

Code of Conduct for the Board of Directors & Senior Management

I. Applicability of the Code of Conduct:

This Code of Conduct (Code) applies to Directors of Godrej Consumer Products Limited (GCPL). It also applies to the senior management of the company i.e. members of the core management team.

II. Code of Conduct:

The Board of Directors and Senior Management of GCPL shall:

1. Uphold ethical standards of integrity and probity;
2. Act objectively and constructively while exercising their duties;
3. Exercise their responsibilities in a bona fide manner in the interest of the company;
4. Devote sufficient time and attention to their professional obligations for informed and balanced decision making;
5. Not allow any extraneous considerations that will vitiate their 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 their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or the advantage of any associated person;
7. Assist the company in implementing the best corporate governance practices;
8. Strictly follow the guidelines and rules relating to insider trading as stipulated by SEBI.

The Board of Directors of GCPL shall:

9. Act in accordance with the articles of the company and provisions of the Listing Agreement;
10. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment;
11. Exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
12. Not get involved in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company;

13. Not achieve or attempt to achieve any undue gain or advantage either for themselves or their relatives, partners, or associates. If a director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the company;
14. Not assign their office and any assignment so made shall be void.

An independent director shall refrain from any action that would lead to loss of his/her independence; where circumstances arise which make an independent director lose his/her independence, the director must immediately inform the Board accordingly.

III. 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 the Board and management;
3. Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Ensure they are satisfied with the integrity of financial information and that financial controls and systems of risk management are robust and defensible;
5. Safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Balance the conflicting interests of stakeholders, if any;
7. Determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management, and play an active role in appointing and, when necessary, recommend the 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 shareholders' interests.

IV. Duties:

The independent directors shall:

1. Undertake appropriate induction and regularly update 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 of external 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 they are members;
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 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 that these 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 behaviour, actual or suspected fraud, or violation of the company's code of conduct or ethics policy;
12. Acting within their authority, assist in protecting the legitimate interests of the company, its shareholders and its employees;
13. Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is approved by the Board or required by law.