

CODE OF CONDUCT FOR BOARD & KMPs

Introduction:

Aether Industries Limited (referred to as 'Company') is mainly engaged in business of manufacturing basic cum specialty chemicals along with research and development activities.

Company values integrity, commitment, standards and ethics and also believes that such principles and standards govern the behavior of the Company and its' employees. High moral and ethics are always essential for long term achievements and vision of the Company.

Preamble:

This Code of Conduct (hereinafter referred to as 'the Code') has been framed and adopted by the in compliance with the provisions of Regulation 17(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 entered into by the Company with the Stock Exchanges.

Regulation 46(2) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") requires every listed company to publish a code of conduct for its Board of Directors and senior management personnel on its website. This code of conduct ("Code") has been prepared in accordance with the Listing Regulations and shall apply to the board of directors and certain members of the senior management of Aether Industries Limited (the "Company"). This Code may be amended by the board of directors of the Company from time to time provided that such revised Code complies with the Listing Regulations.

With a view to maintain high standards of the Company requires the following rules / code of conduct to be observed in all activities by the Board and the KMPs.

Definitions

"Board" or "Board of Directors" shall mean the Board of Directors of the Company.

"Company" shall mean Aether Industries Limited.

"Compliance Officer" shall mean the Company Secretary of the Company and in his absence any Senior Officer, so designated by the Board for the purpose of compliance with the Code. "Director" shall mean a member of the Board

"Listing Regulations" shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“Senior management” shall mean officers/personnel of the Company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the “chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

Applicability:

The Code applies to the Members of the Board of Directors (hereinafter referred to as ‘Board Members’) and Members of Senior Management Team of the Company. One level below the Executive Directors viz. Chief Financial Officer and the Company Secretary of the Company and other Business Heads, Unit Heads, Functional Heads and all other Executives having similar or equal rank in the Company. (hereinafter referred to as ‘Senior Managers’).

The Company Secretary shall be the Compliance Officer for the purpose of this Code.

The Code will be posted on the website of the Company.

Code of Conduct:

The Board Members and Senior Managers shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgement.

The Board members and Senior Managers of the Company:

1. be independent in judgement and on issues of strategy, policy matters and performance and take all reasonable steps to be satisfied as to the soundness of the decision taken by the Board.
2. shall recognize that their primary responsibility is to the shareholders of the Company as a whole with due regards for the interest of all other stakeholders.
3. shall avoid personal interests to conflict with the interest of the Company.
4. shall not make improper use of Company’s assets, properties, information or intellectual rights nor take improper advantage of their position.
5. shall maintain and help the Company in maintaining the highest degree of Corporate Governance.
6. shall act in utmost good faith and exercise due care, diligence and integrity in discharge of their duties and responsibilities and exercise all powers for the benefit and prosperity of the Company.

7. shall maintain confidentiality of the Company's business secret and other information of the like nature entrusted by the Company or acquired during the performance of their duties.
8. shall observe the Code of Conduct for dealing in equity shares/securities of the Company framed under SEBI (Prevention of Insider Trading) Regulations, 1992.
9. shall not seek, accept or receive directly or indirectly any gift, payments or favour of value (except nominal gifts which are customarily given and are of a commemorative nature for special events) in whatsoever form from Company's business associates which can be perceived as being given to gain favour in dealing with the Company and shall ensure that the Company's interests are never compromised.
10. shall not commit any offence involving morale turpitude or engage in a conduct likely to bring discredit upon the Company.
11. to promptly report to the Chairman any actual or possible violation of the Code.

Conflict Of Interest

The Directors and Senior Management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest. They should avoid transacting company business with their relative or with a firm/ company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board. The Directors and Senior Management shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

Honesty, Integrity, Fairness and Accountability

The Directors and Senior Management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence. The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel.

Confidentiality

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company. The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director/ Senior Management or anyone other than the Company. Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possess such information because of their position in the Company.

Company Property

Directors and Senior Management have a fiduciary relationship with the Company and they should act like a trustee for the Company's property/ assets as well as the property/ assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Directors and Senior Management shall not use these assets/ property except as specifically authorised and that too only for the purpose of Company business.

Corporate Business Opportunities

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors/ Senior Management due to the position held by them in the Company. The Directors/ Senior Management shall not utilise such opportunities for their personal benefit. However once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity.

Compliance With Applicable Laws & Company's Policies

Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time. Further they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

Declaration for Compliance with the Code

The members of the Board and Senior Management shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect as per the format set out in Annexure II. The annual report of the Company shall carry a declaration signed by the CEO/ Managing Director of the

Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

Miscellaneous

Suspected violations of the Code must be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated and action will be taken on the conclusion of the enquiry by the Board which may even include a request to resign as Director or Senior Management of the Company, if permitted by applicable laws and is in the best interest of the Company. The board of directors of the Company reserves the right to modify and/or amend the Code at any time. The Code and subsequent amendment(s) thereto, shall be published on the website of the Company.

Disclosures of Interest

Notwithstanding that any instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested officer should be made to the Company. It is also incumbent upon every officer to make full disclosure of any interest which the Officer or the Officer's immediate family, which would include parents, spouse and children, may have in a Company or firm which is a supplier, customer, distributor of or has other business dealings with the Company.

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws. The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

If any Officer fails to make a disclosure as required herein, and the Company of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the Officer, the company would take a serious view of the matter and consider suitable disciplinary action against the Officer.

The Company feels that serving on the Board of Directors of other companies may raise substantial concerns about potential conflict of interest and therefore all Directors shall report / disclose such relationships to the Board on an annual basis.

Review:

The Code may be reviewed and updated from time to time as when required with the requirement of the law.

Annexure – I

Duties of Independent Directors

The duties of the Independent Director as laid down in Schedule IV to the Companies Act, 2013 are mentioned below. 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. 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.
12. report concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy; and
13. acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.

Aether Industries Limited

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Annexure - II
Affirmation by Director / Senior Management with Code of Conduct

As a Director / Senior Management, I hereby acknowledge that I have received and read the Code of Conduct of the Company. I understand that it is my responsibility to consult the Compliance Officer if I have any questions regarding the provisions of the Code of Conduct and I shall comply with the Code of Conduct in true spirit. I understand and agree that as a Director/ Senior Management it is my responsibility to promote the application of the Code of Conduct.

Name:

Date: