide by all laws and regulations to prevent bribery and corruption wherever business is conducted.

We interpret the term ‘bribe’ broadly to include any illicit advantage offered or accepted as an inducement to or reward for performing or abstaining from performing any Company duties. Items considered bribes include cash, cash equivalents, loans, commissions, benefits in kind or other advantages. Promising, offering, seeking, accepting bribes in any form, directly or indirectly is strictly prohibited.

BGMAL has zero tolerance towards bribery and corruption. Employees must never, directly or through intermediaries (agents, partners, contractors, family members or anyone else acting on someone’s behalf), offer or promise any personal or improper financial or other advantage in order to obtain or retain a business or other advantage from a third party, whether public or private. Nor must they accept any such advantage in return of any preferential treatment of a third party. Moreover, employees must refrain from any activity or behaviour that could give rise to the appearance or suspicion of such conduct or the attempt thereof.

The funds and resources of the Company shall not be used directly or indirectly for any such purpose. Moreover, employees are strictly prohibited from discussing terms with people who ask for or offer bribes. Anyone who receives an offer of bribery must immediately report it to their Manager and Company Secretary.

4. GUIDELINES FOR BUSINESS CONDUCT

GIFTS, ENTERTAINMENT & BUSINESS COURTESIES

BGMAL fosters a culture of appreciation and building relationships. However, it is important that these gestures be perceived as a “token gesture of goodwill” and not an “influence” or gratification. BGMAL considers gifts, entertainment or business courtesies which could influence decision making, as unacceptable practice. Every employee needs to be conscious that a gift may also be construed as an unfair practice by certain business cultures or laws, inviting legal actions.

BGMAL discourages all its employees from receiving gifts or entertainment or business courtesies except otherwise provided herein. Employees shall not be influenced by receiving favours nor shall they try to improperly influence others by providing favours.

Employees may only accept symbolic gifts, meals or business courtesies, which are appropriate under the circumstances, and they shall not accept such symbolic gifts, if such behaviour could create the impression of improperly influencing the respective business decision.

Employees should make every effort to refuse or return gifts having commercial value. Under exceptional circumstances if gifts are to be accepted of limited or symbolic value such as pens, diaries, calendars, etc., then the same should be reported to the immediate superior and deposited with the Company Secretary or such official nominated for this purpose by the Chief Financial Officer (CFO). Perishable gifts items may be distributed in office. When gifts are received, the reporting requirements shall be followed regardless of the final disposition of the gifts.

Company Secretary/official nominated should circulate details of such gifts to the CFO on a quarterly basis. The acceptance of such gifts should not be construed or interpreted as being in exchange for a favour or favourable consideration.

In offering symbolic gifts, it must be ensured that such gifts never unduly influence business decision making or cause others to perceive an undue influence. Business gifts, meals and entertainment of reasonable value may be provided to non- government individuals in support of business activities, so long as these courtesies are not offered for any improper purpose, do not violate any law or regulation, do not relate to work on a government contract and do not violate the Code, policies of the organization to which the individual belongs.

BGMAL strictly prohibits giving money or anything of value directly or indirectly to any Government official or employee of any Country for the purpose of influencing the Government employee or official. This prohibition includes giving money or anything of value to any third party where there is reason to believe that it will be passed on to a government employee or official. Government departments and agencies could be governed by laws and regulations concerning acceptance by their employees or officials of entertainment, meals, gifts, gratuities and other things of value from firms and persons with which those departments

and agencies conduct business or over which they exercise regulatory authority or oversight, which must be strictly adhered to.

However, in offering such symbolic gifts as business courtesies, it must be ensured that offering of such gifts is not in breach of any local or international bribery laws and must not be remotely construed or interpreted as being in exchange of for a favour or favourable consideration.

We are also under an obligation to ensure agents or others providing gifts or entertainment on the Company's behalf follow our guidelines. When dealing with organizations or Government/Public sector corporations that have more restrictive limits or prohibitions against accepting business gifts and entertainment, we must abide by their standards.

BGMAL does not directly or indirectly, offer or promise future employment to any employee or official or their relatives/friends of a Government Department with whom it is required to deal with.

5. PRESERVATION LEADS TO PROTECTION - HEALTH, SAFETY & ENVIRONMENT

At BGMAL, we are committed to preserve, and protect the environment around all our locations. BGMAL is committed to provide safe and healthy working environment to the employees at its factories and establishments spread pan India and is equally concerned about protection of the environment at large. Reaffirming its Value of Nurturance, BGMAL shall regularly invest in resources and infrastructure, to ensure a safe and healthy workplace for its employees. BGMAL looks forward to the commitment of every employee in this journey.

At BGMAL, we do everything possible, to make the work ambience safe and secure for its employees. To achieve this objective, we expect all employees to adhere to the following Guidelines:

- (a) Concerns relating to health, safety and environment protection are raised, whilst participating in any decision-making activities relating to changes in engineering practices, purchase of plant, equipment and machinery, modification of processes, selection of raw materials and substitutes for existing materials and product development efforts.
- (b) Contractors and other service providers, in their respective Agreements, are required to comply with norms prescribed by BGMAL, on health, safety and environment protection in their respective areas of operations.
- (c) Any accidental or non-regular chemical releases, fatality of an employee, contractor, or public citizen due to the Company's business operations, major fire, explosion, or natural disaster is intimated to BGMAL 's Legal and Corporate Secretarial Department without delay.
- (d) Any reliable information on product safety concerns that have been raised about BGMAL 's products in the market, are reported to the Function Head for assessment and resolution.
- (e) Use of recyclable materials should be encouraged, wherever applicable.
- (f) Be well informed about all the hazardous waste that needs to be disposed off, as well as safe and responsible methods of disposal.
- (g) Violation of environmental laws is promptly reported to the Reporting Authorities at Chapter 1- Item 6 of this Code.

Leaders have an important role to play in implementing systems and processes, for ensuring safe, healthy, and hygienic working conditions for employees, with adequate preventive and safety measures for zero accidents in factories, as well as environment friendly processes.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to ensure that:

- (a) For manufacturing locations, a responsible employee is appointed, preferably the Works Manager/Plant Manager, the Engineering Manager as necessary (to be decided

by the Function Head), as the “Manager” who will be accountable for all activities of the manufacturing location and its operations, including health, safety, and environmental issues.

- (b) A Health and Safety Committee is constituted, with due representation from Management and employees, to resolve concerns relating to health and safety matters.
- (c) Adequate time and financial resources are devoted to health, safety, and environmental issues.
- (d) The Company obtains OHSAS 45001 and EMS 14001 Certification (for manufacturing locations); except for locations where there exist certain certifications which achieve the same purpose.
- (e) Standard Operating Procedures are established for operating plant and machinery, health and safety of employees, as well as environmental matters.
- (f) Buildings are maintained in proper working conditions and have adequate fire prevention and control equipment, procedures, and training.
- (g) Adequate weightage is attached to concerns relating to health, safety, and environment, whilst taking decisions relating to changes in engineering practices, purchase of plant, equipment and machinery, modification of processes, selection of raw materials and substitutes for existing materials and product development efforts.
- (h) Safety audits/surveys through qualified professionals are conducted at regular intervals and remedial actions/improvements because of such audits/surveys are implemented at the earliest.
- (i) Smoking and chewing/consumption of tobacco and related products e.g., gutka, pan, etc., use of prohibited drugs and substances within BGMAL 's offices and/or Plant Campus is completely prohibited.
- (j) Business operations are conducted, with sensitivity to the health, safety, and environment concerns of the surrounding communities.

6. FAIR EMPLOYMENT PRACTICES

At BGMAL, we believe that performance, potential and meritocracy, shine above an individual's race, colour, creed, ancestry, ethnic origin, religion, sex, national origin, age, physical handicap/disability or marital status, and must be respected. We value and recognize every individual equally. The only factor that measures an individual's stature in BGMAL's work environment, is his/her level of performance, competence and potential, which determines overall meritocracy. The BGMAL Values of Performance Excellence and Nurturance encourage a performance culture and discourage personal bias.

BGMAL fosters equal opportunities and treatment of all its employees and expects the same from them too. It is expected that every BGMAL employee respects his/her fellow employees and will not indulge in any action, deed, or dialogue, which could result in hurting the sentiments of other employees and stakeholders. It is incumbent that all BGMAL employees in a leadership role, always strive to create and sustain a discrimination-free habitat, promote harmony and spread fair employment practices.

BGMAL's success depends on the development and contribution of its employees. The Company is committed to providing equal employment opportunities and a work environment that recognizes and respects employee contributions. BGMAL provides equal employment opportunities to qualified individuals based on their performance, potential and meritocracy – regardless of their race, colour, creed, ancestry, ethnic origin, religion, sex, national origin, age, physical handicap/ disability, marital status etc. BGMAL recognizes its employees, based on fair performance evaluation criteria. BGMAL's policy on HIV/AIDS advocates equal opportunities to HIV/AIDS affected employees if standards of performance and meritocracy are fulfilled. In case there are local Laws and Regulations on HIV/AIDS which impose additional obligations, these must be adhered.

All employees must:

- (a) Foster a professional atmosphere in their workplaces, where merit and competence are valued, as well as diversity is promoted.
- (b) Refrain from discrimination, harassment of or maligning peers, juniors, seniors, providers of goods and services, contractors, and customers. Workplace harassment in any form, including verbal, electronic, physical, or visual is frowned upon.
- (c) Keep an open mind towards cultural diversity and help colleagues from different cultures and backgrounds integrate into BGMAL's Corporate and Work culture.
- (d) Be aware that apparently innocent jokes may inadvertently hurt sentiments of some ethnic or religious groups; adequate care and sensitivity must be observed, whilst speaking about/with such groups.
- (e) Report in a confidential manner instances of harassment or discrimination of oneself or others to the Reporting Authorities mentioned at Chapter 1- Item 6 of this Code.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to:

- (a) Treat all employees with dignity and respect; interact politely and with decorum.
- (b) Recruit, train, compensate and promote, based on the established standards of performance, potential and meritocracy.
- (c) Encourage a harmonious and productive-work environment, which is free from discrimination.
- (d) Ensure that disruptive behaviour is addressed and not tolerated.
- (e) Facilitate employees attending identified Training Programs, and suitably adjust schedules.
- (f) Demonstrate BGMAL's commitment of being an "equal opportunity" employer by articulating in all its recruitment advertisements.

Reporting Authorities must provide an equal opportunity of representation, to both the aggrieved and the accused employees, if a workplace harassment, discrimination, or violence is reported; and investigate the case in a fair, humane and just manner, before arriving at a decision.

7. PROTECTION OF BGMAL 'S ASSETS & RESOURCES

Providing our employees adequate resources, to perform their role, is inherent at the BGMAL workplace. Whilst utilizing BGMAL 's assets, it is expected that all the employees should observe care and concern, in order to avoid damage or loss to the Organization.

All employees have an obligation to protect BGMAL 's assets and ensure that these assets are efficiently used. All BGMAL 's assets and resources must only be used for legitimate business purposes. These include an employee's time at the workplace, physical assets, space, software, facilities, and intellectual property. Assets must be handled with care, to avoid loss, theft, or damage.

BGMAL accepts, that, its employees will need to conduct some personal business whilst at work. Calling home to check on a sick child, e-mailing a spouse to request him/her to stop at the bank on the way home, printing a grocery list on a work printer, are reasonable and permissible, when done within limits and as long as work goals are accomplished. However, misuse of company assets and resources is not acceptable since it not only encroaches upon worktime but also diverts the attention of the employee. Limited personal use is permissible, only if it is not in conflict with the interests of BGMAL, this Code or Company Policies.

All employees must ensure that:

- (a) Their workplaces are neat and uncluttered. First impressions always matter, and visitors form judgments regarding the work culture of BGMAL, from the way an employee's desk is organized. It is every employee's responsibility to project a high image of BGMAL.
- (b) Whilst taking purchasing decisions for BGMAL, alternatives on prices, quality and delivery are evaluated with as much diligence as a prudent person would undertake in his/her personal purchases.
- (c) BGMAL 's assets are disposed off, in a fair manner, preferably through a competitive bidding process having no monopoly.
- (d) Only licensed computer software must be installed and used. No hardware or software is modified without involvement of the Information Technology Department.
- (e) BGMAL facilities are not used to communicate offensive, inappropriate, or illegal material, to anyone inside or outside BGMAL.
- (f) BGMAL 's resources are used economically.
- (g) Unjustifiable use of the Company's assets, time or resources for personal purposes is avoided e.g., internet surfing, share trading, use of infrastructure, etc.
- (h) Laptops, computers must be adequately protected e.g., leaving laptops unattended in offices, vehicles etc., is not acceptable and must be avoided.

In addition, all employees in a Leadership Role must ensure that the Company's assets and resources are well maintained, and employees are trained in their proper use, for maximization of value.

8. CONFIDENTIALITY

BGMAL places immense faith in its employees and entrusts them with numerous confidential and other information/data, which is crucial to the Organization. Employees are required to respect the confidentiality of all information and data, even after they have ceased to be employees. Every employee is a custodian of this Trust and must safeguard BGMAL 's confidentiality concerns.

Employees, during the course of their employment are entrusted with various information/data of a confidential nature relating to BGMAL 's products, pricing, designs, technology, technical know-how, product features, manufacturing processes, research, patents, strategies, marketing or business development studies, customers/suppliers/employees/business partners data and other business-related information.

Whilst sharing of information/data may be necessary to meet the needs of business, employees must impart confidential and proprietary information to other employees or third parties only on a need-to-know basis.

If confidential information (not in the public domain) is shared with third parties, their confidentiality obligations and BGMAL 's rights related thereto must be protected through adequate confidentiality documentation, as approved by BGMAL Corporate Legal. These confidentiality safeguards must be implemented for all information, data and/or documentation, whether in physical or electronic form.

It is important that all employees are prudent and vigilant, both on and off the job, in protecting confidential information belonging either to BGMAL or entrusted to BGMAL by third parties. Casual approach or improper disclosure can create serious financial or competitive risks, losses or disadvantages to BGMAL as well as legal liabilities for BGMAL and its employees.

All employees are contractually and legally obligated to fulfil confidentiality requirements during employment, and even after cessation of their employment with BGMAL. It is expected that all employees return all relevant information/data on cessation of employment or at any earlier time, upon the Company's requirements.

Information that has been acquired in previous employments should be treated with same respect.

All employees must:

- (a) Ensure that all contracts/agreements with sub-contractors, outsourcers, service providers and similar arrangements include sufficient confidentiality safeguards for the Company's designs, technology, IPR processes, etc., which are necessary for such arrangements.
- (b) Avoid discussing business or office matters or reading confidential documents in public places, e.g., airports, restaurants, lounges, etc.
- (c) Discard documents appropriately, in a manner such that these cannot be retrieved by others, physically or electronically.

- (d) Avoid carrying confidential documents in elevators/hallways, etc. or in public places in an exposed manner and avoid any papers being left (even temporarily) at places where visitors or other employees can read or have access to them.
- (e) Ensure that documents are not left unattended in conference rooms.
- (f) Ensure that blackboards and white boards are erased after meetings are over; similarly ensure that all the computer files are deleted on computers in meeting rooms (including re-cycle bin).
- (g) Ensure adequate password protection for confidential computer files and avoid copying of confidential files for personal use.
- (h) Honour the sanctity of passwords and logins provided by the Organization, for accessing systems. If an employee shares his/her password, user ID, network access information with anyone, even a peer, then he/she will be held accountable for any actions that such delegate takes, whilst logged into the systems.
- (i) Respect confidentiality with respect to personal details of employees, whilst maintaining and transferring personal data.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to:

- (a) Establish safeguards and systems to protect confidential information mentioned above, from unintended or deliberate misuse.
- (b) Develop policies and practices for the areas under their charge detailing when and for how long, physical and/or electronic records should be retained and document a review mechanism to implement such policies and practices.
- (c) Ensure that all appointment letters of new employees contain the Company's requirements with respect to confidentiality.

Non-fulfilment of confidentiality requirements will constitute a dishonest misappropriation of BGMAL 's property and/or criminal breach of trust, for which BGMAL shall be entitled to take appropriate legal actions, including compensation and/or damages.

9. INTELLECTUAL PROPERTY RIGHTS

BGMAL 's Intellectual Property and Rights (IPR) needs to be equally, if not better looked after, than its tangible assets. All employees must ensure that proper procedure is followed for protection of the Company's IPR, so that its rights related thereto, are not diluted in any way. This obligation also extends to non- infringement of IPR which belongs to other Organizations.

Employees may sometimes, on behalf of BGMAL, develop ideas, processes, and technology. This intellectual property belongs to BGMAL and not to the employee. Intellectual Property Rights (IPRs) can include patents, trademarks, copyrights, propriety information, know-how, trade names, brand names, advertising slogans, designs, logos etc. An employee is required to respect the value of BGMAL 's Intellectual Property and its rights related thereto.

All employees must:

- (a) Ensure that in all arrangements with external agencies, vendors/outsourcers, sufficient safeguards are included, so that BGMAL s IPR cannot be copied or used, for products supplied by such sources to their other customers, or otherwise.
- (b) Disclose to the Legal Department any product, process, inventions, or designs created by him/her pertaining to BGMAL businesses.
- (c) Co-operate in completing all procedures and signing all documentation for transfer of rights in the IPR to BGMAL; and facilitate the registration of the IPR in consultation with the Corporate Legal Department.
- (d) Avoid usage, disclosure, or marketing of IPR without the prior written approval of the Legal Department.
- (e) Place copyright markings on BGMAL material, where appropriate, or beneficial, in BGMAL 's overall interests.
- (f) Report IPR infringements to Corporate Legal promptly.
- (g) Avoid taking any actions that impair or dilute the IPR rights of others.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to:

- (a) Ensure the use of only legitimately purchased and duly licensed software.
- (b) Refrain from using materials copyrighted by others, in a manner that would infringe Copyright laws.
- (c) Create and install procedures in the areas under their charge, to identify and prevent a violation of others' IPR, through adequate review mechanisms.

At BGMAL, we expect our employees to guard the Company's financial credibility and the faith that all its stakeholders have trusted them with. This integrity should translate into authentic accounting practices as well as sincerity and honesty whilst implementing the Company's financial procedures. This obligation extends to reporting any financial indiscipline/irregularity that an employee may become aware of.

BGMAL 's financial statements should be reported using the Accounting Standards and Best Practices i.e., GAAP, IFRS etc. Internal accounting policies and practices should be based on proper supporting documentation.

When an employee becomes aware or has concerns about possible improprieties, he/she must report this to Authorities under “Reporting” mentioned at Chapter 1 - Item 6 of this Code.

All employees must refrain from, and report actions such as the following: these are only illustrative examples of the numerous possibilities:

- (a) Invoicing of goods and services before they are invoiceable, as per the Company’s Accounting Guidelines or any other ways of premature revenue recognition, to meet sales targets.
- (b) Returning validly ordered materials to Vendors, to temporarily achieve/sustain inventory norms.
- (c) Accounting of expenses as capital costs, to increase profits.
- (d) Non-adherence to the Company's Policies/Procedures and Norms e.g. Transfer Pricing Policies; FAAP Procedures; Forex Procedures etc.
- (e) Deferring recognition of legitimate expenses of an accounting period, because of budget limitations. For example, at the end of March, in a fiscal year, when the budgets are very tight, an employee asks a supplier to bill the Company a few days late for a purchase, to record the purchase in the next fiscal year.
- (f) Requesting an agency or a consultant to purchase an item which is unauthorized as per BGMAL ’s Policy and then disguising the purchase by including the cost of that item in the overall bill/payment for agency – or consulting services.
- (g) Splitting of purchases over two or more invoices to avoid escalation of authorization approvals.
- (h) Appointment of Resignees/Retirees of BGMAL, as Consultants/Advisers, wherein such employee works substantially only for BGMAL , and does not have a diverse client portfolio; except in cases approved by the Managing Director of BGMAL .
- (i) Pressure from Seniors / Leaders, to dilute the financial and/or business norms and standards.

All employees must immediately caution their Branch Head about:

- (a) A customer facing financial difficulties and possible bankruptcy that could affect the Division’s future sales or collection of amounts that the customer owes the Division.
- (b) A sole supplier situation for a critical raw material with respect to one of the Division as per BGMAL 's Policy and then disguising the purchase by in or not renewing its contract with the Division.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to:

- (a) Implement appropriate internal control procedures, in consultation with the respective Accounts, Finance Departments and with its assistance, wherever necessary, ensure that

business is monitored adequately, and that financial information is reliable and complete.

- (b) Adequately De-Risk the Organization, in the areas under their charge by taking sufficient measures, e.g., audits, regular business and financial reviews, systems of checks and balances, etc.

10. INSIDER TRADING CODE

BGMAL is a Public Listed Company in India and requires its employees to understand the implications of dealing in the Company's shares. Whilst BGMAL does not discourage its employees from purchasing its shares, there exists a Regulatory framework (applicable to certain categories of employees) which must be adhered to. Any sharing or publicity of information, regarding the Company's operations, is not acceptable, if this could directly or indirectly influence a buyer's or seller's decision in this regard.

The “Insider Trading Code”, published on the BGMAL website www.butterflyindia.com under the caption “Investor Relations” contains the required framework for purchasing/selling the Company's shares. The Insider Trading Code legally applies only to employees mentioned therein, since it is anticipated that such categories of employees will, in the usual course of their Job Role and/or Assignments, be privy to sensitive information, which could impact share prices.

In the Company’s Day to day operations, it is also possible that, whilst interacting with employees, who are not covered by the Insider Trading Code, during business meetings, presentations, reviews etc. information/data sharing which is not yet in the public domain takes place. In such cases, these employees must not purchase or sell the Company's shares based on such information. Employees must also not share such information with their families, relatives, friends, etc., which could influence their decision to buy or sell the Company's shares.

Within the prescribed framework, the Company considers purchase of its shares for long-term investment as an indication of belongingness and loyalty. However, the Company frowns upon employees purchasing and/or selling its shares with regularity. Employees must therefore refrain from purchasing and/or selling the Company's shares with regularity.

If, at any time it is observed that there was a certain regularity of buying or selling of the BGMAL shares by a particular employee, the concerned employee may be questioned by the BGMAL Company Secretary and attract penalties as applicable.

11. REQUESTS FOR INFORMATION BY REGULATORY AUTHORITIES

BGMAL enjoys an impeccable reputation within the corporate arena, which it is proud of. Hence, if any Regulatory authority conducting an investigation, needs the involvement of any employee or access any information/data, BGMAL assures its willingness to co-operate to the fullest extent.

BGMAL is committed to co-operate with requests for information and scrutiny of Regulatory Authorities. If a Representative of any Government or Regulatory Authority seeks an interview with an employee or requests access to information, data, or documents for the purposes of scrutiny or an investigation, the employee must direct the representative to the Division/Entity Head. Employees must never delete or destroy records or information, including documents and e-mails, which are, or might be the subject of Regulatory scrutiny, internal investigation, or a lawsuit.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to :

Adequately equip employees with knowledge and guidelines to enable the employees to deal with Regulatory Surveys, Scrutiny, Investigations, Raids, etc., which must emphasize:

- (a) Co-operation with the Authorities carrying out the investigation/scrutiny. Failure to do so may be considered an offence.
- (b) Contacting the Division Authorities and informing the relevant Corporate Department dealing with the concerned matters immediately. Those carrying out the search should be requested to wait (and be accompanied by a representative of BGMAL) until lawyers of the Division arrive.
- (c) Validation of the search warrant of the investigating Agency. An error in the warrant may render the process unlawful.
- (d) That photocopies must be made of all documents or files copied or seized by the investigation Authorities.
- (e) That documents must not be removed or re-arranged following the arrival of the investigating Authorities.
- (f) That questions should be answered honestly. However, the focus should be on giving specific answers rather than “rambling”, since descriptive or broad answers could lead to varying interpretations, with possible undesired results.
- (g) That employees must keep the search, scrutiny or investigation confidential, both internally and externally.
- (h) That, after the search/investigation, the employees and BGMAL ’s Corporate Legal shall review and record the events, noting documents removed, questions asked and all interactions between the employees and the investigating Authorities.

12. EXTERNAL COMMUNICATION

Any written word, however imperative, may not always be interpreted, as intended. Therefore, there exists an underlying protocol that governs external communication, which provides that this can be undertaken only by the below mentioned authorities.

- (a) Only the Managing Director of BGMAL is authorized to make public statements and release media communication relating to BGMAL 's policies, future plans, day to day operations, organizational issues, investments and financial information. Employees must not make statements on these topics without previous consultation with the Managing Director's office; these will include Presentations to the outside world; Interviews to Newspapers/ Magazines etc.
- (b) Communications at Dealer Meets, Retailers Meets, Sales Promotion Programs, Trade Fairs etc. must be approved by the Managing Director's office, unless the same is product related, in which case, it must be approved by the Function Head.

It is expected that different Investor communities are provided with consistent information.

Improper disclosure can create serious financial/competitive losses, disadvantages, and/or legal liabilities for BGMAL, as well as individual employees therefore, due care and caution is expected. If in doubt, please consult the Reporting Authorities mentioned at Chapter 1 – Item 6 of this Code, or adopt the more conservative approach.

13. COMMITMENT TO COMMUNITIES

It is always fulfilling to give back, to the Society that has contributed to our success. At BGMAL, we are avid believers and practitioners of Corporate Citizenship, demonstrated through our Corporate Social Responsibility (CSR) initiatives, with all the Communities at our several business locations. BGMAL 's CSR efforts span the various dimensions of education, health, infrastructure, enhancing employability etc., for these Communities– demonstrating its commitment in nurturing society and caring for the environment. To publicly reflect its CSR commitment, BGMAL has articulated a comprehensive Policy on CSR and gently urges all its employees to volunteer and contribute to this cause.

BGMAL conducts its business in a socially responsible manner in the Business Domain; in the Workplace; in the Community and in the Environment, . BGMAL continuously strives to improve the quality of life and contributes to the well-being of communities in and around which, it conducts its business. Whilst BGMAL 's support may take different forms; it will make every effort to:

- (a) Support identified health, education, and environmental initiatives.
- (b) Support and work with voluntary and non-profit organizations, to respond to identified community needs.
- (c) Support projects by sponsoring identified community causes and provide necessary economic support to the communities for these projects.
- (d) Involve local communities in decision making, related to issues that affect them.
- (e) Give preference to business partners who conduct their business in accordance with ethical standards that are, at the least equivalent with those of BGMAL.
- (f) Conduct its business as a law-abiding Corporate Citizen.
- (g) Be sensitive to the impact of its business operations on the health, safety and environment of the communities.

BGMAL 's Commitment to Communities finds a mention in the Policy on Corporate Social Responsibility. The approach aims at identifying the needs of the communities and developing a customized need- based plan for improvement of the environment and quality of life; sponsoring of projects aligned with community causes and encouraging employees to participate in such programs.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to:

Spread awareness amongst all employees with respect to BGMAL 's Policy on Corporate Social Responsibility.

- (a) Encourage employees to volunteer for community projects and support them in doing so, by creating a work environment which is conducive to volunteering.
- (b) Include the amounts necessary for Corporate Social Responsibility Projects in the business budgets and spend the same, even if there is a marginal impact on profitability.

- (c) Encourage, support, and seek partnerships with Organizations which need BGMAL 's assistance, whether they be schools or social service Organizations, in their local jurisdictions.

All employees are expected to participate in community initiatives undertaken at their Division/Entity for successful implementation of these programs.

14. RESPECT TO HUMAN RIGHTS

The Company believes in and adherence to the principles of human rights as enshrined in the Universal Declaration of Human Rights of the United Nations and to act in accordance with the principles laid down in it. It will also respect and abide by the requirements, in this behalf, of the countries in which it operates. The Universal Declaration of Human Rights of the United Nations is available at the url: <http://www.un.org/en/documents/udhr/> .

15. BUSINESS MEETINGS

Meetings provide the opportunity to test theories and convert ideas into solutions; to take decisions for successful accomplishment of the Organization's and individual's goals. At BGMAL, we are particular, that all meetings take place within a framework of protocol, to facilitate fruitfulness of outcomes at every meeting. Towards fulfilling these objectives, all employees at BGMAL need to display certain corporate etiquette and behaviour during meetings. BGMAL expects all employees to observe this discipline and decorum during interactions in a meeting room, even whilst expressing their views and concerns.

Business Meetings and Conferences have become an integral part of corporate life. Since meetings are important for interactions, it is essential that certain guidelines are followed to make every meeting as effective as possible.

All employees must ensure that:

- (a) All meetings have an Agenda which is pre-circulated, sufficiently in advance for adequate pre-preparation (which is expected). The deliverables from the meeting must be clearly indicated.
- (b) Spontaneous meetings must be avoided.
- (c) Meetings must start on time. The Convener/Person-in-Charge of the meeting must ensure that all facilities, documentation etc. are ready, well in advance.
- (d) Domination by one or a few participants, to “make their presence felt” is politely yet firmly restrained by the Chairman/Chairperson, as well as other participants.
- (e) During Meetings:
 - “Localized” behaviour, e.g., chewing gum, pan, gutka, betel nut etc. is not allowed.
 - Mobile/cell phones are switched off/put on silent mode. Mobile calls should be accepted only in the case of business/personal emergencies since it is disrespectful to answer calls during meeting proceedings.
 - Moving in and out of the meeting room, except for biological breaks or business/personal emergencies is avoided, since it is disrespectful of the meeting proceedings.
- (f) At meetings wherein participants are from different linguistic backgrounds, the language of the meeting must be English. Isolated conversations/interactions in the local language amongst a section of participants is viewed as “excluding” behavior and must be avoided. This will, however, not apply to shop floor or factory meetings, which must be in the most understood language.
- (g) The Venue of the meeting is a place which is convenient for the maximum number of participants to attend, not the location of the Boss.
- (h) Minutes of the Meeting are drafted; circulated for comments and finalized within 10 working days. These must contain the action plan(s) decided, the employee(s) responsible and scheduled dates for results.

- (i) Meetings on off days, holidays are to be avoided, other than in exceptional circumstances.
- (j) Recognize that very often, participants at meetings will be from different cultural, ethnic, or linguistic backgrounds. Hence, it is expected that the Convener and all participants be sensitive to this reality e.g. avoid talking very fast and/or loudly, gesticulating (which could have varying meanings in different cultures), food preferences, etc.

In addition, to their obligations as employees, all employees in a Leadership Role, have a further Responsibility to create and sustain an environment, in which Business Meetings are appropriately conducted.

16. BUSINESS BEHAVIOURS

Today, as always, thorough professionals receive adulation in addition to respect. It is this professionalism that influences an organization and contributes to its success as well as resilience. BGMAL consistently encourages its employees to live by a code of professional behaviour, some aspects of which are elaborated below; by exhibiting/displaying this business behaviour in a visible manner. All employees in a Leadership Role need to consistently display this behaviour and set an example for other employees to emulate and grow.

All employees must:

- (a) Be adequately prepared and complete necessary pre-work before all business interactions/meetings.
- (b) Avoid disrespect in speech e.g., use of improper/rude language, loose talk, gossip or spreading rumours.
- (c) Respond to disagreement in a respectful and professional manner; ensure that public confrontations are minimized.
- (d) Be on time for all business interactions/meetings. Avoid usual “explanations” for late arrival e.g., traffic jams, rain, etc. and keep sufficient “buffer” time. It is recommended that employees make themselves aware of weather forecasts, local festivals, fairs, etc. that may cause delays. Employees must remember that, arriving late, and keeping others waiting is disrespect to other participants (irrespective of the hierarchy levels involved).
- (e) Adhere to expected or committed timelines, and deliver on promises, without reminders. This behaviour increase’s “reliability” and consequently generates trust, so essential for business and BGMAL 's Brand Image. If arriving on time and/or adhering to expected/committed timelines is not going to be possible, give sufficient advance intimation to colleagues, customers, business colleagues, etc.; establish the acceptable “comfort zone” with others involved.
- (f) Share information and resources freely (unless confidential) in the overall interests of the project/assignment and the Company; “turf protection” must be avoided.
- (g) If there are issues that cause concern or disturb, walk up and talk directly to the person, rather than talking “behind their back”. Loose talk or gossiping about Organizational issues, other employees or the Company must be avoided.
- (h) Take decisions on a timely basis and ensure that they are objective/data- based. Whilst taking decisions, always keep BGMAL 's image and the impact of the decision on the other parts of the Organization in mind.
- (i) When working in a team or a situation of inter-dependency, ensure that work is completed/delivered in an accurate, sufficient, and comprehensive manner, to facilitate the team result, without re-work.
- (j) Give feedback on completion of milestones/deliverables to colleagues, customers, business associates, etc. before “due dates” with sufficient time for review, if necessary.
- (k) Ensure that personal conduct/behaviour in public places is dignified and reflective of BGMAL 's Values and Image. Consumption of alcohol (if it impacts behaviour), and “loud” behaviour must be avoided, since it tarnishes the Company's image.

- (l) Plan adequately in advance, to minimize a firefighting/crisis management approach. When planning assignments and meetings, respect others' time and their prior commitments.
- (m) Interactions and transactions with business partners and customers are to be transparent and professional, thus strengthening BGMAL 's image.
- (n) Be accountable for validation, checking and correctness of information, data, analysis, etc. and its representation for decision making, with respect to assignments prepared and/or reviewed by the employee.
- (o) Avoid intellectual gymnastics, theoretical approach, discussions around hypothetical problems, long winded unfocussed discussions, and other time wasters.
- (p) Use specific, data-based and performance language. Ambiguous language like “as soon as possible”, “at the earliest”, “please do/I am doing the needful”, etc., must be avoided.
- (q) Whilst taking disciplinary action (including termination), it must be ensured the action is taken with humaneness, retaining the dignity of the employee and confidentiality of the action.
- (r) Specifically in relation to e-mails:
 - Keep e-mails short, polite and draft them in a formal tone with appropriate usage of signature of the sender, containing full name, designation, company name, postal address, phone number(s), fax number and e-mail address, usage of capitalized words in an e-mail is viewed as aggressiveness (besides being aesthetically unappealing) and must therefore be avoided.
 - Avoid usage of emoticons, excessive punctuations (!!!), SMS text (pls cud u snd me ur phn no).
 - Always send an acknowledgement to the sender of the message. In case more time is needed to respond to an e-mail then inform the sender accordingly, with a promise to follow-up with another e-mail later.
 - Seek permission from the recipient, before sending large attachments in an e-mail. Wherever necessary, large attachments must be divided into smaller parts and sent separately.
 - Read e-mails before they are sent to the recipient to obviate emotional content and errors. Spell check the e-mail to avoid spelling errors.
 - Avoid usage of verbal attack or inflammatory language in e-mails; ask yourself, “Would I say such a thing to this individual in person?”. Whilst confronting issues in offensive e-mails, do not react negatively or impulsively; calm down before responding to it.
 - Whilst sending/replying to an e-mail, decide which of the copyholders really needs to receive the reply. Be sensitive whilst marking copies of an e-mail to individuals who do not really need to be copied.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to:

Encourage employees to disclose mistakes, and discipline employees trying to unjustifiably blame others. Role Model the above business behaviour and set a positive example. They must demonstrate this behaviour as a “recurring pattern” and create an environment which encourages and recognizes this employee behaviour.

17. INTERPERSONAL BEHAVIOUR & ETIQUETTE

Cross-cultural influences are always integral to an organization since businesses are no longer confined to a single geography. To benefit from this cross-cultural strength, together with its ingrained ethos of professionalism, BGMAL recognizes the need for high social quotient and interpersonal skills, so necessary in building international relationships. Professional business as well as personal behaviour and etiquette reflect an organization's reputation; hence, BGMAL requires the adequate degree of responsibility from its employees in these matters. In addition, employees in a Leadership Role, must take an active interest to equip themselves with the customs and acceptable behaviour of other countries and cultures, towards achieving the high standards of excellence that BGMAL always strives to achieve.

All employees must:

- (a) Familiarize themselves, be sensitive and follow the norms, customs, and culture of countries, whilst interacting with persons of diverse ethnic and cultural backgrounds.
- (b) Be aware that some cultures are more receptive to physical contact (a hug, pat on the back, etc.) during business greetings, whilst others may be more conservative. When in doubt, the preferred business greeting is a warm handshake with a smile, since it is a universally accepted way of greeting.
- (c) Ensure that all business interactions are sincere and exude interest, respect and warmth towards the other person. Avoid personal or inquisitive questions during conversations with business associates, which may convey the impression that privacy is being invaded.
- (d) Wear suitable business attire to promote BGMAL 's Brand image and an image of professionalism e.g., avoid “revealing” attire, ill-fitting clothes, wrinkle-prone fabrics, open/sports/synthetic shoes, distracting accessories, and bold colours.
- (e) Get acquainted with the knowledge of the dining culture of each location and also social dos and don'ts. It is expected that employees read books or otherwise equip themselves on such issues.
- (f) In one-on-one Meetings, especially if they are inter-gender, ensure that they take place in sufficiently public places.

In addition to their obligations as employees, all employees in a Leadership Role, have the further Responsibility to establish adequate communication and training mechanisms, including resources e.g., books, articles, CD's programs, etc. to adequately equip employees in the above-mentioned areas.

18. CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT PERSONNEL

Code of Conduct for Board and Senior Management Personnel shall be applicable to the following: -

- Board Members of the Company.
- Senior Management Personnel.

The term senior management shall mean personnel of the Company who are Members of its management team (excluding the Board of Directors) and comprises the Chief Executive Officer of the Company and all his direct reportees.

Duties Of Directors and Senior Management Personnel

- (a) Fulfil the functions of the office with integrity as well as professionalism and exercise the powers attached thereto, with due care and diligence.
- (b) Act in the best interests of, and fulfill the fiduciary obligations to the Company's shareholders, whilst also considering the interests of other stakeholders.
- (c) Take informed business decisions based on independent judgment and in the best interests of the Company, not influenced by personal interest or gain.
- (d) Respect the confidentiality of information and use utmost discretion whilst deciding its disclosure or dissemination, ensuring that no personal advantage or detriment to the Company results from the same.
- (e) Make available to and share information with fellow Directors/Executives when considered expedient in the best interests of the Company.
- (f) Protect and use the Company's assets for legitimate business purposes and be alert to situations that could lead to loss or misuse of these assets.
- (g) Minimize any situation or action that can create conflict of interests of the Company vis-à-vis personal interest or interests of associated persons, and make adequate disclosures, where necessary.
- (h) Act in a manner that will protect the Company's reputation.
- (i) Abide by the Company's "Values" and Code of Business Practices.
- (j) Encourage reporting of behaviour, which is contrary to the Company's "Values" and Code of Business Practices and ensure that the person reporting such violation is not aggrieved in any manner.
- (k) Comply, in spirit and in letter, with all applicable laws, rules and regulations, and honour the philosophy of "good faith", guided by one's sense of right and wrong.
- (l) Abide by the relevant terms of the Insider Trading Code formulated by the Company and any other Code that may be formulated from time to time, as applicable.
- (m) Adhere to the terms of the powers delegated by the Board.
- (n) Whilst entering contracts with Service Providers and Consultants, protect the arrangement for disclosure or dissemination of confidential information.

- (o) Establish processes and systems for storage, retrieval, and dissemination of documents, both in physical and electronic form, so that the obligations of this Code of Conduct are fulfilled.
- (p) Raise concerns, if any, on the above issues, at a Board Meeting.

19. DUTIES OF INDEPENDENT DIRECTORS

(Applicable to Independent Directors only)

Independent Directors shall:

- (a) Undertake appropriate induction and regularly update and refresh their skills, knowledge, and familiarity with the Company.
- (b) Seek appropriate clarification or amplification of information and, wherever necessary, take and follow appropriate professional advice and opinion of outside experts.
- (c) Strive to attend all meetings of the Board of Directors and of the Board committees of which they are a member.
- (d) Participate constructively and actively in the committees of the Board in which they are chairpersons or members.
- (e) Strive to attend the General Meetings of the Company.
- (f) Ensure that their concerns, if any, 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.
- (g) Keep themselves well informed about the Company and the external environment in which it operates.
- (h) Not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
- (i) 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.
- (j) 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.
- (k) Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct.
- (l) Act within their authority, assist in protecting the legitimate interests of the Company, shareholders, and its employees.
- (m) 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.



ACKNOWLEDGMENT
EMPLOYEE COMMITMENT TO ABIDE BY THE BGMAL CODE OF
CONDUCT

I acknowledge that I have received the BGMAL Code of CONDUCT _____ dated _____ 2023.

I have read and understood this Code and shall abide by the same.

Name of Employee:

Employee Code No:

Department:

Location:

Date:

Signature:

(The Unit HR must obtain this acknowledgment from every employee of the Function, as well as new employees; to be recorded in the employee's personal file.)

ANNUAL CERTIFICATE

(Certification of Compliance with the BGMAL Code of Conduct by Director/Employee)

I acknowledge that I have read and understood the BGMAL Code of Conduct.

I have complied and will continue to comply with the standards contained in the Code and all related policies and procedures as is required as part of my continued employment or association with the organization.

I will report any potential violation of which I become aware of promptly to the HR – Head/Company Secretary as the case may be. I understand that any violation of the BGMAL Code of Conduct or any corporate ethics or compliance policy or procedure is ground for disciplinary action.

I undertake, that, I have not taken any action that would violate the following sections/chapters in the BGMAL Code of Conduct:

- Anti-Trust and Competition Laws
- Insider Trading Code
- Gifts, Entertainment and Business Courtesies
- Fraud, Bribery and Corruption

Neither I, nor, to the best of my knowledge, any of my immediate family members, other relatives or close personal friends, have any or have had any interests or taken any action which would violate “Conflicts of Interest” in the BGMAL Code of Conduct.

I am not aware of any business practice which has violated the BGMAL Code of Conduct, or is currently in violation of the same, which has not been documented and reported to an appropriate level of management.

Name of Director/Employee:

Employee Code No. :

Name of Company :

Department :

Location :

Date:

Signature:

The HR Department Head of the Entity must obtain this certificate from every employee for the year within four weeks from the end of financial year. They are also required to prepare a summary of submissions and exceptions and circulate the same to the Company Secretary, which should form a part of their annual compliance certificate. The Company Secretary shall obtain this certificate for the year from all the Directors within four weeks from the end of financial year.