

Conflict of Interest Policy

Purpose

The purpose of this Conflict of Interest Policy is to protect Jyothy Labs Limited's (the Company) interest when it is contemplating to enter into a transaction or arrangement that might benefit the personal interest of an employee, officer or director of the Company or might result in a possible excess benefit transaction.

Definitions

1. Board of Directors or the Board means the Board of Directors of Jyothy Labs Limited (Formerly known as Jyothy Laboratories Limited), as constituted from time to time.

2. Company means Jyothy Labs Limited.

3. Interested Person

Any employee, officer, director or member of a committee with board delegated powers, who has a direct or indirect financial interest, as defined below, is an interested person.

4. Financial Interest

A person has a financial interest if the person has, directly or indirectly, through its business, investment, or relatives:

- a. An ownership or investment interest in any entity with which the Company has a transaction or arrangement,
- b. A compensation arrangement with an organization or with any entity or individual with which the Company has a transaction or arrangement, or
- c. A potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Company is negotiating a transaction or arrangement. Compensation includes direct or indirect remuneration as well as gifts or favors that are not insubstantial. A financial interest is not necessarily a conflict of interest. A person who has a financial interest may have a conflict of interest only if the Top Management of the Company decides that a conflict of interest exists.

Here Top Management means the Managing Director, Whole Time Director, Chief Financial Officer or the Company Secretary of the Company. The existence of financial interest in case of the aforesaid Top Management will be decided by the Board of Directors or members of the Audit Committee of the Company.

Procedures

1. Duty to Disclose

In connection with any actual or possible conflict of interest, an interested person must disclose the existence of the financial interest and be given the opportunity to disclose all material facts to the Top Management, directors or members of Audit Committee for considering the proposed transaction or arrangement.

2. Determining Whether a Conflict of Interest Exists

After disclosure of the financial interest and all material facts, and after any discussion with the interested person, the Top Management, directors or members of Audit Committee shall decide if a conflict of interest exists.

3. Procedures for Addressing the Conflict of Interest

- a. An interested person may make a presentation to the Top Management or at the Board or committee meeting, but after the presentation, he/she shall leave the meeting during the discussion of, and the vote on, the transaction or arrangement involving the possible conflict of interest.
- b. The Chair of the board or committee shall, if appropriate, appoint a neutral person or committee to investigate alternatives to the proposed transaction or arrangement.
- c. After exercising due diligence, the Top Management, Board or committee shall determine whether the Organization can obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a conflict of interest.
- d. If a more advantageous transaction or arrangement is not reasonably possible under circumstances not producing a conflict of interest, the board or committee shall determine by a majority vote of the disinterested directors whether the transaction or arrangement is in the Company's best interest, for its own benefit, and whether it is fair and reasonable, then make its decision as to whether to enter into the transaction or arrangement.

4. Violations of the Conflicts of Interest Policy

- a. If the Top Management or the Board has reasonable cause to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, it shall inform such Interested Person, of the basis for such belief and accord him/her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the Interested Person's response and after making further investigation as warranted by the circumstances, the Top Management or the Board determines that the Interested Person has failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Records of Proceedings

The minutes of the Board and Audit Committee shall contain:

- a. The names of the persons who disclosed or otherwise were found to have a financial interest in connection with an actual or possible conflict of interest, the nature of the financial interest, any action taken to determine whether a conflict of interest was present, and the Board's or Audit committee's decision as to whether a conflict of interest in fact existed.
- b. The names of the persons who were present for discussions and votes relating to the transaction or arrangement, whether or not any alternatives to the proposed transaction or arrangement were considered, and a record of any votes taken in connection with the proceedings.

Compensation

- a. A voting member of the Board who receives compensation, directly or indirectly, from the Organization for services is precluded from voting on matters pertaining to that member's compensation.
- b. A voting member of any committee who receives compensation, directly or indirectly, from the Company for services is precluded from voting on matters pertaining to that member's compensation.

Periodic review of the Conflict of Interest Policy

The Secretarial Department of the Company will review this Conflict of Interest Policy on regular intervals and reserves right to amend or modify this it in whole or



in part, at any time without assigning any reason whatsoever. The Policy shall be disseminated on the website of the Company.

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This Conflict of Interest Policy has received assent of the Board of Directors of the Company on May 18, 2021 and is applicable with immediate effect.