

CODE OF CONDUCT

FOR ALL MEMBERS OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

PREAMBLE

MURUDESHWAR CERAMICS LIMITED believes in ethical conduct and standards and expects that honesty, integrity and transparency shall permeate all interactions with the Company, customers, business partners, vendors, shareholders and others. The respect for the Company flows from the high standards that are set for ourselves and there is a responsibility and obligation on every one to comply with the highest standards of corporate governance.

This Code of Conduct is intended promote:

- 1) Compliance with all other applicable laws, rules, and regulations.
- 2) Prompt internal reporting of any violations of this Code of Conduct.
- 3) Accountability for adherence to the Code of Conduct.

NOMENCLATURE

This Code of Conduct shall be called "Internal Code of Conduct" (hereinafter briefly referred to as "ICC").

EFFECTIVE DATE

The ICC shall be effective from 16th day of January 2008 as amended from time to time as required under applicable laws.

DEFINITIONS

Unless specifically stated otherwise in this ICC, the following words wherever occur in the ICC shall have the meaning assigned to them as stated against the corresponding words hereunder:

- (i). "Company" means MURUDESHWAR CERAMICS LIMITED'.
- (ii) "Director" means the Director holding office of Director on the Board of Directors of the Company.
- (iii) "Insider Trading Regulations" means and includes provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015;
- (iv) "Persons acting in concert" shall have the same meaning as defined under Regulation 2(6) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

CIN: L26914KA1983PLC005401

REGD. OFF. MURUDESHWAR BHAVAN, 604/B, GOKUL ROAD, HUBLI 580 030.

Phone: 9180-42897000; Email: cosec@naveentile.com, Website: www.naveentiles.co.in

- (v) "Price Sensitive Information" shall mean and include such information as are prescribed by the SEBI (Prohibition of Insider Trading) Regulation 2015 as amended from time to time.
- (vi) "Regd. Office" means the Registered Office of the Company at Murudeshwar Bhavan, 604/B, Gokul Road, Hubli 580030;
- (vii) "Relative" means the relative within the meaning of sub-section 77 of section 2 of the Companies Act, 2013.
- (viii) "Senior Management Personnel" means the employees of the Company occupying the rank at one step below the rank of Board of Directors and/or employees reporting to the Chairman / Executive Directors / Senior Executives one step below the rank of Board of Directors.

APPLICABILITY

The provisions of this Code of Conduct shall be applicable to the Directors and the Senior Management Personnel reporting to the Chairman / Executive Directors / Senior Executives just below the Board of Directors, irrespective of their grade.

POWERS OF THE BOARD

- 5(1). The Board of Directors is empowered to add, delete and/or modify all or any of the provisions of this Code of Conduct without advance Notice.
- 5(2). In all matters directly or indirectly related to anything contained in these provisions for which no express provision has been made in these provisions, the decision of the Board shall be final and binding.

DETAILS OF ICC

By these presents, the Board prescribes that the Directors and Senior Management Personnel of the Company shall abide by the following provisions.

DIRECTORS

Directorship in other Companies

- (a) No director shall hold office of directorship on the Board of Directors of more than 20 Companies. Provided that a person shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020; provided also that a person shall not serve as an independent director in more than seven listed entities.

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- (b) No director shall hold office of Managing director of more than two Companies including a Private Company which is not subsidiary of a Public Company.
- (c) Notwithstanding the above, any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities.

Membership of Committees

- (a) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director which shall be determined as follows:
 - (i) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;
 - (ii) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.
- (b) Directors shall inform to the Company about the status of their appointment as Member and/or Chairman of any Committee of any Company and changes thereon from time to time;

Board Meetings

- (a) Directors shall promptly attend and participate in the deliberations at the Board Meetings of the Company;
- (b) Any director who abstains from attending three consecutive Board Meetings of the Company without obtaining Leave of absence shall cease to hold office with immediate effect;
- (c) Directors shall not be entitled to participate in the proceedings and vote at the Board Meeting on any subject in which such director is interested;
- (d) Every director shall disclose his nature of interest in any subject that comes up before the Board or Committee/s of the Board for decision;
- (e) Every director shall inform the Board about their schedule of remaining out of station from their regular address provided to the Company, if such schedule exceeds 10 days;

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Other Disclosures:

Directors shall promptly disclose to the Company:-

- (a) Their nature of interest in other Companies together with shareholding in such Companies, in which they are interested, on year to year basis in the month of March of each year and any changes thereafter from time to time;
- (b) Any further sale or acquisition of shares of the Company, should be reported to the Company within 2 working days of such sale or acquisition, irrespective of the volume;
- (c) List of relatives and persons who may be treated as deemed as persons acting in concert with such directors;
- (d) The nature of disqualifications, if any, under Secn.274 and/or Secn.275 of the Companies Act, 1956 immediately on their coming to know about such disqualification;
- (e) The nature of interest in any contract/s that the Company may enter into;
- (f) The pecuniary relationship with the Company and the impact of the same, on yearly basis during the month of April of each year;
- (g) Related party transactions with the Company from time to time;

CONTRACTS

Directors :

- a) Shall not enter into any contract with the Company directly or indirectly, unless the same is not prohibitive under the provisions of Secn.185 and/or 180 of the Companies Act, 2013;
- b) Shall furnish general notice of disclosure of interest under Secn.184 of the Companies Act, 2013 in the month of March of each year as will be relevant for the ensuing financial year. Further changes, if any, during the year shall be immediately informed to the Company from time to time;
- c) shall avoid situations in which their personal interest could conflict with that of the Company.
- d) disclose to the Board, all cases of conflict of interest or potential conflict of interest between the person and the Company.
- e) shall neither directly or indirectly, give any official favours for personal purposes nor spend funds of the Company for personal purposes

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SHAREHOLDING AND CHANGES

Directors –

- a) shall comply at all times with the provision of the SEBI (Substantial Acquisition of Shares and Regulations, 2011 in the matter of acquisition of shares of the Company either by themselves or by persons acting in concert with such director(s);
- b) shall ensure compliance with the Code of Conduct prescribed by the Company under SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time ;
- c) shall desist/refrain from purchasing or selling or organize/manage to purchase or sell, either by themselves or by/through relatives or persons acting in concert with such directors, directly or indirectly during the period while the trading window is closed or during the period while any price sensitive information is within their knowledge until the same is published ;

CONFIDENTIALITY

Directors :

- a) - shall maintain strict confidentiality of Price Sensitive Information until the same is published by the Company
- b) - shall maintain strict confidentiality of the Affairs of the Company and the deliberations that may take place at the Board or Committee meetings.
- c)- shall respect confidentiality of data made available to them from time to time. Such respect for confidentiality shall also continue after such person ceases to hold the office as director or serve the organization.
- d)- shall not give any statement detrimental to the interest of the Company to the press or any other form of media.

SENIOR MANAGEMENT PERSONNEL

Confidentiality

Senior Management Personnel:

- a) shall maintain strict confidentiality of the affairs of the Company in general and the performance results viz., Production, Sales, Income, Expenditures, analytical data, plans and proposals in particular ;

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b) shall not disclose or make known or indicate in any manner to any person/s or Company/ies, Bank/s, body of persons any price sensitive information, so long as the same is not published by the Company.

c) - shall respect confidentiality of data made available to them from time to time. Such respect for confidentiality shall also continue after such person ceases to hold the office as director or serve the organization.

d) - shall not give any statement detrimental to the interest of the Company to the press or any other form of media.

Disclosures:

Senior Management Personnel shall:

a) Promptly disclose to the Company the acquisition or sale of shares of the Company by such personnel or by any of their relatives from time to time within two days of such transaction;

b) promptly disclose to the Company the details of the relatives who are employees or who become employees or who cease to be employees of the Company from time to time ;

SHAREHOLDING

Senior Management Personnel shall

a) ensure that they strictly comply with code of conduct prescribed by the Company while buying or selling or in any way trading in the shares of the Company while the trading window of the Company is closed ;

(b) ensure that they and/or any of their relatives do not indulge in buying and/or selling shares of the Company and/or do any act or omission that may influence others to sell/buy shares of the Company, during the period while such personnel have knowledge of any price sensitive information about the Company until such price sensitive information is published by the Company;

Prior Intimation of movement away from Head-Quarters

Unless the nature of Job of Senior Management Personnel is to be frequently away from Head-quarters, no Senior Management Personnel shall be away from Head Quarters without prior advance intimation of at least two days to the Managing Director of the Company;

Duties and Responsibilities

It shall be the duty of every Senior Management Personnel to ensure that the work environment is free from discrimination and harassment based on race, caste, creed, religion, gender, sexual

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orientation, age, disability, marital status or other factors. All Senior Management Personnel are prohibited from:

- a) Physical harm or threats of physical harm.
- b) Violent behavior including verbal abuse.
- c) Possession of weapons of any type.
- d) Use, distribution, sale or possession on the Company's premises of illegal drugs or any other controlled substance, except medicines for approved medical purposes.
- e) Consumption of alcohol on premises when not at a Company sponsored function.

Other Obligations

- 1) Every Senior Management Personnel shall conduct business in compliance with applicable laws, rules and regulations and Company policies including this Code of Conduct.
- 2) Treat all customers and business partners in an honest and fair manner.
- 3) Avoid situations where personal interests are in conflict with that of the Company.
- 4) Ensure proper use of proprietary and confidential information, assets and resources, as well as those of customers and business partners.
- 5) Raise any concern about possible violations of this code of conduct, laws or the Companies policies by others.
- 6) Not to make oral or written misrepresentations or dishonest or misleading statements to anyone.
- 7) Not to make false entries in business records or knowingly submit or approve any documentation, report or other information containing materially inaccurate, materially incomplete or other improper data of unauthorized signatures.
- 8) Have all commitments to customers and agreements, whether verbal or written, reviewed and approved in accordance with Company policies and procedures.
- 9) Gender Friendly Environment - Every Senior Management Personnel shall help promote equality of gender, class and caste in so far as the same relates to the activities of the Company and shall encourage women employees to report any harassment concerns and be responsive to any complaints of harassment or other unwelcome and offensive conduct.
- 10) Cost Consciousness - Every Senior Management Personnel shall exercise their responsibilities with utmost cost consciousness within organization and shall promote the same.

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- 11) Transparency and Accountability - Every Senior Management Personnel shall be transparent in all dealings except in cases where the needs of business security dictate otherwise and shall hold themselves accountable to the Board.
- 12) Dealings with people in the Organisation -No Senior Management Personnel shall show disrespect to their superior officers or to the authority of the Board and shall not engage in misinformation, disinformation or personal vilification or victimization of any employee or stakeholder.

EXEMPTION

Any person(s) appointed as a director(s) on the Board of Directors of the Company pursuant to Article 125 of the Articles of Association of the Company shall be exempt from the provisions of the ICC except that such director(s) shall be liable for all consequences of loss or damage that the Company or any person(s) may suffer on account of failure and/or any deficiency and/or lapse on the part of such director in maintaining the strict code.

Reviewed and updated in Board Meeting held on 29.05.2019