

J. B. CHEMICALS & PHARMACEUTICALS LTD.

**CODE OF CONDUCT FOR BOARD OF DIRECTORS AND
SENIOR MANAGEMENT PERSONNEL**

Preamble -

All Directors and Senior Management Personnel must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interest of the company and the shareholders / stakeholders.

With a view to maintain the high standards that the company requires, the following rules / code of conduct should be observed in all activities. The Company appoints the company secretary as a compliance officer for the purposes of the code, who will be available to directors and senior management personnel to answer questions and to help them comply with the code.

Applicability -

This code of conduct for the Board of Directors and senior management personnel "the code" is applicable to all members of J. B. Chemicals & Pharmaceuticals Board of Directors "the Board" and all "Senior Management Personnel", collectively "Leaders".

"Senior Management Personnel" shall mean all employees in the grade of Vice-President and above including all functional heads.

This Code shall be applicable to Executive Directors and Senior Management Personnel in addition and supplemental to the 'Code of Business Conduct and Ethics for Employees' applicable to all employees.

Honesty and Integrity -

Leaders shall

- Act in accordance with the highest standard of personal and professional integrity, honesty and ethical conduct in the discharge of duties and promote professionalism in the company.
- Act in good faith, responsibly, with due care, competence and diligence, exercise independent judgment on issues of strategy, performance and policy matters etc.

Conflict of Interest -

- Directors on the board of the company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company without prior approval of the Board.
- Inform the Company immediately about emergence of any situation that may disqualify him/her from Directorship.
- Leaders should not hold any office or place of profit in the company by himself or his relatives without full disclosure of information in connection therewith.
- Leaders should not divert to his own advantage any business opportunity that the Company is in pursuit.

Compliance –

Leaders are required to comply with all applicable laws, rules and regulations, both in letter and in spirit.

Other Directorships –

Serving on the Board of other companies may raise substantial concerns about potential conflict of interest and therefore, all directors must report/ disclose such relationships to the Board on an annual basis.

Service on the board of a direct competitor is not in the interest of the company. A director shall not hold a similar position in the competitor company without prior approval of the Board.

Confidentiality of Information –

Any proprietary information & trade secrets concerning the company's business, its customers, suppliers etc., which is not in the public domain and to which Leaders has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. Leaders shall not provide any information either formally or informally, to the press or any other publicity media, unless authorized.

Prevention of Insider Trading –

Leaders shall not derive benefit or assist other to derive benefit by giving investment advice from the access to and possession of information about the company, not in public domain and therefore constitutes insider information and they will comply with insider trading guidelines as issued by SEBI.

Duties of Independent directors (w.e.f. 01/10/2014) –

The Independent directors on the board of the company, for the time being, shall:

(1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;

(2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;

(3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

(4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;

(5) strive to attend the general meetings of the company;

(6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

(7) keep themselves well informed about the company and the external environment in which it operates;

(8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;

(9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;

(10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

(11) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

(13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

Gifts, Hospitality & Donations –

Leaders shall neither receive nor offer or make directly or indirectly any illegal payments, remuneration, gifts, hospitality, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for conduct of its business. However, they may accept and offer nominal gifts/hospitality which are not of a material nature and are customarily given on occasions or are of commemorative nature for special events.

Adoption –

All leaders hereby affirm this code. The code is to be re-affirmed by all members of the Board and Senior Management Personnel on an annual basis.

This code is subject to revision. Such revisions shall be with the approval of the Board.

Date: August 5, 2014