



Advanced Chemical Industries Limited

GUIDELINES FOR BOARD OF DIRECTORS (CHAIRMAN, MEMBERS OF THE BOARD AND MANAGING DIRECTOR) ON DUTIES & RESPONSIBILITIES, CODE OF CONDUCT, CONFLICTS OF INTEREST AND CONFIDENTIALITY

This Code of Conduct and Policy on Conflicts of Interest and Confidentiality have been unanimously approved by the Board of Directors of ACI Limited to govern the conduct of Directors of the Company. It also sets out guidelines for avoiding and disclosing conflicts of interest and for maintaining Confidentiality of information pertaining to affairs of the Company. These guidelines shall also apply to the Directors of all subsidiary companies of ACI Limited.

A. DUTIES AND RESPONSIBILITIES OF DIRECTORS

Each Director is expected to become an active participant in a board that functions effectively as a whole. A Director is responsible to:

- (1) Be informed of the Memorandum and Articles of Association of the Company, its mission, vision, values, policies and codes of conduct as they pertain to the duties of a Director;
- (2) Understand the business activities of the Company and generally keep track of trends of business in the sectors in which the Company operates.
- (3) Attend Board meetings regularly, serve on committees of the Board as appointed and contribute from personal, professional and life experience to the deliberations of the Board;
- (4) Exercise due care and diligence in the performance of his / her duty and employ his/her skills pursuant to applicable laws and objectives of the Company;
- (5) Be independent and impartial in giving advice and in expressing views on any issue which comes up for consideration and/or decision of the Board.
- (6) Not be influenced by self-interest, outside pressure, expectation of reward or fear of criticism;
- (7) Act with honesty and integrity and conduct himself / herself in a manner consistent with the nature of the responsibilities and the maintenance of public confidence in the conduct of the Board's business;
- (8) Voice clearly and explicitly, at the time a decision is being taken, any contrary view to a decision being considered by the Board;

- (9) Maintain solidarity with fellow Directors in support of a decision that has been made in good faith in a legally constituted meeting, by Directors in reasonably full possession of the facts;
- (10) Request review of a decision, if s/he has reasonable grounds to believe that the Board has acted without full information or in a manner inconsistent with its fiduciary obligations;
- (11) Work with the staff of the company on committees or task forces of the Board;
- (12) Allow the executives of the company to independently discharge their functions in conformity with the time honoured principles underlying governance practices;
- (13) Comply with all other codes and policies approved by the Board from time to time.

B. CODE OF CONDUCT OF DIRECTORS

A Director will at all times conduct himself / herself in a manner that:

- (1) Supports the objectives of the Company;
- (2) Serves the overall best interests of the Company;
- (3) Subordinates his / her personal interests, and those of any particular constituency, to the best interests of the Company;
- (4) Brings credibility and goodwill to the Company;
- (5) Respects principles of fair play and due process;
- (6) Demonstrates respect for individuals and human rights;
- (7) Respects and gives fair consideration to diverse and opposing viewpoints;
- (8) Demonstrates commitment and dedication while attending meetings, special events and other activities of the company or on behalf of the Company;
- (9) Demonstrates good faith, prudent judgement, honesty, transparency and openness in his / her activities on behalf of the Company;
- (10) Ensures that the financial affairs of the Company are conducted in a responsible and transparent manner with due regard for his / her fiduciary responsibilities and public trusteeship;
- (11) Avoids real or perceived conflicts of interest;
- (12) Conforms to the policies approved by the Board, in particular this Code.

C. CONFLICT OF INTEREST

These narrations are intended to ensure the maintenance of the highest standard and integrity of the Board. The Directors shall put the interests of the Company ahead of any personal interest or the interest of any other person, group or entity. It also means performing his / her duties and transacting the affairs of the Company in such a manner that promotes public confidence and trust in the integrity, objectivity, impartiality and high standard of ethics of the Board.

(1) Definition

- (a) A conflict of interest refers to situations in which personal, occupational or financial considerations may affect, or appear to affect, a Director's objectivity, judgment or ability to act in the best interest of the Company.
- (b) A conflict of interest may be real, potential or perceived in nature.
- (c) A real conflict of interest arises where a Director has a private or personal interest.
- (d) A potential conflict of interest may arise when a Director has a private or personal interest such as an identified future commitment.
- (e) A perceived or apparent conflict of interest situation in one where a person of ordinary prudence has reason to doubt or believe that a Director has a conflict of interest..
- (f) Full disclosure, in itself, does not remove a conflict of interest unless the Board, having analysed the disclosed facts, considers the conflict neither material nor of any significance.

(2) Pecuniary Benefit

- (a) No Director shall directly or indirectly receive any profit from his / her position as such, provided that the Directors may receive reasonable payments for their services and reimbursement for reasonable expenses incurred by them in the performance of their duties.
- (b) The pecuniary interests of immediate family members (including the immediate family members of a Director's spouse) or close personal or business associates of a Director are also considered to be the pecuniary interests of the Director.

(3) Principles for Dealing with Conflict of Interest

- (a) Both prior to serving on the Board and during the term of office, each Director must openly disclose a potential, real or perceived conflict of interest as soon as any issue of conflict arises.

- (b) If a Director is not certain whether s/he is in a conflict of interest situation, the matter may be brought to the attention of the Chairman of the Board for advice and guidance.
- (c) If there is any question or doubt about the existence of a real or perceived conflict, the Board will determine by majority vote if a conflict exists. The concerned Director potentially in conflict of interest shall withdraw from the meeting when the Board discusses the issue..
- (d) The disclosure and decision as to whether a conflict exists shall be duly recorded in the minutes of the meeting.

D. CONFIDENTIALITY

It is the responsibility of Directors to know what information is confidential and to obtain clarification when in doubt. Except as s/he may be compelled by applicable legal process, a Director must, both while having and after ceasing to have that status, treat as confidential all information regarding the policies, internal operations, systems, business or affairs of the Company obtained by reason of his / her status as a Director and not generally disclosed to the public. A Director shall not use information obtained in his/her capacity as a Director for personal benefit. Each Director shall avoid activities which may create appearances that he has benefited from confidential information received as a Director.