

BHANDARI HOSIERY EXPORTS LIMITED

CODE OF CONDUCT AND ETHICS

I. Applicability:

This Code of Conduct and Ethics is applicable to all the Board Members, officers and employees, hereinafter referred as “Officers”, of Bhandari Hosiery Exports Limited and associate companies, hereinafter referred to as “Company or Bhandari Group”. This Code is prepared in accordance with the requirements of Clause 49 of Listing Agreement

II. Definitions

- i. “Company” means Bhandari Hosiery Exports Limited.
- ii. “Board Member” means every director of the Company as may be appointed from time to time.
- iii. “Code of Conduct” means this Code of Conduct for members of the Board and Senior Management Personnel including modifications made thereto from time to time.
- iv. “Board” means Board of Directors of the Company.
- v. “Senior Management Personnel” means a personnel of the Company who are members of its core management team excluding Board of Directors and will comprise all members of management one level below the executive directors, including all functional heads.

III. Philosophy:

Bhandari Group is committed to conducting its business in accordance with the applicable laws, rules, regulations and notifications and with the highest standards of business ethics. The quality of our products and efficiency of our services at the most competitive prices is our greatest strength for our success. The purpose of this Code is to promote ethical conduct and deter wrong doing. This code is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct and to help foster a culture of honesty and accountability. The matters covered in this Code are of the utmost importance to the Company, our shareholders and business partners. Each Officer is expected to comply with the Code in letter and spirit.

The Officers of the Company must not only comply with applicable laws, rules, regulations and notifications but should also promote honest and ethical conduct of business. They must abide by the policies and procedures that govern the conduct of the Company’s business. Their responsibilities include helping create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a congenial work environment that encourages the stakeholders to raise concerns, if any, to the attention of the management.

IV. Conflict of interest:

Each Board Member or Senior Management Personnel should endeavor to avoid having his or her private interests interfere with

- (i) the interests of the Company or
- (j) His or her ability to perform his or her duties and responsibilities objectively and effectively.

Board Members and Senior Management Personnel should avoid receiving or permitting members of their immediate family to receive improper personal benefits from the Company, including loans from or guarantees of obligations by the Company. A Board Member should make a full disclosure to the entire Board of any transaction or relationship that such a Board Member reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorization to pursue such transactions or relationships.

V. Honest and ethical conduct:

All Officers shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct while working not only on company's premises and off site but also at company sponsored business, social events as well as any places. They shall act ethically and conduct free from fraud and deception. Their conduct shall conform to the best accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

VI. Insider Trading:

The company has adopted a Code of Conduct for Prevention of Insider Trading which all Board Member and Senior Management Personnel should observe with respect to the purchase and sale of the Company's securities.

Board Member and Senior Management Personnel should direct questions regarding the application or interpretation of these guidelines to the Compliance Officer.

VII. Fair Dealing:

All Officers should deal fairly with the customers, suppliers, competitors and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts or any other unfair dealing practices.

VIII. Protection and proper use of Company's Assets:

All Officers have a responsibility to protect the Company's assets and property, ensure its efficient use at all times for the growth of the Company and report and record all transactions. Theft, damage, loss, carelessness and waste of the Company's assets and property have a direct impact on the Company's profitability. Officers who have access to the Company's assets, property and confidential information must take every precaution to protect such assets, property and information. Company's assets should be used only for

legitimate business purposes Every Officer must protect the reputation of the Company, its employees and its products.

IX. Compliance with Laws, Rules and Regulations:

Officers must comply with all applicable governmental laws, rules, regulations and notifications at all times. Officers shall acquire appropriate knowledge of the legal requirements relating to their duties and responsibilities sufficient to enable them to recognize potential dangers and to know when to seek advice from the Board of Directors or any person/Committee designated for this purpose. Any Officer who is unfamiliar or uncertain about the legal rules/requirements involved should consult the legal department of the Company before taking any action that may jeopardize the Company or that individual.

X. Privacy and Confidentiality:

“Confidential information” includes all trade related information, trade secrets, confidential and privileged information, buyer/customer information, employee related information, strategies, commercial, administration, technical, legal, scientific and research information that are provided to or made available to the Officer of the Company or that the Officer is able to know or has obtained access by virtue of his employment or position with the Company. All Officers shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The use of confidential information for his /her own advantage or profit is strictly prohibited.

XI. Compliance with Code of Conduct:

All Officers of the Company must comply with this Code in letter and spirit. Any Officer, who knows of or suspects of a violation of applicable laws, rules or regulations or this code of conduct, must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company’s assets, financial integrity and reputation. Violations of this code of Ethics will result in appropriate disciplinary action, which may even include termination of services of the employee. The Company’s Board or any Committee/person designated by the Board for this purpose shall determine appropriate action in response to violations of this code of Ethics.

XII. Waiver and Interpretation of Code:

This code is subject to modification by continuously reviewing and updating. The Board of Directors or any designated person/committee has the authority to amend or waive compliance with this Code for any Officer of the Company. An Officer seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/committee. Any question or interpretation under this Code of Conduct and Ethics will be handled by the Board or any person/committee authorized by the Board

and its interpretation shall be final and binding on all the Officers of the Company.

XIII. Code of Conduct for Senior Financial Officers:

Honesty, integrity and sound judgment of the senior financial officers is fundamental for the success and reputation of Bhandari Group. The professional and ethical conduct of the senior financial officers is essential to the proper functioning of the Company. The senior finance officers as well as directors of the company shall be bound by the following code of ethics:

- Act with honesty and integrity, avoiding actual or apparent conflict of interests between personal, financial and professional relationships.
- Promote ethical and honest behavior within the company.
- Make full, fair, accurate, timely and understandable disclosure in reports and documents that the company files with, or submits or makes periodically to the shareholders, government authorities and to the public.
- Maintain the knowledge and skills that are necessary and relevant to the Company's needs, at all times.
- Comply with the governmental laws, rules, regulations and notifications applicable to the Company's business.
- Disclose to the Board or any committee / officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the Company.
- Promote prompt reporting or violations of the code of conduct to the Board of Directors or any person / committee designated for this purpose as may be necessary.
- Respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that no such confidential information is used for personal advantage / benefits.
- Act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts.
- Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid actual or apparent conflicts with analysis.
- Achieve responsible use of and control over all assets and resources employed or entrusted to them.

This Code applies to the principal officers and all the employees in the finance and accounts function in Bhandari Group. All senior financial officers should abide by and adhere to the Code. Any violation of the code will result in appropriate disciplinary action including dismissal from the services of the Company.

XIV. Disclosure:

This Code of Conducts for Board Member and Senior Management Personnel sets forth guidelines for conduct for the Board Members and Senior Management Personnel.

The Board Member and the Senior Management Personnel shall affirm the compliance with the Code on annual basis. Board Member and Senior Management Personnel will annually sign a confirmation that they have read and complied with this Code. The Annual Report of the Company shall carry a declaration to this effect signed by the Managing Director of the Company.

XV. Acknowledgment of receipt of Code of Conduct:

I have received and read the Company's Code of Conduct and Ethics. I understand the standards and policies contained in the Company's Code and in laid policies or laws specific to my job. I further agree to comply with the Company Code of Conduct and Ethics. If I have any questions concerning the meaning or application of the Company's Code of Conduct and Ethics, any policies or the legal or regulatory requirements applicable to 9 to these sources will be maintained in confidence.