

Code of Conduct

(For Directors, Key Managerial & Senior Management Personnel)

(In terms of Regulation 17(5)(a) and other applicable provisions of the SEBI (Listing Regulations and Disclosure Requirements) Regulations, 2015 (Listing Regulations))

This Code of Conduct (the “Code”) has been adopted by Chembond Chemical Specialties Limited for its Directors, Key Managerial Personnel & Senior Management personnel under Regulation 17(5)(a) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This Code is a guide to help Directors on the Board, Key Managerial Personnel & Senior Management personnel of the Company to live up to Company’s ethical standards and good governance practices.

The rules and principles set forth in this Code are general in nature and are in addition to duties or responsibilities prescribed, if any, in the applicable laws and also in addition to other policies, codes, plans etc. adopted by the Company from time to time. The compliance with the Code shall be ensured by everyone to whom this Code is applicable.

This code may be reviewed by the Board from time to time to keep pace with the regulatory environment and any amendments to this Code shall be approved by the Board of Directors.

I. Definitions:

This code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this code, shall have the meaning assigned to them.

‘Company’ means Chembond Chemical Specialties Limited .

‘Board members’ means board of directors of the company

‘Key Managerial Personnel, in relation to a company, means (i) the Chief Executive Officer or the managing director or the manager (ii) the company secretary (iii) the whole-time director (iv) the Chief Financial Officer;

‘Senior Management’ shall mean officer and personnel of the company who are members of its core management team, excluding board of directors, and shall also comprise all the members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of Board of Directors) and shall specifically include the functional heads, by whatever name called and the person identified and designated as key managerial personnel, other than the board of directors.

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II. **Applicability :-**

The Code is applicable to

- all Directors including Independent Directors,
- Key Managerial Personnel &
- Senior Management Personnel comprising of members of Management one level below Executive Directors, including all functional heads.

Directors, Key Managerial Personnel & Senior Management Personnel shall carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies and procedures etc. The Board of Directors of the Company is entrusted with the fiduciary responsibility of managing the affairs of the Company. As Directors of the Company, they have a duty to take decisions and implement policies in the best interests of the Company and its stakeholders.

III. **Honest & Ethical Conduct:**

Directors, Key Managerial Personnel & Senior Management Personnel are expected to act in accordance with the highest standards of personal and professional integrity, honesty, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company's business or operations.

An honest conduct is considered as such when a conduct is free from fraud or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct and include ethical handling of actual or apparent conflicts of interests between personal and professional relationships. Directors, Key Managerial Personnel & Senior Management Personnel shall

- Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, & courteous and respectful manner;
- Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the stakeholders of the Company;
- Act in good faith, with responsibility, due care, competence, diligence and independence.

IV. Conflict of Interest:

Directors, Key Managerial Personnel & Senior Management Personnel are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests. A Conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.

Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment to be made or decision to be taken on behalf of the Company. Directors, Key Managerial Personnel & Senior Management Personnel are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest.

V. Legal Compliance:

It is the general obligation of Directors, Key Managerial Personnel & Senior Management Personnel to conduct the business and operations of the Company in accordance with the laws, rules, regulations, agreements, guidelines, standards etc. governing its operations.

Directors, Key Managerial Personnel & Senior Management Personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently. They shall also comply with the internal policies and procedures of the Company to the extent applicable to them.

Directors, Key Managerial Personnel & Senior Management Personnel shall affirm compliance with code of annual basis in such form as may be prescribed (**Annexure I**) and send it to the compliance officer by 30th April each year. The annual report of the company shall contain the declaration to this effect.

VI. Corporate Disclosure Policy:

It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents it files with or submits to the regulatory authorities and in other public communications. Directors, Key Managerial Personnel & Senior Management Personnel must maintain the confidentiality of information relating to the affairs of the Company until and unless authorized or legally required to disclose such information and shall not use confidential information for their personal advantage.

VII. Competition and Fair Dealing:

Directors, Key Managerial Personnel & Senior Management Personnel are obligated to deal fairly and honestly with each other, the Company's associates and with the Company's customers, suppliers, competitors and other third parties. They shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. The Company is committed to free and open competition in the marketplace.

Directors, Key Managerial Personnel & Senior Management Personnel shall avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

VIII. Code for Independent Directors specifying their duties

A guide to professional conduct for independent directors is separately specified under the companies Act, 2013, in the schedule IV – “Code for Independent Directors”, which lays down the guidelines of professional conduct for independent directors, their role & duties, alongwith appointment/ reappointment process, evaluation mechanism and requirement for separate meeting of Independent Directors, which is appended as **Annexure II** to this code.

IX. General Guidelines of Code of Conduct for Directors, Key Managerial Personnel & Senior Management Personnel

1. To Act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct in professional, courteous and respectful manner and not take improper advantage of the position of Director etc.;
2. To comply with all applicable laws, rules and regulations;
3. To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
4. To act in a manner to enhance and maintain the reputation of the company;
5. To disclose any personal interest that they may have regarding any matters that may come before the Board and abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest;
6. Directors must report / disclose their directorships in other companies to the Board on an annual basis. If there is any change in directorships in other companies during the course of the year, Directors must promptly advise the same to the Board which will be noted by the Board at the next meeting.
7. To respect the confidentiality of information relating to the affairs of the Company acquired in the course of service as Directors, Key Managerial Personnel & Senior Management Personnel, while continuing as such a director etc. and even after ceasing to be such a director etc., for a reasonable period of two years, except when authorised or legally required to disclose such information;
8. Avoid using any Company's property or position or information or opportunity received in the capacity as Directors, Key Managerial Personnel & Senior Management Personnel for personal gain, or in a manner that would be detrimental to the Company's interests;

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9. Abstain from discussion, voting or otherwise influencing decision on any matters that may come before the Board in which they may have a conflict or potential conflict of interest.
10. Not to use confidential information acquired in the course of their service as Directors, Key Managerial Personnel & Senior Management Personnel for their personal advantage or for the advantage of any other entity in which they might have a direct or indirect interest, or where they occupy a position of board or executive responsibility with influence over their decisions.
11. Directors, Key Managerial Personnel & Senior Management Personnel shall not receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments, and comparable benefits which are likely to obtain business (or uncompetitive) favors or influence any business decision for the conduct of business. Nominal gifts of commemorative nature, for special events / occasions could, however, be accepted or offered.
12. Help create and maintain a culture of high ethical standards and commitment to compliance.

A Director, Key Managerial Personnel or Senior Management Personnel who has concerns regarding compliance with this Code should raise such concerns with the Chairman of the Board who will deal with the same in due course.

No waiver or suspension of any or all requirements of this Policy, or any modifications of this policy, shall be valid unless approved by the Board and formally recorded in minutes with reasons for such action.

For Chembond Chemical Specialties Limited

Nirmal V. Shah
Chairman & Managing Director

June 2, 2025

ANNEXURE I

April 30, _____

To,
**The Board of Directors,
Chembond Chemical Specialties Limited**

Dear Sir(s)/Madam(s),

Sub: Disclosure of Interest and Disclosure pursuant to Code of Fair Disclosure and Prohibition of Insider Trading Code & Code of Conduct of the Company.

This is to inform you that I did not have any personal interest in any material, financial or commercial transactions with Chembond Chemical Specialties Limited during the period from April 1, ____ to March 31, _____, that may have any potential conflict with the interest of the Company at large.

In terms of policy on **Code of conduct of the Company** and Regulation 26(3) of **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**, I affirm compliance with the code of conduct of the Company for the FY _____.

Further, In terms of Regulation 5 of the **Code of Conduct to regulate, monitor and report trading by its Employees and other Connected Persons and Insiders** and **Code of Fair Disclosure** of the Company, and Regulation 4 of **SEBI (Prohibition of Insider Trading) Regulations, 2015**, I hereby confirm that during the F.Y. ____, I have not traded in the securities of the Company when in possession of unpublished price sensitive information and when the trading window of the Company was closed.

*I hereby further confirm that I fulfill the conditions of independence as defined in Regulations 16(1) (b) of Securities and Exchange Board of India (Listing Obligations & Disclosure Requirement) Regulations, 2015 and provisions of sub-section 6 of section 149 of the Companies Act, 2013.

Name of the Director
DIN:

*Strike off, if not applicable.

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ANNEXURE II
CODE FOR INDEPENDENT DIRECTORS
(As per Schedule IV of Companies Act, 2013)

The Code is a guide to professional conduct for independent Directors. Adherence to these standards by independent Directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent Directors.

I. Guidelines of professional conduct:

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent Directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;

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6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive Directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive Directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

The independent Directors shall—

1. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. 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;
3. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. strive to attend the general meetings of the company;
6. 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;
7. keep themselves well informed about the company and the external environment in which it operates;
8. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. 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;
10. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
11. report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. "acting within his authority", assist in protecting the legitimate interests of the company, shareholders and its employees;

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13. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

IV. Manner of appointment:

1. Appointment process of independent Directors shall be independent of the company management; while selecting independent Directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
2. The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
3. The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
4. The appointment of independent Directors shall be formalised through a letter of appointment, which shall set out:
 - a. the term of appointment;
 - b. the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c. the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - d. provision for Directors and Officers (D and O) insurance, if any;
 - e. the Code of Business Ethics that the company expects its Directors and employees to follow;
 - f. the list of actions that a director should not do while functioning as such in the company; and
 - g. the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
5. The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.
6. The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

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VI. Resignation or removal:

- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
- (2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be and if needed.
- (3) Where the company fulfils the requirement of independent Directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

- (1) The independent Directors of the company shall hold at least one meeting in a financial year, without the attendance of non-independent Directors and members of management;
- (2) All the independent Directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - a. review the performance of non-independent Directors and the Board as a whole;
 - b. review the performance of the Chairperson of the company, taking into account the views of executive Directors and non-executive Directors;
 - c. assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

VIII. Evaluation mechanism:

- (1) The performance evaluation of independent Directors shall be done by the entire Board of Directors, excluding the director being evaluated.
- (2) On the basis of the performance evaluation report, it shall be determined whether to extend or continue the term of appointment of the independent director.
