

TEMPTATION FOODS LTD

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGERS

1. INTRODUCTION

Temptation Foods Ltd ("the Company") is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct.

This Code of Conduct ("Code") reflects the business practices and principles of behavior that support its commitment. The Board of Directors ("Board") / Senior Managers are responsible for setting the standards of conduct contained in the Code and for updating these standards as appropriate to reflect legal and regulatory developments. The Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every Director / Senior Managers are expected to read and understand the Code and its application to the performance of his or her duties, functions and responsibilities.

2. EVERY DIRECTOR / SENIOR MANAGERS MUST –

- (i) represent the interests of the Shareholders of the Company
- (ii) exhibit high standards of integrity, commitment and independence of thought and judgement;
- (iii) dedicate adequate time, energy and attention to ensure the diligent performance of his/her duties including make all reasonable efforts to attend Board or committee meetings; and
- (iv) comply with every provision of this Code.

3. COMPLIANCE OFFICER

The Company has designated the Company Secretary as its Compliance Officer to administer this Code. Directors/Senior Managers, at their discretion, may make any report or complaint provided for, in this Code to the Chairman of the Board of the Company or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

4. COMPLIANCE WITH APPLICABLE LAWS

In the discharge of their duties and responsibilities, Directors / Senior Managers must comply with all applicable laws, rules and regulations. These would include securities laws, insider trading laws and the Company's insider trading compliance policies.

5. CONFLICTS OF INTEREST

Directors / Senior Managers must avoid conflicts of interest and should also be mindful of, and seek to avoid, conduct which could reasonably be construed as creating an appearance of a conflict of interest, while Directors / Senior Managers should be free to make personal investments and enjoy social relations and normal business courtesies, they must not have any interests that adversely influence the performance of their duties, functions and responsibilities as Directors / Senior Managers of the Company. A conflict of interest can arise when a Director / Senior Manager or a member of his immediate family receives improper personal benefits as a result of his or her position as a Director / Senior Manager of the Company. A conflict situation can also arise when a Director / Senior Manager takes an action or has an interest that may make it difficult for him or her to perform his or her duties, functions and responsibilities objectively and effectively.

While the Code does not attempt, and indeed it would not be possible, to describe all conceivable conflicts of interest that could develop, the following are some examples of situations which may constitute conflicts of interest:

- Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the Company.
- Competing with the Company for the purchase or sale of property, products, services or other interests.
- Directing business to a supplier owned or managed by, or which employs, a relative or friend.
- Receiving loans or guarantees or obligations as a result of one's position as a Director.
- Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company.
- Appointing a member of a Director's /Senior Manager's family not having sufficient expertise or qualification demanded for the position, accepting gifts from persons or entities that deal with the Company, where the gift is being made in order to influence the Director's / Senior Manager's actions / decisions as a member of the Board, or where acceptance of a gift could otherwise reasonably create the appearance of a conflict of interest.

Conflicts of interest may not always be clear-cut. Any question therefore about a Director's/ Senior Manager's actual or potential conflict of interest with the Company should be brought promptly to the attention of the Chairman of the Board, who will review the question and determine a proper course of action, including whether consideration or action by the full Board is necessary. Directors / Senior Managers involved in any conflict or potential conflict situations shall rescue themselves from any discussion or decision relating thereto.

6. CORPORATE OPPORTUNITY

Directors/ Senior Managers shall not –

- (a) compete with the Company; or
- (b) take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information or position; or
- (c) use corporate property, information or position for personal gain.

7. FINANCIAL REPORTING AND RECORDS

The Company shall prepare and maintain its accounts fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the Country.

Internal accounting and audit procedures shall reflect, fairly and accurately, all of the Company's business transactions and disposition of assets, and shall have internal controls to provide assurance to the Company's Board and Shareholders that the transactions are accurate and legitimate. All required information shall be accessible to Company auditors and other authorised parties and government agencies. Any willful, material misrepresentation of and / or misinformation on the financial accounts and reports shall be regarded as a violation of the Code. No employee shall make, authorise, abet or collude in an improper payment, unlawful commission or bribing.

8. CONFIDENTIALITY

All Directors / Senior Managers must maintain the confidentiality of information entrusted to them or disclosed or acquired by them in carrying out their duties and responsibilities, except where disclosure is authorised by the Company or is required by laws, regulations or legal proceedings. The term "confidential information" includes, but is not limited to, non-public information that might be of use to competitors of the Company or harmful to the Company or its customers, if disclosed. Whenever feasible, Directors / Senior Manager should consult the Chairman of the Board or the Compliance Officer if they believe that they have a legal obligation to disclose confidential information.

9. FAIR DEALING

Directors / Senior Managers should endeavor to deal fairly with the Company's customers, suppliers, competitors, officers and employees. No Director / Senior Manager may take unfair advantage of the Company's customers, suppliers, competitors or employees through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practiced. Gifts or entertainment in any form that is likely to result in a feeling of expectation or personal obligation should not be extended or accepted.

10. PROTECTION AND PROPER USE OF COMPANY ASSETS

Directors / Senior Managers should perform their duties in a manner that protects the Company's assets and ensures their efficient use. Company assets should be used for legitimate business purposes.

11. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOUR

Directors / Senior Managers are encouraged to promptly contact the Chairman of the Board or the Compliance Officer if the Director / Senior Manager believes that he or she has observed illegal or unethical behavior by any employee, officer or director, or by any one purporting to be acting on Company's behalf or any violation or possible violation of this Code and the reporting Director / Senior Managers have any doubt as to the best course of action in a particular situation. Confidentiality will be maintained, to the extent permitted by law.

12. PUBLIC COMPANY REPORTING

As a public company, it is of critical importance that the Company's filings with the Securities and Exchange Board of India, the Reserve Bank of India and/or the concerned Stock Exchange(s) on which the securities of the Company are or may be listed be full, fair, accurate, timely and understandable. Directors / Senior Managers may be requested to provide information necessary to ensure that the Company's published reports meet these requirements. The Company expects Directors / Senior Managers to provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

13. AMENDMENT, MODIFICATION, WAIVER AND APPLICABILITY

This Code may be amended, modified or waived only by the Company's Board or Directors and must be publicly disclosed if required by any applicable law or regulation. As a general policy, the Board will not grant waivers to the Code. This code shall apply to all the Directors of the Company and all Senior Managers, which includes CEO, COO, CFO, CSO VP Supply Chain and Plant Managers and such other cadres as may be decided by the Board.