

INTORODUCTION

Donear Industries Limited ("The Company") considers Corporate Governance as an integral part of good management. The Company has adopted a Code of Business Conduct & Ethics ('the Code').

This Code is applicable to the Board of Directors and all Employees of the Company. The members of the Board of Directors and the member of the Senior Management of the Company are additionally required to affirm semi-annual compliance of this code. For the purpose of this Code, 'Senior Management' would comprise members of the management one level below the Board of Directors, including all functional heads.

This Code requires the Directors and Employees of the Company to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not to allow their independent judgment to be subordinated. Directors and Employees are expected to act in a manner to enhance and maintain the reputation of the Company.

The principles set forth in this Code are guiding in nature. The Directors and Employees may contact to the Chief Financial Officer (CFO) for assistance in interpreting the requirements of this Code.

Each Director and Employee must comply with the letter and spirit of this Code.

COMPLIANCE WITH LAW

Directors and Employees of the Company must respect and comply with all laws, rules and regulations of India and other countries in which the Company conduct its business. They should strive to keep themselves updated in relation to laws/ statutory compliances applicable to scope of their work.

ETHICLAL CONDUCT

Directors and Employees of the Company must help to create and maintain a culture of high ethical and professional standards. They are also expected to:

- Conduct business operations in compliance with competition laws and principles of fair market competition.
- Not to conduct own selves in a manner as may bring disrepute to office or tarnish the reputation and image of the Company.

CONFLICT OF INTEREST

Director and each Employee of the Company should endeavour to avoid any conflict of interests with the Company.

The Directors and each Employee of the Company must not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.

They should not engage in a business, commercial relationship or commercial activity with anyone who is a party to transaction(s) with the Company. Similarly they should not derive a personal benefit or a benefit to any of their relatives by making or influencing decisions relating to any transaction(s).

The Directors and each Employee of the Company should act in good faith, responsibly, with due care, competence and diligence. They should abstain from discussions, voting or otherwise influencing decisions on any matter that may come before the Board in which they may have a conflict or potential conflict of interest.

DUTIES OF INDEPENDENT DIRECTORS:

The independent directors shall –

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- 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;
- Strive to attend all meetings of the Board of Directors and of the Board Committees of which he is a member.
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend general meetings of the Company;
- 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.
- Keep themselves well informed about the Company and the external environment in which it operates;

- Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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.
- Ascertain and ensure that the Company has an adequate and functional vigil mechanism and to ensure that the interest of a person who uses such mechanism are not prejudicially affected on account of such use;
- Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code on Conduct or ethics policy;
- Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- Not disclose confidential information including commercial interests, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

FAIR DEALING:

Each Director and Employee of the Company shall endeavour to deal fairly with the Company's customers, suppliers, dealers, investors and competitors. No Director or Employee of the Company take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair dealing practice.

CORDIAL RELATIONS:

The Directors and Employees of the Company should make all efforts to establish cordial relationships with all stakeholders of the Company with whom they interface while carrying out their duties for the Company and must try to make positive contributions to the communities in which they perform such duties.

GIFTS AND BUSINESS ENTERTAINMENT:

The Directors and Employees of the Company are prohibited from receiving, soliciting or offering any illegal or undue pecuniary or other advantage, (e.g. payments, remuneration, gifts, donation, hospitality) which are intended to obtain any improper business advantage. Directors and Employees of the Company may however, honour, accept and offer nominal gifts which are given customarily and are of a commemorative nature.

CORPORATE OPPORTUNITY:

The Directors and Employees of the Company shall not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors declines to pursue such opportunity.

The Directors and Employees of the Company are prohibited from:

- taking for themselves personally any opportunity that particularly belongs to the Company or is discovered through the use of corporate property, information, or position;
- using corporate property, information, or position for personal gain; and
- competing with the Company.

EQUAL OPPORTUNITY:

The Company provides equal opportunities to all Employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour, merit being the sole differentiation factor.

If a Director or an Employee reasonably believes that a contemplated transaction might be a corporate opportunity or a competitive transaction, the Director or Employee should make full disclosure of such transaction to the entire Board through the Chief Financial Officer and seek Board's authorization to pursue such transaction.

SEXUAL HARASSMENT:

The Directors and each Employee shall maintain a work environment free from sexual harassment, whether physical, verbal or psychological. Disciplinary action shall be taken against any Director / Employee found in breach of this Code, which may include civil or criminal prosecution before competent Court of Law. Directors and Employees shall in addition to this 'Code' also adhere to the Company's Sexual Harassment Policy.

CORPORATE SOCIAL RESPONSIBILITY, HEALTH & SAFETY:

The Company recognizes its social responsibilities and aims at enhancing the quality of life of its workforce and their families. The Company pursues a clear policy dealing with employment practices, health and safety of its Employees. The Company provides working conditions, which are safe and healthy.

ENVIRONMENTAL PROTECTION:

The Company strives to preserve the environment by striking a balance between economic growth and preservation of the environment with due concern for ecology.

EMAIL AND INTEREST:

The Company provides email and internet facilities for the purpose of the Company's business. Posting and disseminating Company's information and data on internet or voice mail or on private networks except for business exigencies is prohibited. The use of internet facilities for accessing unauthorized, immoral websites from the computers provided by the Company is barred.

USE OF LICENCED SOFTWARE:

The software used on the Company's equipment(s) must be licensed and legal software. The use of unlicensed software on the Company's equipment(s) is prohibited.

PROTECTION AND PROPER USE OF COMPANY'S ASSETS:

All Directors and Employees of the Company should protect the Company's assets from theft, carelessness, and waste which will have direct impact on the Company's profitability and to ensure their efficient use and restrain from using the Company's property or position for personal gain.

CONFIDENTIALITY:

The Company's confidential information is a valuable asset. The Company's confidential information includes product information, product plans and list of customers, dealers and employees and financial information. All confidential information must be used for Company's business purpose only. Every Director and Employee must safeguard confidential information acquired during their association with the Company. *Confidential information includes all non public information that might be of use to competitors, or harmful to the Company, if disclosed.*

The Directors and Employees of the Company must maintain confidentiality of the information and shall not use confidential knowledge for their direct or indirect personal advantage of any other entity in which they have a direct or indirect interest.