



Code of Ethical Business
Conduct

**For the Directors and Senior
Management of Modi Naturals Limited**

CODE OF ETHICAL BUSINESS CONDUCT

APPLICABILITY OF THE CODE:

This Directors' Code of Conduct (Code) applies to Directors of Modi Naturals Limited (the Company).

It also applies to the senior management of the company i.e. one level below the executive directors. Therefore, for the purpose of this document, wherever the word director appears, it also applies to the senior personnel of the company.

GUIDELINES FOR CONDUCT

A Director must act honestly, fairly, ethically, and responsibly. He should be loyal to the Company and act with integrity and in good faith. Each director should seek to use due care in the performance of his/her duties in the best interests of the company as a whole. He should act with competence and diligence, without allowing their independent judgment to be subordinated. A Director has an obligation, at all times, to comply with the spirit, as well as the letter, of the law and of the principles of this Code.

A director should:

- Use reasonable efforts to attend Board and Committee meetings regularly
- Dedicate sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries
- Seek to comply with all Corporate Policies
- Act in the best interests of, and fulfill their fiduciary obligations to, Company's shareholders
- Conduct themselves in a professional, courteous and respectful manner
- Comply with all applicable laws, rules and regulations
- Act in a manner to enhance and maintain the reputation of the Company



- Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter in which the Director has or may have a conflict of interest
- Make available to and share with fellow Directors information as may be appropriate to ensure proper conduct and sound operation of the Company and its Board of Directors
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information
- Not use confidential information acquired in the course of their service as Directors for their personal advantage
- A Director who has a material personal interest in a matter should notify the other Directors of the interest and must not vote on the matter
- A Director must bring an open and independent mind to Board or Committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting
- While Directors must treat each other with courtesy and observe the other rules in this Code, Directors should be able to engage in vigorous debate on matters of principle
- Where a decision is not unanimous, a dissenting Director may disclose the fact that he/she dissented

CORPORATE BUSINESS OPPORTUNITIES

A corporate business opportunity is an opportunity (1) in the Company's line of business or proposed expansion or diversification, (2) which the Company is financially able to undertake and (3) which may be of interest to the Company.

A director who learns of such a corporate business opportunity and who wishes to participate in it should disclose the opportunity to the Board of Directors. If the Board of Directors determines that the Company does not have an actual or



expected interest in the opportunity, then, and only then, may the director participate in it, provided that the director has not wrongfully utilized the Company's resources in order to acquire the opportunity.

Directors owe a duty to the Company to advance the Company's interests when the opportunity to do so arises. Directors may not: (a) take for themselves opportunities that are discovered through the use of Company property or information or through the director's position; (b) use the Company's property or information or the director's position for personal gain; or (c) compete with the Company, directly or indirectly, for business opportunities that the Company is pursuing.

CONFLICTS OF INTEREST

Directors are expected to dedicate their best efforts to advancing the Company's interests and to make decisions that affect the Company based on the Company's best interests and independent of outside influences.

A conflict of interest occurs when a director's private interest interferes in any way, or even appears to interfere, with the interest of the Company as a whole. Conflicts of interest also arise when a director or a member of his or her immediate family receives improper personal benefits as a result of his or her position as a director of the Company.

Directors shall avoid conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company shall be disclosed promptly to the Chairman of the Board

GIFTS

Directors and members of their immediate families may not accept gifts from persons or firms who deal with the Company where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

COMPANY PROPERTY

Directors have a responsibility to safeguard and properly use Company assets and resources, as well as assets of other organizations that have been entrusted to the Company. Except as specifically authorized, Company assets, including



Company equipment, materials, resources and proprietary information, must be used for Company business purposes only.

CONFIDENTIAL INFORMATION

Directors shall maintain the confidentiality of information entrusted to them by the Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the director or anyone other than the Company.

Confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its customers if disclosed.

FAIR DEALING

Directors shall deal fairly with the Company's Customers, Suppliers, Competitors and Employees.

COMPLIANCE WITH LAWS AND REGULATIONS

The Directors are committed to comply with all those acts, rules and regulations that govern the conduct of Company.

NON-COMPLIANCE OF THE CODE

Suspected violations of this Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated.

DECLARATION

I, (name in capitals) _____, (designation) _____
have read and agree to comply with MNL's Code of Ethical Business Conduct.

Signature _____, Date ___/___/_____.

