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CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF THE COMPANY

1. PREAMBLE:

This Code of Conduct ("this Code") shall be called "The Code of Conduct for Board Members and Senior Management" of Novateor Research Laboratories Limited.

The Company framed and adopted Code of Conduct for the Board and Senior Level Management Personnel at its meeting held on 15th July, 2019 which came into effect from the same date in terms of Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR") as amended from time to time.

2. PURPOSE OF THE CODE:

The prime purpose of the Code of Conduct is to create an environment where all the Board Members and Senior Management of the Company maintain an ethical standards and compliances to the ethical standards and transparent process managing the affairs of the Company that are laid down.

This code of conduct will act as guideline to all as under:

- Promote honest and ethical conduct.
- Maintain a corporate climate in which the integrity and dignity of each individual is valued and promoted;
- Assure compliance with laws, rules and regulations that govern the Company's business activities; and
- Assure the proper use of the Company's assets.

This Code does not specifically address every potential form of unacceptable conduct, and it is expected that the Board Members and Senior Management of the Company will exercise good judgment in compliance with the principles set out in this Code. The Board Members and Senior Management of the Company have a duty to avoid any circumstance that would violate the letter and spirit of this Code.

3. DEFINITIONS & INTERPRETATIONS:

- 3.1 "Company"** shall mean "Novateor Research Laboratories Limited" or "NRLL"
3.2 "Act" means Companies Act, 2013 as amended from time to time.

- 3.3 "Board Members"** shall mean Board of Directors of the Company.
- 3.4 "Chairman"** means Chairman of the Board Meeting elected by the Board.
- 3.5 "Compliance Officer"** shall mean Company Secretary of the Company or or in his/her absence such other person as may be decided by the Board from time to time.
- 3.6 "Director"** includes Executive and Non-Executive Directors and also includes the Institutional Directors/ Nominee Directors whether the institution is an investing institution or lending institution on the Board of Directors of the Company who are not in whole time employment of the Company.
- 3.7 "Independent Director"** means a director of the Company, not being a whole time director and who is neither a promoter nor belongs to the promoter group of the Company and who satisfies other criteria for independence under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- 3.8 "Insider Information"** shall have same meaning as assigned to Unpublished Price Sensitive Information under NRLL Insider Code.
- 3.9 "Senior Management"** mean officers/ personnel of the Company who are 1members of its core management team excluding Board of Directors. Normally, the term would comprise all members of management one level below the Chief executive officer/ Managing Director/ Whole time Director/ Manager including CEO/ Manager, in case they are not part of Board and shall specifically include Company Secretary and Chief Financial Officer. (Note: In our case, One level below MD is the post of Presidents, however, if any department is not having person with this designation than the Department Head directly reporting to Managing Director will form part of core management team).
- 3.10 "SEBI LODR"** means Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
- 3.11 "Shares or Securities"** means Equity Shares of the Company.
- 3.12 "Trading"** means sale/ purchase of shares or dealing in shares of the Company.
- 3.13** In this "Code" words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

4. APPLICABILITY

The said Code shall be applicable w.e.f. from **15th July, 2019** to following persons:

- a) Board Members of the Company.
- b) Senior Management of the Company.

4.1 The Whole-time Directors and Senior Management should continue to comply with other applicable/ to be applicable policies, rules and procedures of the Company.

5. NOVATEOR RESEARCH LABORATORIES LIMITED: Values

The Board Members and Senior Management shall always be driven by the five core values adopted by the Company. This values that underpin the way we conduct our business activities are:-

- a) Transparency
- b) Commitment
- c) Innovation
- d) Quality
- e) Environment Friendliness

6. SPECIFIC STANDARDS GOVERNING DIRECTORS:

- 6.1** The Board Members shall carry out its duties in terms of provisions of Section 166 of Companies Act, 2013. Accordingly, a Director of the Company shall:
- a) act in accordance with the articles of the company;
 - b) act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
 - c) shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
 - d) company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;
 - e) shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company;
 - f) shall not assign his office and any assignment so made shall be void;
 - g) shall make relevant disclosures applicable to the director in term of Companies Act, 2013.
- 6.2** The Board Members shall abide by following general standards which also forms part of requirements under SEBI LODR:
- a) Not to hold office of director in more than Eight (8) listed entities and overall limits in which he is director shall not exceed twenty (20) in number;
 - b) Not to serve as an Independent Director in more than Seven (7) listed entities;
 - c) A Whole-time Director or Managing Director of the Company shall not serve as an independent director in more than Three (3) listed entities;
 - d) To disclose to the company annually names of Companies specifying separately listed entities where he is holding directorship along with category of directorship viz. additional, alternate, independent, nominee, etc.;
 - e) Not to be a member in more than ten (10) committees or act as a Chairperson of more than five (5) committees in all public limited companies, whether listed or not in which he is a director (here "Committees" include Audit Committee and Stake holder Relationship Committee);
 - f) To disclosure to the Company annually about the position held by the directors in Committees of Board of Directors in other Companies as provided under clause (e) above;
 - g) To disclosure to the Company annually and on occurrence of event whether the director has been debarred or disqualified from being appointed or continuing as a director of Companies by Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authorities;
- 6.3** Non-executive directors shall disclose their shareholding, held either by them or on beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

7. SPECIFIC STANDARDS GOVERNING INDEPENDENT DIRECTORS:

7.1 Guidelines of professional conduct:

An independent director shall:

- a) uphold ethical standards of integrity and probity;
- b) act objectively and constructively while exercising his duties;
- c) exercise his responsibilities in a bona fide manner in the interest of the company;
- d) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e) not 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;
- f) not 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;
- g) refrain from any action that would lead to loss of his independence;
- h) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- i) assist the company in implementing the best corporate governance practices.

7.2 Role and Functions:

The independent directors shall:

- a) 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;
- b) bring an objective view in the evaluation of the performance of board and management;
- c) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- d) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) balance the conflicting interests of the stakeholders;
- g) 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;
- h) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest;
- i) not to assign any alternate directorship on his behalf.
- j) shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in SEBI LODR.

7.3 Duties:

The 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, where necessary,
- c) take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- d) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- e) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- f) strive to attend the general meetings of the company;
- g) 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;
- h) keep themselves well informed about the company and the external environment in which it operates;
- i) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- j) 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;
- k) 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;
- l) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- m) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- n) 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.
- o) at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence in terms of Section 149(6) read with Regulation 25(8) of SEBI LODR.

7.4. 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 fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- IV. The appointment of independent directors shall be formalised 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.

7.5 Re- appointment:

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

7.6. 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 at the earliest but not later than the immediate next meeting of the board of directors or three months from the date of such vacancy, whichever is later;
- III. Where the company fulfils 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.

7.7. 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.

7.8 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.

8. SPECIFIC STANDARDS GOVERNING SENIOR MANAGEMENT:

Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Explanation: For the purpose of this sub-regulation, conflict of interest relates to dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.

9. KEY REQUIREMENTS/FAIR DEALING:

The Board Members and Senior Management of the Company are to deal with others in fair manner. One of the corner stone of the philosophy of the Company is "Respect for Individual". Non-compliance will make individual outcaste from value system and also attract disciplinary action.

The Board Members and Senior Management must act within the authority conferred upon them and in the best interests of the company and observe the following code of conduct:

- Shall act in accordance with the highest standards of honesty, integrity, fairness and ethical conduct while working for the Company as well representing the Company without allowing their independent judgment to be subordinated and fulfill the fiduciary obligations.

- Shall not involve them in making any decision on a subject matter in which a conflict of interest arises or could arise, between the personal interest and the interest of the Company. In the event of apprehending such conflict of interest, the relevant facts shall be disclosed in writing explaining the circumstances that create or could create the conflicts of interest to:
 - (a) Board of Directors in case of Directors and
 - (b) Chairman or Managing Director in case of Senior Management for further directions in the matter.

- Shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitute insider information. The Board Members and Senior Management shall make timely disclosures of
 - (a) the trading in the shares of the Company
 - (b) transactions having personal interest /related party transactions (in case of directors) that are required to be made under laws, rules and regulations and Code for prevention of Insider Trading in the Securities of Novateor Research Laboratories Limited.

Any information concerning the Company's business, its customers, suppliers, contractors, etc., which is not in the public domain and to which the Board Members and Senior Management 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. No Board Member and Senior Management shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

- Shall avoid having any personal financial interest in works or contracts awarded by the Company.
- Shall avoid any relationship with a contractor or supplier that could compromise the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
- Shall not exploit for their own personal gain, opportunities that are discovered through company's business, information or position, unless the opportunity is disclosed fully in writing to the Company's Board of Directors and Chairman or Managing Director as the case may be.

Over and above the requirements mentioned above, the Board of Directors of the Company shall adopt mandatory Secretarial Standards viz. Secretarial Standard – 1 for Meetings of Board of Directors and Secretarial Standard - 2 for Meetings of General Meeting. Further, the Board may also adopt any other such Secretarial Standards issued by appropriate body which are recommendatory in nature to enhance good corporate governance practices.

10. OBLIGATION WITH RESPECT DEALINGS IN THE SECURITIES OF THE COMPANY:

The Senior Management shall abide by the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Code of Prevention of Insider Trading as adopted by the Company from time to time.

The Board Members, Promoter or Senior Management shall not enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an Ordinary Resolution.

All interested persons involved in the transaction covered under the agreement shall abstain from voting in the general meeting.

Explanation - 'Interested Person' shall mean any person holding voting rights in the Company and who is in any manner, whether directly or indirectly, interested in an agreement or proposed agreement, entered into or to be entered into by such a person or by any employee or key managerial personnel or director or promoter of such listed entity with any shareholder or any other third party with respect to compensation or profit sharing in connection with the securities of such listed entity.

11. PROPER USE OF COMPANY ASSETS:

The Company's assets should be used only for the legitimate business purposes of the Company. The Board Members and Senior Management of the Company are prohibited from using Company assets, confidential or proprietary information or position for personal gain.

12. DISCRIMINATION AND HARASSMENT:

The Company is committed to providing a workplace *free* of discrimination and harassment based on race, color, religion, age, gender, national origin, disability, veteran status, or any other biases. It would be the endeavor of every Board Member and Senior Management of the Company to *see* that work place is free from such environment. If any Officer or Associate is discriminated he she may lodge a complaint of discrimination or harassment to the Head of the Personnel Department/ concerned Director of the Company.

13. CONFIDENTIAL INFORMATION:

Confidential information, be it technical operational or commercial should not be disclosed to anyone which information is confidential and for exclusive use of the Company. The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of this code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.

14. COMPLIANCE WITH LAWS, RULES AND REGULATIONS:

Any transaction undertaken in the name of the Company that would violate the laws of the land is prohibited. Particular attention is directed to the laws, rules and regulations relating to discrimination, securities, anti-trust, civil rights, transactions with foreign officials, safety and the environment. If any uncertainty arises as to whether a course of action is within the letter and spirit of the law, advice should be obtained from the concerned Director/Chairman/Managing Director of the Company.

15. RESTRICTIONS TO SERVICE OTHER ORGANIZATIONS:

Senior Management of the Company is expected to devote his or her fulltime and efforts during normal working hours to the service of the Company. No such person shall engage in any business or secondary employment that interferes with his or her obligations and responsibilities to the Company.

Senior Management of the Company will not serve on the Board of Directors of any corporation not owned or controlled by the Company, other than anon-profit, charitable, religious, civic or educational organization, without the prior written approval of the Chairman or Managing Director of the Company.

16. POLITICAL CONTRIBUTIONS:

Corporate funds, credit, property or services shall not be used, directly or indirectly, to support any political party or candidate for public office, or to support or oppose any ballot measure, without the prior approval of the Board of Directors of the Company.

17. GIFTS AND DONATIONS:

The Board Members and Senior Management of the Company shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the customers, vendors, contractors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, opportunity for committing any fraud. Save and except nominal gifts which are customary in nature or associated with festivals.

18. COMPLIANCE OF CODE OF CONDUCT/ AFFIRMATION:

18.1 Compliance Officer shall ensure implementation of this code;

18.2 Each Board Member and Senior Management Personnel shall be accountable for compliance of this code fully;

18.3 Compliance Officer shall report breach of this code, if any, which comes to his notice to the:

- a) Board in case of all Board members and
- b) Chairman or Managing Director in case of Senior Management Personnel

18.4 All Board Members and Senior Management Personnel shall be subject to any internal or external investigation of possible violations of this code;

18.5 The disclosure received under this code in terms of standards may be placed at the first meeting of Board of Directors of the Company for noting.

19. PENALTY FOR BREACH OF THIS CODE BY:

Senior Management shall be determined by the Chairman or Managing Director;

19.1 The Directors shall be determined by the Board of Directors of the Company;

19.2 Penalty may include serious disciplinary action, removal from office and dismissal as well as other remedies, including recommendations for any of the above penalty, to the extent permitted by law and as considered appropriate under the circumstances.

20. DISPLAY OF THE CODE IN WEBSITE OF THE COMPANY:

As required under the regulation 46 of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015, this code and any amendments thereto shall be posted on the website of the Company.

21. WAIVER AND AMENDMENTS OF THE CODE:

20.1 No waiver of any of the provisions of this code shall be valid unless, the Board of Directors of the Company approves such waiver in case of Board members and by Chairman or Managing Director in case of Senior Management.

20.2 The provisions of this code can be amended by the Board of Directors of the Company from time to time. Provided that any statutory amendment applicable to the said Code shall form part of the same though it has not been amended by the Board.
