

CODE OF BUSINESS CONDUCT & ETHICS OF ASSAM PETROCHEMICALS LIMITED

Preamble

Commitment to ethical professional and business conduct is essential for every employee of the company in all its businesses/units/subsidiaries. This code identifies the elements of such a commitment. It contains many, but not all the issues, employees are likely to face. Nothing in this Code shall constitute or be construed to constitute a contract of employment for a definite term or a guarantee of confirmed employment.

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code of Business Conduct and Ethics is subject to modification. The code is intended to serve as a basis for ethical decision-making in the conduct of professional work. It may also serve as a basis for judging the merit of a formal complaint pertaining to violation of professional ethical standards.

It is understood that some words and phrases in a code of ethics and conduct are subject to varying interpretations and that in specific situations any ethical principle may conflict with another ethical principle. Such conflicts may be resolved by careful consideration of the fundamental principles rather than through dependence on detailed regulations. In case of conflict, the decision of the Board shall be final.

This Code of Business and Ethical Conduct outlines fundamental ethical considerations as well as more specific considerations of professional conduct.

Applicability

This code is applicable to the members of the Board of Directors, the Managing Director, all functional heads and all employees in and above the 'Senior Manager' grade (hereafter referred to collectively as 'the employees'). The employees must read and understand this code and ensure abidance to it in their day-to-day activities.

FUNDAMENTAL MORAL IMPERATIVES

Be honest and trustworthy

An organization cannot function effectively without trust and honesty is a pre-requisite of trust. The employees are expected not to deliberately make any deceptive or false claims about our products/systems. Instead all of us are expected to provide full disclosures of all relevant limitations.

Avoid harm to others

“Harm” means damage or hurt, such as loss of property, damage to property or unwanted health and environmental impacts. This principle prohibits use of men, materials and technology in ways that result in harm to our customers, consumers, employees and the general public. Even well intended actions, including those in the course of accomplishing our assigned duties, may unexpectedly lead to harm. In such an event, the responsible person(s) is/are obligated to undo or mitigate the negative consequences as much as possible.

Be fair and not discriminate

This principle underlines the values of equality, tolerance, respect for others and equal justice. Discrimination on the basis of race, sex, religion, age disability, national origin or such other factors tantamounts to violation of this code.

Maintain confidentiality

The principle of honesty extends to confidentiality of information. All confidential information must be safeguarded and used for the company's business purposes only. This responsibility extends to not disclosing the company's confidential information, safeguarding and securing and proper disposal of confidential information. This obligation also extends to confidential information of third parties. The ethical concern is to honour all obligations of confidentiality except when disclosure is authorized or legally mandated.

Practice integrity in our inter-personal relationships.

In our relationship with our colleagues, we should treat them with respect and in good faith in the same way we would expect them to treat us. The underlying principle is to guard against loose talk or character assassination and to never say anything behind one's back. Most important of all, to never utter something that cannot be put in writing.

Contribute to society and human well being

This principle affirms an obligation to protect fundamental human rights and to respect the diversity of cultures. We must attempt to ensure that our products will meet social needs, be used in socially responsible ways and avoid harmful effects to health and welfare of others.

We must also ensure a safe natural environment and be always alert to and make others aware of any potential damage to the local or global environment.

SPECIFIC PROFESSIONAL RESPONSIBILITIES

Live the company's values each day

This is our company and we must live it's core values of Ownership, Quality, Teamwork, Integrity and Commitment each day.

Excellence

Excellence is perhaps the most important obligation of a professional. We must strive to achieve the highest quality, effectiveness and dignity in all that we are responsible for each day.

Acquire and maintain professional competence

Excellence depends on individuals who accept responsibility for acquiring and maintaining professional competence. We must therefore take part in setting up effective standards for appropriate levels of competence and strive to achieve those standards.

Comply with laws, rules and regulations; and fair dealing

We must comply and oversee compliance by others in the company with laws, rules and regulations applicable to the company. We should also obey the policies, procedures and rules and regulations of the company. If one decides to violate a rule because it is viewed as unethical or for any other reason, one must accept fully the responsibility for one's action and the consequences thereof. We

must deal fairly and must oversee fair dealing by others in the company with the company's customers, suppliers, competitors and employees.

Professional review

Quality professional work depends on professional reviewing and critiquing. Individual members should, wherever applicable, seek and utilize peer review and provide critical review of the work of others.

Manage and enhance personnel and resources to enhance the equality of working life.

Leaders in any organization are responsible for the creation and maintenance of an environment conducive for fellow employees in order to enable them to deliver their best. Ensuring human dignity of all our colleagues, their personal and professional development and enhancing the quality of working life is our responsibility and concern.

Dealing with the media tactfully

We should guard against disclosing confidential business information to the media, being misquoted and finding ourselves compromised. We should be tactful to avoid comment and pass enquiries to persons authorized to respond to them.

Be upright and avoid inducements

Under no circumstances should employees, agents, contractors offer to pay, make payment, promise to pay or authorize payment of OR accept any offer, payment, promise to pay or authorization to pay any money, gift or anything of value to the customers, vendors, consultants etc., that is intended to directly or indirectly improperly influence any business decision, any act or failure of act, any commitment of fraud or opportunity for the commission of any fraud. Gifts given by the company to customers, suppliers etc. or received from them should be appropriate to the circumstances and never such as would create the appearance of impropriety.

Observing corporate discipline

Our flow of information is not rigid and we must ensure that employees are encouraged a) to talk to their controlling officers/supervisors when in doubt about a particular situation; b) to report violations of laws, rules and regulations or code of conduct to appropriate personnel. We must also inform employees that the company will not allow retaliation for reports made in good faith. However, though there is free exchange of opinions while arriving at a decision, after a policy decision is made, all are expected to adhere to and abide by the same, irrespective of whether one agrees with it individually or not. Policies are made either to act as guidance or to put a restraint on action and we must recognize the difference and appreciate the need to observe them.

Conduct ourselves in a manner that reflects credit to the company

Our personal attitude and behaviour, both on and off duty has a bearing on the standing of the company and the way in which it is perceived within the organization and by the public. We must therefore conduct ourselves in a manner that reflects credit to the company.

Be accountable to our stakeholders

Our stakeholders comprise all whom we serve, without whom we will not be in business including our customers and shareholders and we must remember at all times that we are accountable to them.

Protect the company's property

We are perceived as trustees of the company's property and it is hence our fiduciary duty to protect the company's assets against any harm, misappropriation, loss, damage, theft etc. by putting in place effective internal control systems and procedures.

Workplace free of harassment

We are all committed to providing a workplace free of unlawful harassment including harassment based on, race, religion, national origin, pregnancy, childbirth or related medical conditions, physical or mental disability marital status, medical condition or sexual harassment or on any other basis protected by any applicable law rules or regulations and all such harassment is unlawful. If one believes one has been unlawfully harassed, one may submit a written complaint to the appropriate authority.

Drug and alcohol abuse

To meet our responsibilities to the employees, customers and investors, the company has to maintain a healthy and productive work atmosphere. Misusing controlled substances, or possessing, selling, distributing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

Conflicts of interest

Each of us has a responsibility to the company, our shareholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations that result in conflict of interest. As the company is subject to the scrutiny from various individuals and agencies, we must strive always to avoid even the appearance of impropriety. All employees must avoid situations involving actual or potential conflict of interest. Personal transactions with a supplier, contractor, competitor or subordinate employee of the company which impairs an employee's ability to exercise sound judgement on behalf of the company, creates an actual or potential conflict of interest.

A conflict of interest can occur when:

- An employee's personal interest is adverse to or may appear to be adverse to the interests of the company as a whole.
- An employee or his or her immediate family receives improper personal benefits as a result of his or her position in the Company.
- An employee engages in any activity, which interferes with his performance or responsibilities with the company or is otherwise prejudicial to or in conflict with the company. Such an employee must disclose to the company any interest that he may have which may conflict with the company's business.
- An employee considers investing in a company's customer, supplier, developer or competitor and such investment compromises his responsibilities to the company.
- An employee uses the company's assets, labour or information for personal use unless this is done with prior permission.
- *Related parties*- An employee conducts company's business with relatives including spouse, children, grandchildren, parents, grandparents, aunts, uncles, nieces, nephews, cousins, step

relations and in-laws. If such a related party transaction is unavoidable, the employee must fully disclose the nature of the related party transaction to the company's head of Finance Department. All related party transactions must be conducted in a manner, which does not imply preferential treatment.

- *Other situations*- Other conflicts of interest may arise and hence it would be impractical to attempt to list all possible situations. In case a proposed transaction or situation raises doubts, the HRM Department may be consulted.

Specific additional provisions for Board members and members of various Board committees.

We undertake to actively participate in meetings of the Board or committees thereof on which we serve.

As Board members

1. We undertake to inform the Chairman of the Board of any changes in our board positions, relationships with other business and other circumstances, situations that may interfere with our ability to perform our Board/Committee duties or may impair the judgement of the Board as to whether we meet the independence requirements of Listing Agreement with stock exchanges.
2. We undertake that without prior approval of the disinterested members of the Board, we will avoid apparent conflict of interest. Conflict of interest may occur or exist when we have personal interest that may have a potential conflict with the interest of the company at large. Illustrative cases can be:
 - Related Party Transactions – Entering into any transactions or relationship with the company or its subsidiaries in which we have a financial or other personal interest (either directly or indirectly through a family member or other person or other organization with which we are associated).
 - Outside Directorship – Accepting directorship on the Board of any other company that competes with the business of the company.
 - Use of official position for our personal gains.
 - Engaging in any activity (be it in the nature of providing consultancy service, carrying on business, accepting employment), which may interfere, or conflict with our duties/responsibilities towards the company.
 - Taking for ourselves, opportunities that are discovered through the use of the company's property, information or position as Director.
 - Using the company's property or information for personal gain.
 - Accepting compensation for services performed for the company from any source other than the company.
 - Receiving a personal benefit from a person or firm which is seeking to do business or retain business with the company.
 - Offering, receiving or giving gifts to or from persons or entities who deal with the company in cases where the intention is to influence the Director's actions as a member of the Board or where acceptance of the gifts could create appearance of a conflict of interest.
 - Competing with the company for business opportunities.

Compliance with the code

As employees of the company, we will uphold and promote the principles of this code.

The future of the company depends on both technical and ethical excellence. It is therefore, not only important for employees to adhere to this code, but also to encourage and support adherence by other employees.

Violations of this code to be treated as inconsistent with the organization- Disciplinary action

Adherence to a code of ethics by professionals is largely a voluntary matter. However the matters covered by this code are of utmost importance to the company, its stakeholders and hence to the ability to conduct the company's business effectively. If any of us violate this code, the matter would be reviewed by the Board and its decision shall be final. The company reserves the right to take appropriate action against the guilty employee. Disciplinary actions may include immediate termination of employment or business relationship at the Board's sole discretion. In cases where the company suffers loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the company will cooperate fully with the appropriate authorities.

The company expects all its employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the company.

Miscellaneous

Updation of code

This code is subject to continuous review and updation in line with any changes in law, change in company's philosophy, vision, business plans or otherwise as may be found necessary by the Board.

Waivers

Waiver of any provision of this code must be approved in writing by the Board and promptly disclosed.

Acknowledgement

I have received and read the company's Code of Business Conduct and Ethics. I understand the policies and standards contained in this code and also understand that there may be additional laws or policies specific to my job. I further agree to comply with the company's Code of Business Conduct and Ethics.

If I have any questions or doubts concerning the meaning or application of any of its provisions or the legal or regulatory requirements applicable to my job, I know I can consult my controlling authority or the Human Resource Management Department knowing that my questions or reports will be maintained in confidence.