

BRITANNIA INDUSTRIES LIMITED

CODE OF BUSINESS CONDUCT (COBC)

**Document to guide dealings between employees of Britannia
and those doing business with Britannia**

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EXECUTIVE SUMMARY

The reputation that Britannia has built over the years for high ethical standards is one of our greatest business assets. To share the responsibility to preserve and enhance this asset, the company has documented the **Code of Business Conduct (COBC)** for its employees. This handbook covers the Code in detail.

The COBC outlines the principles, policies and laws that govern the activities of the company, and to which employees of Britannia and others who work with, or represent Britannia directly or indirectly, must adhere. The Code is distributed to all employees and directors and others associated with the business of the Company, and offers guidance for professional conduct under six main headings, which include the following key points:

1. Responsibilities of Employees of Britannia

- Maintaining ethical standards, including appropriate accounting controls;
- Identify, surface and resolve ethical issues with great speed;
- Corporate assets (physical and intellectual) must not be used for personal benefit;
- Exercise good judgment and standards of good taste when creating company records, including e-mail;
- Maintain company records accurately and retain them in accordance with law.

2. Workplace Responsibilities

- Being committed to fair employment practices;
- Being committed to a workplace free from drugs and any kind of harassment or intimidation of employees;
- Being committed to the safety of our employees;
- Being committed to discipline at workplace;
- Compliance with appropriate laws and internal regulations.

3. Representing Britannia to Customers and Other External Constituencies

- Treating customers, suppliers and competitors fairly;
- Maintaining high standards of quality;
- Speeches, media interviews, and other public appearances in connection with Britannia must first be approved internally;
- Preparing accounts accurately and maintaining records;
- Ensuring not to use unfair and misleading statements when marketing Britannia products and services;
- Accepting and giving gifts is not permitted, except as governed by the policy laid down herein.

4. Privacy / Confidentiality

- Protect proprietary and confidential information at all times in accordance with applicable law;

- Keep customer information secure at all times, as a sacred trust given to the company by our customers;
- Keep employees' information confidential.

5. Investments and Outside Activities

- Trading in the securities of Britannia or any other company while in possession of "inside" information is illegal;
- Avoiding real or perceived conflicts of interest in areas including investments or outside business activities, among others.

6. Corporate Social Responsibility

- Catering to the national interest
- Committed to be a good corporate citizen
- The company prohibits any payment of bribes.

Note:

Unless otherwise stated, the Principal Manager, in the case of a Branch and units under the control of the branch, is the General Manager of the Branch. In the case of employees based at Executive Office, the Principal Manager is the Functional Head to whom the employee would report into.

Compliance Officer, wherever mentioned on this code, refers to the Company Secretary and Head-Legal, or any other authority appointed specifically for this purpose, by the Board of Directors.

ADMINISTRATION OF THE CODE

DISTRIBUTION

All the directors of the company, and employees will receive a copy of this Code at the time they join the company and will receive periodic updates. Also, any agent, consultant, government official or government employee who is retained by the company should receive this Code and understand the obligations under it.

APPROVALS

The appropriate Principal Managers must review and approve in writing any circumstance requiring special permission, as described in the Code. Copies of these approvals should be maintained by the company and made available to auditors or investigating authorities.

Waivers of any provision of this Code must be approved by the Board of Directors or its designated committee.

MONITORING COMPLIANCE

Employees must take all responsible steps to prevent a Code violation.

Employees should report suspected Code violations to their manager or higher level of management, or to the corporate Legal and Internal Audit Departments. In the case of potential criminal violations, employees should inform the Compliance Officer.

INVESTIGATIONS

The responsibility for administering the Code, investigating violations of the Code and determining corrective and disciplinary action rests jointly with the Chief Executive Officer, Chief Financial Officer and Compliance Officer, alongwith the Audit Committee of the Board of Directors.

The Compliance Officer may, with the assistance of the company's Internal Audit and Legal Departments, conduct or manage investigations as deemed appropriate. They will work together with the employee's managers to recommend corrective and disciplinary actions for presentation to the Chief Executive Officer and the Chief Financial Officer. For more information on the procedures that generally will be followed in the case of potential Code violations, please refer to the Procedural Guidelines for the Code of Business Conduct.

If allegations involve criminal conduct, employees should seek guidance from the Compliance Officer before engaging in any inquiries.

The Chief Financial Officer will report Code violations and the corrective actions taken to the Audit Committee of the Board of Directors.

DISCIPLINARY ACTIONS

The company strives to impose disciplinary action for each Code violation that fits the nature and particular facts of the violation. The company uses a system of progressive discipline. The company generally will issue warnings or letters of reprimand for less significant, first-time offenses. Violations of a more serious nature may result in suspension without pay, demotion, loss or reduction of bonus or option awards, or any combination thereof. Termination of employment generally is reserved for conduct such as theft or other violations amounting to a breach of trust, or for cases where a person has engaged in multiple violations.

Violations of this Code are not the only basis for disciplinary action. The company has additional policies and procedures governing conduct.

SIGNATURE AND ACKNOWLEDGEMENT

All new associates must sign an acknowledgement form confirming that they have read the Code and understand its provisions. Failure to read the Code or to sign an acknowledgement form, however, does not excuse an associate from the terms of this Code.

IT'S UPTO YOU

Administration of the Code is everyone's responsibility. There are colleagues to help you do the right thing. If you act with integrity and seek guidance when you are uncertain, you'll be doing the right thing.

This Code is not an express or implied contract of employment and does not create any contractual rights of any kind between Britannia Industries Limited and its employees. In addition, all employees should understand that this Code does not modify their employment relationship, whether at will or governed by contract. Britannia Industries Limited reserves the rights to amend, alter or terminate this Code at any time and for any reason.

HANDBOOK FOR EMPLOYEES OF BRITANNIA AND ALL BUSINESS ASSOCIATES

1 RESPONSIBILITIES OF EMPLOYEES OF BRITANNIA

1.1 Standards of ethical behaviour

Maintaining ethical standards, including appropriate internal controls and adherence to local laws and regulations, is the responsibility of every member of the Britannia family. Early identification and resolution of ethical issues that may arise are critical to maintaining our commitment to world-class business practices.

All employees are expected to treat compliance with ethical standards as a critical element of their responsibilities. You should use your judgment and common sense; if something seems unethical or improper, it probably is. If you have any questions regarding the best course of action in a particular situation, or if you suspect a possible violation of a law, regulation or Britannia ethical standard, you should seek advice from the appropriate authority, which could be:

- Your immediate superior
- Regional Personnel Manager / Human Resource Manager
- Head of your function
- Compliance Officer
- Chief Financial Officer
- Chief Executive Officer
- Audit Committee
- Board of Directors

1.2 Protecting Corporate Assets

Britannia's assets are to be used only for the legitimate business purposes of the Company and its subsidiaries, by authorized employees or their designees only. Assets include cash, securities, business plans, consumer information, customer information, product recipes, packaging standards, proprietary processes, quality standards, machinery designs, supplier information, distributor information, intellectual property (computer programs, models and other items), trademarks and copyrights, physical property and services.

Company assets must not be used for personal benefit except where permitted by Britannia in line with Company policy. Misappropriation of corporate assets is a breach of your duty to Britannia and may constitute an act of fraud against the company. Similarly, carelessness or waste in regard to company assets is also a breach of your duty to Britannia.

The company's telephone, internet, e-mail and voice-mail systems are primarily for business purposes and should not be used in a manner that might cause harm or embarrassment to the company. Britannia reserves the right to monitor and inspect, without notice, all electronic communications data and information transmitted on the network and electronic files located on

company servers, personal computers owned by the company or computers on the premises used for company business.

You must have permission from your Principal Manager, before you use or authorise the use of any company asset, including information, work product or trademark-outside of your company responsibilities.

1.3 Accuracy of Company Records and Reporting

Records, data and information owned, used and managed by Britannia must be accurate and complete and must be maintained in sufficient detail to reflect the company's transactions accurately. Financial statements must always be prepared in accordance with generally accepted accounting principles and fairly present, in all material respects, the financial condition and results of the company.

You are personally responsible for the integrity of the information, reports and records under your control. You must use common sense and observe standards of good taste regarding content and language when creating business records and other documents (such as e-mail) that may be retained by Britannia or a third party. You should keep in mind that at a future date, Britannia or a third party may be in a position to rely on or interpret the document with the benefit of hindsight and/or the disadvantage of imperfect recollections.

You are required to cooperate fully with appropriately authorized internal or external investigations. Making false statements to or otherwise misleading internal or external auditors, Britannia counsel, Britannia representatives or regulators can be a criminal act that can result in severe penalties. You must never withhold or fail to communicate information that raises ethical questions and thus should be brought to the attention of higher levels of management.

Records should be retained strictly in accordance with the Company policies. You are prohibited from destroying any records that are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable government investigation or proceeding.

Britannia is also committed to accuracy in tax-related records, and to tax reporting in compliance with the overall intent and letter of applicable laws. Tax returns of the company must be filed on a timely basis and taxes due paid on time.

2 WORKPLACE RESPONSIBILITIES

2.1 Fair Employment Practices and Diversity

Britannia believes that diversity in our staff is critical to our success as an organization, as we seek to recruit, develop and retain the most talented people from a diverse candidate pool. Advancement at Britannia is based on competencies and performance. We are committed to providing equal opportunities to all our employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age and nationality.

All employees and their immediate superiors, regardless of level, shall endeavor to meet the following objectives:

- Respect each employee, customers and their representative of suppliers and contractors as an individual, showing courtesy and consideration and fostering personal dignity. Encourage employees to voice their opinions freely about the policies and practices of the company by communicating and practicing Britannia policy;
- Keep colleagues and co-workers generally informed of the policies, plans and progress of the company through regular communications;
- Afford colleagues and co-workers a reasonable opportunity, consistent with the needs of the company, for training to become better skilled in their roles;
- Encourage promotion from within, consistent with the needs of the company, whenever qualified employees are available.
- Assure uniformly fair compensation and benefit practices that will attract, reward and retain quality employees.

Our dealings with each other should be based on mutual trust and respect to one another and to the Company. Our focus is on a set of mutual objectives, which are the driving momentum behind our business.

2.2 Harassment and Intimidation

Britannia's policy is to provide a workplace free from tensions involving matters that do not relate to the company's business. Harassment of employees, applicants, customers, contractors or suppliers by other employees will be a violation of company policy. Britannia prohibits any other kind of harassment or intimidation, whether committed by or against a supervisor, co-worker, customer, vendor or visitor.

Harassment, whether based on a person's race, gender, color, creed, religion, national origin, citizenship, age, disability, marital status, sexual orientation, ancestry, veteran status or socioeconomic status, is repugnant and completely inconsistent with our tradition of providing a respectful, professional and dignified workplace. Harassment may be unlawful and is prohibited whether it occurs in the workplace, at customer or vendor sites, and includes:

- Verbal harassment
- Physical harassment
- Visual harassment (posters, cartoons, drawings)
- Coercing the subordinate to perform any activity which might harm the interest of the company.
- Discrimination against particular individual based on caste, community or gender.
- Threaten or blackmail.

Any employee who feels threatened and harassed, must be in a position to communicate his / her feelings without fear to the immediate superior or the next higher level or the Regional Personnel Manager / Human Resource Manager. If you believe that you are being subjected to harassing behavior, or if you observe or receive a complaint regarding such behavior, you should report it to your supervisor or to your Regional Personnel Manager / Human Resource Manager.

2.3 Drug-Free Workplace

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

2.4 Safety in the Workplace

Britannia shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. Britannia shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment. Hence, each of us must comply with all applicable health and safety policies. We maintain compliance with all local laws, and internal guidelines have been developed to help maintain secure and healthy work surroundings. Questions, if any, about these laws and guidelines should be directed to your supervisor / Regional Personnel Manager / Human Resource Manager.

2.5 Maintaining Discipline at workplace

Britannia endeavors to maintain the best of employment practices and envisages a mutual commitment between the company and employees towards effectively maintaining the same. Discipline, therefore, would include:

- Punctuality and respect for time
- Good house keeping, cleanliness
- Limited personal telephones / e-mails during office hours

Britannia also expects compliance to the following by all employees and directors while executing individual responsibilities:

- High level of service orientation
- Honoring commitments
- Meeting reporting timelines
- Respecting and understanding the requirement of jobs of other colleagues
- Doing the job without follow ups
- Transparency and openness
- Working collaboratively across geographies and functions
- Looking after employees' development needs
- Focusing on results
- Taking personal responsibility and ownership
- Intellectual integrity.

3 REPRESENTING BRITANNIA TO CUSTOMERS AND OTHER EXTERNAL CONSTITUENCIES

3.1 Fair Treatment

Britannia is committed to dealing fairly with its consumers, customers, suppliers, competitors and employees. No person may take unfair advantage of anyone through manipulation, concealment, abuse of confidential information, misrepresentation of material facts or other unfair dealing practice.

3.2 Quality of Products & Services

Britannia is committed to producing and marketing goods of the highest quality standards to ensure total consumer and customer satisfaction. The quality standards of the company's products should meet the highest standards, nationally and internationally, at all times.

To consistently live up to the expectation of consumers, Britannia expects all its suppliers and other associates who are directly or indirectly related to business, to consistently deliver on quality. The Company would at no instance compromise on quality standards. Quality standards also apply to the services we provide to our distributors, customers, consumers and suppliers externally. There should be no compromise on our quality commitment for both internal and external customers.

3.3 Media, Publishing and Public Appearances

Any inquiry from the media relating to Britannia should be referred to the Compliance Officer, either through your local General Manager or directly to the Compliance Officer. Only officially designated spokespersons may provide comments for the media.

No employee shall, in any radio / TV broadcast or in any document published in his / her own name or anonymously, pseudonymously or in the name of any other person or in any communication to the press or in any public utterance, make any statement of fact or opinion that will:

- inflict an adverse criticism of any current or recent policy or action of the Management.
- embarrass the relationship between the Management and employees.

3.4 Financial Reporting & Records

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

Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no willful omission of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws.

3.5 Dealing with Third Parties

In order to make the best use of company assets and deliver value to our shareholders, Britannia's policy is to purchase all goods and services on the basis of most competitive price, quality, availability, terms and service. Britannia prefers to deal with other Britannia businesses where possible: when required by regulatory authorities, such transactions and pricing must be consistent with arm's-length market terms. Suppliers and service providers must adhere to Britannia policies whenever appropriate and agree to keep any relationship with Britannia confidential unless otherwise approved by Britannia. All suppliers must comply with applicable nondiscrimination laws.

You should ensure the following while dealing with suppliers / vendors / contract packers:

- Company gets value for money without sacrificing quality / business ethics.
- Contracts are awarded solely on merit basis.
- Limited information dissemination across all third party layers.
- No personal favors/ advantages/ financial obligation are accepted.
- No sharing of company's proprietary / confidential information.
- Refuse any offer of premises to be arranged by the third party for personal benefit, during official visits or otherwise.

It has to be noted that any third party, having business dealings with the Britannia group viz. consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorized to associate or do business with Britannia if their business conduct and ethics are known to be inconsistent with this Code. No third party service provider to Britannia will use the company's name for vested interest.

3.6 Gifts, Favors and Entertainment

Receiving Gifts

Britannia and its employees shall not receive, directly or indirectly, any payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business. You should never accept a gift in circumstances in which it could even appear to others that your business judgment has been compromised. Similarly, you may not accept or allow a close family member to accept gifts,

services, loans or preferential treatment from anyone – customers, suppliers or others – in exchange for a past, current or future business relationship with Britannia.

However, in instances where organizations offer gifts/ special discounts for their business associates of their products/ services, it becomes obligatory to obtain a positive affirmation that the benefit enjoyed by you is consistent with the policy of the business associate and is not being extended only to an individual. This is however, subject to the following important limitations:

- The gift or favor must be of nominal value not exceeding Rs.1000 (Rupees One Thousand) and must involve no more than normal sales promotion or publicity of the giver.
- Social amenities must be appropriate and limited, and must never give the appearance of impropriety.
- Any discounts on goods or services offered to you by any of the above mentioned business associates must be made generally available and cannot be for your benefit only.
- You may not borrow money, except from qualified financial institutions on generally available terms.

Giving Gifts

You will not offer a gift or favor to those who do – or seek to do – business with Britannia unless it involves a Britannia-approved sales promotion, advertising, or publicity OR unless it meets this two-pronged test:

- it is properly authorised by the Chief Executive Officer and endorsed by the Chief Financial Officer; and
- it does not risk appearing to compromise your business relationship.

Reporting Gifts

Employees must receive approval from the Compliance Officer or the next higher level before they accept any gift having a value of over Rs. 1000 (Rupees One Thousand) which comes to them through their normal sales promotion or publicity of the giver and the gift offered is not for the employee or director as an individual, but is consistent with the policy of the business associate. This applies equally to giving gifts to suppliers or vendors or non-government customers.

Other benefits

Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of Britannia where the individual is in a position to influence the decision with regard to such benefits is also strictly prohibited.

Entertainment

Business entertainment of non-government employees occurring in connection with business discussions or the development of business relationships is generally deemed appropriate in the conduct of official business. This may include business-related meals and trips, refreshments before or after a business meeting, and occasional sports, theatrical or cultural events. Entertainment in any form that would likely result in a feeling or expectation of personal

obligation should not be extended or accepted. This applies equally to both giving and receiving entertainment.

Appropriate entertainment may be offered to customers by persons authorized to do so, subject to the business expense reimbursement requirements applicable.

4 PRIVACY/CONFIDENTIALITY

4.1 Proprietary and Confidential Information

While working for Britannia you must protect the confidentiality of nonpublic information you obtain or create in connection with your activities for Britannia. You must not disclose proprietary or confidential information about – Britannia, its customers, suppliers, distributors, agencies or employees – to anyone (including other Britannia personnel) who is not authorized to receive it nor has no need to know the information. The only exceptions are when such disclosure is authorized by the customer, supplier or distributor, or by applicable law or appropriate Britannia authorities.

Examples of proprietary and confidential information include:

- Any system, information or process that gives Britannia an opportunity to obtain an advantage over our competitors;
- Non-public information about Britannia's operations,
- Results, strategies and projections including those on acquisition and divestiture of businesses or business units,
- Non-public information about Britannia's business plans, business processes and client relationships;
- Non-public employee information;
- Non-public information received in the course of your employment about customers, suppliers and distributors;
- Information about Britannia's technology, systems and proprietary products.
- Financial information such as profits, earnings and dividends.
- Announcement of new product introductions or developments.
- Asset revaluations.
- Investment decisions/plans.
- Restructuring plans.
- Major supply and delivery agreements.
- Raising finances
- Any creation of the employee during his tenure with Britannia would be deemed to be proprietary to the company and will not be used by the individual employee at any point of time.

You must take precautionary measures to prevent unauthorized disclosure of proprietary and confidential information. Accordingly, you should also take steps to ensure that business-related paperwork and documents are produced, copied, faxed, filed, stored and discarded by means designed to minimize the risk that unauthorized persons might obtain access to proprietary or confidential information. You should also ensure that access to work areas and computers is properly controlled.

4.2 Privacy of Customer Information and Data Protection

An employee of Britannia and his / her immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the Group, which is not in the public domain and thus constitutes insider information. Keeping customer information secure and using it appropriately is therefore a top priority for all of us at Britannia. You must safeguard any confidential information our customers share with us and must ensure that we use customer information only for the reasons for which the information was gathered, unless further use is allowed by law.

In addition, many countries have data protection and privacy laws that affect the collection, use and transfer of personal customer information. This is a rapidly changing area of law, and you should consult the Compliance Officer with any questions regarding appropriate uses of customer information.

4.3 Privacy of Employee Information

Britannia recognizes and protects the privacy and confidentiality of employee medical and personnel records. Such records must not be shared or discussed outside Britannia, except as authorized by the employee or as required by law, rule, regulation or court summons or order issued by a court of competent jurisdiction or requested by a judicial or administrative or legislative body. Requests for such records from anyone outside the company under any other circumstances must be approved by the Compliance Officer.

5 INVESTMENTS AND OUTSIDE ACTIVITIES

5.1 Financial Interests

Reporting and Acquiring Financial Interests

You must inform Britannia of any financial interest held by you, or by members of your family, in Britannia or any organization that is not publicly limited and with which Britannia does business, and of any financial interest you hold in either of the following:

- An organization that is not a corporation with which Britannia does business.
- A privately owned corporation (i.e., one that is not publicly traded) with which Britannia does business.

You must also disclose to Britannia any of the following interests that a family member holds, if the organization does business with Britannia:

- A financial interest in a privately owned corporation or in any other private entity.
- An ownership interest – or the right to acquire ownership – in excess of 1% of a publicly owned organization.
- In addition, you must report any other monetary interest that you or any of your family members have in any business transaction with Britannia.
- Financial interests in an organization that does not do or seek to do business with Britannia do not have to be disclosed under this policy.
- Once a financial interest has been reported, you may retain it unless Britannia determines that such financial interests might influence your conduct as an employee. If this happens, Britannia will notify you and discuss the best way to resolve the matter.

Such declaration must be given at the beginning of every calendar year.

Without first getting a special waiver, you and / or your ***family members***^{*} must not acquire or hold any of the following financial interests in an organization with which Britannia does business:

- Any interest as a proprietor or partner.
- Any interest exceeding 1% of the total stocks or bonds of a company.
- Any interest in the form of a loan, advance, or other financial arrangement in an amount greater than 1% of the combined capital and debt of a company (Whether or not publicly owned).

If you hold, or intend to acquire an interest listed above, or directorship in any organization, you must get the written approval of the Compliance Officer. You are responsible for knowing and abiding by any Britannia corporate policies that may be applicable to you.

* Throughout this policy the word “***Family Members***” will mean and include:

- Employee’s parents
- Employee’s parents-in-law
- Employee’s siblings
- Employee’s spouse’s siblings
- Employee’s spouse
- Employee’s children
- Spouse of Employee’s siblings

Business contracts with Britannia

You must not be personally involved in any business transaction that Britannia may undertake with the organization in which you have a financial interest.

Insider Trading

Britannia policy and the laws of India prohibit trading in the securities (including equity securities, convertible securities, options, bonds and any stock index containing the security) of any company while being an employee of that Company and being in possession of material, nonpublic information (also known as “inside information”) regarding the company. This prohibition applies to Britannia securities. It applies to transactions for any Britannia account, client account or personal account. A personal account is any account in which you have a financial or beneficial interest or the power to affect or ability to influence trading or investment decisions, either directly or indirectly. Personal accounts typically include accounts of spouses, children and other members of your household, and accounts over which you have investment discretion.

If you believe you have come into possession of inside information, you may not execute any trade in the securities of the Company without first consulting with the Compliance Officer, who will then determine whether such trade would violate Britannia policy or applicable laws. The definition of “material, nonpublic information” is broad. Information is “material” (and hence, potentially subject to the prohibition on insider trading) if there is a substantial likelihood that a reasonable investor would consider the information important in determining whether to trade in a security, or if the information, if made public, likely would affect the market price of a company’s securities. Information may be material even if it relates to future, speculative or contingent events, and even if it is significant only when considered in combination with publicly available information. Information is considered to be “nonpublic” unless it has been publicly disclosed, and adequate time has passed for the securities markets to digest the information. Examples of adequate disclosure include public filings with securities regulatory authorities and the issuance of press releases, and may also include meetings with members of the press and public. It is also illegal in India to “tip” or pass on inside information to any other person if you know or reasonably suspect that the person receiving such information from you will misuse such information by trading in securities or passing such information on further, even if you do not receive any monetary benefit from the person passing the tip.

Directors of Britannia and officers of the rank of General Manager and above are subject to reporting and other legal restrictions regarding their personal trading of securities.

5.2 Conflicts of Interest

Investments

You must not make any personal investment in an enterprise if the investment might affect or appear to affect your ability to make unbiased business decisions for Britannia. If you made such an investment before joining Britannia, or your position at Britannia changes in such a way as to create a conflict of interest or the appearance of such a conflict, you must report the facts to the Compliance Officer. Investments subject to this provision include your or your relatives

subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of Britannia (The ownership of upto 1% of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose).

Use of Britannia Name, Facilities or Relationships

You should not use Britannia's name, facilities, or relationships for personal benefit or for outside work. Use of Britannia's name, facilities or relationships for charitable or pro bono purposes can be made only with prior approval from the Compliance Officer and only after any other notification and approvals in accordance with the policies of your business unit.

Corporate Opportunities

You owe a duty to Britannia to advance its legitimate interests when the opportunity to do so arises. You may not take for yourself a corporate opportunity that is discovered in the course of your employment or through the use of corporate property, information or position, nor may you compete against the company.

Related Party Business Dealings

You must notify your local General Manager and the Compliance Officer of any business relationship or proposed business transaction Britannia may have with any company in which you or a related party has a direct or indirect interest or from which you or a related party may derive a benefit, or where a related party member is employed, if such a relationship or transaction might give rise to the appearance of a conflict of interest (for example, if you or a family member own or control property of significant value that Britannia is either purchasing or leasing).

Personal Business Dealings

You should not involve yourself in conducting business on behalf of Britannia or influence a decision with regard to the Company's business with a supplier or customer of which your relative is a principal, officer or representative, resulting in his / her benefit. Any nonstandard business arrangements between Britannia personnel and Britannia must be pre approved by the appropriate authority.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the Compliance Officer. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee'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 his / her Company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his / her immediate superior who shall forward the information along with his / her comments to be placed before the Compliance Officer and Chief Executive Officer / Chief Financial Officer and if the individual concerned is of the rank of a General Manager and / or above then to the Audit Committee. Upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve / avoid the conflict. Failure of the

employee to make such disclosures would be constituted as a conflict of interest, wherein, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

6 CORPORATE SOCIAL RESPONSIBILITY

6.1 National Interests

Britannia shall not undertake any project or activity to the detriment of the nation's interests, or those that will have any adverse impact on the social and cultural life patterns of its citizens. Britannia shall conduct its business affairs in accordance with the economic, development and foreign policies, objectives and priorities of the nation's government, and shall strive to make a positive contribution to the achievement of such goals at the international, national and regional level, as appropriate.

6.2 Corporate Citizenship

Britannia shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would comprise, to initiate and support community initiatives in the field of community health and family welfare, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities. The company would also not treat these activities as optional ones but would strive to incorporate them as integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities. Britannia is engaged to develop social accounting systems and to carry out social audit of their operations.

6.3 Working with Governments

Conducting business with governments is not the same as conducting business with private parties. These transactions often are covered by special legal rules. You should consult with the Compliance Officer to be certain that you are aware of any such rules and you must have approval of Principal Manager before providing anything of value to a government official.

The company prohibits the payment of bribes to government officials. "Government officials" are employees of any government anywhere in the world, even low-ranking employees or employees of government-controlled entities. The term "government officials" also includes political parties and candidates for political office. It is your obligation to understand whether someone you deal with is a government official. When in doubt, consult the Compliance Officer.

- The company may hire government officials or employees to perform services that have a legitimate business purpose, with the prior approval of the Principal Manager. For example, an off-duty police officer might provide security. Government officials should never be hired to perform services that conflict with their official duties.
- Political contributions by the company must be in accordance with local law. They must be approved by the Board of Directors and properly recorded.

PROCEDURAL GUIDELINES TO THE CODE OF BUSINESS CONDUCT

The following questions and answers set out the procedures relevant to potential violations of the Code. The procedural guidelines may not necessarily be exhaustive, but try to cover most cases where a potential violation of the Code can occur. Changes to the procedural guidelines are anticipated as a part of the dynamics of business environment, which would be communicated as and when necessary.

REPORTING

Q Whom should an employee report suspected violations of the Code?

A You can report violations of the Code to your manager, Principal Manager, or higher levels of management. In the case of potential criminal violations, contact the Compliance Officer.

Q Can an employee report a suspected violation of the Code confidentially?

A Every effort will be made to maintain the confidentiality of the person making a report of a suspected Code violation.

INVESTIGATION

Q Who should take the lead in investigating suspected Code violations?

A The local Finance department normally will conduct the investigation. Corporate Audit and Legal departments must be notified of any investigation and also may be involved in the investigation, especially if the alleged violation occurred in a corporate function. Where the suspected Code violation could amount to criminal conduct, Compliance Officer also may take part in the investigation. Human Resources personnel may be informed, but may not take an active role in a Code investigation. For ranks of employees from General Managers and above, investigation will be conducted by the Audit Committee.

Q Will the subject of the investigation receive notification of the investigation?

A It depends on the circumstances and the results of the preliminary investigations. If there is insufficient evidence of a Code violation, the investigation may be closed without notification. In the event it is determined that evidence of a violation exists, the individual

will be notified but that notification may not occur until after records have been reviewed and witnesses interviewed.

Q Will the subject of the investigation have an opportunity to respond to any allegations made against him or her?

A Yes, the subject of an investigation will have the opportunity to respond to any allegations made against that person.

Q Can a suspected violator be suspended while an investigation is ongoing?

A Yes, on the recommendation of the Internal Audit and Legal departments and with the joint approval of the Chief Executive Officer and Chief Financial Officer, a person suspected of violating the Code could be suspended with or without pay while an investigation is conducted.

DECISION

Q Who makes the decision on whether a violation of the Code has occurred?

A A preliminary determination will be made by the Internal Audit and Legal Department. This preliminary determination should be communicated to the Principal Manager of the alleged violator and to the Compliance Officer. Sole authority for making a final determination that a violation has occurred rests jointly with the Chief Executive Officer and Chief Financial Officer, in the case of employees below the rank of General Manager and by the Chairman and Chief Executive Officer in the case of ranks of General Managers and above.

DISCIPLINE

Q Does anyone make a recommendation on appropriate discipline?

A Yes, the Principal Manager together with the Legal and Internal Audit departments should make a recommendation on appropriate discipline. That recommendation should be given by the Head of Internal Audit for review and presentation to the Chief Executive Officer and Chief Financial Officer in the case of employees below the rank of General Manager. For employees of the rank of General Manager and above, the Chief Financial Officer must make a recommendation of the appropriate discipline to the Chairman and Chief Executive Officer, in consultation with the Legal and Internal Audit departments.

Q What factors will be considered in determining the appropriate punishment?

A The company uses a system of progressive discipline. The company strives to impose discipline for a Code violation that fits the nature and particular facts of a violation, including the history of those involved.

Q What forms of discipline does the company impose?

A The company generally will use warnings or letters of reprimand for less significant, first-time offenses. Violations of a more serious nature may result in suspension without pay, demotion, loss or reduction of bonus or option awards or any combination. Termination of employment generally is reserved for theft or other violations amounting to a breach of trust, and for cases where a person has engaged in multiple violations.

Q Who makes the final decision on discipline?

A The final decision on appropriate discipline will be made jointly by the Chief Executive Officer and Chief Financial Officer, in the case of employees below the rank of General Manager; and by the Chairman and Audit Committee for ranks of General Manager and above.

Q Can the violator seek reconsideration of the final discipline decision?

A Yes, within 14 days of notification of the final discipline decision, the alleged violator can make a written request for reconsideration, which may be considered jointly by the Chief Executive Officer and the Chief Financial Officer.

Q Who communicates the final discipline decision?

A The appropriate Principal Manager or representatives from the Legal or Internal Audit departments will communicate the decision to the employee concerned.

REPORTING AND RECORDKEEPING

Q Who are the persons to whom the violation and disciplinary action will be communicated?

A The Chief Financial Officer will report to the Audit Committee on a quarterly basis, all violations and disciplinary actions taken.

- Q What documents concerning the violation will be maintained in an employee's personnel records?
- A A notation as to the final decision as well as any letters of reprimand or other communications with the violator will be placed in the employee's personnel file as part of his / her permanent record.

These guidelines do not create any contractual rights of any kind between Britannia Industries Limited and its employees. In addition, all employees should understand that these guidelines do not modify their employment relationship whether at will or governed by contract. Britannia Industries Limited reserves the rights to amend or alter these guidelines at any time and for any reason.