Code of Conduct for Board Members and Senior Management Personnel

Preface

This Code of Conduct for the members of the Board of Directors and for the Senior Management Personnel of Vellora impact limited ("The Company") helps the Company to maintain the Standard of the Business Ethics and ensure compliance with the legal requirements, specifically under Clause 26 of the Listing Obligations and Disclosure Requirements, 2015 of the Company with the National and Bombay Stock Exchanges. The Code is aimed to prevent any wrong doing and to promote ethical conduct at the Board and Senior Management level.

Applicability

The code is applicable to the following persons (the Officers):

i. Members of the Board of Directors of the Company and

ii. Senior Management Personnel i.e., all members of management i.e., Head of Department and above including all functional heads.

All the concerned are expected to read and understand this Code of Conduct and to uphold standards set out under this, in his/her day-to-day activities.

As the principles set out under this are general in character, Officers should also review the Company's other applicable Policies and Procedures for more specific instructions. In case of any difficulty in interpretation or allied matters they may contact the Compliance Officer. This Code is in addition to and not in derogation with any Act, law, rules and regulations, and all other applicable Policies and Procedures adopted by the Company that governs the conduct of its officers.

It is obligatory on the part of every Officer to make an annual disclosure under this Code affirming their adherence to the Code on annual basis. This disclosure shall be made to the Compliance Officer on or before 30th April, for the financial year preceding the date in format **Annexure - A**. In addition to above said disclosure, every Officer is to make an acknowledgement as given in **Annexure - B** to the Code, on receipt of this Code, indicating that they have received, read and understood, and agree to comply with the Code.

Honest and Ethical Conduct

It is Policy of the Company to conduct its business in accordance with all applicable laws and regulations of the jurisdiction in which such business is conducted and to do so with complete honesty and integrity in accordance with highest moral and ethical standard. The Company expects all Officers to accomplish all tasks in the capacity of Officer, whether in the premises of the Company or outside, with highest degree of honesty, integrity and professional ethics. In case you find any difficulty regarding appropriateness of any action or inaction you can seek assistance for its interpretation from the Compliance Officer.

Disclosure of Interest

It is an obligation of every Officer of the Company to disclose nature of his / her interest or concern in any material transaction made or proposed to be made on behalf of the Company. Disclosure under this clause shall be made by the Officer to the Compliance Officer as soon as it comes to his / her knowledge. General notice given to the Compliance Officer to the effect that he / she is related to such & such persons and is to be regarded as concerned or interested in any transaction, which may, after date of the notice, be entered into with that person(s), shall deemed

to be sufficient disclosure of his / her concern or interest in relation to any transaction. Such notice shall be made annually and shall be submitted to the Compliance Officer before the expiry of the first month of the Financial Year to which it relates. Any change to the Notice shall be intimated to the Company within fourteen days of the occurrence of such change.

Use of Company's Funds & Assets

The Company expects all Officers to use Company's funds diligently. The Officers are prohibited from using Company assets, Confidential or proprietary information or position for personal gain.

Conflicts of Interest

Officers are expected to disclose any of their transaction, which has or may have any conflicting interest with the business of the Company. They must ensure that these transactions do not compromise on their responsibility towards the Company. Transaction here includes investment in supplier, competitor or customer of the Company, Directorship in any competitor Companies, acceptance of any simultaneous employment in suppliers or customers or competitor firm(s) Company(ies).

Protecting the Company's Confidential Information

Officers are under obligation to maintain the confidentiality of the insider information coming to their knowledge, which if disclosed to an outsider may have any adverse impact on the Company and will not disclose it except in the course of discharge of their duties.

Employees Relationship

The Company continually strives to promote positive and productive working relationships among its Officers to fully comply with the letter and spirit of all laws prohibiting discrimination and sexual harassment. While the Company does not wish to unduly interfere with the private lives of its employees, some limitations on personal relationships in the workplace are necessary in order to prevent actual or perceived favoritism, problems with seniors and possible claims of discrimination or harassment. For these reasons, an Officer shall not engage in romantic or sexual encounters or relationships with any other employee with whom he or she is in a supervisory or reporting relationship.

The Company recognizes the importance of developing close working relationships among employees and this policy is not intended to prohibit friendships that naturally develop in a work setting or social interaction among employees.

Compliance with Laws, Rules & Regulations

Officer must comply with all applicable laws, rules and regulation. Officers are expected to have knowledge of legal obligations relating to their duty and to accomplish their tasks in conformity with such obligations.

Inclusionary Clause

Transactions given above are only exemplary ones and it would not be possible to quote here, all situations in which conflict of the interest may arise. So, if a situation raises any doubt or question, the Officer may consult the Compliance Officer.

Compliance with Code of Conduct

It is part of the Officer's duty to help in the enforcement of the Code. They are under an obligation to bring any violation of the Code to the knowledge of the Compliance Officer. All the Officers are expected to co-operate in any investigation made in pursuance of the Code. Reprisal, threat, retribution or retaliation against any person, who has, in good faith, reported a violation or suspected violation of the law under this Code or under other Company Policy (ies) or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited. The Company will take appropriate action against any Officer whose actions are found to violate the Code or any other Policy of the Company. Disciplinary action may include immediate termination of employment or cessation of the office at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the person(s) responsible.

Waiver and Amendments to the Code

This Code is subject to the modifications but no amendment / waiver of any provision of the Code is possible unless approved in writing by the Board of Directors of the Company.

Additional Codes for Independent Director

A. Guidelines of Professional Conduct

An independent director shall;

I. uphold ethical standards of integrity and probity

II. act objectively and constructively while exercising his duties;

III. Exercise his responsibilities in a bona fide manner in the interest of the company.

IV. devote sufficient time and attention to his professional obligations for informed and balanced decision making;

V. not to allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

VI. not to abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;

VII. refrain from any action that would lead to loss of his independence;

VIII. where circumstances arise which make an independent director to lose his independence, the independent director must immediately inform the Board accordingly;

IX. Assist the company in implementing the best corporate governance practices.

B. Role and functions

The independent directors shall;

I. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;

II. bring an objective view in the evaluation of the performance of board and management;

III. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;

IV. satisfy themselves on the integrity of financial information and those financial controls and the systems of risk management are robust and defensible;

V. safeguard the interests of all stakeholders, particularly the minority shareholders;

VI. balance the conflicting interest of the stakeholders;

VII. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

VIII. Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

C. Duties

The independent directors shall;

I. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

II. 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;

III. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

IV. participate constructively and actively in the committees of the Board in which they are chairpersons or members;

V. strive to attend the general meetings of the company;

VI. 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;

VII. keep themselves well informed about the company and the external environment in which it operates;

VIII. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

IX. 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;

X. 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;

XI. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

XII. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

XIII. not to 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.

D. Manner of appointment

I. Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

II. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

III. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.

IV. The appointment of independent directors shall be formalized through a letter of appointment, which shall set out;

a. the term of appointment;
b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
d. provision for Directors and Officers (D and O) insurance, if any;
e. the Code of Business Ethics that the company expects its directors and employees to follow;
f. the list of actions that a director should not do while functioning as such in the company; and

g. The remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

V. The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

VI. The terms and conditions of appointment of independent directors shall also be posted on the company's website.

E. Re-appointment

The re-appointment of independent director shall be on the basis of report of performance evaluation.

F. Resignation or removal

I. The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

II. An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

III. Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

G. Separate meetings

I. The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

II. All the independent directors of the company shall strive to be present at such meeting;

III. The meeting shall;
   a. review the performance of non-independent directors and the Board as a whole;
   b. review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
   c. Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

H. Evaluation mechanism

I. The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

II. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

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ANNEXURE – A

CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

To,
The Compliance Officer
Name of the company
Address

Annual Disclosure

Dear Sir,
I, _____, hereby declare that I have received and read the Company's **'CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL'** of the Company. I further declare that I have fully complied with Code of Conduct for Board Members and Senior Management Personnel for the Financial year ended on March 31,_____.

Signature: _____

Name:

Designation:

Date:
Place:

ANNEXURE – B

CODE OF CONDUCT
FOR
BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

To,
The Compliance Officer
Name of the company
Address

ACKNOWLEDGEMENT FORM

Dear Sir,

I, _____ have received and read the Company's **'CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL'** of the Company. I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature: _____

Name:

Designation:

Date:
Place: