



Hindustan Unilever Limited

Corporate Governance Code

Amended by Board of Directors on 3rd May, 2019

Corporate Governance Philosophy of HUL

“I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood.”

– William Hesketh Lever

About the Code

The visionary founders of Unilever had laid the foundation stone of the Company for good governance and made it an integral principle of the business, as demonstrated in the words above. The Corporate Governance practices of Hindustan Unilever are built on this philosophy.

This document describes the Corporate Governance Code of Hindustan Unilever Limited. This document lays down the principles governing Board Structure, Board Processes, Board Committees, Board Induction and Training, Board Evaluation, Financial Reporting and Risk Management, Shareholder interface and redressal of their grievances, , Related Party Transactions Policy, Policy on Material Subsidiaries, Corporate Social Responsibility Policy, which will be the guiding force for the Company to maintain highest governance standards.

This Corporate Governance Code has been adopted by the Board of Directors as a statement of practices and procedures to be followed by the Company and its officers and employees. Any amendment or modification to this Code can be made only with the approval of Board of Directors of Hindustan Unilever Limited, unless specifically provided otherwise.

Glossary

<p>The Company or HUL Hindustan Unilever Limited</p> <p>Holding Company or Parent Company Unilever PLC</p> <p>Board Committee Statutory Committees which have Board Directors as members namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee.</p> <p>Sub-Committee Statutory or non-statutory Committee that executes items of routine nature and has Executive Directors of the Board as members namely, Share Transfer Committee, ESOP Committee, Committee for Disposal of Surplus Assets and the Administrative Matters Committee.</p> <p>Executive Committee The Committee which is constituted by Board or constituted under any of the Policies of the Company and has members of the management or other senior managers of the Company as its members.</p>	
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1. Fundamentals

1.1. Introduction to HUL

Unilever is one of the world's leading suppliers of Fast Moving Consumer Goods with strong local roots in more than 100 countries across the globe. In 1931, Unilever set up its first Indian subsidiary, Hindustan Vanaspati Manufacturing Company, followed by Lever Brothers India Limited (1933) and United Traders Limited (1935). In November 1956, these three companies merged to form Hindustan Lever Limited. In June 2007, the Company was renamed as Hindustan Unilever Limited.

Hindustan Unilever Limited ("HUL" or "the Company") is amongst India's largest Fast Moving Consumer Goods (FMCG) Companies. With several brands spanning distinct categories such as soaps, detergents, household care, skin care, hair care, oral care, colour cosmetics, deodorants, tea, coffee, processed foods, frozen desserts, water purifiers, etc. the Company's products are a part of the everyday life of millions of consumers across India.

The Company is listed on two Stock Exchanges in India, namely, BSE Limited and National Stock Exchange of India Limited.

1.2. Corporate Vision

We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life. Sustainability is at the heart of our business, and through our brands, we seek to inspire people to take small everyday actions that can add up to a big difference for the world.

Our deep roots in local cultures and markets around the world give us our strong relationship with consumers and are the foundation for our future growth. We bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational. Consumer and Customer Centricity is one of our key beliefs and we endeavor to keep the consumer at the heart of everything we do.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively, and to a willingness to embrace new ideas and learn continuously.

To succeed also requires, we believe, the highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact.

This is our road to sustainable, profitable growth, creating long-term value for our shareholders, our people, and our business partners.

1.3. Company Structure

The Board of Directors ('the Board') are responsible for the management, general affairs, direction and performance of the Company. The Board has been vested with the requisite powers, authorities and

duties under Articles of Association of the Company and relevant laws of the country. Executive and Non-Executive Directors are members of the Board and share the overall responsibility of the strategic direction of the Company. The Executive Directors have additional responsibilities for the operation of the Company's business as determined by the Chief Executive Officer.

Subject to the provisions of the Companies Act, 2013, as amended from time to time, the Memorandum of Association and the Articles of Association of the Company and any other Regulation not inconsistent therewith and duly made thereunder, the Board shall exercise all such powers and do all such acts, deeds and things that the Company is authorized and exercised to do. The Executive Directors on the Board have specific responsibility of each function in addition to discharging their role as a Member of the Board. The Non-Executive Directors who are Independent Directors discharge their role as such in accordance with the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time respectively. The Chairperson of the Board may be either an Executive Director or a Non-Executive Director, but at all times the office of the Chairperson will be held in compliance with the Articles of Association of the Company and the applicable Laws and Regulations.

The Board is comprised of a mix of Executive and Non-Executive Directors. The composition of the Board is in accordance with the Act and the Listing Regulations, 2015 with the Stock Exchanges.

1.4. Foundation Documents

- a. The Memorandum of Association; and
- b. The Articles of Association.

The Memorandum of Association and Articles of Association sets out the foundation of the Company, on which it operates. The Memorandum of Association governs the relationship between the Company and the public at large and sets out the Objects of the Company, while Articles of Association govern the internal management of the Company. The Memorandum and Article of Association was first adopted by the Company on its incorporation on 17th October, 1933. The Memorandum and Articles of Association of the Company have been amended, as and when it was necessary, with the approval of shareholders. The Memorandum and Articles of Association of the Company is made available on the website of the company www.hul.co.in.

1.5. Company Policies

The Company has developed and adopted a set of policies to provide mandatory rules designed to ensure consistency in key areas within the operations of the Company. These Policies are applicable across all Units / Branches and they govern the principles and practices of how the Company runs its business. Few of the important policies which govern the Company are given below.

1.5.1. Code of Business Principles

The Code of Business Principles is the Company's statement of values and represents the standard of conduct which all the employees are expected to observe in their business endeavors. The Code of Business Principles reflects the Company's commitment to principles of integrity, transparency and

fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. A copy of the Code of Business Principles is made available on the website of the Company www.hul.co.in and is also set out in Appendix 1.

The Chief Executive Officer through the Management Committee and Business / Unit Heads is responsible for ensuring that the Code of Business Principles is understood and implemented throughout the Company. The Code of Business Principles is also applicable to everyone with whom the Company engages in a business association be it the Company's distributors, third party manufacturers etc. or others.

1.5.2. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the Directors and employees to bring to the attention of the Management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Directors and employees are encouraged to raise concerns by way of whistle blowing and the employees have direct access to the Chairperson of the Audit Committee. The Company Secretary is the designated officer for effective implementation of the Policy and resolution of complaints registered under the Policy. A copy of the Whistle Blower Policy is made available on the website of the Company www.hul.co.in and is also set out in Appendix 2.

The Code of Business Principles and the Whistle Blower Policy together act as a Vigil Mechanism for the Company. The Audit Committee of the Company periodically reviews the issues received under the Code of Business Principles and the Whistle Blower Policy. The process is subjected to extensive internal audit to check the awareness, application and implementation of the vigil mechanism on an ongoing basis.

1.5.3. Share Dealing Code

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Company disseminates the Do's and Don'ts of the Code frequently to generate awareness amongst employees about the Code.

The Company has constituted an executive committee, 'Share Dealing Code Compliance Committee', to decide upon such penal/ disciplinary/ remedial action as may be considered appropriate if any employee violates the provisions of this Code. A copy of the Share Dealing Code is made available on the website of the Company www.hul.co.in and is also set out in Appendix 3.

2. The Board

Role of the Board

The role of the Board is that of a guardian and trustee of the Company's interests. The Board has the final responsibility for the management, direction and performance of the Company and its business. In all its dealings and decision making, the Board shall consider the interests of the Company as a whole, the interest of its shareholders, employees, consumers, customers, suppliers, Government and all other stakeholders together with Company's social and legal responsibilities in the communities in which it operates and to the responsibility towards the environment. The Board shall exercise objective and independent judgment and shall be collectively responsible for the long-term success of the Company.

2.1. Board Composition

The composition of the Board as a whole shall be commensurate with the size of the Company, its portfolio and geographical spread, where the balance between skills and experience is an optimal one. The composition of the Board shall enable the Board to discharge its responsibilities and provide effective leadership to the business. The composition of the Board shall be such that the members are able to act critically and independently of one another and without any particular interest.

The Board shall ordinarily comprise majority of Non-Executive Independent Directors and at least one Woman Independent Director. Subject to Articles of Association of the Company and applicable Laws and Regulations, the position of the Chairperson of the Board and the Chief Executive Officer of the Company can be held by one individual.

2.2. Board Powers

As per the Act, the Board of Directors of a Company shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board, namely:

- (a) To make calls on shareholders in respect of monies unpaid on their shares;
- (b) To authorize buy-back of securities under section 68;
- (c) To issue securities, including debentures, whether in or outside India;
- (d) To borrow monies;
- (e) To invest the funds of the Company;
- (f) To grant loans or give guarantee or provide security in respect of loans;
- (g) To approve financial statement and the Board's report;
- (h) To diversify the business of the Company;
- (i) To approve amalgamation, merger or reconstruction;
- (j) To take over a company or acquire a controlling or substantial stake in another company;
- (k) Any other matter which may be prescribed through the Act or Rules made thereunder.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a Branch office of the Company, the principal officer of the Branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify.

2.3. Responsibilities and Duties of the Board

The responsibilities of the Board of Directors as a whole, flow from the Act, the Memorandum and Articles of Association and the Listing Regulations, 2015. These responsibilities shall inter-alia include:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

2.4. Duties of the Board

The Board of Directors are responsible for the overall conduct of the Company and have the powers, authorities and duties vested in them respectively pursuant to the relevant laws. As per the Act, the duties of the Directors are:

- (1) to act in accordance with the Articles of the company.
- (2) to 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.
- (3) to exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) The Directors shall not involve 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.
- (5) The Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates.
- (6) The Directors shall not assign their office
- (7) Any other matter as may be prescribed.

2.5. Appointment to the Board

The Directors of the Company shall be appointed by shareholders at the General Meetings. In accordance with the Act and the Articles of Association of the Company, all Directors, except for the Managing Director and the Independent Directors, shall step down at the Annual General Meeting each year and, if eligible, may offer themselves for re-election.

A shareholder who wishes to recommend a candidate for being appointed as a Director at the ensuing Annual General Meeting or for vacancies of the Board that arise between meetings, must provide the Board with timely and sufficient written documentation as prescribed under the law, to permit a determination by the Board whether such candidate meets the criteria for appointment to the Board.

In case an Independent Director resigns or is removed from the Board of the Company, a new Independent Director shall be appointed at the immediate next Board meeting or within three months from the date of such vacancy, whichever is later.

2.5.1. Board Membership Criteria

The Nomination and Remuneration Committee shall be responsible for identifying, screening, recruiting and recommending candidates for election as Directors on the Board. An assessment of the skills and characteristics needed by the Board in the context of scenario, at the relevant point in time, shall be performed by the Nomination and Remuneration Committee. Following shall act as guidelines when selecting a member of the Board.

Desired professional expertise and experience

- a. Industry/Finance/Banking professional with commensurate professional qualification and proven track record. Preferably having experience as CEO/COO/CFO or equivalent of a medium to large enterprise with prior Board experience.
- b. Senior retired Government officials / civil servants with proven track record and diverse experience including in the area of finance, public service.
- c. Background in consumer goods industry/ retail industry/ services industry;
- d. Experience in technology / research and development that is relevant for Unilever / distinguished academician in management skills associated with a reputation of global repute;
- e. Understanding of the markets where Unilever is active, in particular the developing and emerging markets;
- f. Executive management experience and knowledge of corporate governance issues at Board level with a company of comparable size or international spread of activities;
- g. Experience with financial administration, accounting policies, internal control and risk management of multinationals.

Desired Personal Attributes

- a. The proposed candidate should not have present or potential conflict of interest while serving on Board of HUL. Non-Executive Independent Director should qualify as Independent, if the incumbent meets the Independence criteria as laid down in the Companies Act, 2013 and the Listing Regulations, 2015.
- b. Each Board member should have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, evaluation and other Board associated activities.
- c. Preferably, the Non-Executive Independent Director to be considered for appointment shall be below the age of 75 years. If the Independent Directors attains the age of 75 years, a special resolution to be passed by the members at the General Meeting. The age criteria for Executive Directors will be in line with the prevailing company policy for full time employees.
- d. The candidate proposed to be appointed on the Board as an Independent Director shall not be a Director of more than six Listed Companies at the time of appointment.
- e. The personal characteristics of the person should be in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset etc., commitment to adding value to the Company by personal endeavor and ability / willingness to represent the long term and short term interests of the shareholders and awareness of its responsibilities towards various stakeholders of the Company. The candidate proposed to be appointed on the Board, should not have been convicted of any offence in the past, which may raise a doubt as to the integrity of the person concerned.
- f. The proposed candidate should possess experience at the highest levels of decision making, demonstrable strategic thinking abilities and an ability to take a long term view. Familiarity with national and international issues affecting the Company's businesses, familiarity with economic, political, social and cultural attributes affecting the Company's businesses is desirable.

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. A copy of the Policy on Board Diversity is made available on the website of the Company www.hul.co.in and is also set out in Appendix 4

2.5.2. Procedure for Appointment

The Nomination and Remuneration Committee shall identify a suitable candidate who satisfies the criteria mentioned above and possesses required skill set and expertise. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall consider the candidate for appointment to the Board. However, such appointment will be subject to approval of shareholders at the General Meeting.

On Appointment, the Director shall be given a Letter of Appointment, setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. The terms and conditions prescribed in Letter of Appointment shall be in line with the format provided at Appendix 5. Each new appointed Director shall be taken through a formal Induction Program as detailed at Clause 10.

At the time of appointment, the Director shall make disclosure of their interests and significant commitments to the Board. Any change in such commitments should also be reported to the Board as and when it arises. Independent Director shall also provide a certificate of Independence in line with the requirements of the Companies Act, 2013 and the Listing Regulations, 2015.

The list of Initial Disclosures required from Directors is provided at Appendix 6.

2.6. Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and members of the Management Committee of the Company. The Code requires members of the Board to avoid any conflict of interest in contracts entered into by the Company. If such interest exists, the members shall make disclosure to the Board and shall abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Gift Policy of the Company. The Independent Directors are required to abide by the Code for Independent Directors, as prescribed in Schedule IV to the Companies Act, 2013 and forming part of the Company's Code of Conduct.

The members of the Board and the Management Committee are required to annually confirm compliance with the Code of Conduct to the Board. The Code is in addition to the Code of Business Principles of the Company. The Copy of Code of Conduct of the Company is made available on the website of the Company www.hul.co.in and is also set out in Appendix 7.

2.7. Directors and Officers Liability Insurance

The Company shall provide insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance. Any person who becomes a Director or Officer, including an employee who is acting in managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance policy. The policy shall also cover those who serve as a Director, officer or equivalent of an outside entity at Company's request.

3. Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board as a part of governance practice. While deciding the Chairpersonship and Membership of the Committee, the Board shall ensure that undue reliance is not placed on particular individuals. The Board shall supervise the execution of its responsibilities by the Committees and shall be responsible for action taken by the Committees.

The meetings of the Board Committees shall be attended by the designated members of the Committee. The Committee can, however, request special invitees to join the meeting, as appropriate. The minutes of the meetings of all the Committees shall be placed before the Board for noting. The Board has currently established the following statutory and non-statutory Committees.

3.1. Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. The Audit Committee, in addition to overseeing the financial reporting process shall also carry out periodic reviews of various businesses/functions of the Company, review of internal audit and control assurance reports of all the major divisions, decide the terms of appointment of the auditors, review related party transactions and review functioning and cases reported under the Code of Business Principles and Whistle Blower Policy of the Company.

The Audit Committee shall consist of at least three members. All the members of the Audit Committee shall be Independent Directors. The Committee may invite the CEO, CFO, Statutory Auditor, Internal Auditor, other management representatives or external consultants to attend the Committee meetings as they may deem appropriate. The Terms of Reference of the Audit Committee are provided at Appendix 8.

3.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with all elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentives, along with the performance criteria. It also recommends and monitors the level and structure of remuneration for members of the Management Committee including Key managerial Personnel; and other employees. It also evaluates the service contracts, notice period and severance fees of the Directors. The Committee shall also concern itself with identifying candidates for nomination as Directors on the Board or as member of the Management Committee. The Committee shall also be responsible for orderly succession planning of the Board and will be consulted by the Chief Executive Officer on appointments to or removals from the Management Committee. The Committee shall also be responsible for implementation of the Board Evaluation framework.

The Nomination and Remuneration Committee shall comprise of at least three members with majority of the members as Independent Directors. All the members of the Nomination and Remuneration Committee shall be Non-Executive Directors and the Chairperson of the Committee shall be an Independent Director. The terms of reference of the Nomination and Remuneration Committee are given at Appendix 9.

3.3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is entrusted with the responsibility to consider and resolve security holders' concerns or complaints. The Committee shall monitor and review the investor service standards of the Company. The Committee shall also evaluate performance and service standards of

the Registrar and Share Transfer Agent of the Company and provide continuous guidance to improve the service levels for investors.

The Committee shall take steps to develop an understanding of the views of shareholders about the Company, either through direct face-to-face contact, analysts' briefings or survey of shareholders. The Committee shall oversee and review the engagement and Communication Plan with shareholders and ensure that the views / concerns of the shareholders are highlighted to the board at appropriate time and that the steps are taken to address such concerns. The term of reference of the Committee are given at Appendix 10.

3.4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be responsible for formulating and implementation of Corporate Social Responsibility Policy of the Company. The Committee shall also recommend the amount of expenditure to be incurred on CSR activities. The Committee shall bring any relevant issue to the attention of the Board and make recommendations relating to such issues. The Committee shall be assisted by such experts in discharging its obligations as it may consider necessary including requisite internal team that looks after the CSR agenda of the Company.

The Committee shall comprise of at least three Directors with a majority of the members as Independent Directors. The Chairperson of the Committee shall be an Independent Director. The terms of reference of the Committee are given at Appendix 11.

3.5. Risk Management Committee

The Risk Management Committee shall be responsible for framing, monitoring, reviewing the risk management plan and implementation of the risk management framework of the Company including 'Cyber Security'.

The Committee shall comprise at least three members with a majority of the members as Directors from the Board of the Company. The Chairperson of the Committee shall be a Director. The terms of reference of the Committee are given at Appendix 12.

3.6. Share Transfer / Transmission Committee

The Share Transfer / Transmission Committee has been formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee shall comprise of any three Directors of the Board. The Committee shall consider applications for transfer, splitting up and consolidation of share certificates and will be responsible to ensure compliance with provisions in this regard. The terms of reference of the Committee are given at Appendix 13.

3.7. Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted to expedite the process of allotment and issue of shares to eligible employees of the Company under the Stock Option Plan of the

Company, as approved by the Shareholders of the Company. The ESOP Committee shall comprise of any three Directors of the Board. The Committee shall be in charge for approval, issue and allotment of shares under Stock Option Schemes of the Company. The terms of reference of the Committee are given at Appendix 14.

3.8. Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine items that are in the normal course of the business, such as decision on banking facilities, delegation of operational powers, considering and approving agreements to be executed in the normal course of business, etc. The Administrative Matters Committee shall comprise of any three Directors of the Board. The terms of reference of the Committee are given at Appendix 15.

3.9. Committee for Approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been constituted for identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee shall comprise of any three Directors of the Board. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in the said property, on behalf of the Company. The terms of reference of the Committee are given at Appendix 16.

4. Board Procedures

4.1. Meetings

The Board shall meet at regular intervals to discuss and decide on Company's business policy and strategy apart from other businesses. The Board and Committee meetings shall be pre-scheduled and a tentative annual calendar of Board and Committee meetings should be circulated to the Directors in the beginning of the year to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. There shall be at least five Board meetings in a calendar year including quarterly meetings to consider the financial results of the Company and at least one strategy meeting. However, in case of a special and urgent business need, the Board's approval can be taken by circulating the resolution, which shall be confirmed by the Board at the next Board meeting. The periodicity of meetings of Board Committees shall be as per terms of reference of each committee.

The notice of the Board meetings shall be given to all the Directors at least seven clear days before the meeting. A meeting of the Board / Committee may be called at a shorter notice than those stated above, if the majority of members of the Board or Committee, as the case may be, agree. The proposal to hold the meeting at a shorter notice shall be stated in the Notice of the meeting and the fact that consent of the Directors was obtained shall be recorded in the Minutes thereof.

Usually, meetings of the Board will be held in Mumbai. However, the Company may organise any meeting outside of Mumbai or a visit to market or unit, as it may deem fit. Efforts shall be made to have full attendance at the meeting and it should be ensured that at least two Independent Directors are present in all the Board meetings.

4.1.1. Video Conferencing

The Directors, who are unable to be physically present at a particular Board or Committee meeting, may attend the meeting through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and storing the proceedings of such meetings. The Directors attending the meeting through video conference or such other means as may be prescribed will be considered as present for the meeting.

4.2. Agenda

The agenda of Board meetings shall be set by the Company Secretary in consultation with the Chairperson and the Chief Executive Officer. The Company Secretary may also consult the Independent Directors at appropriate occasions. The Agenda shall be circulated at least seven days prior to the date of the meeting to facilitate the Directors to provide their inputs, thoughts and suggestion at the meeting. The Agenda shall include detailed notes and draft resolutions on the items to be discussed at the meeting to enable Directors to take an informed decision.

The Agenda of each of the Board meeting shall inter-alia include:

- a. regular items, such as reports from Management on the financial affairs of the Company, on performance against plan, reports from Board Committees, reports on litigation and governance matters, etc.;
- b. special items, such as Business/ Functional Reviews;
- c. items for approval;
- d. items for noting; and
- e. papers for information.

Any supplementary item, not originally included in the Agenda, may be taken up for consideration at the meeting with the permission of the Chairperson and with the consent of the majority of the Directors present in the Meeting. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information should be taken up by the Board without prior written Notice. Apart from the items that will be discussed in the Board Meeting, the Company Secretary shall ensure that regular communications are sent to all Non-Executive Independent Directors for updating them on key business related issues / developments.

4.3. Decision Making Process

Each member of the Board shall have one vote and the resolutions of the Board shall be passed by a majority of votes. In case of equal number of votes in favor of the resolution as well as against, the Chairperson of the Company may exercise his casting vote.

4.4. Managing Conflict of Interests

The Board of Directors are responsible for ensuring that the rules are in place to avoid conflicts of interest by the Board members and the Management Committee. Any conflict of interest or apparent conflict of interest between the Company and its Directors should be avoided. Where conflicts arise, the Board shall ensure that, in dealing with them, all applicable laws, regulations, codes and policies have been complied with.

The members of the Board shall avoid any interest in contracts entered into by the Company. If such an interest exists, the interested Director shall make a disclosure. In case of Conflict of Interest, the interested Director shall not participate in the decision making process and the same shall be recorded in the minutes of the meeting. In case of Conflict of Interest of Chairperson, the Chairperson shall abstain from participation in the discussion and one of the Independent Directors shall assume the position of Chairperson of the meeting.

The members of the Board and Management Committee shall on an annual basis submit the details of individuals to whom they are related and entities in which they hold interest and the same shall be placed before the Board. Transactions with any of the entities referred above shall be placed before the Board or Audit Committee for approval in line with Related Party Transaction policy of the Company.

The proposal for appointment of any Executive Director or the Management Committee members of the Company to serve as a Director, Trustees or equivalent of such position on outside Board, whether for commercial ventures or for non-profit making bodies should be subject to prior internal approvals. The Executive Directors of the Company shall not be allowed to serve as a Non-Executive or an Independent Director on the Board of more than one Company, other than those companies where they are representing the interest of HUL or Unilever.

4.5. Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda and convening of the meetings of the Board and Committees thereof. The Company Secretary shall attend all the meetings of Board and Committees thereof and advice/assure the Board and such Committees on Compliance and Governance principles and ensure appropriate recording of minutes of the meeting.

4.6. Recording of Minutes

The Company Secretary of the Company is responsible for proper recording of minutes. Minutes of the Board and Committee meeting shall be circulated to the Board not later than fifteen days of the meeting and the same shall be placed before the Board and Committee at its next meeting, for confirmation. The Board and Committee members can give their comments / suggestions on draft minutes within seven days of circulation and the same shall be incorporated in the minutes of the meeting.

The minutes of meetings of the Board or Board Committees shall be circulated to the Board or Board Committees, respectively, along with the Agenda of the next meeting. Any alteration in the minutes shall be made only after obtaining express approval in the subsequent meeting in which such minutes are sought to be altered. Dissent or concern, if any, as expressed by any member of the Board, shall be recorded in the minutes.

4.7. Delegation of Powers

The Board has delegated certain powers, authorities and discretions (including the power to sub-delegate) to the Chief Executive Officer and the members of the Management Committee and to the Board's Committees. The Board supervises the execution of its responsibilities by the Chief Executive Officer, members of Management Committees and the Board Committees and is ultimately responsible for the fulfillment of the duties by them.

5. Directors

5.1. Term of Office of Directors

The Executive Directors serve in accordance with the terms of their contract of service with the Company. The Managing Director of the Company is appointed for a term of five years as per the requirement of the Act.

Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company. On conclusion of first term of 5 years, if the Board considers it appropriate they can propose the re-appointment of an Independent Director for another period of five years after taking approval of shareholders of the Company by way of a special resolution. Such proposal for reappointment shall be based on performance of the Independent Director and recommendation of the Nomination and Remuneration Committee and appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In accordance with the Articles of Association of the Company, except the Managing Director and in accordance with the Act except the Independent Directors, all Directors step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election.

5.2. Remuneration

The reward philosophy of the Company is to pay market competitive reward with a strong linkage to performance. The reward philosophy is set forth into practice by various policies governing different elements of reward. The intent of all these policies is to ensure that the principles of reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior

operational results. The Nomination and Remuneration Committee shall review the total reward annually, taking into account external benchmarks within the context of group and individual performance.

5.2.1. Executive Directors

The reward of the Executive Directors shall be determined by the Nomination and Remuneration Committee and shall be recommended to the Board for their approval. In order to create alignment with the strategy and business priorities to enhance shareholder value, a fair portion of the Executive Directors' total reward is linked to Company's performance. The total reward package for Executive Directors is intended to be market competitive with a strong linkage to performance in line with the Company's reward philosophy. In addition, the Company's Share Plans seek to reward Executive Directors by aligning their deliverables with shareholders' interests.

5.2.2. Non-Executive Directors

Non-Executive Independent Directors are eligible for sitting fees and commission not exceeding limits prescribed under the Companies Act. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the overall approval of the shareholders of the Company. In the event, the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total annual remuneration payable to all Non-executive Directors, approval of Shareholders by passing Special Resolution shall be obtained every year.

The Independent Directors are paid sitting fees for attending every meeting of the Board or Committees thereof and Commission on profits for each year, in accordance with the Differential Remuneration Policy and within the limits approved by the shareholders at the Annual General Meeting of the Company. The Differential Remuneration Policy, as approved by the Board, is given at Appendix 17.

The Non-Executive Directors, who continuously serve for a period of ten years, are also entitled for retirement commission at the time of retirement. The Non-Executive Director shall not be entitled to Stock Option Plan of the Company.

5.3. Access to Independent Professional Advice

Directors are entitled to take independent professional advice, at the expense of the Company, on matters relating to the proper discharge of their office. This does not extend to issues regarding Directors' personal interests. The Company Secretary is responsible for arranging such external advice.

6. The Chairperson

6.1. Appointment

Subject to Articles of Association of the Company and applicable Laws and Regulations, the Board of Directors shall, after considering the recommendation of the Nomination and Remuneration Committee, appoint any Director as the Chairperson of the Company.

6.2. Responsibilities

The Chairperson's general and specific responsibilities cover:

- a. conducting shareholders' meetings including AGMs;
- b. leading the Board and ensuring that it operates effectively in relation to all aspects of its role;
- c. ensuring that the members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company;
- d. encouraging active engagement by all the members of the Board;
- e. to take full account of the issues and the concerns of all Directors and ensuring that adequate time is available for discussion on strategic issues;
- f. promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and the Executive Directors;
- g. building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board and shareholders' approval;
- h. monitoring effective implementation of Board decisions;
- i. ensuring clear structure for and the effective running of Board Committees;
- j. in conjunction with the Senior Independent Director, ensuring that the performance of individuals and of the Board as a whole and its committees is evaluated at least once a year;
- k. in conjunction with Senior Independent Director, identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised approach to training and development with each Director;
- l. addressing the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team;
- m. acting where appropriate as the Company's representative on corporate aims and policies including environmental and corporate social responsibility matters;
- n. guarding the corporate reputation and relations with relevant stakeholders;

7. Chief Executive Officer and Managing Director

7.1. Appointment and Tenure

The Chief Executive Officer and Managing Director (CEO & MD) of the Company is appointed by the Board after considering the eligibility criteria and qualification of the candidates. The CEO and MD is appointed for a period of five years and is eligible for reappointment, subject to approval of shareholders. The CEO & MD is responsible for day to day management of the Company and enjoys substantial powers of Management to discharge the responsibilities in managing the affairs of the Company on a day to day basis including power to sub delegate any of the powers in relation to the

running of the Company. For the sake of brevity, these powers are not being reproduced again. Please refer to the Board Role and Powers.

7.2. Responsibilities

The Chief Executive Officer and Managing Director is entrusted with all the Board's powers, authorities and discretions (including the power to sub-delegate any of those powers, authorities, decision-making powers and discretions) in relation to the operational running of the Company and specifically all the Board's powers, authorities and discretions in relation to the following matters:

7.2.1. Strategy and Maintaining the Corporate Portfolio

- a. proposing for approval by the Board, the strategies for shaping of the portfolio and direction of the Company, Corporate Financial Plan and priorities in corporate resource allocation;
- b. ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board;
- c. agreeing geographical markets, products and places of operation of business of the Company with the Board of the Company;
- d. monitoring the development of the markets in which the Company operates, testing future economic scenarios against growth objectives and making proposals to the Board for the corporate strategic priorities;
- e. ensuring delivery of the Company's agreed strategy, business plans and financial performance;
- f. preparing for approval by the Board periodic business performance report including quarterly and annual results;

7.2.2. Financial

- a. setting financial and treasury strategies for the Company and implementing them;
- b. overseeing efficient functioning of the operating framework, the accounting and reporting policies, planning and reporting processes (including internal control measures and authority levels) and implementing and maintaining such framework, policies and processes;

7.2.3. Governance

- a. appointing and removing members of the Management Committee of the Company and other functional heads who report, directly or indirectly, to the Chief Executive Officer and Managing Director, subject to obtaining necessary approvals of the Committees, the Board and / or Shareholders of the Company, as may be applicable;
- b. proposing to the Nomination and Remuneration Committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of members of the Management Committee and other Functional Heads, who report directly to the Chief Executive Officer and Managing Director, including those members of the Management Committee who are Executive Directors on the Board but without prejudice to the authority of the Shareholders of the Company;
- c. supervising and determining the roles, activities and responsibilities of the Management Committee of the Company and delegate powers to enable them to perform their roles;
- d. ensuring that the performance of members of the Management Committee and other Functional / Business Heads is systematically assessed and adequately rewarded;

- e. ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Business;
- f. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles;
- g. to provide, in conjunction with the Company Secretary, a properly constructed induction to new Directors;
- h. preparing for approval by the Board, and implementing and managing, HUL's risk management approach;
- i. implementing and managing compliance with the Code of Business Principles and HUL's Code Policies and standards;
- j. notify the Board of any issues, projects or transactions that in his judgment have the capacity to impact the reputation of the Company;

7.2.4 Communication with Stakeholders

- a. interacting with the media and approving any press release in relation to any matter within the ambit of the Chief Executive Officer and Managing director;
- b. preparing all public filings, reports and statements relating to the Business and representing the Company with in trade and professional bodies.

7.2.5 Contracts

- a. power to enter into commitments, agreements, contracts, instruments or other documents on behalf of the Company in relating to day to day functioning of the business.

The Chief Executive Officer or the Managing Director in discharging his duties is responsible to the Board as a whole.

8. Independent Directors

8.1. Definition of Independent Director

The Board shall comprise Directors who qualify as "Independent" as per the statutory provisions applicable to the Company. The criteria chosen by the Board for Independent Director are as follows:

- a. is a person of integrity and possess relevant expertise and experience as may be deemed necessary by the Nomination and Remuneration Committee;
- b. is or was not a promoter / promoter group of the Company or holding, subsidiary or associate company;
- c. is or was not related to promoters or Directors in the Company or holding, subsidiary or associate company;
- d. does not have or did not have any pecuniary relationship with the company or holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- e. none of the relatives has or had pecuniary relationship or transaction with the company or holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher

amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- f. who, neither himself nor any of his relatives, holds or has held the position of a key managerial personnel or is or has been employee of the company or holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- g. who, neither himself nor any of his relatives, has or had no relationships within the last three years with statutory auditor, secretarial auditor, cost accountant, legal or consulting firm that has had transaction with the Company or its holding, subsidiary or associate company;
- h. who, neither himself nor any of his relatives, holds two per cent or more of the total voting power of the company;
- i. has or had no material business relationship with customers or suppliers of the company; during last three years;
- j. who possesses such other qualifications as deemed necessary by the Nomination and Remuneration Committee, in line with the criteria for appointment to the Board;
- k. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

The Board will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned. Where there are additional criteria for a member to be considered independent imposed by applicable laws and regulations, the Board will apply such criteria. Every Independent Director shall at the time of appointment to the Board at the end of every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of 'independence'.

8.2. Tenure

Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company. On conclusion of first term of 5 years, the Board may propose the re-appointment of an Independent Director for another period of five years for approval of shareholder of the Company by way of Special Resolution. Such proposal for reappointment will be based on performance evaluation of the Independent Director and the recommendation of Nomination and Remuneration Committee. At the time of proposing re-appointment of Independent Directors, appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In case any vacancy is caused by resignation or removal of an Independent Director and the composition of Board is not in compliance with the requirement of statute, such vacancy shall be filled in the next Board Meeting or within three months, whichever is later.

8.3. Meetings of Independent Directors

The Chairperson shall meet the Non-Executive Directors without the executives present, once in each quarter. The Independent Directors shall also meet independently once in each quarter to consider agenda items set by them. Independent Directors shall amongst themselves elect one of them to lead the agenda of their meeting. The agenda of the meetings shall, inter alia, include following items:

- 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.

The Independent Directors may ask members of management and external professional advisers to attend those meetings. The Company Secretary shall assist them with the support they need.

In addition to these formal meetings, regular interaction shall take place between the Chairperson and Independent Directors to discuss such issues as are deemed appropriate.

9. The Company Secretary

9.1. Formal Status

The appointment or removal of the Company Secretary is a matter for the Board as a whole. All Directors have open access to the Company Secretary at any time and on any matter relating to the Company. The Company Secretary reports to the Board and administratively to the CEO & MD of the Company.

9.2. Responsibilities

The Company Secretary is responsible:

- a. to provide to the Directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
- b. to facilitate the convening of meetings and attend Board, Committee and General Meetings and maintain the minutes of these meetings;
- c. to obtain approvals from the Board, shareholders at the General Meeting, the Government and such other authorities as required under the provisions of the Act;
- d. to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;
- e. to assist the Board in the conduct of the affairs of the company;
- f. to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
- g. to discharge such other duties as have been specified under the Act or rules;
- h. to ensure that the compliance status across the Organisation is monitored and reported to the Board; and
- i. such other duties as may be assigned by the Board from time to time.

10. Directors Induction & Training

10.1. Background

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards of the Company. The Chief Executive Officer and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors.

The Independent Directors also request management to provide detailed understanding of any specific project, activity or process of Hindustan Unilever. The management provides such information and training either at the meeting of Board of Directors or otherwise.

10.2. Induction

The induction process is designed to:

- a. build an understanding of Hindustan Unilever, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

The Company Secretary shall provide new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors. This includes provision of a Directors' Induction kit containing general information on Company's Structure, Key Policies of the Company, Brief profile of the Board of Directors, Role and Responsibility of the Directors and necessary disclosure forms. The Chief Executive Officer provides a briefing on Company's current structure and performance of business.

The induction briefing for Non-Executive Independent Directors includes interactive sessions with Management Committee Members, Business and Functional heads, Auditors and a visit to market or any plant.

10.3. Training

The Company Secretary keeps the Board briefed on legal and regulatory development relevant to the Company and the Directors. The Company Secretary ensures that the programme to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved and the Board as a whole. Based on the yearly performance evaluation of the Board and individual Directors, the Chairperson shall in consultation with Senior Independent Director agree on the Training and Development needs of the Board as a whole and decide on action plan for each year. The Company Secretary shall be responsible for implementation of such plan and Chairperson shall regularly review the same.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

11. Board Evaluation

11.1. Background

It is important that the Board, Board Committees and individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Companies Act, 2013 (the Act) also provides for the evaluation of the Board, its Committees and individual Directors. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination & Remuneration Committee of the Board with evaluation of each Director.

11.2. The Board

The Chairperson in consultation with a Senior Independent Director nominated by the Independent Directors, shall lead the process of evaluation of the Board as a whole. The Company Secretary shall be responsible for organizing such an evaluation.

Following each evaluation, a report shall be prepared based on appropriate interviews and/or responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chairperson. Thereafter, the Chairperson, with the support from the Company Secretary shall implement the actions that the Board decides as appropriate. The process of evaluation of the Board shall be carried out on an annual basis and this process will be facilitated by an independent consultant as and when deemed appropriate by the Board.

11.3. Board Committees

Each Chairperson of a Board Committee shall lead the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee, the delivery of performance against the terms of reference of the Committee.

The Chairperson of the Committee shall report the results of the process to the Board and such report shall form part of Annual Report of the Company.

11.4. Independent Directors

The evaluation of Independent Directors shall be done by the entire board of Directors which shall include -

- (a) performance of the Independent Directors; and
- (b) fulfillment of the independence criteria from the management.

11.5. Non-Executive Directors

For Non-Executive Directors, such evaluation shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

11.6. Executive Directors

The criteria for evaluation of Executive Directors will include the annual performance plan of the concerned Executive Director and delivery against the same, assessment made by the Line Manager in addition to the above criteria laid down for Independent Directors to the extent applicable.

11.7. Chairperson

The Senior Independent Director shall lead the evaluation process whereby the Board evaluates the performance of the Chairperson. In this process, the Senior Independent Director shall consult the Executive Directors and fellow Non-Executive Directors.

The Senior Independent Director shall share the results of the assessment with the Chairperson. These individual assessments should be taken into account in the evaluation of the performance of the Board as a whole.

11.8. Timing

The evaluations will be carried out on an annual basis. All evaluations shall be designed to be completed before the meeting of Nomination and Remuneration Committee, to discuss remuneration packages and the nominations of candidates for election as Directors of the Company at the Annual General Meetings in the following year, are held.

11.9. Processes

The Company Secretary shall, in consultation with the Chairperson and Senior Independent Director, lay down the process and provide guidance on how to carry out the evaluation. The Company Secretary shall update this guidance on annual basis in the light of internal experience and external best practice. The Company Secretary may also take help of an independent consultant for review / development of the evaluation process.

11.10. Reporting

The annual report of the Company shall describe the process followed for evaluation and shall also include a report on evaluation considering the following :

- a. Observations of board evaluation carried out for the year.

- b. Previous year's observations and actions taken.
- c. Proposed actions based on current year observations.

12. Financial Reporting and Risk Management

The Board of Directors shall present a balanced and understandable assessment of the company's position and prospects to shareholders and statutory authorities. This shall include reporting requirements under various regulations and statutes. The Board shall, either directly or through a committee, ensure establishment and maintenance of disclosure controls and procedures. The Board shall also evaluate the appropriateness of the disclosures made.

12.1. Dividend Policy

The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company. The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared

The Dividend declared by the Board shall be subject to approval of shareholders at the Annual General Meeting.

12.2. Risk Management

The Board, the Audit Committee and the Risk Management Committee shall be collectively responsible for Risk Identification, Risk Minimization and Risk Mitigation as a part of risk management framework. The risk management framework in the Company aims to embed risk management in the normal course of business. This ensures that risk management is not seen as a standalone activity but as a part and parcel of running the business / function.

The Company has put in place an elaborate Risk Management Framework wherein Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. The objective of risk assessment framework is to provide to the operating management, a proactive and value adding review process, which enables them to maintain a risk profile associated with transactional controls at an acceptable level. This will be an ongoing process to track the evolution of the risks and delivery of mitigating action plans.

All the members of the Senior Leadership are required to provide a Positive Assurance once in a year to confirm their understanding and adherence to the processes relating to risk management. They are also required to escalate any new or enhanced risks to the Risk Management Committee as soon as they are perceived in their business.

A formal review of risks shall be carried out by the Risk Management Committee at least once in a year. This review will involve preparation and endorsement of a Corporate Risk Matrix, based on the inputs received from businesses and functions. The risk matrix details various risks on "Likelihood-Impact" axes, along with the acceptability levels, based on the sufficiency of the mitigating actions in place.

The Internal Auditor is responsible for providing independent reassurance to the Board, through the Chief Executive Officer/ Managing Director and the Risk Management Committee, that all major risks affecting the achievement of Company's objectives are adequately understood and managed.

12.3. Internal Control

The Board shall be responsible for sound internal control systems and shall on annual basis check effectiveness of internal controls systems. This review should cover all material controls including financial, operational and compliance related controls.

12.3.1. Internal Auditor

In order to ensure the independence and credibility of the internal audit process, the Board shall appoint an internal auditor who will be supported by a team of independent auditors and shall be responsible for internal audit. The internal auditor shall conduct internal audit of the functions and activities of the company. The internal auditor shall, in consultation with Audit Committee, formulate the scope, functioning, periodicity and methodology for conducting the internal audit. The Internal Auditor reports to the Audit Committee and is administratively reporting to the Chief Financial Officer. The Appointment and Remuneration of Internal Auditor will be subject to approval of Audit Committee.

12.4. Auditors

The Statutory Auditor shall be appointed by shareholders at the Annual General Meeting, based on the recommendation of the Board of Directors. The Audit Committee shall be the first point of reference for appointment of auditors (including internal auditors) and shall evaluate the performance of the Statutory and Internal Auditor and recommend to the Board their appointment, re-appointment along with the annual audit remuneration or removal.

The Auditor shall, on an annual basis, submit a certification of independence and arm's length relationship with the company to the Board.

The Audit Committee will review and monitor Auditor's independence, objectivity and effectiveness of the audit process. The Audit Committee will discuss the annual work programme and the depth and detailing of the audit plan to be undertaken by the auditors. The Audit Committee may approve the engagement of the auditors to supply statutorily permissible non-audit services.

All Directors, and in particular the Chairperson and members of the Audit Committee, have open access to the Statutory and Internal Auditor of the Company at any time and vice versa. The Statutory Auditors have open access to the Internal Auditor at any time and vice versa.

The Board shall also appoint Independent Secretarial Auditors to conduct secretarial audit on an annual basis and submit the report to the Board.

12.4.1. Rotation

In order to maintain independence of Auditors, the Company shall rotate the audit partner responsible for audit of the Company, every five year and the Audit firm shall be rotated every ten years. A cooling off period of three years must have elapsed before an audit partner or audit firm can be re-appointed by the Company.

The Secretarial Auditor shall be subject to rotation every five years.

13. Relation with Shareholders

The Company recognises the importance of continuous communication with the shareholders of the Company and is committed to implementing effective and innovative ways of conveying effective information to our shareholders. The Company shall provide to shareholders access to balanced and understandable information about the Company.

13.1. Rights of Shareholders

The Shareholders of the Company shall have following rights:

- a. to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes;
- b. opportunity to participate effectively and vote in general shareholder meetings;
- c. to be informed of the rules, including voting procedures that govern general shareholder meetings;
- d. opportunity to ask questions to the board, to place items on the agenda of general meetings, and to propose resolutions, in accordance with the provisions of the Companies Act, 2013;
- e. participation in key decisions, such as the nomination and election of board members;
- f. sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting;
- g. sufficient and timely information on capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their shareholding;
- h. exercise of ownership rights by all shareholders, including institutional investors;
- i. adequate mechanism to address the grievances of shareholders;
- j. protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

13.2. Contact with the Directors

Shareholders may contact an Individual Director, the Board as a group, or a specified Board Committee, including the Independent Director, by writing to levercare.shareholder@unilever.com or by sending communication to the Company Secretary at the registered office. The Corporate Secretarial Department will receive and process communications before forwarding them to the addressee. A communication concerning a process related or general query will be answered by the Corporate Secretarial Department. Communication concerning serious issues will be escalated to the Chairperson of the Stakeholders' Relationship Committee, through the Company Secretary of the Company.

Each Director is encouraged to attend the Company's annual meeting of shareholders to address shareholder's concerns, if any.

The Corporate Secretarial Department shall be first point contact for the shareholders and shall be responsible for ensuring the highest standard of service levels to the Shareholders / Investors. The Company shall periodically conduct investor satisfaction survey and benchmark the service standards for continuous improvement.

13.3. Methods of Communication

The Company shall regularly communicate relevant information to shareholders through a range of forums, publications and online. These shall include:

- a. the General Meeting
- b. transcripts of Minutes of General Meetings and Speeches
- c. the Annual Report
- d. investor presentations
- e. disclosures to the Stock Exchanges
- f. the Company website

In addition to the formal interactions with the shareholders in the General Meeting the Company Secretary and the Corporate Secretarial Department shall hold such interactive meetings with the shareholders as may be required to address concerns of shareholders, if any.

Company shall maintain an investor relations section on its website to assist with shareholder communication.

13.4. Grievance / Dispute Resolution

The Company has put in place the process of resolving shareholders disputes and grievances through an alternative disputes redressal mechanism. The Company has appointed four retired Judges of different High Courts, one in each region, to act as Ombudsman. The Ombudsman independently reviews the merits of the complaint and decides on the issue.

In case of any shareholder's / investor's grievance arising out of the shares, dividends or any other related matter, the first point of contact shall be the Corporate Secretarial Department of the Company. The Corporate Secretarial team shall attempt to resolve any such grievance mutually in a speedy manner. In case the shareholder is not satisfied with the resolution provided by the Corporate Secretarial Department, the matter may be referred to the Stakeholders' Relationship Committee of the Company.

In the event the matter is not resolved as stated above at the level of Stakeholders' Relationship Committee or the shareholder is not satisfied with the resolution provided by the Committee, the said grievance can be referred to the Company's Ombudsman, as nominated by the Company for each region, for resolution. The decision of the Ombudsman shall be final and binding on the Company.

14. Related Party Transactions Policy

14.1. Scope of the Policy

Hindustan Unilever Limited shall engage with Related Parties in the ordinary course of business and on an arm's length basis to leverage scale, size and drive operational synergies to provide value added, innovative products to its consumers while ensuring that transactions with Related Parties are, fully compliant with applicable Regulations.

14.2. Objective of the Policy

The Board of Hindustan Unilever Limited ("HUL" or "the Company"), after considering the recommendation of the Audit Committee, has adopted this Policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time, respectively.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

14.3. Definitions and Applicability

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Companies Act, 2013 and the Rules made there under and the Listing Regulations, 2015, as amended from time to time.

This Policy is applicable to Hindustan Unilever Limited. The Policy to the extent applicable may be adopted by Subsidiary Companies. Accordingly, the terms 'Company', 'Board of Directors', 'Audit Committee', 'Nomination and Remuneration Committee', 'Corporate Social Responsibility Committee' shall be construed with reference to the respective Companies. In case the Company is not required to constitute any of the Committee as per the applicable provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the reference to the Committees in this Policy shall be read as the 'Board of Directors'.

The Audit Committee of the Company shall review all Related Party Transactions as a matter of good governance and suggest such actions, if required, that are consistent with the approach outlined in this Policy namely of executing Related Party Transactions that are in the ordinary course of business and at arm's length.

14.4. Dealing with Related Party Transactions

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee and / or the Board of Directors of the Company in accordance with this Policy. In dealing with Related Party Transactions, the Company will follow the following approach:

14.4.1. Identification of Related Party Transactions

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other Companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors, Members of the Management Committee and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

14.4.2. Review and Approval of Related Party Transactions

All Related Party Transactions shall be approved or ratified by the Audit Committee of the Company in accordance with this Policy.

Unless otherwise stated in this Policy, all Related Party Transactions require prior approval of the Audit Committee of the Company. All Related Party Transactions must be reported to the Company Secretary who shall submit the same for approval or ratification by the Audit Committee in accordance with this Policy.

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:

- i. Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
- ii. Maximum value per transaction which can be allowed;
- iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- iv. Review of RPTs at such intervals as the Audit Committee may deem fit, entered into by the Company pursuant to each of the omnibus approval made;
- v. Transactions which cannot be subject to omnibus approval by the Audit Committee.

Based on the aforementioned criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval to Related Party Transactions that are repetitive in nature.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- (a) The transaction in question is necessary to be executed as it is in the business interest of the Company;
- (b) The requisite information is presented to the Audit Committee's satisfaction, to confirm that the transaction is at arm's length and in ordinary course of business;
- (c) Such omnibus approval shall specify
 - i. the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - ii. the indicative value and the formula for variation in the value, if any and
 - iii. such other conditions as the Audit Committee may deem fit;

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall, on quarterly basis, review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

In an unforeseen event where a Related Party Transaction, for which Omnibus approval has not been given by the Audit Committee, needs to be entered due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such Related Party Transaction by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company.

Ratification, if any, of a Related Party Transaction after its commencement or completion will be approved by the Audit Committee in exceptional circumstances only. A Related Party Transaction entered into without prior approval of the Audit Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly as reasonably practical after it is entered into and such transaction is ratified.

Any Member of the Audit Committee, who has a potential interest in any Related Party Transaction, will recuse himself or herself and abstain from voting on the approval or ratification of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval or ratification of the Audit Committee.

All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any Member of the Board who has a potential interest in such Related Party Transaction will recuse himself or herself and abstain from voting on the approval of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.

Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and rules made there under and the Listing Regulations, 2015.

All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

14.4.3. Related Party Transactions that shall not require Approval

Following transactions shall not require separate approval under this Policy:

- a. Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;
- b. Transactions that have been approved by the Board under the specific provisions of the Companies Act 2013, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- c. Payment of Dividend;
- d. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off, approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the Listing Regulations, 2015;
- e. Contribution to Corporate Social Responsibility (CSR) obligations, subject to approval of CSR Committee and within the overall limits approved by the Board of Directors of the Company.

14.5. Material Related Party Transaction

All Material Related Party Transactions shall be placed for prior approval of shareholders through resolution. The Company has fixed the following materiality threshold for the purposes of Companies Act, 2013 and SEBI Listing Regulations, 2015:

- a. Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall be governed by the respective limits provided under the said rules.
- b. For other type of transactions with a Related Party, the materiality threshold shall be 10% of the annual consolidated turnover of the Company as per its last audited financial statements.
- c. For payment to a Related Party with respect to brand usage or royalty, materiality threshold shall be as per limits specified under the Listing Regulations, 2015 as amended from time to time.

The Material Related Party Transactions entered between HUL and its wholly owned subsidiaries shall not require prior approval of shareholders.

Related Party Transactions Policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

14.6. Disclosure(s)

Details of all Related Parties Transactions on a consolidated basis shall be disclosed, on a half yearly basis, along with the half yearly standalone and consolidated financial statements, to the Stock Exchanges.

The Company shall disclose the Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions on its website and provide weblink in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's

length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

14.7. Governance of the Policy

The Company shall constitute a Steering Committee which will be headed by the Chief Financial Officer and the Company Secretary and will have such Members from Finance, Corporate Secretarial and other functions as may be determined by the Chief Financial Officer and the Company Secretary. The Steering Committee shall meet periodically to ensure that the actions agreed with the Audit Committee and the Board with respect to Related Party Transactions has been implemented. The Steering Committee shall also ensure that the systems and processes are in place for identification and approval of Related Party Transactions as per this Policy.

14.8. Amendments to the Policy

The Audit Committee of the Company shall review the Policy atleast once in three years and may amend this Policy from time to time, subject to the approval of the Board of Directors of the Company.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

15. Policy for Material Subsidiaries

15.1. Objective

The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of Hindustan Unilever Limited ("HUL" or "the Company").

15.2. Definitions

15.2.1. Subsidiary

A Company in which HUL controls the composition of the Board of Directors or exercises or controls more than fifty percent of the total voting power of the Company, either directly or through one or more subsidiaries, shall be treated as a Subsidiary of HUL.

15.2.2. Material Subsidiary

A Subsidiary Company shall be treated Material if:

a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

15.2.3. Significant transactions or arrangements

Significant transactions or arrangements shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

15.3. Governance Framework

15.3.1. All Subsidiaries

- a. minutes of the Board meetings of all Subsidiary Companies shall be placed before the Board of Directors of HUL on quarterly basis;
- b. a statement of all significant transactions and arrangements entered into by the Subsidiary Companies during the quarter shall be brought to the attention of the Board of Directors of HUL on quarterly basis;
- c. the Audit Committee of HUL shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Company on an annual basis;
- d. any transaction between HUL and its Subsidiary Company shall be entered into in accordance with Related Party Transaction Policy of the Company.

15.3.2. Material Subsidiaries

- a. the list of Material Subsidiaries shall be placed before the Audit Committee of HUL on an annual basis;
- b. at least one Independent Director on the Board of HUL shall be appointed as a Director on the Board of material unlisted Indian Subsidiary Company (the term “material subsidiary” for the purpose of this clause shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year);
- c. any proposal for disposal of shares in Material Subsidiary, such that the shareholding in the Company may reduce to less than fifty percent or HUL would cease to exercise control over the entity, shall be subject to prior approval of shareholders of HUL;
- d. any proposal for selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary shall be subject to prior approval of shareholders by way of special resolution;

15.4. Responsibility

The Company Secretary shall be responsible for ensuring the compliance of this Policy. A list of Material Subsidiary shall be maintained by the Company Secretary and the same shall be placed before the Audit Committee on an annual basis. The Audit Committee shall review the list of Material Subsidiary and make suitable recommendations, including recommendation for appointment of Independent Director on the Board of Material Subsidiary.

16. Corporate Social Responsibility Policy

16.1. Policy

The Company is committed to operate and grow its business in a socially responsible way. The Company's vision is to grow its business whilst reducing the environmental impact of the operations and increasing its positive social impact.

This policy outlines the Company's Corporate Social Responsibility agenda. The aim is to achieve responsible growth and the Company will inspire to bring this to life by encouraging people to take small everyday actions that will add up to make a big difference. The Company has embraced Unilever Sustainable Living Plan (USLP) (available on the website of the Company www.hul.co.in) which contributes to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013. The USLP has three global goals, namely, help more than a billion people take action to improve their health and wellbeing, reduce the environmental footprint of our products and enhance the livelihoods of people as we grow our business. Additionally, considering India as a water scarce region and the water availability is expected to go down further, the Company has identified water as a key area of intervention. The Company will focus in this area by creating capacities in conserving water through significant investments in partnership with relevant stakeholders with the objective of water conservation.

16.1.1. Corporate Social Responsibility (CSR) Principles

The CSR Policy is supported by the following principles:

- a. The Company is committed to conducting its operations with integrity and respect, in the interest of the stakeholders, and in line with the Code of Business Principles.
- b. The Company believes growth and environmental sustainability need not be conflicting. The Company's business model is designed to deliver sustainable growth. The inputs to the model are the Company's brands, people and operations. The outputs to the model are sustained growth, lower environmental impact and positive social impact. The differentiator in the business model is USLP and the goal of sustainable living.
- c. The Company collaborates and engages with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers, and Distributors to tackle the challenges faced by the society.

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the Company is committed to spend at least 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. This

will include the spends through activities undertaken by Hindustan Unilever Foundation (HUF), a not for profit subsidiary Company, aimed at building capacities to conserve water and to further community development initiatives.

16.1.2. Governance Mechanism

The Company follows structured governance procedures to monitor CSR activities. The CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee comprising of an Independent Chairperson and a majority of Independent Directors to monitor the Policy and the programmes from time to time.

The activities described in annexure to the policy are covered under Schedule VII (as amended) of the Act that lists down permitted activities that constitute such activities. These activities undertaken by the Company are not expected to lead to any additional surplus beyond what would accrue to the Company in the course of normal operations. The Company may take up other CSR activities as may be appropriate.

17. Transparency and Disclosures

The Company shall conduct its operation with honesty, integrity and openness and shall provide the Board and Stakeholders with true and fair view of Company's progress. In all its dealings, the Company shall uphold principles of good governance for healthy growth of the Company, as well as inclusive growth of the economy. The Company shall disseminate timely and accurate information and shall, inter alia, disclose all material matters including the financial situation, performance, ownership, and governance of the Company. The information should be prepared and disclosed in accordance with the prescribed standards of disclosure.

The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor.

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

18. Monitoring Mechanism for Code

The Board of Directors of the Company shall be responsible for monitoring and implementation of the Code. There shall be an independent Audit carried out by the Secretarial Auditor on an annual basis to evaluate the compliance of the code. The Report of the said audit shall be placed before the Board of Directors.

Appendix 1 - Code of Business Principles

THE CODE OF BUSINESS PRINCIPLES (1 of 2)

Standard of Conduct

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

Obeying the Law

Unilever companies and employees are required to comply with the laws and regulations of the countries in which we operate.

Employees

Unilever is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

We are committed to safe and healthy working conditions for all employees.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards.

We will not use any form of forced, compulsory, trafficked or child labour.

We are committed to working with employees to develop and enhance each individual's skills and capabilities.

We respect the dignity of the individual and the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company-based information and consultation procedures.

We will ensure transparent, fair and confidential procedures for employees to raise concerns.

Consumers

Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

Shareholders

Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

Business Partners

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

Community Involvement

Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

Public Activities

Unilever companies are encouraged to promote and defend their legitimate business interests.

Unilever will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.



THE CODE OF BUSINESS PRINCIPLES (2 of 2)



The Environment

Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Innovation

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society.

We will work on the basis of sound science, applying rigorous standards of product safety.

Competition

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All employees and others working for Unilever are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

Employees must not seek gain for themselves or others through misuse of their positions.

Compliance – Monitoring – Reporting

Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are applied throughout Unilever.

The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Global Code and Policy Committee which is chaired by the Chief Legal Officer.

Day-to-day responsibility is delegated to all senior management of the geographies, categories, functions and operating companies. They are responsible for implementing these principles, supported by local Code Committees. Assurance of compliance is given and monitored each year. Compliance is subject to review by the Board supported by the Corporate Responsibility Committee and for financial and accounting issues the Audit Committee.

Any breaches of the Code must be reported. The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

Note

In this Code the expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.

Appendix 2 - Whistle Blower Policy



WHISTLE BLOWER POLICY

PREFACE

Hindustan Unilever Limited (HUL) follows highest standards of business ethics and management practices in the conduct of its business.

Directors and Employees are often the first to realise that there may be something not in order requiring redressal by the Company. HUL is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, HUL Directors and Employees, with concerns about any aspect of the Company, are encouraged to come forward and voice their concerns to the Management.

Whistle Blower Policy is a device to help alert and responsible individuals to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or abrasion or irregularity in the Company practices which is not in line with HUL's Code of Business Principles or the law of the land, without any fear or threat of being victimised.

Whistle Blower Policy expects Employees and Directors to be the guardian of HUL's core values and the corporate purpose. The spirit of the Policy is to foster a sense of collective responsibility in safeguarding the business interests. The Policy provides an avenue to report matters directly to the Management or to the Chairman of the Audit Committee. The Policy also provides for reporting in confidence. Through this Policy, a vigil mechanism is established for every employee to report genuine concerns.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles to the Management is reinforced by the Whistle Blower Policy. In the process, it is also ensured that the Policy is not misused.

The Whistle Blower Policy supplements the Code of Business Principles and the policies under the Code. This Policy is issued pursuant to Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of the Listing Regulations, 2015.



WHISLE BLOWER POLICY

Disclosure in Confidence with Confidence

1. AIM AND SCOPE OF THE POLICY

- (a) This Policy aims to:
- Provide avenues for Employees and Directors to raise concerns and receive feedback on any action taken;
 - Provide avenue for Employees and Directors to report breach of Company's policies
 - Reassure Employees and Directors that they will be protected from reprisals or victimisation for Whistle Blowing in good faith.
- (b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Whistle Blower Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:
- is unlawful or in breach of any law;
 - is against the Company's Policies;
 - falls below established standards or practices; or
 - amounts to improper conduct, unethical behaviour or suspected fraud.

2. SAFEGUARDS

(a) Harassment or Victimisation

The Company recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from superiors. The Company will not tolerate harassment or victimisation and will take action to protect an individual when they raise a concern in good faith. In case, a Whistle Blower is already the subject of any disciplinary action those procedures will not be halted as a result of their Whistle Blowing.

(b) Confidentiality

The Company will do its best to protect an individual's identity when he/she raises a concern and does not want their name to be disclosed. It must be appreciated that a statement from the Whistle Blower may be required as part of the evidence in the investigation process.

(c) Anonymous Allegations

This Policy encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.



(d) Untrue Allegations

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken.

3. RAISING A CONCERN

- (a) Operational concerns shall be raised with Line Manager or Skip Line Manager. Whistle Blowing mechanism should be used for potentially serious or sensitive issues.
- (b) The first step should be to approach the relevant Business Head. In case the Business Head or Senior Management is the subject of complaint, the employees can directly reach out to HR Director or Legal Director. If the Business Head finds the Whistle Blower complaint to be substantiated, he/she will consult with the HR Director or Legal Director on referring it to the appropriate body formed by the Company for such purposes. Employees of the HR / Legal Director's Services should raise their concerns with the Finance Director.
- (c) Concerns are better raised in writing. In case any concerns are to be raised directly with the Chairperson of the Audit Committee, the Chairperson can be reached out through the following email id : Kalpana.morparia@unilever.com. Alternatively, employees may send in written communications to Manager – Corporate Policies and Compliances, C/o Legal Department at Head Office or email at cobp.hul@unilever.com.
- (d) The background and history of the concern, giving names, dates and places where possible, should be set out and the reason why the individual is particularly concerned about the situation. Those who do not feel able to put their concern in writing can telephone or meet the appropriate officer (immediate superior or Legal Director).
- (e) The complainant is not expected to prove the truth of allegation, but should be able to demonstrate that there are sufficient grounds for concern. Employees must raise concerns immediately. This will support investigation process and enable faster implementation of corrective actions, if any.
- (f) Advice and guidance on how matters of concern may be pursued can be obtained from the Code Officer.
- (g) In case of any serious concerns, the Whistle Blower may also directly approach the Chairperson of the Audit Committee.

4. HOW THE COMPLAINT WILL BE DEALT WITH

- (a) The concerns raised may:
 - form the subject of an independent inquiry;
 - be investigated internally;
 - be referred to the external Auditor; or
 - be referred to the police; if required.



- (b) Upon receipt of a concern, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.
- (c) After the concern has been evaluated, the Company will write to the complainant:
 - acknowledging that the concern has been received;
 - indicating how it is proposed to be dealt with;
 - informing whether further investigations will take place, and if not, why not.
- (d) The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant.
- (e) The Company will take steps to protect the Whistle Blower from victimisation and minimise any difficulties which a person reporting under Whistle Blowing may experience as a result of raising a concern.
- (f) The Company accepts and would take such steps as may be required to assure the Whistle Blower that the matter has been appropriately addressed.

5. REPORTING

The concerns raised under Whistle Blowing shall be reported periodically to Management Committee and Audit Committee of the Company.

6. THE COMPLIANCE OFFICER

The Company Secretary as the Compliance Officer of the Company shall also act as the Compliance Officer under the Whistle Blower Policy. The Whistle Blower Policy will be integrated with and implemented through the structures created under the administration of the Code of Business Principles in HUL.

7. ADDRESS FOR REPORTING AND COMMUNICATION

E Mail: kalpana.morparia@unilever.com, or write to
Manager – Corporate Policies and Compliances,
Email : cobp.hul@unilever.com
Address : Hindustan Unilever Limited
Unilever House,
B D Sawant Marg,
Chakala, Andheri East,
Mumbai 400 099

Appendix 3 - Share Dealing Code

Hindustan Unilever Limited

Share Dealing Code

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Note : This Share Dealing Code was approved by the Board of Directors in their meeting held on 31st October 2009 and was modified on 14th December 2012, 8th May, 2015, 9th May 2016, 18th April, 2019 and 27th January, 2021.

HUL – Share Dealing Code

1. INTRODUCTION

Trading in a Company's shares by insiders, including its Directors or employees or other persons connected or deemed to be connected to the Company while in possession of unpublished price sensitive information, i.e. information that is not generally available to the public, and can materially impact the price of securities is known as 'insider trading'. Such insider trading places the average investor who does not have access to such insider information at a disadvantage. Needless to mention, this kind of profiteering by misusing any material access to confidential information available to such insiders by virtue of their position or connection with a Company, erodes investors' confidence in the integrity of the management of the Company. Thus, such conduct, apart from being unethical and immoral, is also illegal.

The Securities Exchange Board of India ("**SEBI**") has notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI Regulations**"), which came into force on 15th May, 2015 and governs the law relating to insider trading in India.

2. OBJECTIVE

The objective of this document is to give a basic understanding of the law relating to insider trading and to reiterate the Company's policy and code for dealing in the securities of Hindustan Unilever Limited ("**HUL**" / "**Company**") and its associate companies in India, for the benefit of and compliance by all concerned. It also includes guidance to the Company's Directors and employees on the policy, pre-clearance/notification procedures to be followed at the time of dealing in shares or other securities of the Company and the option of formulation of Trading Plans pursuant to which trades may be carried out in the shares or other securities of the Company ("**HUL Securities**").

This Code places two sets of restrictions, Clause 4 of the Code applies to all HUL employees and seeks to prevent them from dealing in HUL securities when they are in possession of unpublished price sensitive information. Clauses 5, 6 and 7 of the Code apply mainly to Special Employees, as defined under this Code, and prohibit dealings in the shares and other securities of HUL at certain times, imposes a requirement of pre-clearance and sharing of trading plans pursuant to which trades may be carried out, and contains other obligations for Special Employees.

The restrictions in this Code, in certain cases, go beyond strict legal requirements and are intended to preserve the reputation of HUL and the individuals to which the Code applies.

This Code is in addition to the 'Unilever Disclosure and Share Dealing Manual' which applies for dealing in Unilever Securities.

3. IMPORTANT CONCEPTS

A. HUL SECURITIES

“HUL Securities” means shares, scrips, stock, bonds, debentures, debenture stock and other derivative instruments of HUL, which are listed on stock exchanges.

B. TRADING IN SECURITIES

“Trading in securities” means and includes an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities. The term “trade” shall be construed accordingly.

For the avoidance of any doubt, it may be noted that dealings by a nominee on behalf of the Special Employee or dealings between Special Employees or off-market dealings or transfers without consideration shall also be constituted as trading for the purposes of this Code.

C. CONNECTED PERSON

“Connected Person” means:

- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - a) an immediate relative of connected persons specified in clause (i); or
 - b) a holding Company or associate Company or subsidiary Company; or
 - c) an intermediary as specified in Section 12 of the Act or an employee or Director thereof; or
 - d) an investment Company, trustee Company, asset management Company or an employee or Director thereof; or
 - e) a concern, firm, trust, Hindu undivided family, Company or association of persons wherein a Director of a Company or his immediate relative or banker of the Company, has more than ten per cent. of the holding or interest.

D. DEPENDANT OR IMMEDIATE RELATIVE

“Immediate Relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

E. GENERALLY AVAILABLE INFORMATION

“Generally Available Information” means information that is accessible to the public on a non-discriminatory basis;

F. INSIDER

“Insider” means any person (e.g. Individual, Company, Association or Body of Individuals, whether incorporated or not) who:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

G. KEY MANAGERIAL PERSON

“Key Managerial Person” means a person as defined in Section 2(51) of the Companies Act, 2013

H. UNPUBLISHED PRICE SENSITIVE INFORMATION

“Unpublished Price Sensitive Information” means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following

- i. Financial results
- ii. Dividend
- iii. Change in Capital Structure
- iv. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
- v. Changes in key managerial personnel

I. CLOSE PERIOD

A “Close Period” in relation to a Trading Window, means:

- (i) The period from the end of financial year [31st March] up to the date of announcement of the unaudited and/or audited annual results and 48 hours thereafter: and
- (ii) The period from the end of each quarter up to the date of the announcement of unaudited quarterly result and 48 hours thereafter.
- (iii) The period which the Compliance Officer determines that a designated person or a class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

The trading window may be reopened after closure, not earlier than 48 hours after the unpublished price sensitive information in question becomes generally available. Any closure shall be imposed in relation to HUL Securities to which UPSI relates, as applicable.

J. COMPLIANCE OFFICER

The Company has appointed the Company Secretary, as the Compliance Officer for the purposes of the SEBI Regulations and this Code.

K. SPECIAL EMPLOYEES

The following categories of employees will be considered as 'Special Employees' for the purposes of this Code:

- (i) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company;
- (ii) all management employees at work level 3X and above;
- (iii) all employees in the finance & accounts department of the Company;
- (iv) Executive Assistants/Private Secretaries of Whole-time Directors and Management Committee Members;
- (v) Employees in the IT Department, Corporate Secretarial department who may have access to unpublished price sensitive information as determined by the Compliance Officer;
- (vi) Any other employee who may be notified or advised of his or her categorisation as a Special Employee for the purpose of this Code ;
- (vii) All employees of material subsidiaries of the above level prescribed in clauses (i) to (v) above;

- (viii) All promoters of the Company; and
- (ix) Immediate relatives of employees mentioned in clauses (i) to (viii) above.

Explanation - “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year or such other Company determined by the Company as material per its policy on determining material subsidiaries.

Those who are considered to be 'Special Employees' shall be notified to that effect and a copy of this Code will be provided to them. All Special Employees, to whom the Code applies, shall be required to submit a written confirmation regarding receipt of the Code with an undertaking to abide by the requirements of the Code. The said confirmation cum undertaking shall be submitted in the form prescribed in **Appendix 1**.

The Code also applies to all Non-Executive Directors as if they were Special Employees and all provisions of the Code apply for them accordingly.

L. TRADING WINDOW

“Trading Window” means a notional window used as an instrument of monitoring trading by Special Employees.

M. OTHER WORDS AND EXPRESSIONS

All words and expressions not defined herein shall have the same meaning as that set out in the SEBI Regulations.

4. RESTRICTIONS ON ALL EMPLOYEES

Employees of the Company should not deal in HUL Securities at any time when he/she is in possession of any unpublished price sensitive information. Employees must also maintain confidentiality of all unpublished price sensitive information and must not pass such information to any person either directly or indirectly except for legitimate purposes and strictly on a need to know basis.

In addition, employees should not deal in the securities of any other listed Company at any time when they are in possession of unpublished price sensitive information in relation to those securities and shall not pass such information to someone else or encourage someone else to trade in such securities at such a time.

Employees ought to note that it is a criminal offence to deal in the securities of any listed Company, directly or indirectly, when in possession of any unpublished price sensitive information in relation to such securities.

5. RESTRICTION ON SPECIAL EMPLOYEES

5.1. Over and above the basic rule applicable to all employees as set out at Clause 4 above, this Code places additional special restrictions on Special Employees from trading in HUL Securities. The Special Employees to whom this Code applies should:

- (i) not deal in HUL Securities during the Close Period
- (ii) always seek pre – clearance for trading in HUL Securities as per the procedure for seeking clearance set out in Clause 7 of this code.
- (iii) not deal in HUL securities based on short term considerations. HUL securities should not be sold by Special Employees within six (6) months of last purchase and any purchase should not be made within six (6) months of last sale. This six (6) months rule may be relaxed in individual cases by the Compliance Officer for reasons to be recorded in writing if such relaxation does not violate the SEBI Regulations. Any request for dispensation should be included in the written notice required under clause 7 of this Code. However, this provision shall not be applicable in case of trades pursuant to exercise of stock options

5.2. In addition to the exemption for stock options, it is proposed to clarify that the Close Period restrictions are not applicable for certain transactions as prescribed in Clause 4 (3) of Schedule B of PIT Regulations, viz.

- Off-market Inter-se transfer between Special Employees;
- Transaction through Block deal window mechanism between Special Employees;
- Transaction due to statutory or regulatory obligations;
- Trade pursuant to duly approved Trading plan;
- Creation of pledge for bona fide purpose such as raising of funds;
- Transactions which are undertaken in accordance with respective regulations made by SEBI such as subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

5.3 The Company does not encourage the Special Employees to deal in derivatives related to HUL Securities at any time [such as put and/or call options, contracts for differences and other contracts intended to secure a profit or avoid a loss based on fluctuations in the

price of HUL securities] because of the speculative nature of such instruments. However, if a Special Employee decides to trade in derivatives he will be under an obligation to abide by the Code and obtain pre- clearance as per clause 7 and consequent to the transaction, make requisite disclosures as per clause 12 of the Code being provided herein.

6. FORMULATION OF TRADING PLAN

This provision intends to give an option to Special Employees who may be perpetually in possession of unpublished price sensitive information and enable them to trade in securities in a compliant manner. This provision enables the formulation of a trading plan by a Special Employee to enable him/her to plan for trades to be executed in the future. By doing so, possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that had been pre-decided even before the unpublished price sensitive information came into being.

6.1. Trading Plan: An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.

6.2. Trading Plan shall:

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in HUL Securities for market abuse.

- 6.3. The Compliance Officer shall review the Trading Plan made as above and shall approve it after reviewing the plan to assess whether the plan would have any potential for violation of SEBI Regulations. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the SEBI Regulations.
- 6.4. However, it is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further, it is clarified that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.
- 6.5. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the HUL Securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

- 6.6. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the HUL Securities are listed.

7. PRE-CLEARANCE PROCEDURE

- 7.1. Clearance must be obtained in advance for all dealings or trading in HUL Securities by Special Employees. The form to obtain clearance as set out in **Appendix 2** of this Code should be forwarded to Corporate Secretarial Department duly completed, for being considered for recommendation by an appropriate person as set out below who shall further send it to the Compliance officer for approval.

DEALING BY	CLEARANCE BY
Chairman or Chief Executive Officer	Group Chief Executive
Non-Executive Directors	Chairman
Executive Directors (including members of the Management Committee)	Chief Executive Officer
Special Employees other than above	Compliance Officer

It should be noted that the form set out in **Appendix 2** contains an undertaking prescribed by the SEBI Regulations and the employees should consider its full implications before

signing the form. The Compliance Officer will endeavor to give clearance within two (2) working days of receiving the request.

Explanation – No Special Employee shall seek to trade during the Close Period or seek pre-clearance with a view to trade during such period. The Company Secretary is the Compliance Officer for the purposes of the SEBI Regulations and this Code. The Company may develop an electronic method of administering the process under this Code.

- 7.2. Pre-Clearance to deal in any HUL Securities shall not be given by the Compliance Officer during any of the following periods:
- (i) Close Period
 - (ii) At the time of:
 - (a) intended declaration of interim or final dividend;
 - (b) issue of securities or buyback of securities
 - (c) any major expansion plans or execution of new projects
 - (d) amalgamations, mergers or takeovers
 - (e) disposal of undertakings
 - (f) any significant changes in policies, plans or operations of the Company
- 7.3. Pre- Clearance shall not be given to any Special Employee when who is aware / expected to be aware of one or more of the events mentioned in (ii) above, due to his involvement in the proposed transaction or has been notified by the Compliance Officer to such effect, even though full details may not have been disclosed to him on the principle of 'need to know' basis
- 7.4. Pre- Clearance shall not be given to any Special Employee during any period when there exists any matter which constitutes unpublished price sensitive information in relation to HUL Securities (whether or not the Special Employee has knowledge of such matter) and the proposed dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter.
- 7.5. Pre- Clearance shall not be given to any Special Employee during any period when the Compliance Officer otherwise has reasons to believe that the proposed dealing is in breach of this Code, or SEBI Regulations

The periods under 7.4 and 7.5 above, shall be determined and communicated by the Compliance Officer when such eventualities arise.

- 7.6. A record of all applications received from Special Employees and all clearances given, shall be maintained by the Compliance Officer. Clearances given by the Compliance Officer will be communicated to concerned Special Employees by returning Part 2 of the application duly completed.

- 7.7. If clearance is given for any trades by the Compliance Officer, the same should be completed within seven (7) trading days (excluding the day on which clearance is given) from the grant of such clearance. A fresh clearance must be sought if such trades are not completed within such period.
- 7.8. The completion of any trade must be reported to the Compliance Officer by completing **Part 3** of the Form given in **Appendix 2** and returning the same within two days of such trade.
- 7.9. Persons to whom this Code applies must keep confidential the fact that they are intending to deal or that they have applied for clearance to deal or the clearance is granted/refused by the Compliance Officer.

8. DEALINGS BY CONNECTED PERSONS AND IMMEDIATE RELATIVES

- 8.1. A Special Employee must (so far as is consistent with his/her duties of confidentiality to HUL Group Companies) seek to prohibit any dealing in HUL Securities by persons connected to him/her or by his/her family members, relatives, stockbrokers or other associates or acquaintances at a time when Special Employees would be prohibited from trading in HUL Securities under this Code.
- 8.2. Special Employees must advise all Connected Persons/Immediate Relatives (who are also deemed to be Special Employees under this Code):
- (i) of the fact that they are covered by this Code and that this Code applies to them
 - (ii) of the Close Periods during which the connected persons/immediate relatives should not deal in HUL Securities
 - (iii) of any other periods when Special Employee knows that he/she himself/herself is not free to deal in HUL Securities under the provisions of this Code, unless his/her duty of confidentiality to HUL/Group Companies prohibits him/her from disclosing such periods
 - (iv) that the connected person / Immediate relatives must intimate him / her immediately after they have dealt in HUL Securities.

Special Employees must also take reasonable steps to prevent any dealings by or on behalf of Connected Persons and Dependents in HUL Securities on considerations of a short-term nature.

9. SPECIAL EMPLOYEE ACTING AS TRUSTEE

When a Special Employee acts as a trustee, the provisions of this Code will normally still apply as if he/she is also a beneficiary. This may not be the case if either he/she is only a nominee trustee without any discretion of his/her own or if his/her co-trustees act completely independently of the Special Employee.

10. ROLE OF COMPLIANCE OFFICER

- 10.1 The Compliance Officer shall, apart from carrying out the duties enshrined hereinabove, report to the Board of Directors of the Company and in particular, provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
- 10.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the SEBI Regulations and the Code.

11. PRESERVATION OF “PRICE SENSITIVE INFORMATION”

- 11.1. No insider in relation to the Company shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or the HUL Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.2. No insider in relation to the Company shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or HUL Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.3. All information shall be handled within the Company on a ‘need-to-know’ basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.
- 11.4. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” and notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information by the Compliance Officer.

“Legitimate Purpose” shall be determined in accordance with the Code of Fair Disclosure and Conduct, as amended from time to time. The Code of Fair Disclosure and Conduct is annexed herewith as ‘**Annexure A**’ to this Code.

Illustrative Examples of Legitimate Purposes:

- sharing of draft accounts with the statutory auditor
- sharing of information pertaining to Intellectual Property Rights with an attorney etc.

11.5. For the purposes of this clause, 'need to know basis' will mean:

- a. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their role and perform their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- b. All non-public information directly received by any employee should immediately be reported to the Compliance Officer.

11.6. The Company shall enter the details of the person or entity with who UPSI is shared under this part in a digital database.

11.7. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

12. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

12.1. Initial Disclosure

Every person on appointment as a Key Managerial Personnel or a Director or being designated as a Special Employee of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of HUL Securities, including the holding of their Immediate Relatives, and of any other person for whom such person takes trading decisions on the date of appointment or becoming a promoter or member of the promoter group, to the Company within seven days of such appointment or becoming a promoter in the prescribed Form B as set out in **Appendix 3**.

12.2. Continual Disclosure

- (i) Every promoter, member of the promoter group, Special Employee and Director of the Company shall disclose to the Company as per **Form C** set out in **Appendix 3**, the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 (Rs. Ten lakhs). The disclosure shall be made within 2 working days of:
 - (a) the receipt of intimation of allotment of shares, or
 - (b) the acquisition or sale of shares or voting rights, as the case may be

- (ii) Every Promoter, member of the promoter group, Key Managerial Personnel, Director and Special Employee of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of HUL Securities to the Compliance Officer as on 31st March every year in such form and manner set out in **Appendix 4** or as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted on or before 30th April, each year.

12.3. Other Disclosures

12.3.1. Every Special Employee shall disclose names and Permanent Account Number (“**PAN**”) or any other identifier authorized by law as may be required of the following persons to the Company on an annual basis and as and when the information changes:

- (i) immediate relatives;
- (ii) persons with whom such Special Employee shares a Material Financial Relationship; and
- (iii) phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which Special Employees have graduated and names of their past employers shall also be disclosed on a one time basis.

12.3.2. For the purposes of 12.3. 1., the following persons will be deemed to have a “Material Financial Relationship” with a Special Employee -

- (i) Any person who has received any kind of payment from a Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid by the Special Employee represents 25% or more of the annual income of such Special Employee;
- (ii) Any person who has made a payment to the Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid to the Special Employee represents 25% or more of the annual income of such Special Employee; or

For the purposes of this clause, the “annual income” of the Special Employee shall be determined as being the extant CTC (Cost to Company) of the relevant Special Employee.

12.4. REPORTING TO THE BOARD

A quarterly report of the dealings in HUL Securities by or on behalf of any Non-Executive Director or a Special Employee shall be circulated to the members of HUL Board in the quarterly Board Meetings.

13. PROTECTION AGAINST RETALIATION AND VICTIMIZATION

Employees will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- i. Filing a Voluntary Information Disclosure Form under these regulations;
- ii. Testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- iii. Breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

Provided that such protection shall not be available for any employee who files or threatens to file Voluntary Information Disclosure with

- i. Malafide intention; or
- ii. Motive to harass the Company
- iii. Motive to extort money from the Company

Explanation - For the above purpose, "employee" means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

14. NON-COMPLIANCE OF THIS CODE

- a. In respect of any non-compliance of this Code or the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the Board atleast once every year, or more frequently if so stipulated by the Board, or if the Compliance Officer so considers it necessary.

- b. In addition to the above, the Audit Committee shall review compliance with the provisions of the SEBI Regulations atleast once in a financial year and shall verify that the systems for internal controls which are required to be maintained per these Regulations are adequate and are operating effectively.
- c. The Company shall initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information in accordance with the policy formulated by the Board of Directors of the Company and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

15. SHARE DEALING CODE COMPLIANCE COMMITTEE

There shall be a Committee called the Share Dealing Code Compliance Committee comprising the Chief Executive Officer, Executive Director, Finance & IT and Chief Financial Officer and Executive Director, Legal & Corporate Affairs and Company Secretary ("**Committee**"). The Committee will concern itself with the establishment and maintenance of disclosures, control of Unpublished Price Sensitive Information alongwith a suitable procedure, protocol for sharing informing which is for legitimate purposes and which is in the best interests of the Company and also with the appropriateness of the disclosures. The Committee shall also decide the suitable actions under Clause 14 of this Code for any breach of the Code. Further, such Committee will also concern itself with any leak / suspected leak of unpublished price sensitive information and inquiries as laid out in the Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information. The policy on 'procedures to be adopted while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information' is annexed as **Annexure B** to this Code.

16. PENALTIES

16.1. PENALTIES BY THE COMPANY

Failure to comply with this Code is a serious disciplinary matter and may also constitute a criminal offence in certain cases.

Any employee who violates the provisions of this Code shall be liable for such penal/disciplinary / remedial action as may be considered appropriate by the 'Share Dealing Code Compliance Committee' as per the sanction framework of the code prescribed in **Appendix 5**.

All Breaches of this Code with actions taken by the 'Share Dealing Code Compliance Committee' shall be reported to the Board of Directors of the Company. In case of any

observed violations of the SEBI Regulations, the Board of Directors shall inform Stock Exchanges promptly of the same.

The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

Any amount collected by the Company under the Code shall be remitted to the Investor Protection and Education Fund administered by SEBI under the Act.

16.2. **PENALTIES BY THE STATUTORY AUTHORITIES**

Under Section 15G of SEBI Act, any insider who indulges in insider trading is liable to a penalty of Rs. 25 crores or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, anyone who contravenes the Insider Trading Regulations is punishable with imprisonment which may extend to ten years, or with fine, which may extend to Rs. 25 crores or with both.

It may also be noted that *mens rea* or criminal intent is not relevant in an offence of insider trading. Whether or not any actual gains were made or losses were avoided out of such deal also has no bearing on the maintainability of the criminal proceedings though depending on the facts of the case, the Court may take these factors into account while deciding the extent of penalty/punishment.

SEBI can also pass directions to an insider found indulging in insider trading, not to deal in the Company's shares in any particular manner or prohibit him from disposing any of the shares acquired in violation of the Regulations and/or restrain him from communicating to or counselling any other person to deal in the Company's shares.

17. **ENQUIRIES / CONSULTATION**

Any person, to whom this Code applies, and who has any doubt as to interpretation of any Clause of the Code, should at all times consult the Compliance Officer. All communications under this Code should be addressed to the Corporate Secretarial Department at Mumbai or to the designated e-mail: comsec.hul@unilever.com.

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Hindustan Unilever Limited (“**HUL**” / “**Company**”) believes in fair disclosure of all unpublished price sensitive information on a non-discriminatory basis in order to enable fair price discovery in the securities of the Company. In this regard, it is to be noted that Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”) requires a listed Company to formulate and publish on its official website a “Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (“**UPSI**”)” in adherence to the principles set out in Schedule A to the said Regulations. HUL believes in fairness of information, uniformity of information and confidentiality of UPSI.

In light thereof, the following is being set out as the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” which applies to all employees of HUL regardless of whether they are designated as Special Employees for the purposes of the Share dealing code.

- 1) The Company will strive to make prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information ‘generally available’ i.e. to make the information accessible to the public on a non-discriminatory basis.
- 2) The Company will strive to make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosures.
- 3) The Compliance Officer shall be the Chief Investor Relations Officer entrusted with the administration of this code and must be contacted in case of any queries or uncertainties pertaining to UPSI or of the obligations or directions placed herein
- 4) If any employee(s) ends up disclosing any UPSI selectively, inadvertently or otherwise, such employee must forthwith intimate the Compliance Officer, about the occurrence of such event;
- 5) The Company will strive to make appropriate and fair responses to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel is not UPSI. Authorized representatives of the Company shall be present at meetings with analysts, media persons and institutional investors. Unanticipated questions may be taken on notice and a

considered response given later. If the answer includes UPSI, a public announcement shall be made before responding. There shall be simultaneous release of information after every such meet.

- 7) Best practices shall be developed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website www.hul.co.in to ensure official confirmation and documentation of disclosures made. Employee shall handle all UPSI on a need-to-know basis and in furtherance of her role, tasks and duties owed to the organization.
- 8) Therefore, any information which is in the nature of UPSI shared with third parties such as lenders, customers, suppliers, merchant bankers, legal advisors, auditors, or any other counterparty is ought to be done only when the employee is satisfied that such sharing is necessary for 'legitimate purposes' and to carry out their legitimate duties and in proper discharge of their responsibility owed to the organization.
- 9) As an organization, the Company will engage with such counterparties where such communication would be necessary for legitimate purposes bearing in mind the same principle of sharing information on a 'need-to-know basis'. The Company will require any recipient of any information to execute Non-Disclosure Agreements in accordance with extant policy.
- 10) The Company shall enter the details of the person or entity with whom UPSI is shared in a digital database.

**POLICY ON PROCEDURES TO BE ADOPTED WHILE CONDUCTING AN INQUIRY IN THE EVENT OF LEAK
OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)

Leak of UPSI distorts this “Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information”, as may be amended from time to time (the “Policy”) is approved by the Board of Directors of Hindustan Unilever Limited (the “Company”) on 18th April, 2019. The Policy has been formulated under Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “Insider Trading Regulations”), with an objective to put in place a framework for inquiry in the event of leak or suspected leak of unpublished price sensitive information.

DEFINITIONS

For the purpose of this Policy, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

“Board of Directors” or “Board” shall mean the Board of Directors of the Company;

“Company” shall mean Hindustan Unilever Limited;

“Insider Trading Regulations” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

“Policy” shall mean this “Policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information”, as amended from time to time, formulated under Regulation 9A(5) of the Insider Trading Regulations;

“Unpublished Price Sensitive Information” or “UPSI” shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- changes in key managerial personnel.

Words and expressions used and not defined herein shall have the meanings assigned to them in the Insider Trading Regulations.

INQUIRY COMMITTEE

The Share Dealing Code Compliance Committee ("hereinafter referred to as Inquiry Committee") as envisaged under the Share Dealing Code of the Company shall

- deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak;
- conduct inquiries as laid out in this Policy in case of such leaks or suspected leaks and inform the SEBI of such leaks, inquiries and result of such inquiries.

QUORUM OF THE INQUIRY COMMITTEE PROCEEDINGS

While conducting an inquiry, a minimum of two members of the Inquiry Committee shall be present. The Inquiry Committee may designate additional persons or third parties to also attend and participate in an inquiry conducted by the Inquiry Committee. If a minimum of two members of the Inquiry Committee are not present or not available, or any member of the Inquiry Committee is under investigation, then the Board shall have the power to nominate alternate member(s) in place of the member who is not available or cannot be present to conduct the inquiry.

INQUIRY PROCESS

- Upon receipt of information or upon becoming aware of a leak or suspected leak of UPSI, the Inquiry Committee shall send details of the information to be sought to the head of the relevant department viz., finance, Company secretarial department etc., which had access to the UPSI or to which the UPSI is related ("Relevant Person"). The indicative list of questions and information to be sought from the Relevant Person are given in Annexure to this Policy.
- The Inquiry Committee shall appoint external advisers as consultants as may be necessary to assist them in the inquiry.
- The Inquiry Committee shall separately obtain from the IT department all emails and records of the relevant persons in the department where the leak could have originated.
- The Relevant Person shall file its reply to the information sought by the Inquiry Committee, along with the list of documents, names and addresses of persons with whom the information was shared etc., within the period stipulated by the Inquiry Committee.
- The Inquiry Committee shall also call for a meeting with the Relevant Person.
- The Inquiry Committee shall make transcripts or records of proceedings of meetings with

Relevant Persons and ensure that requisite information and documentation is made available to the Board.

- Such Inquiry Committee shall be completed by the Inquiry Committee in a timely manner.
- Thereafter, such action as prescribed under the Share Dealing Code of the Company as well as the Insider Trading Regulations as may be applicable shall be taken.
- During the pendency of the inquiry proceedings, the Inquiry Committee may restrain the Relevant Person from accessing the documents/emails, from which the Inquiry Committee believes, the leak or suspected leak originated.

POWERS OF THE INQUIRY COMMITTEE

- The Inquiry Committee shall have the powers to summon and enforce the attendance of any person and conduct an examination, request the discovery and production of documents and / or any other matter which may be prescribed and deemed necessary for the inquiry process.
- Any refusal by any employee of the Company to attend the inquiry proceedings when summoned or to provide to the Inquiry Committee any documents and / or information within his / her power or possession shall constitute a misconduct, rendering such employee for adverse action as the Inquiry Committee or Board deems fit.
- The Inquiry Committee itself may, suo moto, call for the details of any leak or suspected leak of USPI or upon receipt of any such information, may investigate or deal with such matter per this Policy. The Inquiry Committee may seek information from the IT department for details of the persons accessing personal email id from office computers, from where the USPI may have been leaked.
- The Inquiry Committee shall have the right to terminate the inquiry proceedings or to give an ex-parte decision on the Relevant Person, if the Relevant Person fails, without sufficient cause, to present themselves, for any meeting convened by the Inquiry Committee.

AUTHORITY TO MAKE ALTERATIONS

The Board is authorised to make such alterations to this Policy from time to time as considered appropriate,

The provisions of the Policy have to be read along with the Insider Trading Regulations and if there is any inconsistency/contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

The indicative list of questions and information to be sought from the Relevant Person are given below:

- Relevant Person to provide details of documents/files/information shared with different team members and also provide details of the medium through which such information was shared i.e. email, common access controlled shared folders, password protected files, etc.
- Relevant Person to provide a detailed timeline from which it was made aware of the UPSI till the date of receipt of notice of information sought from the Inquiry Committee.
- Relevant Person to evaluate role of each and every employee including employee from the support function who were part of the meetings in which UPSI was discussed and whether the Relevant Person noticed any suspicious activity on part of all persons attending these meetings.
- Whether the Relevant Person is aware of any activity of a person in its department who may be involved in the said leak of UPSI.
- Whether adequate safeguards per existing procedures were undertaken by the Relevant Person while dealing with UPSI.
- Whether access to the room where the documents in relation to UPSI were stored, was given to a limited set of authorized personnel.
- Whether the documents in relation to UPSI were disposed of in a proper manner.
- Whether access to the internet/USB drive was provided on computers on which sensitive data regarding UPSI was stored.

HUL SHARE DEALING CODE
CONFIRMATION CUM UNDERTAKING

To, Compliance Officer,

Hindustan Unilever Limited

Name : _____

Employee Id No. : _____

Designation : _____

Unit / Location : _____

Mobile No. : _____

I have received the copy of Share Dealing Code of HUL. I have read and understood the requirements of the Code and hereby agree to abide by the same.

I understand that any breach of the Code could lead to monetary/disciplinary action as prescribed under the Share Dealing Code.

Signature:

Date:

HUL SHARE DEALING CODE**PRE-CLEARANCE FORM****1. APPLICATION TO DEAL**

To : Compliance Officer, HUL
 From (Name of the Employee) : _____
 Employee Id No. : _____
 Department /Unit : _____
 Location : _____

With reference to the HUL Share Dealing Code, I hereby give notice that I propose to carry out the following transaction:

Transaction in name of	
Relation	
PAN	
DP ID/CL ID/Folio No.	
Type of Transaction	Open Market Purchase / Open Market Sale/ ESOP cash / ESOP Cashless / Gift
Type of Securities	
Number of Shares	

(Please give additional information if the transaction is proposed to be effected through connected persons or as a Trustee).

UNDERTAKING

I hereby undertake and confirm:

- (a) that I do not have any access or have not received price sensitive information upto the time of signing of this undertaking.
- (b) that in case I access to or receive any price sensitive information after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) that I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- (d) that I have made a full and true disclosure in this application.

Date: _____

 (Signature)

2. AUTHORISED TO DEAL

The above transaction has been authorised **in full / to the extent of** _____ **shares**. Your dealing must be completed within 7 days excluding _____ (the date of approval).

Please confirm by completing Part 3 below and returning this Form to us immediately on completion of transaction.

Date: _____

 (Compliance Officer)

3. CONFIRMATION OF DEALING

I confirm that the share dealing was completed on _____ (Insert date) by **buying/selling** _____
shares/debentures through open market/ under ESOPs/Gift _____

Date: _____

 (Signature)

Note:
 It is critically important that the Applicant Employee sends this confirmation IMMEDIATELY after completing the transaction by e-mail to the Compliance Officer, followed by dispatching the form, duly signed.

HUL SHARE DEALING CODE**Form C**

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]

Name of the Company: Hindustan Unilever Limited

ISIN of the Company: INE030A01027

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoter/member of the promoter group/designated person/Directors/immediate Relative to/others etc.)	Securities held prior to Acquisition / disposal		Securities acquired / Disposed				Securities held post acquisition / disposal		Date of allotment advice/ acquisition of shares / disposal of shares, specify		Date of intimation to company	Mode of Acquisition/ disposal (on market purchase/ public rights / preferential offer / off market / Inter-se transfer, ESOPs, etc.	Exchange on which the trade was executed	Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
		Type of security (For eg. – Shares, Warrants, Convertible Debentures, Right entitlements, etc.)	No. & % of shareholding	Type of securities (For eg. - Shares, Warrants, Convertible Debentures, Right entitlement, etc.)	No.	Value	Transaction type (Purchase/ Sale/ Pledge/ evocation/ Invocation/ Others- please specify)	Type of securities (For eg. - Shares, Warrants, Convertible Debentures , Right entitlement , etc.)	No. & % of shareholding	From	To				Type of Contract	Contract Specifications	Buy		Sell		
																	Notional Value	Number of units (contracts * lot size)	Notional Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
															N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(ii) Value of transaction excludes taxes/brokerage/any other charges

Name & Signature:

Designation:

Date:

Place:

HUL – Share Dealing Code

HUL SHARE DEALING CODE
ANNUAL DISCLOSURE
[Clause 12 of Share Dealing Code]

To, Compliance Officer,
Hindustan Unilever Limited

Date: _____

Name : _____

Employee Id No. : _____

Designation : _____

Unit / Location : _____

Mobile No. : _____

PAN : _____

Details of Transactions		
Self:		
Particulars/Type of Transaction	Number of shares (including derivatives)	Date of Pre-Clearance
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		
Immediate Relatives (Name and Relation):		
Particulars/Type of Transaction	Number of shares (including derivatives)	Date of Pre-Clearance
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		

Signature: _____

HUL SHARE DEALING CODE
SANCTIONS FRAMEWORK

Categorisation of Code Breaches	Suggested Sanctions
Technical Breach	
➤ Non reporting of completion of trade after obtaining pre-clearance	1st time Violation – Written Warning 2nd time or repeat Violations – Minimum Penalty of Rs. 10,000/-
➤ Non-reporting of disclosure for one or series of transactions (purchase/sale), in a calendar quarter, exceeding ₹10 lakhs	
➤ Misreporting/Non-reporting of information required under the Code (For e.g. providing incorrect information of self or immediate relatives in Fintraks Portal, non-disclosure of Material Financial Relationship in Fintraks Portal)	
➤ Non-submission / delay in submission of Annual Disclosure (within 30 days of the end of the financial year i.e. by 30th April)	
Substantial Breach	
➤ Dealing without obtaining pre-clearance from the Compliance Officer	1st time Violation and less than 50 shares traded – Written Warning. 1st time Violation and equal to or more than 50 shares traded – Minimum Penalty of Rs. 50,000/- or 30% of the transaction value, whichever is higher.
➤ Dealing in HUL Securities during Closed Period	2nd time or repeat Violation and less than 50 shares traded – Minimum Penalty of Rs. 50,000/- or 30% of the transaction value, whichever is higher.
➤ Engaging in short-term dealings/Dealing in derivatives	2nd time or repeat Violation and equal to or more than 50 shares traded – Minimum Penalty of Rs. 1,00,000/- or 30% of the transaction value, whichever is higher.
➤ Dealing in securities based on price sensitive information	The Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee.

Categorisation of Code Breaches	Suggested Sanctions
➤ Contra-Trade (Dealing in opposite transactions of sale and purchase)	Minimum Penalty of Rs. 1,00,000/- or 30% of the transaction value, whichever is higher.
	In case of multiple contra trades, the Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee
➤ Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information	The Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee.

Notes:

1. Sanctions mentioned above are not mutually exclusive and more than one can be applied in any situation;
2. The Share Dealing Code Committee while deciding the level of sanctions may take into account factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, numbers of securities transacted, whether the breach occurred as a result of deliberate intent or not;
3. The above penalty structure is applicable in case of violation by immediate relatives of Special Employees as well;
4. The penalties collected in this regard, shall be remitted by the Company to the Investor Protection and Education Fund of SEBI;
5. The above framework provides a guide for determining the appropriate penalty for a breach of the Code or Regulations and the Compliance Officer / Share Dealing Code Committee may decide any other actions not listed above as may be necessary based on circumstances of a particular case. Such penalties may include wage freeze, suspension, recovery, termination and initiation of any other legal action.

Appendix 4 - Board Diversity Policy

Policy on Board Diversity

1. Background

The Boardroom is where strategic decisions are made. It is, therefore, imperative that the Board consists of individuals who together offer an optimal mix of skills, experiences and backgrounds. The Boards of Directors of Hindustan Unilever Limited ('the Board') acknowledges the importance of diversity in the Boardroom and considers that its diversity, including gender diversity, is a vital asset to the business.

2. Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Hindustan Unilever Limited.

3. Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Hindustan Unilever Limited, which is covered by Unilever Gender Balance Charter.

4. Policy Statement

Hindustan Unilever Limited recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which are required on the Board for it to be effective.

The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The Board recognises that gender diversity is a significant aspect of diversity and acknowledges that women with the right skills and experience are key contributors to diversity of perspective in the Boardroom.

5. Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board ('the Committee') reviews and assesses Board composition on behalf of the Board and lays down the criteria for appointment to the Board and recommends the appointment of new Directors to the Board.

The Committee also oversees the annual evaluation of the Board as per the guidance provided in the Evaluation Policy.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

As part of the annual performance evaluation of the Board, Board Committees and individual Directors, the Committee will consider the balance of skill, knowledge, experience, independence, and diversity on the Board, to evaluate the effectiveness of the Board as a whole.

The Nomination Committee is responsible for developing measurable objectives to implement this policy and for monitoring progress towards the achievement of these objectives.

6. Review of the Policy

The Nomination and Remuneration Committee shall periodically review the Policy, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Appendix 5 - Terms and Conditions for Appointment



Hindustan Unilever Limited

Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg
Chakala, Andheri East
Mumbai 400 099
CIN : L15140MH1933PLC002030
Tel : +91 (22) 3983 0000
Web : www.hul.co.in

[DATE]

Name

Dear _____,

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Hindustan Unilever Limited (hereinafter referred to as HUL or the Company) and approval of Shareholders of the Company at the Annual General Meeting held on _____, you are being appointed as an Independent Director on the Board of the Company.

The terms of your appointment shall be as follows:

1. Appointment

- 1.1 You have been appointed as a Non-Executive Independent Director on the Board of Directors of HUL with effect from _____ for a period of upto five years. Your appointment shall be governed by the provisions of the Companies Act, 2013 and the Listing Regulations, 2015. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Regulations, 2015.
- 1.2 The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Regulations, 2015.
- 1.3 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.
- 1.4 The provisions contained in the Companies Act, 2013 and the Listing Regulations, 2015 will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.



2. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

3.1 As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets atleast five times in a year. The Audit Committee also meets atleast six times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened twice in a year. Ordinarily, all meetings are held in Mumbai. You will be expected to attend Board, Board Committees of which you are a member or to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.



- VI. You shall not assign your office as Director and any assignments so made shall be void.

The Non-Executive Independent Directors are also required to abide by the provisions of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, a copy of which is annexed for ready reference.

5. Status of Appointment

- 5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- 5.2 The sitting fees, presently paid to the Non-Executive Independent Director is Rs. 30,000/- per meeting of the Board or a Committee thereof.
- 5.3 The Company has adopted 'Differential Remuneration Policy' for Non-Executive Directors' remuneration. As per the Differential Remuneration Policy, Non-Executive Independent Directors are currently entitled to fixed commission on profits at the rate of Rs. 15 lakhs for each financial year. In addition, Non-Executive Independent Directors are entitled to a remuneration linked to their attendance at the meetings of the Board or Committees thereof and also on the basis of their position in various Committees of the Board, whether that of a Chairman or a member of the Committee(s). The remuneration payable to the Independent Directors collectively under the Differential Remuneration Policy shall be within the overall limit of Rs. 150 lakhs, as approved by the Members of the Company.
- 5.4 The Non-Executive Directors, who continuously serve minimum two terms of five years each, are also entitled to one time commission of Rs. 10 lakhs at the time of stepping down from the Board.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

7. Conflict of Interest

- 7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to



declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

- 7.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

8. Confidentiality

All information acquired during your appointment is confidential to HUL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by HUL.

Your attention is also drawn to the requirements under the applicable regulations and the HUL Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of HUL. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

9. Insurance

HUL has Directors' and Officers' liability insurance and it is intended that HUL will assume and maintain such cover for the full term of your appointment.

10. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

11. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.



12. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of HUL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

Chairman
For and on behalf of Hindustan Unilever Limited

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed
Dated

Appendix 6 -List of Initial Disclosures



LIST OF INITIAL DISCLOSURES

Form No.	PARTICULARS
Form I	Confirmation to the Code of Conduct of the Company
Form II	Disclosure of Interest u/s 184(1) of the Companies Act, 2013
Form III	Details of Membership/Chairmanship of Committees
Form IV	Declaration under Section 164 of the Companies Act, 2013 (Form DIR-8)
Form V	Disclosure of Shareholding as per Insider Trading Regulations
Form VI	Certificate regarding independence in accordance with Section 149(6) of the Companies Act, 2013



Appendix 7- Code of Conduct IDs



CODE OF CONDUCT

The Company has adopted a Code of Conduct specifically for the members of the Board of Directors and / or members of the Senior Management of the Company, which sets out as follows:

- To act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of the position of Director;
- To comply with all applicable laws, rules and regulations;
- To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- To act in a manner to enhance and maintain the reputation of the Company;
- 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;
- To respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, while continuing as such a director and even after ceasing to be such a director, for a reasonable period of say two years, except when authorised or legally required to disclose such information;
- Restrain from using the Company's property or position for personal gain;
- Avoid using any information or opportunity received in the capacity as Directors for personal gain, or in a manner that would be detrimental to the Company's interests;
- 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.
- Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity in which they have a direct or indirect interest, or where they occupy a position of board or executive responsibility with influence over their decisions;
- Help create and maintain a culture of high ethical standards and commitment to compliance.

No Director shall seek, or accept, any gifts or incentives in their capacity as director of the Company, except what is duly authorized as acceptance under the Company's Gift Policy.

In addition, the Non-Executive Independent Directors shall also abide by the provisions of the 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, enclosed herewith as Annexure 1.

A director who has concerns regarding compliance with this Code should raise such concerns with the Chairman of the Board who will deal with the same. 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 minuted with reasons for such action.

Directors will annually sign a confirmation that they have read and will comply with this Code.

This Code shall be in addition to the Code of Business Principles of the Company.

CODE FOR INDEPENDENT DIRECTORS



SCHEDULE IV
[See section 149(8) of Companies Act, 2013]

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment 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 Director(s).

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 Director(s) 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;
- 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 Director(s) 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 behaviour, 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;
 - 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 Director(s) 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;

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- 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 Director(s) 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 Director(s) 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.

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 a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 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 Director(s) of the company shall hold at least one meeting in a year, without the attendance of non-Independent Director(s) and members of management;
- (2) All the Independent Director(s) of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-Independent Director s 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 report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.
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Appendix 8 - AC - ToR

Appendix 8: Terms of reference: Audit Committee

1. CONSTITUTION

- 1.1. The Audit Committee assists the Board in fulfilling its oversight responsibilities in respect of:
 - the integrity of financial statements;
 - internal control arrangements;
 - the performance, qualifications and independence of the external auditors; and
 - the performance of the internal audit function.
- 1.2. The Committee is directly responsible, regarding shareholder approval, for the nomination, compensation and oversight of the statutory auditors.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board from time to time;
- 2.2. The Committee comprises a minimum of three Directors, all of them shall be Independent Directors;
- 2.3. The Company Secretary acts as the secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least four times in a financial year and the Committee has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee at least seven days prior to the meeting;
- 3.3. Meeting may be called at shorter notice, subject to consent of all the members of the Committee;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. The quorum for the meeting shall be, minimum three members of the Committee;
- 3.6. Meetings of the Committee may be attended by the Chief Executive Officer, Chief Financial Officer, Group Controller, Head of Control Assurance, the lead partner of the Statutory Auditors, and other Directors and executives as per the invitation of the Committee;
- 3.7. The Committee shall meet the Statutory Auditors in private session at least once a year;
- 3.8. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.9. A person attending through video conference shall be counted in the quorum for the meeting;
- 3.10. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote;
- 3.11. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- 4.2. reviewing and examination with management the quarterly financial results before submission to the Board;
- 4.3. reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- 4.4. review management discussion and analysis of financial condition and results of operations;
- 4.5. scrutiny of inter-corporate loans and investments made by the Company;
- 4.6. reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- 4.7. reviewing, approving or subsequently modifying any related party transactions in accordance with the Related Party Transaction Policy of the Company;
- 4.8. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 4.9. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- 4.10. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 4.11. reviewing management letters / letters of internal control weakness issued by the statutory auditors;
- 4.12. discussing with statutory auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- 4.13. reviewing with management performance of statutory auditors and internal auditor, the adequacy of internal control systems;
- 4.14. recommending appointment, remuneration and terms of appointment of internal auditor of the Company;
- 4.15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 4.16. evaluating internal financial controls and risk management systems;
- 4.17. valuating undertaking or assets of the Company, wherever it is necessary;
- 4.18. monitoring the end use of funds raised through public offers and related matters, if any;
- 4.19. reviewing the functioning of the Whistle Blowing mechanism;
- 4.20. examining reasons for substantial default in the payment to members (in case of non-payment of declared dividends) and creditors, if any;
- 4.21. reviewing the progress made on cases that are reported under the Code of Business Principles of the Company and implication of these cases, if any, under the UK Bribery Act, 2011.
- 4.22. reviewing the utilization of loans and / or advances from / investments by the Company in its subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- 4.23. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Audit Committee or a member authorized by him/her attends the Annual General Meetings of the Company and is available to answer any questions referred to him/her.

Appendix 9 - NRC - ToR

Appendix 9: Terms of reference: Nomination and Remuneration Committee

1. CONSTITUTION

1.1. The Nomination and Remuneration Committee is concerned with:

- recommending candidates for appointment as Directors on the Board or on the Management Committee in accordance with the criteria laid down;
- the level and structure of remuneration for members of the Board and the Management Committee;
- performance evaluation of each of the Directors and the Board; and
- ensuring orderly succession planning at the Board level;

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board;
- 2.2. Majority of the members shall be Independent Directors;
- 2.3. one of the Independent Director shall be appointed as the Chairman of the Committee;
- 2.4. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a financial year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice on each of the members of the Committee at least seven days prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum three members of the Committee;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. The Committee may invite members of the Management, consultants or other external experts, if required;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Determine / Recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- 4.2. Determine / Recommend the criteria for qualifications, positive attributes and independence of Director;
- 4.3. Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;

- 4.4. Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- 4.5. Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- 4.6. Formulate / recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- 4.7. Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- 4.8. Devise a policy on Board diversity;
- 4.9. Formulate criteria and carryout evaluation of each Director's performance and performance of the Board as a whole;
- 4.10. Implement employee stock option / purchase schemes, if any;
- 4.11. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management [Senior Management includes Chief Executive Officer / Managing Director / Whole-time Director / Manager and shall specifically include Company Secretary and Chief Financial Officer];
- 4.12. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Nomination and Remuneration Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him / her.

Appendix 10 - SRC - ToR

Appendix 10: Terms of reference: Stakeholders Relationship Committee

1. CONSTITUTION

- 1.1. The Stakeholders Relationship Committee assists Board in fulfilling its oversight responsibilities in respect of review of Investor Service Standards of the Company and redress of Shareholders' Grievances.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board from time to time;
- 2.2. The Committee comprises a minimum of three Directors, of which at least one Director should be an Independent Director;
- 2.3. The Chairman of the Committee should be an Independent Director;
- 2.4. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum of two members including one independent Director of the Company;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.8. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Consider and resolve the grievances of shareholders of the Company with respect to general meetings, transfer of shares, transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate share certificates, etc;
- 4.2. Review of measures taken for effective exercise of voting rights by shareholders;
- 4.3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent;
- 4.4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 4.5. Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;

- 4.6. Provide guidance and make recommendations to improve investor service levels for the investors.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Stakeholders Relationship Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him / her.

Appendix 11 - CSR - ToR

Appendix 11: Terms of reference: Corporate Social Responsibility Committee

1. COMPOSITION

- 1.1. The Committee assists Board in fulfilling its oversight responsibilities in respect of:
- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
 - recommending the amount of expenditure to be incurred on the activities referred;
 - monitoring the Corporate Social Responsibility (CSR) Policy of the Company from time to time.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board and majority of the members shall be Independent Directors;
- 2.2. The Chairman of the Committee shall be an Independent Director;
- 2.3. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum of three members including two independent Directors of the Company;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. The Committee may invite consultants and other external experts, if required;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- 4.2. Recommending the amount of expenditure to be incurred on CSR activities of the Company;
- 4.3. Reviewing the performance of the Company in area of CSR;
- 4.4. Providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- 4.5. Monitoring CSR Policy of the Company from time to time; and

- 4.6. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND PERFORMANCE EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out; and
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 12 - RMC - ToR

Appendix 12: Terms of reference: Risk Management Committee

1. COMPOSITION

- 1.1. The Risk Management Committee assists the Board in:
 - monitoring and reviewing the risk management plan; and
 - Implementation of the risk management framework.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board;
- 2.2. The senior executives of the Company may be appointed a members of the Committee;
- 2.3. Majority of the members of the Committee should be members of the Board of Directors;
- 2.4. The Chairman of the Committee shall be a Director;
- 2.5. The Company Secretary acts as the Secretary to the Committee;

2. MEETINGS

- 3.1. The Committee reviews the Risk Management plans at least once in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee;
- 3.3. The quorum for the meeting shall be minimum three members of the Committee;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. Meetings of the Committee may be attended by other executives as per the invitation of the Committee;
- 3.6. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting.
- 3.7. A person attending through vide conference shall be counted in quorum for the meeting;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Implementation of Risk Management Systems and Framework;
- 4.2. Reviewing the Company's financial and risk management policies including Cyber Security;
- 4.3. Risk assessment and minimization procedures;
- 4.4. Framing, implementing and monitoring the risk management plan for the Company; and
- 4.5. Any other matters as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 13 - STC - ToR

Appendix 13: Terms of reference: Share Transfer / Transmission Committee

1. CONSTITUTION

- 1.1. The Committee assists Board in considering the applications for transfer, transmission, spilt, consolidation of the Company's shares.

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required. However, the Committee shall meet at least once in every fortnight, excluding during the period of book closure;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Consider applications for transfer / transmission of the Company's shares, splitting up or consolidating share certificates or dematerialization or rematerialization of the shares of the Company;
- 4.2. Order the names of approved transferees to be entered on the reverse of the Share Certificates and the names of the said transferees to be entered in the Register of Members;
- 4.3. Order the cancellation of any share certificate or the signing, sealing or issue of any new certificate either as a result of transfer, consolidation or splitting or in lieu of Share Certificates lost, defaced or destroyed; and
- 4.4. Authorize individuals to print share certificate stationery and to sign or endorse share certificates.
- 4.5. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Secretary prepares minutes of all meetings of the Committee and these are promptly circulated to the members of the Committee;

- 5.3. The Committee reviews and assesses periodically the adequacy of these Terms of Reference, and confirms that all the responsibilities set out in the current Terms of Reference have been carried out;
- 5.4. The Committee ensures that its current Terms of Reference are made available on Company's website;
- 5.5. The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its Terms of Reference, and reports thereon to the Board. This evaluation takes into account the views of the Board on the performance of the Committee.

Appendix 14 - ESOP - ToR

Appendix 14: Terms of Reference: Committee for Allotment of Shares under ESOPs

1. CONSTITUTION

- 1.1. The Committee assists Board in the process of allotment and issue of eligible shares on an ongoing basis to the concerned employees of the Company under the Stock Option Plan of the Company.

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Company;
- 3.3. All or any of the members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary of the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Approve issue and allotment of shares to eligible employees, pursuant to and in terms of Stock Option Plans of the Company; and
- 4.2. Authorise individuals to take necessary steps for allotment of shares and other allied activities.
- 4.3. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee; and
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference

Appendix 15 - AMC - ToR

Appendix 15: Terms of reference: Administrative Matters Committee

1. CONSTITUTION

- 1.1. The Committee assists Board in considering and approving operational business requests that arise in the normal course of the business.

2. MEMBERSHIP

- 2.1. The Committee comprises a minimum of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting.
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and responsibilities shall inter-alia include:

- 4.1. Consider and approve the proposal(s) to enter into and / or exit from banking relationship with existing banks / any other banks to meet requirements of the Company;
- 4.2. Delegate powers to the various officers of the Company and its units for operating the banking accounts and vary the powers delegated within the limits as prescribed vide a resolution of this Board of Directors;
- 4.3. Approve the drafts of agreements, deeds, declarations, undertakings, and other papers and documents that may be required in the normal course of business and to authorise and delegate all or any of the powers in this regard to one or more of its members or officers of the Company and to execute such documents, if necessary, under the Common Seal of the Company in terms of Articles of Association of the Company;
- 4.4. Nominate or revoke nomination of a representative under Foods Safety and Standards Act, 2006 and any consequent amendment thereof;
- 4.5. Issue, approve, cancel or renew the power of attorney(ies) in favour of employees of the Company as and when required for business purposes; and
- 4.6. To take all necessary actions, which are incidental or consequential to the above functions.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary prepares minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference.

Appendix 16 - PDC - ToR

Appendix 16: Terms of reference: Committee for Disposal of Surplus Property

1. CONSTITUTION

- 1.1. The Committee is responsible for identifying the surplus assets and evaluating and approving individual transactions with regard to sale or disposal of the property and to expedite the transfer process after ensuring due compliance with requisite formalities

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Identifying surplus properties;
- 4.2. Inviting bids from potential buyers and carrying out evaluation of bids received;
- 4.3. carrying out negotiation, agreeing on consideration, execution of requisite documents and taking all other steps involved in giving effect to sale and transfer of the ownership rights, interest and title in the identified property of the Company; and
- 4.4. Authorising individuals to execute any of the above mentioned responsibilities assigned to the Committee.
- 4.5. Any other matter as may be prescribed

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference.

Appendix 17 - Differential Remuneration Policy

HINDUSTAN UNILEVER LIMITED
DIFFERENTIAL REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS (NEDS)

Background

The Members of the Company, at the Annual General Meeting held on 29th June, 2015, had revised the maximum limit of remuneration payable to Non-Executive Directors from the then existing Rs. 150 lakhs to Rs. 300 Lakhs, in aggregate, with effect from 1st April, 2015 for a period of five years. The revision of the maximum limit of remuneration payable was approved by members to enable the Company to adopt Differential Remuneration Policy and for the remuneration to be commensurate with enhanced role and engagement of the Non-Executive Directors of the Company.

Differential Remuneration Policy is a globally accepted and recommended policy of remunerating Non-Executive Directors. Considering the enhanced role and responsibilities of the Independent Directors in the current Corporate Governance regime as also provided under the Companies Act, 2013. The Board of Directors had adopted a Differential Remuneration Policy for Non-Executive Directors which is linked to the attendance at the Board and Committee Meetings, position of Chairman or Member of Committees.

The Company currently follows a policy of fixed remuneration to Non-Executive Independent Directors. As per the current policy, Company pays an annual fixed compensation of Rs. 15 lakhs as a Commission to each of the Independent Director. In addition a sitting fees of Rs. 30,000/- is paid for attending each of the meetings of Board and Committees thereof. The Non-Executive Chairman of the Company does not receive any sitting fees, commission or stock options from the Company.

The criteria and corresponding commission amount as per Differential Remuneration Policy is detailed below:

Particulars	Commission (Rs. Lakhs p.a.)
Base Fixed Commission for Non-Executive Directors	15.00
<u>Additional Variable Fees:</u>	
Corresponding to the percentage of attendance at all the Board and Committee Meeting(s)	5.00
In the capacity of Chairperson of the Committee:	
Audit Committee	2.00
Nomination and Remuneration Committee	2.00
Stakeholder Relationship Committee	2.00
Corporate Social Responsibility Committee	2.00
In the capacity of Member of the Committee:	
Audit Committee	1.00
Nomination and Remuneration Committee	1.00
Stakeholder Relationship Committee	1.00
Corporate Social Responsibility Committee	1.00

The above remuneration will be exclusive of Sitting Fees of Rs. 30,000 paid to NEDs for attending meetings of the Board and Board Committees.



Hindustan Unilever Limited

Corporate Governance Code

Amended by Board of Directors on 3rd May, 2019

Corporate Governance Philosophy of HUL

“I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood.”

– William Hesketh Lever

About the Code

The visionary founders of Unilever had laid the foundation stone of the Company for good governance and made it an integral principle of the business, as demonstrated in the words above. The Corporate Governance practices of Hindustan Unilever are built on this philosophy.

This document describes the Corporate Governance Code of Hindustan Unilever Limited. This document lays down the principles governing Board Structure, Board Processes, Board Committees, Board Induction and Training, Board Evaluation, Financial Reporting and Risk Management, Shareholder interface and redressal of their grievances, , Related Party Transactions Policy, Policy on Material Subsidiaries, Corporate Social Responsibility Policy, which will be the guiding force for the Company to maintain highest governance standards.

This Corporate Governance Code has been adopted by the Board of Directors as a statement of practices and procedures to be followed by the Company and its officers and employees. Any amendment or modification to this Code can be made only with the approval of Board of Directors of Hindustan Unilever Limited, unless specifically provided otherwise.

Glossary

<p>The Company or HUL Hindustan Unilever Limited</p> <p>Holding Company or Parent Company Unilever PLC</p> <p>Board Committee Statutory Committees which have Board Directors as members namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee.</p> <p>Sub-Committee Statutory or non-statutory Committee that executes items of routine nature and has Executive Directors of the Board as members namely, Share Transfer Committee, ESOP Committee, Committee for Disposal of Surplus Assets and the Administrative Matters Committee.</p> <p>Executive Committee The Committee which is constituted by Board or constituted under any of the Policies of the Company and has members of the management or other senior managers of the Company as its members.</p>	
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1. Fundamentals

1.1. Introduction to HUL

Unilever is one of the world's leading suppliers of Fast Moving Consumer Goods with strong local roots in more than 100 countries across the globe. In 1931, Unilever set up its first Indian subsidiary, Hindustan Vanaspati Manufacturing Company, followed by Lever Brothers India Limited (1933) and United Traders Limited (1935). In November 1956, these three companies merged to form Hindustan Lever Limited. In June 2007, the Company was renamed as Hindustan Unilever Limited.

Hindustan Unilever Limited ("HUL" or "the Company") is amongst India's largest Fast Moving Consumer Goods (FMCG) Companies. With several brands spanning distinct categories such as soaps, detergents, household care, skin care, hair care, oral care, colour cosmetics, deodorants, tea, coffee, processed foods, frozen desserts, water purifiers, etc. the Company's products are a part of the everyday life of millions of consumers across India.

The Company is listed on two Stock Exchanges in India, namely, BSE Limited and National Stock Exchange of India Limited.

1.2. Corporate Vision

We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life. Sustainability is at the heart of our business, and through our brands, we seek to inspire people to take small everyday actions that can add up to a big difference for the world.

Our deep roots in local cultures and markets around the world give us our strong relationship with consumers and are the foundation for our future growth. We bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational. Consumer and Customer Centricity is one of our key beliefs and we endeavor to keep the consumer at the heart of everything we do.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively, and to a willingness to embrace new ideas and learn continuously.

To succeed also requires, we believe, the highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact.

This is our road to sustainable, profitable growth, creating long-term value for our shareholders, our people, and our business partners.

1.3. Company Structure

The Board of Directors ('the Board') are responsible for the management, general affairs, direction and performance of the Company. The Board has been vested with the requisite powers, authorities and

duties under Articles of Association of the Company and relevant laws of the country. Executive and Non-Executive Directors are members of the Board and share the overall responsibility of the strategic direction of the Company. The Executive Directors have additional responsibilities for the operation of the Company's business as determined by the Chief Executive Officer.

Subject to the provisions of the Companies Act, 2013, as amended from time to time, the Memorandum of Association and the Articles of Association of the Company and any other Regulation not inconsistent therewith and duly made thereunder, the Board shall exercise all such powers and do all such acts, deeds and things that the Company is authorized and exercised to do. The Executive Directors on the Board have specific responsibility of each function in addition to discharging their role as a Member of the Board. The Non-Executive Directors who are Independent Directors discharge their role as such in accordance with the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time respectively. The Chairperson of the Board may be either an Executive Director or a Non-Executive Director, but at all times the office of the Chairperson will be held in compliance with the Articles of Association of the Company and the applicable Laws and Regulations.

The Board is comprised of a mix of Executive and Non-Executive Directors. The composition of the Board is in accordance with the Act and the Listing Regulations, 2015 with the Stock Exchanges.

1.4. Foundation Documents

- a. The Memorandum of Association; and
- b. The Articles of Association.

The Memorandum of Association and Articles of Association sets out the foundation of the Company, on which it operates. The Memorandum of Association governs the relationship between the Company and the public at large and sets out the Objects of the Company, while Articles of Association govern the internal management of the Company. The Memorandum and Article of Association was first adopted by the Company on its incorporation on 17th October, 1933. The Memorandum and Articles of Association of the Company have been amended, as and when it was necessary, with the approval of shareholders. The Memorandum and Articles of Association of the Company is made available on the website of the company www.hul.co.in.

1.5. Company Policies

The Company has developed and adopted a set of policies to provide mandatory rules designed to ensure consistency in key areas within the operations of the Company. These Policies are applicable across all Units / Branches and they govern the principles and practices of how the Company runs its business. Few of the important policies which govern the Company are given below.

1.5.1. Code of Business Principles

The Code of Business Principles is the Company's statement of values and represents the standard of conduct which all the employees are expected to observe in their business endeavors. The Code of Business Principles reflects the Company's commitment to principles of integrity, transparency and

fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. A copy of the Code of Business Principles is made available on the website of the Company www.hul.co.in and is also set out in Appendix 1.

The Chief Executive Officer through the Management Committee and Business / Unit Heads is responsible for ensuring that the Code of Business Principles is understood and implemented throughout the Company. The Code of Business Principles is also applicable to everyone with whom the Company engages in a business association be it the Company's distributors, third party manufacturers etc. or others.

1.5.2. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the Directors and employees to bring to the attention of the Management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Directors and employees are encouraged to raise concerns by way of whistle blowing and the employees have direct access to the Chairperson of the Audit Committee. The Company Secretary is the designated officer for effective implementation of the Policy and resolution of complaints registered under the Policy. A copy of the Whistle Blower Policy is made available on the website of the Company www.hul.co.in and is also set out in Appendix 2.

The Code of Business Principles and the Whistle Blower Policy together act as a Vigil Mechanism for the Company. The Audit Committee of the Company periodically reviews the issues received under the Code of Business Principles and the Whistle Blower Policy. The process is subjected to extensive internal audit to check the awareness, application and implementation of the vigil mechanism on an ongoing basis.

1.5.3. Share Dealing Code

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Company disseminates the Do's and Don'ts of the Code frequently to generate awareness amongst employees about the Code.

The Company has constituted an executive committee, 'Share Dealing Code Compliance Committee', to decide upon such penal/ disciplinary/ remedial action as may be considered appropriate if any employee violates the provisions of this Code. A copy of the Share Dealing Code is made available on the website of the Company www.hul.co.in and is also set out in Appendix 3.

2. The Board

Role of the Board

The role of the Board is that of a guardian and trustee of the Company's interests. The Board has the final responsibility for the management, direction and performance of the Company and its business. In all its dealings and decision making, the Board shall consider the interests of the Company as a whole, the interest of its shareholders, employees, consumers, customers, suppliers, Government and all other stakeholders together with Company's social and legal responsibilities in the communities in which it operates and to the responsibility towards the environment. The Board shall exercise objective and independent judgment and shall be collectively responsible for the long-term success of the Company.

2.1. Board Composition

The composition of the Board as a whole shall be commensurate with the size of the Company, its portfolio and geographical spread, where the balance between skills and experience is an optimal one. The composition of the Board shall enable the Board to discharge its responsibilities and provide effective leadership to the business. The composition of the Board shall be such that the members are able to act critically and independently of one another and without any particular interest.

The Board shall ordinarily comprise majority of Non-Executive Independent Directors and at least one Woman Independent Director. Subject to Articles of Association of the Company and applicable Laws and Regulations, the position of the Chairperson of the Board and the Chief Executive Officer of the Company can be held by one individual.

2.2. Board Powers

As per the Act, the Board of Directors of a Company shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board, namely:

- (a) To make calls on shareholders in respect of monies unpaid on their shares;
- (b) To authorize buy-back of securities under section 68;
- (c) To issue securities, including debentures, whether in or outside India;
- (d) To borrow monies;
- (e) To invest the funds of the Company;
- (f) To grant loans or give guarantee or provide security in respect of loans;
- (g) To approve financial statement and the Board's report;
- (h) To diversify the business of the Company;
- (i) To approve amalgamation, merger or reconstruction;
- (j) To take over a company or acquire a controlling or substantial stake in another company;
- (k) Any other matter which may be prescribed through the Act or Rules made thereunder.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a Branch office of the Company, the principal officer of the Branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify.

2.3. Responsibilities and Duties of the Board

The responsibilities of the Board of Directors as a whole, flow from the Act, the Memorandum and Articles of Association and the Listing Regulations, 2015. These responsibilities shall inter-alia include:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

2.4. Duties of the Board

The Board of Directors are responsible for the overall conduct of the Company and have the powers, authorities and duties vested in them respectively pursuant to the relevant laws. As per the Act, the duties of the Directors are:

- (1) to act in accordance with the Articles of the company.
- (2) to 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.
- (3) to exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) The Directors shall not involve 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.
- (5) The Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates.
- (6) The Directors shall not assign their office
- (7) Any other matter as may be prescribed.

2.5. Appointment to the Board

The Directors of the Company shall be appointed by shareholders at the General Meetings. In accordance with the Act and the Articles of Association of the Company, all Directors, except for the Managing Director and the Independent Directors, shall step down at the Annual General Meeting each year and, if eligible, may offer themselves for re-election.

A shareholder who wishes to recommend a candidate for being appointed as a Director at the ensuing Annual General Meeting or for vacancies of the Board that arise between meetings, must provide the Board with timely and sufficient written documentation as prescribed under the law, to permit a determination by the Board whether such candidate meets the criteria for appointment to the Board.

In case an Independent Director resigns or is removed from the Board of the Company, a new Independent Director shall be appointed at the immediate next Board meeting or within three months from the date of such vacancy, whichever is later.

2.5.1. Board Membership Criteria

The Nomination and Remuneration Committee shall be responsible for identifying, screening, recruiting and recommending candidates for election as Directors on the Board. An assessment of the skills and characteristics needed by the Board in the context of scenario, at the relevant point in time, shall be performed by the Nomination and Remuneration Committee. Following shall act as guidelines when selecting a member of the Board.

Desired professional expertise and experience

- a. Industry/Finance/Banking professional with commensurate professional qualification and proven track record. Preferably having experience as CEO/COO/CFO or equivalent of a medium to large enterprise with prior Board experience.
- b. Senior retired Government officials / civil servants with proven track record and diverse experience including in the area of finance, public service.
- c. Background in consumer goods industry/ retail industry/ services industry;
- d. Experience in technology / research and development that is relevant for Unilever / distinguished academician in management skills associated with a reputation of global repute;
- e. Understanding of the markets where Unilever is active, in particular the developing and emerging markets;
- f. Executive management experience and knowledge of corporate governance issues at Board level with a company of comparable size or international spread of activities;
- g. Experience with financial administration, accounting policies, internal control and risk management of multinationals.

Desired Personal Attributes

- a. The proposed candidate should not have present or potential conflict of interest while serving on Board of HUL. Non-Executive Independent Director should qualify as Independent, if the incumbent meets the Independence criteria as laid down in the Companies Act, 2013 and the Listing Regulations, 2015.
- b. Each Board member should have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, evaluation and other Board associated activities.
- c. Preferably, the Non-Executive Independent Director to be considered for appointment shall be below the age of 75 years. If the Independent Directors attains the age of 75 years, a special resolution to be passed by the members at the General Meeting. The age criteria for Executive Directors will be in line with the prevailing company policy for full time employees.
- d. The candidate proposed to be appointed on the Board as an Independent Director shall not be a Director of more than six Listed Companies at the time of appointment.
- e. The personal characteristics of the person should be in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset etc., commitment to adding value to the Company by personal endeavor and ability / willingness to represent the long term and short term interests of the shareholders and awareness of its responsibilities towards various stakeholders of the Company. The candidate proposed to be appointed on the Board, should not have been convicted of any offence in the past, which may raise a doubt as to the integrity of the person concerned.
- f. The proposed candidate should possess experience at the highest levels of decision making, demonstrable strategic thinking abilities and an ability to take a long term view. Familiarity with national and international issues affecting the Company's businesses, familiarity with economic, political, social and cultural attributes affecting the Company's businesses is desirable.

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. A copy of the Policy on Board Diversity is made available on the website of the Company www.hul.co.in and is also set out in Appendix 4

2.5.2. Procedure for Appointment

The Nomination and Remuneration Committee shall identify a suitable candidate who satisfies the criteria mentioned above and possesses required skill set and expertise. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall consider the candidate for appointment to the Board. However, such appointment will be subject to approval of shareholders at the General Meeting.

On Appointment, the Director shall be given a Letter of Appointment, setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. The terms and conditions prescribed in Letter of Appointment shall be in line with the format provided at Appendix 5. Each new appointed Director shall be taken through a formal Induction Program as detailed at Clause 10.

At the time of appointment, the Director shall make disclosure of their interests and significant commitments to the Board. Any change in such commitments should also be reported to the Board as and when it arises. Independent Director shall also provide a certificate of Independence in line with the requirements of the Companies Act, 2013 and the Listing Regulations, 2015.

The list of Initial Disclosures required from Directors is provided at Appendix 6.

2.6. Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and members of the Management Committee of the Company. The Code requires members of the Board to avoid any conflict of interest in contracts entered into by the Company. If such interest exists, the members shall make disclosure to the Board and shall abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Gift Policy of the Company. The Independent Directors are required to abide by the Code for Independent Directors, as prescribed in Schedule IV to the Companies Act, 2013 and forming part of the Company's Code of Conduct.

The members of the Board and the Management Committee are required to annually confirm compliance with the Code of Conduct to the Board. The Code is in addition to the Code of Business Principles of the Company. The Copy of Code of Conduct of the Company is made available on the website of the Company www.hul.co.in and is also set out in Appendix 7.

2.7. Directors and Officers Liability Insurance

The Company shall provide insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance. Any person who becomes a Director or Officer, including an employee who is acting in managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance policy. The policy shall also cover those who serve as a Director, officer or equivalent of an outside entity at Company's request.

3. Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board as a part of governance practice. While deciding the Chairpersonship and Membership of the Committee, the Board shall ensure that undue reliance is not placed on particular individuals. The Board shall supervise the execution of its responsibilities by the Committees and shall be responsible for action taken by the Committees.

The meetings of the Board Committees shall be attended by the designated members of the Committee. The Committee can, however, request special invitees to join the meeting, as appropriate. The minutes of the meetings of all the Committees shall be placed before the Board for noting. The Board has currently established the following statutory and non-statutory Committees.

3.1. Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. The Audit Committee, in addition to overseeing the financial reporting process shall also carry out periodic reviews of various businesses/functions of the Company, review of internal audit and control assurance reports of all the major divisions, decide the terms of appointment of the auditors, review related party transactions and review functioning and cases reported under the Code of Business Principles and Whistle Blower Policy of the Company.

The Audit Committee shall consist of at least three members. All the members of the Audit Committee shall be Independent Directors. The Committee may invite the CEO, CFO, Statutory Auditor, Internal Auditor, other management representatives or external consultants to attend the Committee meetings as they may deem appropriate. The Terms of Reference of the Audit Committee are provided at Appendix 8.

3.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with all elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentives, along with the performance criteria. It also recommends and monitors the level and structure of remuneration for members of the Management Committee including Key managerial Personnel; and other employees. It also evaluates the service contracts, notice period and severance fees of the Directors. The Committee shall also concern itself with identifying candidates for nomination as Directors on the Board or as member of the Management Committee. The Committee shall also be responsible for orderly succession planning of the Board and will be consulted by the Chief Executive Officer on appointments to or removals from the Management Committee. The Committee shall also be responsible for implementation of the Board Evaluation framework.

The Nomination and Remuneration Committee shall comprise of at least three members with majority of the members as Independent Directors. All the members of the Nomination and Remuneration Committee shall be Non-Executive Directors and the Chairperson of the Committee shall be an Independent Director. The terms of reference of the Nomination and Remuneration Committee are given at Appendix 9.

3.3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is entrusted with the responsibility to consider and resolve security holders' concerns or complaints. The Committee shall monitor and review the investor service standards of the Company. The Committee shall also evaluate performance and service standards of

the Registrar and Share Transfer Agent of the Company and provide continuous guidance to improve the service levels for investors.

The Committee shall take steps to develop an understanding of the views of shareholders about the Company, either through direct face-to-face contact, analysts' briefings or survey of shareholders. The Committee shall oversee and review the engagement and Communication Plan with shareholders and ensure that the views / concerns of the shareholders are highlighted to the board at appropriate time and that the steps are taken to address such concerns. The term of reference of the Committee are given at Appendix 10.

3.4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be responsible for formulating and implementation of Corporate Social Responsibility Policy of the Company. The Committee shall also recommend the amount of expenditure to be incurred on CSR activities. The Committee shall bring any relevant issue to the attention of the Board and make recommendations relating to such issues. The Committee shall be assisted by such experts in discharging its obligations as it may consider necessary including requisite internal team that looks after the CSR agenda of the Company.

The Committee shall comprise of at least three Directors with a majority of the members as Independent Directors. The Chairperson of the Committee shall be an Independent Director. The terms of reference of the Committee are given at Appendix 11.

3.5. Risk Management Committee

The Risk Management Committee shall be responsible for framing, monitoring, reviewing the risk management plan and implementation of the risk management framework of the Company including 'Cyber Security'.

The Committee shall comprise at least three members with a majority of the members as Directors from the Board of the Company. The Chairperson of the Committee shall be a Director. The terms of reference of the Committee are given at Appendix 12.

3.6. Share Transfer / Transmission Committee

The Share Transfer / Transmission Committee has been formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee shall comprise of any three Directors of the Board. The Committee shall consider applications for transfer, splitting up and consolidation of share certificates and will be responsible to ensure compliance with provisions in this regard. The terms of reference of the Committee are given at Appendix 13.

3.7. Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted to expedite the process of allotment and issue of shares to eligible employees of the Company under the Stock Option Plan of the

Company, as approved by the Shareholders of the Company. The ESOP Committee shall comprise of any three Directors of the Board. The Committee shall be in charge for approval, issue and allotment of shares under Stock Option Schemes of the Company. The terms of reference of the Committee are given at Appendix 14.

3.8. Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine items that are in the normal course of the business, such as decision on banking facilities, delegation of operational powers, considering and approving agreements to be executed in the normal course of business, etc. The Administrative Matters Committee shall comprise of any three Directors of the Board. The terms of reference of the Committee are given at Appendix 15.

3.9. Committee for Approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been constituted for identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee shall comprise of any three Directors of the Board. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in the said property, on behalf of the Company. The terms of reference of the Committee are given at Appendix 16.

4. Board Procedures

4.1. Meetings

The Board shall meet at regular intervals to discuss and decide on Company's business policy and strategy apart from other businesses. The Board and Committee meetings shall be pre-scheduled and a tentative annual calendar of Board and Committee meetings should be circulated to the Directors in the beginning of the year to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. There shall be at least five Board meetings in a calendar year including quarterly meetings to consider the financial results of the Company and at least one strategy meeting. However, in case of a special and urgent business need, the Board's approval can be taken by circulating the resolution, which shall be confirmed by the Board at the next Board meeting. The periodicity of meetings of Board Committees shall be as per terms of reference of each committee.

The notice of the Board meetings shall be given to all the Directors at least seven clear days before the meeting. A meeting of the Board / Committee may be called at a shorter notice than those stated above, if the majority of members of the Board or Committee, as the case may be, agree. The proposal to hold the meeting at a shorter notice shall be stated in the Notice of the meeting and the fact that consent of the Directors was obtained shall be recorded in the Minutes thereof.

Usually, meetings of the Board will be held in Mumbai. However, the Company may organise any meeting outside of Mumbai or a visit to market or unit, as it may deem fit. Efforts shall be made to have full attendance at the meeting and it should be ensured that at least two Independent Directors are present in all the Board meetings.

4.1.1. Video Conferencing

The Directors, who are unable to be physically present at a particular Board or Committee meeting, may attend the meeting through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and storing the proceedings of such meetings. The Directors attending the meeting through video conference or such other means as may be prescribed will be considered as present for the meeting.

4.2. Agenda

The agenda of Board meetings shall be set by the Company Secretary in consultation with the Chairperson and the Chief Executive Officer. The Company Secretary may also consult the Independent Directors at appropriate occasions. The Agenda shall be circulated at least seven days prior to the date of the meeting to facilitate the Directors to provide their inputs, thoughts and suggestion at the meeting. The Agenda shall include detailed notes and draft resolutions on the items to be discussed at the meeting to enable Directors to take an informed decision.

The Agenda of each of the Board meeting shall inter-alia include:

- a. regular items, such as reports from Management on the financial affairs of the Company, on performance against plan, reports from Board Committees, reports on litigation and governance matters, etc.;
- b. special items, such as Business/ Functional Reviews;
- c. items for approval;
- d. items for noting; and
- e. papers for information.

Any supplementary item, not originally included in the Agenda, may be taken up for consideration at the meeting with the permission of the Chairperson and with the consent of the majority of the Directors present in the Meeting. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information should be taken up by the Board without prior written Notice. Apart from the items that will be discussed in the Board Meeting, the Company Secretary shall ensure that regular communications are sent to all Non-Executive Independent Directors for updating them on key business related issues / developments.

4.3. Decision Making Process

Each member of the Board shall have one vote and the resolutions of the Board shall be passed by a majority of votes. In case of equal number of votes in favor of the resolution as well as against, the Chairperson of the Company may exercise his casting vote.

4.4. Managing Conflict of Interests

The Board of Directors are responsible for ensuring that the rules are in place to avoid conflicts of interest by the Board members and the Management Committee. Any conflict of interest or apparent conflict of interest between the Company and its Directors should be avoided. Where conflicts arise, the Board shall ensure that, in dealing with them, all applicable laws, regulations, codes and policies have been complied with.

The members of the Board shall avoid any interest in contracts entered into by the Company. If such an interest exists, the interested Director shall make a disclosure. In case of Conflict of Interest, the interested Director shall not participate in the decision making process and the same shall be recorded in the minutes of the meeting. In case of Conflict of Interest of Chairperson, the Chairperson shall abstain from participation in the discussion and one of the Independent Directors shall assume the position of Chairperson of the meeting.

The members of the Board and Management Committee shall on an annual basis submit the details of individuals to whom they are related and entities in which they hold interest and the same shall be placed before the Board. Transactions with any of the entities referred above shall be placed before the Board or Audit Committee for approval in line with Related Party Transaction policy of the Company.

The proposal for appointment of any Executive Director or the Management Committee members of the Company to serve as a Director, Trustees or equivalent of such position on outside Board, whether for commercial ventures or for non-profit making bodies should be subject to prior internal approvals. The Executive Directors of the Company shall not be allowed to serve as a Non-Executive or an Independent Director on the Board of more than one Company, other than those companies where they are representing the interest of HUL or Unilever.

4.5. Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda and convening of the meetings of the Board and Committees thereof. The Company Secretary shall attend all the meetings of Board and Committees thereof and advice/assure the Board and such Committees on Compliance and Governance principles and ensure appropriate recording of minutes of the meeting.

4.6. Recording of Minutes

The Company Secretary of the Company is responsible for proper recording of minutes. Minutes of the Board and Committee meeting shall be circulated to the Board not later than fifteen days of the meeting and the same shall be placed before the Board and Committee at its next meeting, for confirmation. The Board and Committee members can give their comments / suggestions on draft minutes within seven days of circulation and the same shall be incorporated in the minutes of the meeting.

The minutes of meetings of the Board or Board Committees shall be circulated to the Board or Board Committees, respectively, along with the Agenda of the next meeting. Any alteration in the minutes shall be made only after obtaining express approval in the subsequent meeting in which such minutes are sought to be altered. Dissent or concern, if any, as expressed by any member of the Board, shall be recorded in the minutes.

4.7. Delegation of Powers

The Board has delegated certain powers, authorities and discretions (including the power to sub-delegate) to the Chief Executive Officer and the members of the Management Committee and to the Board's Committees. The Board supervises the execution of its responsibilities by the Chief Executive Officer, members of Management Committees and the Board Committees and is ultimately responsible for the fulfillment of the duties by them.

5. Directors

5.1. Term of Office of Directors

The Executive Directors serve in accordance with the terms of their contract of service with the Company. The Managing Director of the Company is appointed for a term of five years as per the requirement of the Act.

Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company. On conclusion of first term of 5 years, if the Board considers it appropriate they can propose the re-appointment of an Independent Director for another period of five years after taking approval of shareholders of the Company by way of a special resolution. Such proposal for reappointment shall be based on performance of the Independent Director and recommendation of the Nomination and Remuneration Committee and appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In accordance with the Articles of Association of the Company, except the Managing Director and in accordance with the Act except the Independent Directors, all Directors step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election.

5.2. Remuneration

The reward philosophy of the Company is to pay market competitive reward with a strong linkage to performance. The reward philosophy is set forth into practice by various policies governing different elements of reward. The intent of all these policies is to ensure that the principles of reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior

operational results. The Nomination and Remuneration Committee shall review the total reward annually, taking into account external benchmarks within the context of group and individual performance.

5.2.1. Executive Directors

The reward of the Executive Directors shall be determined by the Nomination and Remuneration Committee and shall be recommended to the Board for their approval. In order to create alignment with the strategy and business priorities to enhance shareholder value, a fair portion of the Executive Directors' total reward is linked to Company's performance. The total reward package for Executive Directors is intended to be market competitive with a strong linkage to performance in line with the Company's reward philosophy. In addition, the Company's Share Plans seek to reward Executive Directors by aligning their deliverables with shareholders' interests.

5.2.2. Non-Executive Directors

Non-Executive Independent Directors are eligible for sitting fees and commission not exceeding limits prescribed under the Companies Act. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the overall approval of the shareholders of the Company. In the event, the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total annual remuneration payable to all Non-executive Directors, approval of Shareholders by passing Special Resolution shall be obtained every year.

The Independent Directors are paid sitting fees for attending every meeting of the Board or Committees thereof and Commission on profits for each year, in accordance with the Differential Remuneration Policy and within the limits approved by the shareholders at the Annual General Meeting of the Company. The Differential Remuneration Policy, as approved by the Board, is given at Appendix 17.

The Non-Executive Directors, who continuously serve for a period of ten years, are also entitled for retirement commission at the time of retirement. The Non-Executive Director shall not be entitled to Stock Option Plan of the Company.

5.3. Access to Independent Professional Advice

Directors are entitled to take independent professional advice, at the expense of the Company, on matters relating to the proper discharge of their office. This does not extend to issues regarding Directors' personal interests. The Company Secretary is responsible for arranging such external advice.

6. The Chairperson

6.1. Appointment

Subject to Articles of Association of the Company and applicable Laws and Regulations, the Board of Directors shall, after considering the recommendation of the Nomination and Remuneration Committee, appoint any Director as the Chairperson of the Company.

6.2. Responsibilities

The Chairperson's general and specific responsibilities cover:

- a. conducting shareholders' meetings including AGMs;
- b. leading the Board and ensuring that it operates effectively in relation to all aspects of its role;
- c. ensuring that the members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company;
- d. encouraging active engagement by all the members of the Board;
- e. to take full account of the issues and the concerns of all Directors and ensuring that adequate time is available for discussion on strategic issues;
- f. promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and the Executive Directors;
- g. building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board and shareholders' approval;
- h. monitoring effective implementation of Board decisions;
- i. ensuring clear structure for and the effective running of Board Committees;
- j. in conjunction with the Senior Independent Director, ensuring that the performance of individuals and of the Board as a whole and its committees is evaluated at least once a year;
- k. in conjunction with Senior Independent Director, identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised approach to training and development with each Director;
- l. addressing the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team;
- m. acting where appropriate as the Company's representative on corporate aims and policies including environmental and corporate social responsibility matters;
- n. guarding the corporate reputation and relations with relevant stakeholders;

7. Chief Executive Officer and Managing Director

7.1. Appointment and Tenure

The Chief Executive Officer and Managing Director (CEO & MD) of the Company is appointed by the Board after considering the eligibility criteria and qualification of the candidates. The CEO and MD is appointed for a period of five years and is eligible for reappointment, subject to approval of shareholders. The CEO & MD is responsible for day to day management of the Company and enjoys substantial powers of Management to discharge the responsibilities in managing the affairs of the Company on a day to day basis including power to sub delegate any of the powers in relation to the

running of the Company. For the sake of brevity, these powers are not being reproduced again. Please refer to the Board Role and Powers.

7.2. Responsibilities

The Chief Executive Officer and Managing Director is entrusted with all the Board's powers, authorities and discretions (including the power to sub-delegate any of those powers, authorities, decision-making powers and discretions) in relation to the operational running of the Company and specifically all the Board's powers, authorities and discretions in relation to the following matters:

7.2.1. Strategy and Maintaining the Corporate Portfolio

- a. proposing for approval by the Board, the strategies for shaping of the portfolio and direction of the Company, Corporate Financial Plan and priorities in corporate resource allocation;
- b. ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board;
- c. agreeing geographical markets, products and places of operation of business of the Company with the Board of the Company;
- d. monitoring the development of the markets in which the Company operates, testing future economic scenarios against growth objectives and making proposals to the Board for the corporate strategic priorities;
- e. ensuring delivery of the Company's agreed strategy, business plans and financial performance;
- f. preparing for approval by the Board periodic business performance report including quarterly and annual results;

7.2.2. Financial

- a. setting financial and treasury strategies for the Company and implementing them;
- b. overseeing efficient functioning of the operating framework, the accounting and reporting policies, planning and reporting processes (including internal control measures and authority levels) and implementing and maintaining such framework, policies and processes;

7.2.3. Governance

- a. appointing and removing members of the Management Committee of the Company and other functional heads who report, directly or indirectly, to the Chief Executive Officer and Managing Director, subject to obtaining necessary approvals of the Committees, the Board and / or Shareholders of the Company, as may be applicable;
- b. proposing to the Nomination and Remuneration Committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of members of the Management Committee and other Functional Heads, who report directly to the Chief Executive Officer and Managing Director, including those members of the Management Committee who are Executive Directors on the Board but without prejudice to the authority of the Shareholders of the Company;
- c. supervising and determining the roles, activities and responsibilities of the Management Committee of the Company and delegate powers to enable them to perform their roles;
- d. ensuring that the performance of members of the Management Committee and other Functional / Business Heads is systematically assessed and adequately rewarded;

- e. ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Business;
- f. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles;
- g. to provide, in conjunction with the Company Secretary, a properly constructed induction to new Directors;
- h. preparing for approval by the Board, and implementing and managing, HUL's risk management approach;
- i. implementing and managing compliance with the Code of Business Principles and HUL's Code Policies and standards;
- j. notify the Board of any issues, projects or transactions that in his judgment have the capacity to impact the reputation of the Company;

7.2.4 Communication with Stakeholders

- a. interacting with the media and approving any press release in relation to any matter within the ambit of the Chief Executive Officer and Managing director;
- b. preparing all public filings, reports and statements relating to the Business and representing the Company with in trade and professional bodies.

7.2.5 Contracts

- a. power to enter into commitments, agreements, contracts, instruments or other documents on behalf of the Company in relating to day to day functioning of the business.

The Chief Executive Officer or the Managing Director in discharging his duties is responsible to the Board as a whole.

8. Independent Directors

8.1. Definition of Independent Director

The Board shall comprise Directors who qualify as "Independent" as per the statutory provisions applicable to the Company. The criteria chosen by the Board for Independent Director are as follows:

- a. is a person of integrity and possess relevant expertise and experience as may be deemed necessary by the Nomination and Remuneration Committee;
- b. is or was not a promoter / promoter group of the Company or holding, subsidiary or associate company;
- c. is or was not related to promoters or Directors in the Company or holding, subsidiary or associate company;
- d. does not have or did not have any pecuniary relationship with the company or holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- e. none of the relatives has or had pecuniary relationship or transaction with the company or holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher

amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- f. who, neither himself nor any of his relatives, holds or has held the position of a key managerial personnel or is or has been employee of the company or holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- g. who, neither himself nor any of his relatives, has or had no relationships within the last three years with statutory auditor, secretarial auditor, cost accountant, legal or consulting firm that has had transaction with the Company or its holding, subsidiary or associate company;
- h. who, neither himself nor any of his relatives, holds two per cent or more of the total voting power of the company;
- i. has or had no material business relationship with customers or suppliers of the company; during last three years;
- j. who possesses such other qualifications as deemed necessary by the Nomination and Remuneration Committee, in line with the criteria for appointment to the Board;
- k. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

The Board will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned. Where there are additional criteria for a member to be considered independent imposed by applicable laws and regulations, the Board will apply such criteria. Every Independent Director shall at the time of appointment to the Board at the end of every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of 'independence'.

8.2. Tenure

Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company. On conclusion of first term of 5 years, the Board may propose the re-appointment of an Independent Director for another period of five years for approval of shareholder of the Company by way of Special Resolution. Such proposal for reappointment will be based on performance evaluation of the Independent Director and the recommendation of Nomination and Remuneration Committee. At the time of proposing re-appointment of Independent Directors, appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In case any vacancy is caused by resignation or removal of an Independent Director and the composition of Board is not in compliance with the requirement of statute, such vacancy shall be filled in the next Board Meeting or within three months, whichever is later.

8.3. Meetings of Independent Directors

The Chairperson shall meet the Non-Executive Directors without the executives present, once in each quarter. The Independent Directors shall also meet independently once in each quarter to consider agenda items set by them. Independent Directors shall amongst themselves elect one of them to lead the agenda of their meeting. The agenda of the meetings shall, inter alia, include following items:

- 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.

The Independent Directors may ask members of management and external professional advisers to attend those meetings. The Company Secretary shall assist them with the support they need.

In addition to these formal meetings, regular interaction shall take place between the Chairperson and Independent Directors to discuss such issues as are deemed appropriate.

9. The Company Secretary

9.1. Formal Status

The appointment or removal of the Company Secretary is a matter for the Board as a whole. All Directors have open access to the Company Secretary at any time and on any matter relating to the Company. The Company Secretary reports to the Board and administratively to the CEO & MD of the Company.

9.2. Responsibilities

The Company Secretary is responsible:

- a. to provide to the Directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
- b. to facilitate the convening of meetings and attend Board, Committee and General Meetings and maintain the minutes of these meetings;
- c. to obtain approvals from the Board, shareholders at the General Meeting, the Government and such other authorities as required under the provisions of the Act;
- d. to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;
- e. to assist the Board in the conduct of the affairs of the company;
- f. to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
- g. to discharge such other duties as have been specified under the Act or rules;
- h. to ensure that the compliance status across the Organisation is monitored and reported to the Board; and
- i. such other duties as may be assigned by the Board from time to time.

10. Directors Induction & Training

10.1. Background

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards of the Company. The Chief Executive Officer and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors.

The Independent Directors also request management to provide detailed understanding of any specific project, activity or process of Hindustan Unilever. The management provides such information and training either at the meeting of Board of Directors or otherwise.

10.2. Induction

The induction process is designed to:

- a. build an understanding of Hindustan Unilever, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

The Company Secretary shall provide new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors. This includes provision of a Directors' Induction kit containing general information on Company's Structure, Key Policies of the Company, Brief profile of the Board of Directors, Role and Responsibility of the Directors and necessary disclosure forms. The Chief Executive Officer provides a briefing on Company's current structure and performance of business.

The induction briefing for Non-Executive Independent Directors includes interactive sessions with Management Committee Members, Business and Functional heads, Auditors and a visit to market or any plant.

10.3. Training

The Company Secretary keeps the Board briefed on legal and regulatory development relevant to the Company and the Directors. The Company Secretary ensures that the programme to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved and the Board as a whole. Based on the yearly performance evaluation of the Board and individual Directors, the Chairperson shall in consultation with Senior Independent Director agree on the Training and Development needs of the Board as a whole and decide on action plan for each year. The Company Secretary shall be responsible for implementation of such plan and Chairperson shall regularly review the same.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

11. Board Evaluation

11.1. Background

It is important that the Board, Board Committees and individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Companies Act, 2013 (the Act) also provides for the evaluation of the Board, its Committees and individual Directors. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination & Remuneration Committee of the Board with evaluation of each Director.

11.2. The Board

The Chairperson in consultation with a Senior Independent Director nominated by the Independent Directors, shall lead the process of evaluation of the Board as a whole. The Company Secretary shall be responsible for organizing such an evaluation.

Following each evaluation, a report shall be prepared based on appropriate interviews and/or responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chairperson. Thereafter, the Chairperson, with the support from the Company Secretary shall implement the actions that the Board decides as appropriate. The process of evaluation of the Board shall be carried out on an annual basis and this process will be facilitated by an independent consultant as and when deemed appropriate by the Board.

11.3. Board Committees

Each Chairperson of a Board Committee shall lead the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee, the delivery of performance against the terms of reference of the Committee.

The Chairperson of the Committee shall report the results of the process to the Board and such report shall form part of Annual Report of the Company.

11.4. Independent Directors

The evaluation of Independent Directors shall be done by the entire board of Directors which shall include -

- (a) performance of the Independent Directors; and
- (b) fulfillment of the independence criteria from the management.

11.5. Non-Executive Directors

For Non-Executive Directors, such evaluation shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

11.6. Executive Directors

The criteria for evaluation of Executive Directors will include the annual performance plan of the concerned Executive Director and delivery against the same, assessment made by the Line Manager in addition to the above criteria laid down for Independent Directors to the extent applicable.

11.7. Chairperson

The Senior Independent Director shall lead the evaluation process whereby the Board evaluates the performance of the Chairperson. In this process, the Senior Independent Director shall consult the Executive Directors and fellow Non-Executive Directors.

The Senior Independent Director shall share the results of the assessment with the Chairperson. These individual assessments should be taken into account in the evaluation of the performance of the Board as a whole.

11.8. Timing

The evaluations will be carried out on an annual basis. All evaluations shall be designed to be completed before the meeting of Nomination and Remuneration Committee, to discuss remuneration packages and the nominations of candidates for election as Directors of the Company at the Annual General Meetings in the following year, are held.

11.9. Processes

The Company Secretary shall, in consultation with the Chairperson and Senior Independent Director, lay down the process and provide guidance on how to carry out the evaluation. The Company Secretary shall update this guidance on annual basis in the light of internal experience and external best practice. The Company Secretary may also take help of an independent consultant for review / development of the evaluation process.

11.10. Reporting

The annual report of the Company shall describe the process followed for evaluation and shall also include a report on evaluation considering the following :

- a. Observations of board evaluation carried out for the year.

- b. Previous year's observations and actions taken.
- c. Proposed actions based on current year observations.

12. Financial Reporting and Risk Management

The Board of Directors shall present a balanced and understandable assessment of the company's position and prospects to shareholders and statutory authorities. This shall include reporting requirements under various regulations and statutes. The Board shall, either directly or through a committee, ensure establishment and maintenance of disclosure controls and procedures. The Board shall also evaluate the appropriateness of the disclosures made.

12.1. Dividend Policy

The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company. The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared

The Dividend declared by the Board shall be subject to approval of shareholders at the Annual General Meeting.

12.2. Risk Management

The Board, the Audit Committee and the Risk Management Committee shall be collectively responsible for Risk Identification, Risk Minimization and Risk Mitigation as a part of risk management framework. The risk management framework in the Company aims to embed risk management in the normal course of business. This ensures that risk management is not seen as a standalone activity but as a part and parcel of running the business / function.

The Company has put in place an elaborate Risk Management Framework wherein Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. The objective of risk assessment framework is to provide to the operating management, a proactive and value adding review process, which enables them to maintain a risk profile associated with transactional controls at an acceptable level. This will be an ongoing process to track the evolution of the risks and delivery of mitigating action plans.

All the members of the Senior Leadership are required to provide a Positive Assurance once in a year to confirm their understanding and adherence to the processes relating to risk management. They are also required to escalate any new or enhanced risks to the Risk Management Committee as soon as they are perceived in their business.

A formal review of risks shall be carried out by the Risk Management Committee at least once in a year. This review will involve preparation and endorsement of a Corporate Risk Matrix, based on the inputs received from businesses and functions. The risk matrix details various risks on "Likelihood-Impact" axes, along with the acceptability levels, based on the sufficiency of the mitigating actions in place.

The Internal Auditor is responsible for providing independent reassurance to the Board, through the Chief Executive Officer/ Managing Director and the Risk Management Committee, that all major risks affecting the achievement of Company's objectives are adequately understood and managed.

12.3. Internal Control

The Board shall be responsible for sound internal control systems and shall on annual basis check effectiveness of internal controls systems. This review should cover all material controls including financial, operational and compliance related controls.

12.3.1. Internal Auditor

In order to ensure the independence and credibility of the internal audit process, the Board shall appoint an internal auditor who will be supported by a team of independent auditors and shall be responsible for internal audit. The internal auditor shall conduct internal audit of the functions and activities of the company. The internal auditor shall, in consultation with Audit Committee, formulate the scope, functioning, periodicity and methodology for conducting the internal audit. The Internal Auditor reports to the Audit Committee and is administratively reporting to the Chief Financial Officer. The Appointment and Remuneration of Internal Auditor will be subject to approval of Audit Committee.

12.4. Auditors

The Statutory Auditor shall be appointed by shareholders at the Annual General Meeting, based on the recommendation of the Board of Directors. The Audit Committee shall be the first point of reference for appointment of auditors (including internal auditors) and shall evaluate the performance of the Statutory and Internal Auditor and recommend to the Board their appointment, re-appointment along with the annual audit remuneration or removal.

The Auditor shall, on an annual basis, submit a certification of independence and arm's length relationship with the company to the Board.

The Audit Committee will review and monitor Auditor's independence, objectivity and effectiveness of the audit process. The Audit Committee will discuss the annual work programme and the depth and detailing of the audit plan to be undertaken by the auditors. The Audit Committee may approve the engagement of the auditors to supply statutorily permissible non-audit services.

All Directors, and in particular the Chairperson and members of the Audit Committee, have open access to the Statutory and Internal Auditor of the Company at any time and vice versa. The Statutory Auditors have open access to the Internal Auditor at any time and vice versa.

The Board shall also appoint Independent Secretarial Auditors to conduct secretarial audit on an annual basis and submit the report to the Board.

12.4.1. Rotation

In order to maintain independence of Auditors, the Company shall rotate the audit partner responsible for audit of the Company, every five year and the Audit firm shall be rotated every ten years. A cooling off period of three years must have elapsed before an audit partner or audit firm can be re-appointed by the Company.

The Secretarial Auditor shall be subject to rotation every five years.

13. Relation with Shareholders

The Company recognises the importance of continuous communication with the shareholders of the Company and is committed to implementing effective and innovative ways of conveying effective information to our shareholders. The Company shall provide to shareholders access to balanced and understandable information about the Company.

13.1. Rights of Shareholders

The Shareholders of the Company shall have following rights:

- a. to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes;
- b. opportunity to participate effectively and vote in general shareholder meetings;
- c. to be informed of the rules, including voting procedures that govern general shareholder meetings;
- d. opportunity to ask questions to the board, to place items on the agenda of general meetings, and to propose resolutions, in accordance with the provisions of the Companies Act, 2013;
- e. participation in key decisions, such as the nomination and election of board members;
- f. sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting;
- g. sufficient and timely information on capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their shareholding;
- h. exercise of ownership rights by all shareholders, including institutional investors;
- i. adequate mechanism to address the grievances of shareholders;
- j. protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

13.2. Contact with the Directors

Shareholders may contact an Individual Director, the Board as a group, or a specified Board Committee, including the Independent Director, by writing to levercare.shareholder@unilever.com or by sending communication to the Company Secretary at the registered office. The Corporate Secretarial Department will receive and process communications before forwarding them to the addressee. A communication concerning a process related or general query will be answered by the Corporate Secretarial Department. Communication concerning serious issues will be escalated to the Chairperson of the Stakeholders' Relationship Committee, through the Company Secretary of the Company.

Each Director is encouraged to attend the Company's annual meeting of shareholders to address shareholder's concerns, if any.

The Corporate Secretarial Department shall be first point contact for the shareholders and shall be responsible for ensuring the highest standard of service levels to the Shareholders / Investors. The Company shall periodically conduct investor satisfaction survey and benchmark the service standards for continuous improvement.

13.3. Methods of Communication

The Company shall regularly communicate relevant information to shareholders through a range of forums, publications and online. These shall include:

- a. the General Meeting
- b. transcripts of Minutes of General Meetings and Speeches
- c. the Annual Report
- d. investor presentations
- e. disclosures to the Stock Exchanges
- f. the Company website

In addition to the formal interactions with the shareholders in the General Meeting the Company Secretary and the Corporate Secretarial Department shall hold such interactive meetings with the shareholders as may be required to address concerns of shareholders, if any.

Company shall maintain an investor relations section on its website to assist with shareholder communication.

13.4. Grievance / Dispute Resolution

The Company has put in place the process of resolving shareholders disputes and grievances through an alternative disputes redressal mechanism. The Company has appointed four retired Judges of different High Courts, one in each region, to act as Ombudsman. The Ombudsman independently reviews the merits of the complaint and decides on the issue.

In case of any shareholder's / investor's grievance arising out of the shares, dividends or any other related matter, the first point of contact shall be the Corporate Secretarial Department of the Company. The Corporate Secretarial team shall attempt to resolve any such grievance mutually in a speedy manner. In case the shareholder is not satisfied with the resolution provided by the Corporate Secretarial Department, the matter may be referred to the Stakeholders' Relationship Committee of the Company.

In the event the matter is not resolved as stated above at the level of Stakeholders' Relationship Committee or the shareholder is not satisfied with the resolution provided by the Committee, the said grievance can be referred to the Company's Ombudsman, as nominated by the Company for each region, for resolution. The decision of the Ombudsman shall be final and binding on the Company.

14. Related Party Transactions Policy

14.1. Scope of the Policy

Hindustan Unilever Limited shall engage with Related Parties in the ordinary course of business and on an arm's length basis to leverage scale, size and drive operational synergies to provide value added, innovative products to its consumers while ensuring that transactions with Related Parties are, fully compliant with applicable Regulations.

14.2. Objective of the Policy

The Board of Hindustan Unilever Limited ("HUL" or "the Company"), after considering the recommendation of the Audit Committee, has adopted this Policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time, respectively.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

14.3. Definitions and Applicability

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Companies Act, 2013 and the Rules made there under and the Listing Regulations, 2015, as amended from time to time.

This Policy is applicable to Hindustan Unilever Limited. The Policy to the extent applicable may be adopted by Subsidiary Companies. Accordingly, the terms 'Company', 'Board of Directors', 'Audit Committee', 'Nomination and Remuneration Committee', 'Corporate Social Responsibility Committee' shall be construed with reference to the respective Companies. In case the Company is not required to constitute any of the Committee as per the applicable provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the reference to the Committees in this Policy shall be read as the 'Board of Directors'.

The Audit Committee of the Company shall review all Related Party Transactions as a matter of good governance and suggest such actions, if required, that are consistent with the approach outlined in this Policy namely of executing Related Party Transactions that are in the ordinary course of business and at arm's length.

14.4. Dealing with Related Party Transactions

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee and / or the Board of Directors of the Company in accordance with this Policy. In dealing with Related Party Transactions, the Company will follow the following approach:

14.4.1. Identification of Related Party Transactions

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other Companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors, Members of the Management Committee and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

14.4.2. Review and Approval of Related Party Transactions

All Related Party Transactions shall be approved or ratified by the Audit Committee of the Company in accordance with this Policy.

Unless otherwise stated in this Policy, all Related Party Transactions require prior approval of the Audit Committee of the Company. All Related Party Transactions must be reported to the Company Secretary who shall submit the same for approval or ratification by the Audit Committee in accordance with this Policy.

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:

- i. Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
- ii. Maximum value per transaction which can be allowed;
- iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- iv. Review of RPTs at such intervals as the Audit Committee may deem fit, entered into by the Company pursuant to each of the omnibus approval made;
- v. Transactions which cannot be subject to omnibus approval by the Audit Committee.

Based on the aforementioned criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval to Related Party Transactions that are repetitive in nature.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- (a) The transaction in question is necessary to be executed as it is in the business interest of the Company;
- (b) The requisite information is presented to the Audit Committee's satisfaction, to confirm that the transaction is at arm's length and in ordinary course of business;
- (c) Such omnibus approval shall specify
 - i. the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - ii. the indicative value and the formula for variation in the value, if any and
 - iii. such other conditions as the Audit Committee may deem fit;

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall, on quarterly basis, review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

In an unforeseen event where a Related Party Transaction, for which Omnibus approval has not been given by the Audit Committee, needs to be entered due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such Related Party Transaction by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company.

Ratification, if any, of a Related Party Transaction after its commencement or completion will be approved by the Audit Committee in exceptional circumstances only. A Related Party Transaction entered into without prior approval of the Audit Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly as reasonably practical after it is entered into and such transaction is ratified.

Any Member of the Audit Committee, who has a potential interest in any Related Party Transaction, will recuse himself or herself and abstain from voting on the approval or ratification of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval or ratification of the Audit Committee.

All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any Member of the Board who has a potential interest in such Related Party Transaction will recuse himself or herself and abstain from voting on the approval of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.

Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and rules made there under and the Listing Regulations, 2015.

All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

14.4.3. Related Party Transactions that shall not require Approval

Following transactions shall not require separate approval under this Policy:

- a. Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;
- b. Transactions that have been approved by the Board under the specific provisions of the Companies Act 2013, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- c. Payment of Dividend;
- d. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off, approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the Listing Regulations, 2015;
- e. Contribution to Corporate Social Responsibility (CSR) obligations, subject to approval of CSR Committee and within the overall limits approved by the Board of Directors of the Company.

14.5. Material Related Party Transaction

All Material Related Party Transactions shall be placed for prior approval of shareholders through resolution. The Company has fixed the following materiality threshold for the purposes of Companies Act, 2013 and SEBI Listing Regulations, 2015:

- a. Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall be governed by the respective limits provided under the said rules.
- b. For other type of transactions with a Related Party, the materiality threshold shall be 10% of the annual consolidated turnover of the Company as per its last audited financial statements.
- c. For payment to a Related Party with respect to brand usage or royalty, materiality threshold shall be as per limits specified under the Listing Regulations, 2015 as amended from time to time.

The Material Related Party Transactions entered between HUL and its wholly owned subsidiaries shall not require prior approval of shareholders.

Related Party Transactions Policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

14.6. Disclosure(s)

Details of all Related Parties Transactions on a consolidated basis shall be disclosed, on a half yearly basis, along with the half yearly standalone and consolidated financial statements, to the Stock Exchanges.

The Company shall disclose the Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions on its website and provide weblink in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's

length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

14.7. Governance of the Policy

The Company shall constitute a Steering Committee which will be headed by the Chief Financial Officer and the Company Secretary and will have such Members from Finance, Corporate Secretarial and other functions as may be determined by the Chief Financial Officer and the Company Secretary. The Steering Committee shall meet periodically to ensure that the actions agreed with the Audit Committee and the Board with respect to Related Party Transactions has been implemented. The Steering Committee shall also ensure that the systems and processes are in place for identification and approval of Related Party Transactions as per this Policy.

14.8. Amendments to the Policy

The Audit Committee of the Company shall review the Policy atleast once in three years and may amend this Policy from time to time, subject to the approval of the Board of Directors of the Company.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

15. Policy for Material Subsidiaries

15.1. Objective

The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of Hindustan Unilever Limited ("HUL" or "the Company").

15.2. Definitions

15.2.1. Subsidiary

A Company in which HUL controls the composition of the Board of Directors or exercises or controls more than fifty percent of the total voting power of the Company, either directly or through one or more subsidiaries, shall be treated as a Subsidiary of HUL.

15.2.2. Material Subsidiary

A Subsidiary Company shall be treated Material if:

a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

15.2.3. Significant transactions or arrangements

Significant transactions or arrangements shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

15.3. Governance Framework

15.3.1. All Subsidiaries

- a. minutes of the Board meetings of all Subsidiary Companies shall be placed before the Board of Directors of HUL on quarterly basis;
- b. a statement of all significant transactions and arrangements entered into by the Subsidiary Companies during the quarter shall be brought to the attention of the Board of Directors of HUL on quarterly basis;
- c. the Audit Committee of HUL shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Company on an annual basis;
- d. any transaction between HUL and its Subsidiary Company shall be entered into in accordance with Related Party Transaction Policy of the Company.

15.3.2. Material Subsidiaries

- a. the list of Material Subsidiaries shall be placed before the Audit Committee of HUL on an annual basis;
- b. at least one Independent Director on the Board of HUL shall be appointed as a Director on the Board of material unlisted Indian Subsidiary Company (the term “material subsidiary” for the purpose of this clause shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year);
- c. any proposal for disposal of shares in Material Subsidiary, such that the shareholding in the Company may reduce to less than fifty percent or HUL would cease to exercise control over the entity, shall be subject to prior approval of shareholders of HUL;
- d. any proposal for selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary shall be subject to prior approval of shareholders by way of special resolution;

15.4. Responsibility

The Company Secretary shall be responsible for ensuring the compliance of this Policy. A list of Material Subsidiary shall be maintained by the Company Secretary and the same shall be placed before the Audit Committee on an annual basis. The Audit Committee shall review the list of Material Subsidiary and make suitable recommendations, including recommendation for appointment of Independent Director on the Board of Material Subsidiary.

16. Corporate Social Responsibility Policy

16.1. Policy

The Company is committed to operate and grow its business in a socially responsible way. The Company's vision is to grow its business whilst reducing the environmental impact of the operations and increasing its positive social impact.

This policy outlines the Company's Corporate Social Responsibility agenda. The aim is to achieve responsible growth and the Company will inspire to bring this to life by encouraging people to take small everyday actions that will add up to make a big difference. The Company has embraced Unilever Sustainable Living Plan (USLP) (available on the website of the Company www.hul.co.in) which contributes to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013. The USLP has three global goals, namely, help more than a billion people take action to improve their health and wellbeing, reduce the environmental footprint of our products and enhance the livelihoods of people as we grow our business. Additionally, considering India as a water scarce region and the water availability is expected to go down further, the Company has identified water as a key area of intervention. The Company will focus in this area by creating capacities in conserving water through significant investments in partnership with relevant stakeholders with the objective of water conservation.

16.1.1. Corporate Social Responsibility (CSR) Principles

The CSR Policy is supported by the following principles:

- a. The Company is committed to conducting its operations with integrity and respect, in the interest of the stakeholders, and in line with the Code of Business Principles.
- b. The Company believes growth and environmental sustainability need not be conflicting. The Company's business model is designed to deliver sustainable growth. The inputs to the model are the Company's brands, people and operations. The outputs to the model are sustained growth, lower environmental impact and positive social impact. The differentiator in the business model is USLP and the goal of sustainable living.
- c. The Company collaborates and engages with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers, and Distributors to tackle the challenges faced by the society.

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the Company is committed to spend at least 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. This

will include the spends through activities undertaken by Hindustan Unilever Foundation (HUF), a not for profit subsidiary Company, aimed at building capacities to conserve water and to further community development initiatives.

16.1.2. Governance Mechanism

The Company follows structured governance procedures to monitor CSR activities. The CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee comprising of an Independent Chairperson and a majority of Independent Directors to monitor the Policy and the programmes from time to time.

The activities described in annexure to the policy are covered under Schedule VII (as amended) of the Act that lists down permitted activities that constitute such activities. These activities undertaken by the Company are not expected to lead to any additional surplus beyond what would accrue to the Company in the course of normal operations. The Company may take up other CSR activities as may be appropriate.

17. Transparency and Disclosures

The Company shall conduct its operation with honesty, integrity and openness and shall provide the Board and Stakeholders with true and fair view of Company's progress. In all its dealings, the Company shall uphold principles of good governance for healthy growth of the Company, as well as inclusive growth of the economy. The Company shall disseminate timely and accurate information and shall, inter alia, disclose all material matters including the financial situation, performance, ownership, and governance of the Company. The information should be prepared and disclosed in accordance with the prescribed standards of disclosure.

The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor.

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

18. Monitoring Mechanism for Code

The Board of Directors of the Company shall be responsible for monitoring and implementation of the Code. There shall be an independent Audit carried out by the Secretarial Auditor on an annual basis to evaluate the compliance of the code. The Report of the said audit shall be placed before the Board of Directors.

Appendix 1 - Code of Business Principles

THE CODE OF BUSINESS PRINCIPLES (1 of 2)

Standard of Conduct

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

Obeying the Law

Unilever companies and employees are required to comply with the laws and regulations of the countries in which we operate.

Employees

Unilever is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

We are committed to safe and healthy working conditions for all employees.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards.

We will not use any form of forced, compulsory, trafficked or child labour.

We are committed to working with employees to develop and enhance each individual's skills and capabilities.

We respect the dignity of the individual and the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company-based information and consultation procedures.

We will ensure transparent, fair and confidential procedures for employees to raise concerns.

Consumers

Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

Shareholders

Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

Business Partners

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

Community Involvement

Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

Public Activities

Unilever companies are encouraged to promote and defend their legitimate business interests.

Unilever will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.



THE CODE OF BUSINESS PRINCIPLES (2 of 2)



The Environment

Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Innovation

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society.

We will work on the basis of sound science, applying rigorous standards of product safety.

Competition

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All employees and others working for Unilever are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

Employees must not seek gain for themselves or others through misuse of their positions.

Compliance – Monitoring – Reporting

Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are applied throughout Unilever.

The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Global Code and Policy Committee which is chaired by the Chief Legal Officer.

Day-to-day responsibility is delegated to all senior management of the geographies, categories, functions and operating companies. They are responsible for implementing these principles, supported by local Code Committees. Assurance of compliance is given and monitored each year. Compliance is subject to review by the Board supported by the Corporate Responsibility Committee and for financial and accounting issues the Audit Committee.

Any breaches of the Code must be reported. The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

Note

In this Code the expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.

Appendix 2 - Whistle Blower Policy



WHISTLE BLOWER POLICY

PREFACE

Hindustan Unilever Limited (HUL) follows highest standards of business ethics and management practices in the conduct of its business.

Directors and Employees are often the first to realise that there may be something not in order requiring redressal by the Company. HUL is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, HUL Directors and Employees, with concerns about any aspect of the Company, are encouraged to come forward and voice their concerns to the Management.

Whistle Blower Policy is a device to help alert and responsible individuals to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or abrasion or irregularity in the Company practices which is not in line with HUL's Code of Business Principles or the law of the land, without any fear or threat of being victimised.

Whistle Blower Policy expects Employees and Directors to be the guardian of HUL's core values and the corporate purpose. The spirit of the Policy is to foster a sense of collective responsibility in safeguarding the business interests. The Policy provides an avenue to report matters directly to the Management or to the Chairman of the Audit Committee. The Policy also provides for reporting in confidence. Through this Policy, a vigil mechanism is established for every employee to report genuine concerns.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles to the Management is reinforced by the Whistle Blower Policy. In the process, it is also ensured that the Policy is not misused.

The Whistle Blower Policy supplements the Code of Business Principles and the policies under the Code. This Policy is issued pursuant to Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of the Listing Regulations, 2015.



WHISLE BLOWER POLICY

Disclosure in Confidence with Confidence

1. AIM AND SCOPE OF THE POLICY

- (a) This Policy aims to:
- Provide avenues for Employees and Directors to raise concerns and receive feedback on any action taken;
 - Provide avenue for Employees and Directors to report breach of Company's policies
 - Reassure Employees and Directors that they will be protected from reprisals or victimisation for Whistle Blowing in good faith.
- (b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Whistle Blower Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:
- is unlawful or in breach of any law;
 - is against the Company's Policies;
 - falls below established standards or practices; or
 - amounts to improper conduct, unethical behaviour or suspected fraud.

2. SAFEGUARDS

(a) Harassment or Victimisation

The Company recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from superiors. The Company will not tolerate harassment or victimisation and will take action to protect an individual when they raise a concern in good faith. In case, a Whistle Blower is already the subject of any disciplinary action those procedures will not be halted as a result of their Whistle Blowing.

(b) Confidentiality

The Company will do its best to protect an individual's identity when he/she raises a concern and does not want their name to be disclosed. It must be appreciated that a statement from the Whistle Blower may be required as part of the evidence in the investigation process.

(c) Anonymous Allegations

This Policy encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.



(d) Untrue Allegations

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken.

3. RAISING A CONCERN

- (a) Operational concerns shall be raised with Line Manager or Skip Line Manager. Whistle Blowing mechanism should be used for potentially serious or sensitive issues.
- (b) The first step should be to approach the relevant Business Head. In case the Business Head or Senior Management is the subject of complaint, the employees can directly reach out to HR Director or Legal Director. If the Business Head finds the Whistle Blower complaint to be substantiated, he/she will consult with the HR Director or Legal Director on referring it to the appropriate body formed by the Company for such purposes. Employees of the HR / Legal Director's Services should raise their concerns with the Finance Director.
- (c) Concerns are better raised in writing. In case any concerns are to be raised directly with the Chairperson of the Audit Committee, the Chairperson can be reached out through the following email id : Kalpana.morparia@unilever.com. Alternatively, employees may send in written communications to Manager – Corporate Policies and Compliances, C/o Legal Department at Head Office or email at cobp.hul@unilever.com.
- (d) The background and history of the concern, giving names, dates and places where possible, should be set out and the reason why the individual is particularly concerned about the situation. Those who do not feel able to put their concern in writing can telephone or meet the appropriate officer (immediate superior or Legal Director).
- (e) The complainant is not expected to prove the truth of allegation, but should be able to demonstrate that there are sufficient grounds for concern. Employees must raise concerns immediately. This will support investigation process and enable faster implementation of corrective actions, if any.
- (f) Advice and guidance on how matters of concern may be pursued can be obtained from the Code Officer.
- (g) In case of any serious concerns, the Whistle Blower may also directly approach the Chairperson of the Audit Committee.

4. HOW THE COMPLAINT WILL BE DEALT WITH

- (a) The concerns raised may:
 - form the subject of an independent inquiry;
 - be investigated internally;
 - be referred to the external Auditor; or
 - be referred to the police; if required.



- (b) Upon receipt of a concern, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.
- (c) After the concern has been evaluated, the Company will write to the complainant:
 - acknowledging that the concern has been received;
 - indicating how it is proposed to be dealt with;
 - informing whether further investigations will take place, and if not, why not.
- (d) The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant.
- (e) The Company will take steps to protect the Whistle Blower from victimisation and minimise any difficulties which a person reporting under Whistle Blowing may experience as a result of raising a concern.
- (f) The Company accepts and would take such steps as may be required to assure the Whistle Blower that the matter has been appropriately addressed.

5. REPORTING

The concerns raised under Whistle Blowing shall be reported periodically to Management Committee and Audit Committee of the Company.

6. THE COMPLIANCE OFFICER

The Company Secretary as the Compliance Officer of the Company shall also act as the Compliance Officer under the Whistle Blower Policy. The Whistle Blower Policy will be integrated with and implemented through the structures created under the administration of the Code of Business Principles in HUL.

7. ADDRESS FOR REPORTING AND COMMUNICATION

E Mail: kalpana.morparia@unilever.com, or write to
Manager – Corporate Policies and Compliances,
Email : cobp.hul@unilever.com
Address : Hindustan Unilever Limited
Unilever House,
B D Sawant Marg,
Chakala, Andheri East,
Mumbai 400 099

Appendix 3 - Share Dealing Code

Hindustan Unilever Limited

Share Dealing Code

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Note : This Share Dealing Code was approved by the Board of Directors in their meeting held on 31st October 2009 and was modified on 14th December 2012, 8th May, 2015, 9th May 2016, 18th April, 2019 and 27th January, 2021.

HUL – Share Dealing Code

1. INTRODUCTION

Trading in a Company's shares by insiders, including its Directors or employees or other persons connected or deemed to be connected to the Company while in possession of unpublished price sensitive information, i.e. information that is not generally available to the public, and can materially impact the price of securities is known as 'insider trading'. Such insider trading places the average investor who does not have access to such insider information at a disadvantage. Needless to mention, this kind of profiteering by misusing any material access to confidential information available to such insiders by virtue of their position or connection with a Company, erodes investors' confidence in the integrity of the management of the Company. Thus, such conduct, apart from being unethical and immoral, is also illegal.

The Securities Exchange Board of India ("**SEBI**") has notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI Regulations**"), which came into force on 15th May, 2015 and governs the law relating to insider trading in India.

2. OBJECTIVE

The objective of this document is to give a basic understanding of the law relating to insider trading and to reiterate the Company's policy and code for dealing in the securities of Hindustan Unilever Limited ("**HUL**" / "**Company**") and its associate companies in India, for the benefit of and compliance by all concerned. It also includes guidance to the Company's Directors and employees on the policy, pre-clearance/notification procedures to be followed at the time of dealing in shares or other securities of the Company and the option of formulation of Trading Plans pursuant to which trades may be carried out in the shares or other securities of the Company ("**HUL Securities**").

This Code places two sets of restrictions, Clause 4 of the Code applies to all HUL employees and seeks to prevent them from dealing in HUL securities when they are in possession of unpublished price sensitive information. Clauses 5, 6 and 7 of the Code apply mainly to Special Employees, as defined under this Code, and prohibit dealings in the shares and other securities of HUL at certain times, imposes a requirement of pre-clearance and sharing of trading plans pursuant to which trades may be carried out, and contains other obligations for Special Employees.

The restrictions in this Code, in certain cases, go beyond strict legal requirements and are intended to preserve the reputation of HUL and the individuals to which the Code applies.

This Code is in addition to the 'Unilever Disclosure and Share Dealing Manual' which applies for dealing in Unilever Securities.

3. IMPORTANT CONCEPTS

A. HUL SECURITIES

“HUL Securities” means shares, scrips, stock, bonds, debentures, debenture stock and other derivative instruments of HUL, which are listed on stock exchanges.

B. TRADING IN SECURITIES

“Trading in securities” means and includes an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities. The term “trade” shall be construed accordingly.

For the avoidance of any doubt, it may be noted that dealings by a nominee on behalf of the Special Employee or dealings between Special Employees or off-market dealings or transfers without consideration shall also be constituted as trading for the purposes of this Code.

C. CONNECTED PERSON

“Connected Person” means:

- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - a) an immediate relative of connected persons specified in clause (i); or
 - b) a holding Company or associate Company or subsidiary Company; or
 - c) an intermediary as specified in Section 12 of the Act or an employee or Director thereof; or
 - d) an investment Company, trustee Company, asset management Company or an employee or Director thereof; or
 - e) a concern, firm, trust, Hindu undivided family, Company or association of persons wherein a Director of a Company or his immediate relative or banker of the Company, has more than ten per cent. of the holding or interest.

D. DEPENDANT OR IMMEDIATE RELATIVE

“Immediate Relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

E. GENERALLY AVAILABLE INFORMATION

“Generally Available Information” means information that is accessible to the public on a non-discriminatory basis;

F. INSIDER

“Insider” means any person (e.g. Individual, Company, Association or Body of Individuals, whether incorporated or not) who:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

G. KEY MANAGERIAL PERSON

“Key Managerial Person” means a person as defined in Section 2(51) of the Companies Act, 2013

H. UNPUBLISHED PRICE SENSITIVE INFORMATION

“Unpublished Price Sensitive Information” means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following

- i. Financial results
- ii. Dividend
- iii. Change in Capital Structure
- iv. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
- v. Changes in key managerial personnel

I. CLOSE PERIOD

A “Close Period” in relation to a Trading Window, means:

- (i) The period from the end of financial year [31st March] up to the date of announcement of the unaudited and/or audited annual results and 48 hours thereafter: and
- (ii) The period from the end of each quarter up to the date of the announcement of unaudited quarterly result and 48 hours thereafter.
- (iii) The period which the Compliance Officer determines that a designated person or a class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

The trading window may be reopened after closure, not earlier than 48 hours after the unpublished price sensitive information in question becomes generally available. Any closure shall be imposed in relation to HUL Securities to which UPSI relates, as applicable.

J. COMPLIANCE OFFICER

The Company has appointed the Company Secretary, as the Compliance Officer for the purposes of the SEBI Regulations and this Code.

K. SPECIAL EMPLOYEES

The following categories of employees will be considered as 'Special Employees' for the purposes of this Code:

- (i) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company;
- (ii) all management employees at work level 3X and above;
- (iii) all employees in the finance & accounts department of the Company;
- (iv) Executive Assistants/Private Secretaries of Whole-time Directors and Management Committee Members;
- (v) Employees in the IT Department, Corporate Secretarial department who may have access to unpublished price sensitive information as determined by the Compliance Officer;
- (vi) Any other employee who may be notified or advised of his or her categorisation as a Special Employee for the purpose of this Code ;
- (vii) All employees of material subsidiaries of the above level prescribed in clauses (i) to (v) above;

- (viii) All promoters of the Company; and
- (ix) Immediate relatives of employees mentioned in clauses (i) to (viii) above.

Explanation - “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year or such other Company determined by the Company as material per its policy on determining material subsidiaries.

Those who are considered to be 'Special Employees' shall be notified to that effect and a copy of this Code will be provided to them. All Special Employees, to whom the Code applies, shall be required to submit a written confirmation regarding receipt of the Code with an undertaking to abide by the requirements of the Code. The said confirmation cum undertaking shall be submitted in the form prescribed in **Appendix 1**.

The Code also applies to all Non-Executive Directors as if they were Special Employees and all provisions of the Code apply for them accordingly.

L. TRADING WINDOW

“Trading Window” means a notional window used as an instrument of monitoring trading by Special Employees.

M. OTHER WORDS AND EXPRESSIONS

All words and expressions not defined herein shall have the same meaning as that set out in the SEBI Regulations.

4. RESTRICTIONS ON ALL EMPLOYEES

Employees of the Company should not deal in HUL Securities at any time when he/she is in possession of any unpublished price sensitive information. Employees must also maintain confidentiality of all unpublished price sensitive information and must not pass such information to any person either directly or indirectly except for legitimate purposes and strictly on a need to know basis.

In addition, employees should not deal in the securities of any other listed Company at any time when they are in possession of unpublished price sensitive information in relation to those securities and shall not pass such information to someone else or encourage someone else to trade in such securities at such a time.

Employees ought to note that it is a criminal offence to deal in the securities of any listed Company, directly or indirectly, when in possession of any unpublished price sensitive information in relation to such securities.

5. RESTRICTION ON SPECIAL EMPLOYEES

5.1. Over and above the basic rule applicable to all employees as set out at Clause 4 above, this Code places additional special restrictions on Special Employees from trading in HUL Securities. The Special Employees to whom this Code applies should:

- (i) not deal in HUL Securities during the Close Period
- (ii) always seek pre – clearance for trading in HUL Securities as per the procedure for seeking clearance set out in Clause 7 of this code.
- (iii) not deal in HUL securities based on short term considerations. HUL securities should not be sold by Special Employees within six (6) months of last purchase and any purchase should not be made within six (6) months of last sale. This six (6) months rule may be relaxed in individual cases by the Compliance Officer for reasons to be recorded in writing if such relaxation does not violate the SEBI Regulations. Any request for dispensation should be included in the written notice required under clause 7 of this Code. However, this provision shall not be applicable in case of trades pursuant to exercise of stock options

5.2. In addition to the exemption for stock options, it is proposed to clarify that the Close Period restrictions are not applicable for certain transactions as prescribed in Clause 4 (3) of Schedule B of PIT Regulations, viz.

- Off-market Inter-se transfer between Special Employees;
- Transaction through Block deal window mechanism between Special Employees;
- Transaction due to statutory or regulatory obligations;
- Trade pursuant to duly approved Trading plan;
- Creation of pledge for bona fide purpose such as raising of funds;
- Transactions which are undertaken in accordance with respective regulations made by SEBI such as subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

5.3 The Company does not encourage the Special Employees to deal in derivatives related to HUL Securities at any time [such as put and/or call options, contracts for differences and other contracts intended to secure a profit or avoid a loss based on fluctuations in the

price of HUL securities] because of the speculative nature of such instruments. However, if a Special Employee decides to trade in derivatives he will be under an obligation to abide by the Code and obtain pre- clearance as per clause 7 and consequent to the transaction, make requisite disclosures as per clause 12 of the Code being provided herein.

6. FORMULATION OF TRADING PLAN

This provision intends to give an option to Special Employees who may be perpetually in possession of unpublished price sensitive information and enable them to trade in securities in a compliant manner. This provision enables the formulation of a trading plan by a Special Employee to enable him/her to plan for trades to be executed in the future. By doing so, possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that had been pre-decided even before the unpublished price sensitive information came into being.

6.1. Trading Plan: An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.

6.2. Trading Plan shall:

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in HUL Securities for market abuse.

- 6.3. The Compliance Officer shall review the Trading Plan made as above and shall approve it after reviewing the plan to assess whether the plan would have any potential for violation of SEBI Regulations. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the SEBI Regulations.
- 6.4. However, it is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further, it is clarified that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.
- 6.5. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the HUL Securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

- 6.6. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the HUL Securities are listed.

7. PRE-CLEARANCE PROCEDURE

- 7.1. Clearance must be obtained in advance for all dealings or trading in HUL Securities by Special Employees. The form to obtain clearance as set out in **Appendix 2** of this Code should be forwarded to Corporate Secretarial Department duly completed, for being considered for recommendation by an appropriate person as set out below who shall further send it to the Compliance officer for approval.

DEALING BY	CLEARANCE BY
Chairman or Chief Executive Officer	Group Chief Executive
Non-Executive Directors	Chairman
Executive Directors (including members of the Management Committee)	Chief Executive Officer
Special Employees other than above	Compliance Officer

It should be noted that the form set out in **Appendix 2** contains an undertaking prescribed by the SEBI Regulations and the employees should consider its full implications before

signing the form. The Compliance Officer will endeavor to give clearance within two (2) working days of receiving the request.

Explanation – No Special Employee shall seek to trade during the Close Period or seek pre-clearance with a view to trade during such period. The Company Secretary is the Compliance Officer for the purposes of the SEBI Regulations and this Code. The Company may develop an electronic method of administering the process under this Code.

- 7.2. Pre-Clearance to deal in any HUL Securities shall not be given by the Compliance Officer during any of the following periods:
- (i) Close Period
 - (ii) At the time of:
 - (a) intended declaration of interim or final dividend;
 - (b) issue of securities or buyback of securities
 - (c) any major expansion plans or execution of new projects
 - (d) amalgamations, mergers or takeovers
 - (e) disposal of undertakings
 - (f) any significant changes in policies, plans or operations of the Company
- 7.3. Pre- Clearance shall not be given to any Special Employee when who is aware / expected to be aware of one or more of the events mentioned in (ii) above, due to his involvement in the proposed transaction or has been notified by the Compliance Officer to such effect, even though full details may not have been disclosed to him on the principle of 'need to know' basis
- 7.4. Pre- Clearance shall not be given to any Special Employee during any period when there exists any matter which constitutes unpublished price sensitive information in relation to HUL Securities (whether or not the Special Employee has knowledge of such matter) and the proposed dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter.
- 7.5. Pre- Clearance shall not be given to any Special Employee during any period when the Compliance Officer otherwise has reasons to believe that the proposed dealing is in breach of this Code, or SEBI Regulations

The periods under 7.4 and 7.5 above, shall be determined and communicated by the Compliance Officer when such eventualities arise.

- 7.6. A record of all applications received from Special Employees and all clearances given, shall be maintained by the Compliance Officer. Clearances given by the Compliance Officer will be communicated to concerned Special Employees by returning Part 2 of the application duly completed.

- 7.7. If clearance is given for any trades by the Compliance Officer, the same should be completed within seven (7) trading days (excluding the day on which clearance is given) from the grant of such clearance. A fresh clearance must be sought if such trades are not completed within such period.
- 7.8. The completion of any trade must be reported to the Compliance Officer by completing **Part 3** of the Form given in **Appendix 2** and returning the same within two days of such trade.
- 7.9. Persons to whom this Code applies must keep confidential the fact that they are intending to deal or that they have applied for clearance to deal or the clearance is granted/refused by the Compliance Officer.

8. DEALINGS BY CONNECTED PERSONS AND IMMEDIATE RELATIVES

- 8.1. A Special Employee must (so far as is consistent with his/her duties of confidentiality to HUL Group Companies) seek to prohibit any dealing in HUL Securities by persons connected to him/her or by his/her family members, relatives, stockbrokers or other associates or acquaintances at a time when Special Employees would be prohibited from trading in HUL Securities under this Code.
- 8.2. Special Employees must advise all Connected Persons/Immediate Relatives (who are also deemed to be Special Employees under this Code):
- (i) of the fact that they are covered by this Code and that this Code applies to them
 - (ii) of the Close Periods during which the connected persons/immediate relatives should not deal in HUL Securities
 - (iii) of any other periods when Special Employee knows that he/she himself/herself is not free to deal in HUL Securities under the provisions of this Code, unless his/her duty of confidentiality to HUL/Group Companies prohibits him/her from disclosing such periods
 - (iv) that the connected person / Immediate relatives must intimate him / her immediately after they have dealt in HUL Securities.

Special Employees must also take reasonable steps to prevent any dealings by or on behalf of Connected Persons and Dependents in HUL Securities on considerations of a short-term nature.

9. SPECIAL EMPLOYEE ACTING AS TRUSTEE

When a Special Employee acts as a trustee, the provisions of this Code will normally still apply as if he/she is also a beneficiary. This may not be the case if either he/she is only a nominee trustee without any discretion of his/her own or if his/her co-trustees act completely independently of the Special Employee.

10. ROLE OF COMPLIANCE OFFICER

- 10.1 The Compliance Officer shall, apart from carrying out the duties enshrined hereinabove, report to the Board of Directors of the Company and in particular, provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
- 10.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the SEBI Regulations and the Code.

11. PRESERVATION OF “PRICE SENSITIVE INFORMATION”

- 11.1. No insider in relation to the Company shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or the HUL Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.2. No insider in relation to the Company shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or HUL Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.3. All information shall be handled within the Company on a ‘need-to-know’ basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.
- 11.4. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” and notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information by the Compliance Officer.

“Legitimate Purpose” shall be determined in accordance with the Code of Fair Disclosure and Conduct, as amended from time to time. The Code of Fair Disclosure and Conduct is annexed herewith as ‘**Annexure A**’ to this Code.

Illustrative Examples of Legitimate Purposes:

- sharing of draft accounts with the statutory auditor
- sharing of information pertaining to Intellectual Property Rights with an attorney etc.

11.5. For the purposes of this clause, 'need to know basis' will mean:

- a. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their role and perform their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- b. All non-public information directly received by any employee should immediately be reported to the Compliance Officer.

11.6. The Company shall enter the details of the person or entity with who UPSI is shared under this part in a digital database.

11.7. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

12. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

12.1. Initial Disclosure

Every person on appointment as a Key Managerial Personnel or a Director or being designated as a Special Employee of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of HUL Securities, including the holding of their Immediate Relatives, and of any other person for whom such person takes trading decisions on the date of appointment or becoming a promoter or member of the promoter group, to the Company within seven days of such appointment or becoming a promoter in the prescribed Form B as set out in **Appendix 3**.

12.2. Continual Disclosure

- (i) Every promoter, member of the promoter group, Special Employee and Director of the Company shall disclose to the Company as per **Form C** set out in **Appendix 3**, the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 (Rs. Ten lakhs). The disclosure shall be made within 2 working days of:
 - (a) the receipt of intimation of allotment of shares, or
 - (b) the acquisition or sale of shares or voting rights, as the case may be

- (ii) Every Promoter, member of the promoter group, Key Managerial Personnel, Director and Special Employee of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of HUL Securities to the Compliance Officer as on 31st March every year in such form and manner set out in **Appendix 4** or as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted on or before 30th April, each year.

12.3. Other Disclosures

12.3.1. Every Special Employee shall disclose names and Permanent Account Number (“**PAN**”) or any other identifier authorized by law as may be required of the following persons to the Company on an annual basis and as and when the information changes:

- (i) immediate relatives;
- (ii) persons with whom such Special Employee shares a Material Financial Relationship; and
- (iii) phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which Special Employees have graduated and names of their past employers shall also be disclosed on a one time basis.

12.3.2. For the purposes of 12.3. 1., the following persons will be deemed to have a “Material Financial Relationship” with a Special Employee -

- (i) Any person who has received any kind of payment from a Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid by the Special Employee represents 25% or more of the annual income of such Special Employee;
- (ii) Any person who has made a payment to the Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid to the Special Employee represents 25% or more of the annual income of such Special Employee; or

For the purposes of this clause, the “annual income” of the Special Employee shall be determined as being the extant CTC (Cost to Company) of the relevant Special Employee.

12.4. REPORTING TO THE BOARD

A quarterly report of the dealings in HUL Securities by or on behalf of any Non-Executive Director or a Special Employee shall be circulated to the members of HUL Board in the quarterly Board Meetings.

13. PROTECTION AGAINST RETALIATION AND VICTIMIZATION

Employees will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- i. Filing a Voluntary Information Disclosure Form under these regulations;
- ii. Testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- iii. Breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

Provided that such protection shall not be available for any employee who files or threatens to file Voluntary Information Disclosure with

- i. Malafide intention; or
- ii. Motive to harass the Company
- iii. Motive to extort money from the Company

Explanation - For the above purpose, "employee" means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

14. NON-COMPLIANCE OF THIS CODE

- a. In respect of any non-compliance of this Code or the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the Board atleast once every year, or more frequently if so stipulated by the Board, or if the Compliance Officer so considers it necessary.

- b. In addition to the above, the Audit Committee shall review compliance with the provisions of the SEBI Regulations atleast once in a financial year and shall verify that the systems for internal controls which are required to be maintained per these Regulations are adequate and are operating effectively.
- c. The Company shall initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information in accordance with the policy formulated by the Board of Directors of the Company and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

15. SHARE DEALING CODE COMPLIANCE COMMITTEE

There shall be a Committee called the Share Dealing Code Compliance Committee comprising the Chief Executive Officer, Executive Director, Finance & IT and Chief Financial Officer and Executive Director, Legal & Corporate Affairs and Company Secretary ("**Committee**"). The Committee will concern itself with the establishment and maintenance of disclosures, control of Unpublished Price Sensitive Information alongwith a suitable procedure, protocol for sharing informing which is for legitimate purposes and which is in the best interests of the Company and also with the appropriateness of the disclosures. The Committee shall also decide the suitable actions under Clause 14 of this Code for any breach of the Code. Further, such Committee will also concern itself with any leak / suspected leak of unpublished price sensitive information and inquiries as laid out in the Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information. The policy on 'procedures to be adopted while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information' is annexed as **Annexure B** to this Code.

16. PENALTIES

16.1. PENALTIES BY THE COMPANY

Failure to comply with this Code is a serious disciplinary matter and may also constitute a criminal offence in certain cases.

Any employee who violates the provisions of this Code shall be liable for such penal/disciplinary / remedial action as may be considered appropriate by the 'Share Dealing Code Compliance Committee' as per the sanction framework of the code prescribed in **Appendix 5**.

All Breaches of this Code with actions taken by the 'Share Dealing Code Compliance Committee' shall be reported to the Board of Directors of the Company. In case of any

observed violations of the SEBI Regulations, the Board of Directors shall inform Stock Exchanges promptly of the same.

The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

Any amount collected by the Company under the Code shall be remitted to the Investor Protection and Education Fund administered by SEBI under the Act.

16.2. **PENALTIES BY THE STATUTORY AUTHORITIES**

Under Section 15G of SEBI Act, any insider who indulges in insider trading is liable to a penalty of Rs. 25 crores or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, anyone who contravenes the Insider Trading Regulations is punishable with imprisonment which may extend to ten years, or with fine, which may extend to Rs. 25 crores or with both.

It may also be noted that *mens rea* or criminal intent is not relevant in an offence of insider trading. Whether or not any actual gains were made or losses were avoided out of such deal also has no bearing on the maintainability of the criminal proceedings though depending on the facts of the case, the Court may take these factors into account while deciding the extent of penalty/punishment.

SEBI can also pass directions to an insider found indulging in insider trading, not to deal in the Company's shares in any particular manner or prohibit him from disposing any of the shares acquired in violation of the Regulations and/or restrain him from communicating to or counselling any other person to deal in the Company's shares.

17. **ENQUIRIES / CONSULTATION**

Any person, to whom this Code applies, and who has any doubt as to interpretation of any Clause of the Code, should at all times consult the Compliance Officer. All communications under this Code should be addressed to the Corporate Secretarial Department at Mumbai or to the designated e-mail: comsec.hul@unilever.com.

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Hindustan Unilever Limited (“**HUL**” / “**Company**”) believes in fair disclosure of all unpublished price sensitive information on a non-discriminatory basis in order to enable fair price discovery in the securities of the Company. In this regard, it is to be noted that Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”) requires a listed Company to formulate and publish on its official website a “Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (“**UPSI**”)” in adherence to the principles set out in Schedule A to the said Regulations. HUL believes in fairness of information, uniformity of information and confidentiality of UPSI.

In light thereof, the following is being set out as the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” which applies to all employees of HUL regardless of whether they are designated as Special Employees for the purposes of the Share dealing code.

- 1) The Company will strive to make prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information ‘generally available’ i.e. to make the information accessible to the public on a non-discriminatory basis.
- 2) The Company will strive to make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosures.
- 3) The Compliance Officer shall be the Chief Investor Relations Officer entrusted with the administration of this code and must be contacted in case of any queries or uncertainties pertaining to UPSI or of the obligations or directions placed herein
- 4) If any employee(s) ends up disclosing any UPSI selectively, inadvertently or otherwise, such employee must forthwith intimate the Compliance Officer, about the occurrence of such event;
- 5) The Company will strive to make appropriate and fair responses to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel is not UPSI. Authorized representatives of the Company shall be present at meetings with analysts, media persons and institutional investors. Unanticipated questions may be taken on notice and a

considered response given later. If the answer includes UPSI, a public announcement shall be made before responding. There shall be simultaneous release of information after every such meet.

- 7) Best practices shall be developed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website www.hul.co.in to ensure official confirmation and documentation of disclosures made. Employee shall handle all UPSI on a need-to-know basis and in furtherance of her role, tasks and duties owed to the organization.
- 8) Therefore, any information which is in the nature of UPSI shared with third parties such as lenders, customers, suppliers, merchant bankers, legal advisors, auditors, or any other counterparty is ought to be done only when the employee is satisfied that such sharing is necessary for 'legitimate purposes' and to carry out their legitimate duties and in proper discharge of their responsibility owed to the organization.
- 9) As an organization, the Company will engage with such counterparties where such communication would be necessary for legitimate purposes bearing in mind the same principle of sharing information on a 'need-to-know basis'. The Company will require any recipient of any information to execute Non-Disclosure Agreements in accordance with extant policy.
- 10) The Company shall enter the details of the person or entity with whom UPSI is shared in a digital database.

**POLICY ON PROCEDURES TO BE ADOPTED WHILE CONDUCTING AN INQUIRY IN THE EVENT OF LEAK
OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)

Leak of UPSI distorts this “Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information”, as may be amended from time to time (the “Policy”) is approved by the Board of Directors of Hindustan Unilever Limited (the “Company”) on 18th April, 2019. The Policy has been formulated under Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “Insider Trading Regulations”), with an objective to put in place a framework for inquiry in the event of leak or suspected leak of unpublished price sensitive information.

DEFINITIONS

For the purpose of this Policy, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

“Board of Directors” or “Board” shall mean the Board of Directors of the Company;

“Company” shall mean Hindustan Unilever Limited;

“Insider Trading Regulations” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

“Policy” shall mean this “Policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information”, as amended from time to time, formulated under Regulation 9A(5) of the Insider Trading Regulations;

“Unpublished Price Sensitive Information” or “UPSI” shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- changes in key managerial personnel.

Words and expressions used and not defined herein shall have the meanings assigned to them in the Insider Trading Regulations.

INQUIRY COMMITTEE

The Share Dealing Code Compliance Committee ("hereinafter referred to as Inquiry Committee") as envisaged under the Share Dealing Code of the Company shall

- deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak;
- conduct inquiries as laid out in this Policy in case of such leaks or suspected leaks and inform the SEBI of such leaks, inquiries and result of such inquiries.

QUORUM OF THE INQUIRY COMMITTEE PROCEEDINGS

While conducting an inquiry, a minimum of two members of the Inquiry Committee shall be present. The Inquiry Committee may designate additional persons or third parties to also attend and participate in an inquiry conducted by the Inquiry Committee. If a minimum of two members of the Inquiry Committee are not present or not available, or any member of the Inquiry Committee is under investigation, then the Board shall have the power to nominate alternate member(s) in place of the member who is not available or cannot be present to conduct the inquiry.

INQUIRY PROCESS

- Upon receipt of information or upon becoming aware of a leak or suspected leak of UPSI, the Inquiry Committee shall send details of the information to be sought to the head of the relevant department viz., finance, Company secretarial department etc., which had access to the UPSI or to which the UPSI is related ("Relevant Person"). The indicative list of questions and information to be sought from the Relevant Person are given in Annexure to this Policy.
- The Inquiry Committee shall appoint external advisers as consultants as may be necessary to assist them in the inquiry.
- The Inquiry Committee shall separately obtain from the IT department all emails and records of the relevant persons in the department where the leak could have originated.
- The Relevant Person shall file its reply to the information sought by the Inquiry Committee, along with the list of documents, names and addresses of persons with whom the information was shared etc., within the period stipulated by the Inquiry Committee.
- The Inquiry Committee shall also call for a meeting with the Relevant Person.
- The Inquiry Committee shall make transcripts or records of proceedings of meetings with

Relevant Persons and ensure that requisite information and documentation is made available to the Board.

- Such Inquiry Committee shall be completed by the Inquiry Committee in a timely manner.
- Thereafter, such action as prescribed under the Share Dealing Code of the Company as well as the Insider Trading Regulations as may be applicable shall be taken.
- During the pendency of the inquiry proceedings, the Inquiry Committee may restrain the Relevant Person from accessing the documents/emails, from which the Inquiry Committee believes, the leak or suspected leak originated.

POWERS OF THE INQUIRY COMMITTEE

- The Inquiry Committee shall have the powers to summon and enforce the attendance of any person and conduct an examination, request the discovery and production of documents and / or any other matter which may be prescribed and deemed necessary for the inquiry process.
- Any refusal by any employee of the Company to attend the inquiry proceedings when summoned or to provide to the Inquiry Committee any documents and / or information within his / her power or possession shall constitute a misconduct, rendering such employee for adverse action as the Inquiry Committee or Board deems fit.
- The Inquiry Committee itself may, suo moto, call for the details of any leak or suspected leak of USPI or upon receipt of any such information, may investigate or deal with such matter per this Policy. The Inquiry Committee may seek information from the IT department for details of the persons accessing personal email id from office computers, from where the USPI may have been leaked.
- The Inquiry Committee shall have the right to terminate the inquiry proceedings or to give an ex-parte decision on the Relevant Person, if the Relevant Person fails, without sufficient cause, to present themselves, for any meeting convened by the Inquiry Committee.

AUTHORITY TO MAKE ALTERATIONS

The Board is authorised to make such alterations to this Policy from time to time as considered appropriate,

The provisions of the Policy have to be read along with the Insider Trading Regulations and if there is any inconsistency/contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

The indicative list of questions and information to be sought from the Relevant Person are given below:

- Relevant Person to provide details of documents/files/information shared with different team members and also provide details of the medium through which such information was shared i.e. email, common access controlled shared folders, password protected files, etc.
- Relevant Person to provide a detailed timeline from which it was made aware of the UPSI till the date of receipt of notice of information sought from the Inquiry Committee.
- Relevant Person to evaluate role of each and every employee including employee from the support function who were part of the meetings in which UPSI was discussed and whether the Relevant Person noticed any suspicious activity on part of all persons attending these meetings.
- Whether the Relevant Person is aware of any activity of a person in its department who may be involved in the said leak of UPSI.
- Whether adequate safeguards per existing procedures were undertaken by the Relevant Person while dealing with UPSI.
- Whether access to the room where the documents in relation to UPSI were stored, was given to a limited set of authorized personnel.
- Whether the documents in relation to UPSI were disposed of in a proper manner.
- Whether access to the internet/USB drive was provided on computers on which sensitive data regarding UPSI was stored.

HUL SHARE DEALING CODE
CONFIRMATION CUM UNDERTAKING

To, Compliance Officer,

Hindustan Unilever Limited

Name : _____

Employee Id No. : _____

Designation : _____

Unit / Location : _____

Mobile No. : _____

I have received the copy of Share Dealing Code of HUL. I have read and understood the requirements of the Code and hereby agree to abide by the same.

I understand that any breach of the Code could lead to monetary/disciplinary action as prescribed under the Share Dealing Code.

Signature:

Date:

HUL SHARE DEALING CODE**PRE-CLEARANCE FORM****1. APPLICATION TO DEAL**

To : Compliance Officer, HUL
 From (Name of the Employee) : _____
 Employee Id No. : _____
 Department /Unit : _____
 Location : _____

With reference to the HUL Share Dealing Code, I hereby give notice that I propose to carry out the following transaction:

Transaction in name of	
Relation	
PAN	
DP ID/CL ID/Folio No.	
Type of Transaction	Open Market Purchase / Open Market Sale/ ESOP cash / ESOP Cashless / Gift
Type of Securities	
Number of Shares	

(Please give additional information if the transaction is proposed to be effected through connected persons or as a Trustee).

UNDERTAKING

I hereby undertake and confirm:

- (a) that I do not have any access or have not received price sensitive information upto the time of signing of this undertaking.
- (b) that in case I access to or receive any price sensitive information after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) that I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- (d) that I have made a full and true disclosure in this application.

Date: _____

 (Signature)

2. AUTHORISED TO DEAL

The above transaction has been authorised **in full / to the extent of** _____ **shares**. Your dealing must be completed within 7 days excluding _____ (the date of approval).

Please confirm by completing Part 3 below and returning this Form to us immediately on completion of transaction.

Date: _____

 (Compliance Officer)

3. CONFIRMATION OF DEALING

I confirm that the share dealing was completed on _____ (Insert date) by **buying/selling** _____
shares/debentures through open market/ under ESOPs/Gift _____

Date: _____

 (Signature)

Note:
 It is critically important that the Applicant Employee sends this confirmation IMMEDIATELY after completing the transaction by e-mail to the Compliance Officer, followed by dispatching the form, duly signed.

HUL SHARE DEALING CODE**Form C**

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]

Name of the Company: Hindustan Unilever Limited

ISIN of the Company: INE030A01027

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoter/member of the promoter group/designated person/Directors/immediate Relative to/others etc.)	Securities held prior to Acquisition / disposal		Securities acquired / Disposed				Securities held post acquisition / disposal		Date of allotment advice/ acquisition of shares / disposal of shares, specify		Date of intimation to company	Mode of Acquisition/ disposal (on market purchase/ public rights / preferential offer / off market / Inter-se transfer, ESOPs, etc.	Exchange on which the trade was executed	Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
															Type of Contract	Contract Specifications	Buy		Sell		
			Type of security (For eg. – Shares, Warrants, Convertible Debentures, Right entitlements, etc.)	No. & % of shareholding	Type of securities (For eg. - Shares, Warrants, Convertible Debentures, Right entitlement, etc.)	No.	Value	Transaction type (Purchase/ Sale/ Pledge/ evocation/ Invocation/ Others- please specify)	Type of securities (For eg. - Shares, Warrants, Convertible Debentures , Right entitlement , etc.)	No. & % of shareholding	From				To				Notional Value	Number of units (contracts * lot size)	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
															N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(ii) Value of transaction excludes taxes/brokerage/any other charges

Name & Signature:

Designation:

Date:

Place:

HUL – Share Dealing Code

HUL SHARE DEALING CODE
ANNUAL DISCLOSURE
[Clause 12 of Share Dealing Code]

To, Compliance Officer,
Hindustan Unilever Limited

Date: _____

Name : _____

Employee Id No. : _____

Designation : _____

Unit / Location : _____

Mobile No. : _____

PAN : _____

Details of Transactions		
Self:		
Particulars/Type of Transaction	Number of shares (including derivatives)	Date of Pre-Clearance
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		
Immediate Relatives (Name and Relation):		
Particulars/Type of Transaction	Number of shares (including derivatives)	Date of Pre-Clearance
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		

Signature: _____

HUL SHARE DEALING CODE
SANCTIONS FRAMEWORK

Categorisation of Code Breaches	Suggested Sanctions
Technical Breach	
➤ Non reporting of completion of trade after obtaining pre-clearance	1st time Violation – Written Warning 2nd time or repeat Violations – Minimum Penalty of Rs. 10,000/-
➤ Non-reporting of disclosure for one or series of transactions (purchase/sale), in a calendar quarter, exceeding ₹10 lakhs	
➤ Misreporting/Non-reporting of information required under the Code (For e.g. providing incorrect information of self or immediate relatives in Fintraks Portal, non-disclosure of Material Financial Relationship in Fintraks Portal)	
➤ Non-submission / delay in submission of Annual Disclosure (within 30 days of the end of the financial year i.e. by 30th April)	
Substantial Breach	
➤ Dealing without obtaining pre-clearance from the Compliance Officer	1st time Violation and less than 50 shares traded – Written Warning. 1st time Violation and equal to or more than 50 shares traded – Minimum Penalty of Rs. 50,000/- or 30% of the transaction value, whichever is higher.
➤ Dealing in HUL Securities during Closed Period	2nd time or repeat Violation and less than 50 shares traded – Minimum Penalty of Rs. 50,000/- or 30% of the transaction value, whichever is higher.
➤ Engaging in short-term dealings/Dealing in derivatives	2nd time or repeat Violation and equal to or more than 50 shares traded – Minimum Penalty of Rs. 1,00,000/- or 30% of the transaction value, whichever is higher.
➤ Dealing in securities based on price sensitive information	The Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee.

Categorisation of Code Breaches	Suggested Sanctions
➤ Contra-Trade (Dealing in opposite transactions of sale and purchase)	Minimum Penalty of Rs. 1,00,000/- or 30% of the transaction value, whichever is higher.
	In case of multiple contra trades, the Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee
➤ Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information	The Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee.

Notes:

1. Sanctions mentioned above are not mutually exclusive and more than one can be applied in any situation;
2. The Share Dealing Code Committee while deciding the level of sanctions may take into account factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, numbers of securities transacted, whether the breach occurred as a result of deliberate intent or not;
3. The above penalty structure is applicable in case of violation by immediate relatives of Special Employees as well;
4. The penalties collected in this regard, shall be remitted by the Company to the Investor Protection and Education Fund of SEBI;
5. The above framework provides a guide for determining the appropriate penalty for a breach of the Code or Regulations and the Compliance Officer / Share Dealing Code Committee may decide any other actions not listed above as may be necessary based on circumstances of a particular case. Such penalties may include wage freeze, suspension, recovery, termination and initiation of any other legal action.

Appendix 4 - Board Diversity Policy

Policy on Board Diversity

1. Background

The Boardroom is where strategic decisions are made. It is, therefore, imperative that the Board consists of individuals who together offer an optimal mix of skills, experiences and backgrounds. The Boards of Directors of Hindustan Unilever Limited ('the Board') acknowledges the importance of diversity in the Boardroom and considers that its diversity, including gender diversity, is a vital asset to the business.

2. Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Hindustan Unilever Limited.

3. Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Hindustan Unilever Limited, which is covered by Unilever Gender Balance Charter.

4. Policy Statement

Hindustan Unilever Limited recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which are required on the Board for it to be effective.

The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The Board recognises that gender diversity is a significant aspect of diversity and acknowledges that women with the right skills and experience are key contributors to diversity of perspective in the Boardroom.

5. Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board ('the Committee') reviews and assesses Board composition on behalf of the Board and lays down the criteria for appointment to the Board and recommends the appointment of new Directors to the Board.

The Committee also oversees the annual evaluation of the Board as per the guidance provided in the Evaluation Policy.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

As part of the annual performance evaluation of the Board, Board Committees and individual Directors, the Committee will consider the balance of skill, knowledge, experience, independence, and diversity on the Board, to evaluate the effectiveness of the Board as a whole.

The Nomination Committee is responsible for developing measurable objectives to implement this policy and for monitoring progress towards the achievement of these objectives.

6. Review of the Policy

The Nomination and Remuneration Committee shall periodically review the Policy, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Appendix 5 - Terms and Conditions for Appointment



Hindustan Unilever Limited

Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg
Chakala, Andheri East
Mumbai 400 099
CIN : L15140MH1933PLC002030
Tel : +91 (22) 3983 0000
Web : www.hul.co.in

[DATE]

Name

Dear _____,

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Hindustan Unilever Limited (hereinafter referred to as HUL or the Company) and approval of Shareholders of the Company at the Annual General Meeting held on _____, you are being appointed as an Independent Director on the Board of the Company.

The terms of your appointment shall be as follows:

1. Appointment

- 1.1 You have been appointed as a Non-Executive Independent Director on the Board of Directors of HUL with effect from _____ for a period of upto five years. Your appointment shall be governed by the provisions of the Companies Act, 2013 and the Listing Regulations, 2015. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Regulations, 2015.
- 1.2 The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Regulations, 2015.
- 1.3 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.
- 1.4 The provisions contained in the Companies Act, 2013 and the Listing Regulations, 2015 will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.



2. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

3.1 As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets atleast five times in a year. The Audit Committee also meets atleast six times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened twice in a year. Ordinarily, all meetings are held in Mumbai. You will be expected to attend Board, Board Committees of which you are a member or to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.



- VI. You shall not assign your office as Director and any assignments so made shall be void.

The Non-Executive Independent Directors are also required to abide by the provisions of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, a copy of which is annexed for ready reference.

5. Status of Appointment

- 5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- 5.2 The sitting fees, presently paid to the Non-Executive Independent Director is Rs. 30,000/- per meeting of the Board or a Committee thereof.
- 5.3 The Company has adopted 'Differential Remuneration Policy' for Non-Executive Directors' remuneration. As per the Differential Remuneration Policy, Non-Executive Independent Directors are currently entitled to fixed commission on profits at the rate of Rs. 15 lakhs for each financial year. In addition, Non-Executive Independent Directors are entitled to a remuneration linked to their attendance at the meetings of the Board or Committees thereof and also on the basis of their position in various Committees of the Board, whether that of a Chairman or a member of the Committee(s). The remuneration payable to the Independent Directors collectively under the Differential Remuneration Policy shall be within the overall limit of Rs. 150 lakhs, as approved by the Members of the Company.
- 5.4 The Non-Executive Directors, who continuously serve minimum two terms of five years each, are also entitled to one time commission of Rs. 10 lakhs at the time of stepping down from the Board.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

7. Conflict of Interest

- 7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to



declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

- 7.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

8. Confidentiality

All information acquired during your appointment is confidential to HUL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by HUL.

Your attention is also drawn to the requirements under the applicable regulations and the HUL Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of HUL. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

9. Insurance

HUL has Directors' and Officers' liability insurance and it is intended that HUL will assume and maintain such cover for the full term of your appointment.

10. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

11. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.



12. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of HUL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

Chairman
For and on behalf of Hindustan Unilever Limited

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed
Dated

Appendix 6 -List of Initial Disclosures



LIST OF INITIAL DISCLOSURES

Form No.	PARTICULARS
Form I	Confirmation to the Code of Conduct of the Company
Form II	Disclosure of Interest u/s 184(1) of the Companies Act, 2013
Form III	Details of Membership/Chairmanship of Committees
Form IV	Declaration under Section 164 of the Companies Act, 2013 (Form DIR-8)
Form V	Disclosure of Shareholding as per Insider Trading Regulations
Form VI	Certificate regarding independence in accordance with Section 149(6) of the Companies Act, 2013



Appendix 7- Code of Conduct IDs



CODE OF CONDUCT

The Company has adopted a Code of Conduct specifically for the members of the Board of Directors and / or members of the Senior Management of the Company, which sets out as follows:

- To act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of the position of Director;
- To comply with all applicable laws, rules and regulations;
- To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- To act in a manner to enhance and maintain the reputation of the Company;
- 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;
- To respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, while continuing as such a director and even after ceasing to be such a director, for a reasonable period of say two years, except when authorised or legally required to disclose such information;
- Restrain from using the Company's property or position for personal gain;
- Avoid using any information or opportunity received in the capacity as Directors for personal gain, or in a manner that would be detrimental to the Company's interests;
- 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.
- Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity in which they have a direct or indirect interest, or where they occupy a position of board or executive responsibility with influence over their decisions;
- Help create and maintain a culture of high ethical standards and commitment to compliance.

No Director shall seek, or accept, any gifts or incentives in their capacity as director of the Company, except what is duly authorized as acceptance under the Company's Gift Policy.

In addition, the Non-Executive Independent Directors shall also abide by the provisions of the 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, enclosed herewith as Annexure 1.

A director who has concerns regarding compliance with this Code should raise such concerns with the Chairman of the Board who will deal with the same. 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 minuted with reasons for such action.

Directors will annually sign a confirmation that they have read and will comply with this Code.

This Code shall be in addition to the Code of Business Principles of the Company.

CODE FOR INDEPENDENT DIRECTORS



SCHEDULE IV

[See section 149(8) of Companies Act, 2013]

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment 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 Director(s).

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 Director(s) 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;
- 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 Director(s) shall—

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- 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 behaviour, 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;
 - 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 Director(s) 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;

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- 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 Director(s) 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 Director(s) 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.

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 a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 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 Director(s) of the company shall hold at least one meeting in a year, without the attendance of non-Independent Director(s) and members of management;
- (2) All the Independent Director(s) of the company shall strive to be present at such meeting;
- (3) The meeting shall:
 - (a) review the performance of non-Independent Director s 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 report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.
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Appendix 8 - AC - ToR

Appendix 8: Terms of reference: Audit Committee

1. CONSTITUTION

- 1.1. The Audit Committee assists the Board in fulfilling its oversight responsibilities in respect of:
 - the integrity of financial statements;
 - internal control arrangements;
 - the performance, qualifications and independence of the external auditors; and
 - the performance of the internal audit function.
- 1.2. The Committee is directly responsible, regarding shareholder approval, for the nomination, compensation and oversight of the statutory auditors.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board from time to time;
- 2.2. The Committee comprises a minimum of three Directors, all of them shall be Independent Directors;
- 2.3. The Company Secretary acts as the secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least four times in a financial year and the Committee has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee at least seven days prior to the meeting;
- 3.3. Meeting may be called at shorter notice, subject to consent of all the members of the Committee;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. The quorum for the meeting shall be, minimum three members of the Committee;
- 3.6. Meetings of the Committee may be attended by the Chief Executive Officer, Chief Financial Officer, Group Controller, Head of Control Assurance, the lead partner of the Statutory Auditors, and other Directors and executives as per the invitation of the Committee;
- 3.7. The Committee shall meet the Statutory Auditors in private session at least once a year;
- 3.8. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.9. A person attending through video conference shall be counted in the quorum for the meeting;
- 3.10. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote;
- 3.11. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- 4.2. reviewing and examination with management the quarterly financial results before submission to the Board;
- 4.3. reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- 4.4. review management discussion and analysis of financial condition and results of operations;
- 4.5. scrutiny of inter-corporate loans and investments made by the Company;
- 4.6. reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- 4.7. reviewing, approving or subsequently modifying any related party transactions in accordance with the Related Party Transaction Policy of the Company;
- 4.8. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 4.9. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- 4.10. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 4.11. reviewing management letters / letters of internal control weakness issued by the statutory auditors;
- 4.12. discussing with statutory auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- 4.13. reviewing with management performance of statutory auditors and internal auditor, the adequacy of internal control systems;
- 4.14. recommending appointment, remuneration and terms of appointment of internal auditor of the Company;
- 4.15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 4.16. evaluating internal financial controls and risk management systems;
- 4.17. valuating undertaking or assets of the Company, wherever it is necessary;
- 4.18. monitoring the end use of funds raised through public offers and related matters, if any;
- 4.19. reviewing the functioning of the Whistle Blowing mechanism;
- 4.20. examining reasons for substantial default in the payment to members (in case of non-payment of declared dividends) and creditors, if any;
- 4.21. reviewing the progress made on cases that are reported under the Code of Business Principles of the Company and implication of these cases, if any, under the UK Bribery Act, 2011.
- 4.22. reviewing the utilization of loans and / or advances from / investments by the Company in its subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- 4.23. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Audit Committee or a member authorized by him/her attends the Annual General Meetings of the Company and is available to answer any questions referred to him/her.

Appendix 9 - NRC - ToR

Appendix 9: Terms of reference: Nomination and Remuneration Committee

1. CONSTITUTION

1.1. The Nomination and Remuneration Committee is concerned with:

- recommending candidates for appointment as Directors on the Board or on the Management Committee in accordance with the criteria laid down;
- the level and structure of remuneration for members of the Board and the Management Committee;
- performance evaluation of each of the Directors and the Board; and
- ensuring orderly succession planning at the Board level;

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board;
- 2.2. Majority of the members shall be Independent Directors;
- 2.3. one of the Independent Director shall be appointed as the Chairman of the Committee;
- 2.4. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a financial year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice on each of the members of the Committee at least seven days prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum three members of the Committee;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. The Committee may invite members of the Management, consultants or other external experts, if required;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Determine / Recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- 4.2. Determine / Recommend the criteria for qualifications, positive attributes and independence of Director;
- 4.3. Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;

- 4.4. Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- 4.5. Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- 4.6. Formulate / recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- 4.7. Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- 4.8. Devise a policy on Board diversity;
- 4.9. Formulate criteria and carryout evaluation of each Director's performance and performance of the Board as a whole;
- 4.10. Implement employee stock option / purchase schemes, if any;
- 4.11. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management [Senior Management includes Chief Executive Officer / Managing Director / Whole-time Director / Manager and shall specifically include Company Secretary and Chief Financial Officer];
- 4.12. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Nomination and Remuneration Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him / her.

Appendix 10 - SRC - ToR

Appendix 10: Terms of reference: Stakeholders Relationship Committee

1. CONSTITUTION

- 1.1. The Stakeholders Relationship Committee assists Board in fulfilling its oversight responsibilities in respect of review of Investor Service Standards of the Company and redress of Shareholders' Grievances.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board from time to time;
- 2.2. The Committee comprises a minimum of three Directors, of which at least one Director should be an Independent Director;
- 2.3. The Chairman of the Committee should be an Independent Director;
- 2.4. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum of two members including one independent Director of the Company;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.8. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Consider and resolve the grievances of shareholders of the Company with respect to general meetings, transfer of shares, transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate share certificates, etc;
- 4.2. Review of measures taken for effective exercise of voting rights by shareholders;
- 4.3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent;
- 4.4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 4.5. Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;

- 4.6. Provide guidance and make recommendations to improve investor service levels for the investors.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Stakeholders Relationship Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him / her.

Appendix 11 - CSR - ToR

Appendix 11: Terms of reference: Corporate Social Responsibility Committee

1. COMPOSITION

- 1.1. The Committee assists Board in fulfilling its oversight responsibilities in respect of:
- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
 - recommending the amount of expenditure to be incurred on the activities referred;
 - monitoring the Corporate Social Responsibility (CSR) Policy of the Company from time to time.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board and majority of the members shall be Independent Directors;
- 2.2. The Chairman of the Committee shall be an Independent Director;
- 2.3. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum of three members including two independent Directors of the Company;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. The Committee may invite consultants and other external experts, if required;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- 4.2. Recommending the amount of expenditure to be incurred on CSR activities of the Company;
- 4.3. Reviewing the performance of the Company in area of CSR;
- 4.4. Providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- 4.5. Monitoring CSR Policy of the Company from time to time; and

- 4.6. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND PERFORMANCE EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out; and
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 12 - RMC - ToR

Appendix 12: Terms of reference: Risk Management Committee

1. COMPOSITION

- 1.1. The Risk Management Committee assists the Board in:
 - monitoring and reviewing the risk management plan; and
 - Implementation of the risk management framework.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board;
- 2.2. The senior executives of the Company may be appointed a members of the Committee;
- 2.3. Majority of the members of the Committee should be members of the Board of Directors;
- 2.4. The Chairman of the Committee shall be a Director;
- 2.5. The Company Secretary acts as the Secretary to the Committee;

2. MEETINGS

- 3.1. The Committee reviews the Risk Management plans at least once in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee;
- 3.3. The quorum for the meeting shall be minimum three members of the Committee;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. Meetings of the Committee may be attended by other executives as per the invitation of the Committee;
- 3.6. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting.
- 3.7. A person attending through vide conference shall be counted in quorum for the meeting;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Implementation of Risk Management Systems and Framework;
- 4.2. Reviewing the Company's financial and risk management policies including Cyber Security;
- 4.3. Risk assessment and minimization procedures;
- 4.4. Framing, implementing and monitoring the risk management plan for the Company; and
- 4.5. Any other matters as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 13 - STC - ToR

Appendix 13: Terms of reference: Share Transfer / Transmission Committee

1. CONSTITUTION

- 1.1. The Committee assists Board in considering the applications for transfer, transmission, spilt, consolidation of the Company's shares.

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required. However, the Committee shall meet at least once in every fortnight, excluding during the period of book closure;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Consider applications for transfer / transmission of the Company's shares, splitting up or consolidating share certificates or dematerialization or rematerialization of the shares of the Company;
- 4.2. Order the names of approved transferees to be entered on the reverse of the Share Certificates and the names of the said transferees to be entered in the Register of Members;
- 4.3. Order the cancellation of any share certificate or the signing, sealing or issue of any new certificate either as a result of transfer, consolidation or splitting or in lieu of Share Certificates lost, defaced or destroyed; and
- 4.4. Authorize individuals to print share certificate stationery and to sign or endorse share certificates.
- 4.5. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Secretary prepares minutes of all meetings of the Committee and these are promptly circulated to the members of the Committee;

- 5.3. The Committee reviews and assesses periodically the adequacy of these Terms of Reference, and confirms that all the responsibilities set out in the current Terms of Reference have been carried out;
- 5.4. The Committee ensures that its current Terms of Reference are made available on Company's website;
- 5.5. The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its Terms of Reference, and reports thereon to the Board. This evaluation takes into account the views of the Board on the performance of the Committee.

Appendix 14 - ESOP - ToR

Appendix 14: Terms of Reference: Committee for Allotment of Shares under ESOPs

1. CONSTITUTION

- 1.1. The Committee assists Board in the process of allotment and issue of eligible shares on an ongoing basis to the concerned employees of the Company under the Stock Option Plan of the Company.

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Company;
- 3.3. All or any of the members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary of the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Approve issue and allotment of shares to eligible employees, pursuant to and in terms of Stock Option Plans of the Company; and
- 4.2. Authorise individuals to take necessary steps for allotment of shares and other allied activities.
- 4.3. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee; and
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference

Appendix 15 - AMC - ToR

Appendix 15: Terms of reference: Administrative Matters Committee

1. CONSTITUTION

- 1.1. The Committee assists Board in considering and approving operational business requests that arise in the normal course of the business.

2. MEMBERSHIP

- 2.1. The Committee comprises a minimum of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting.
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and responsibilities shall inter-alia include:

- 4.1. Consider and approve the proposal(s) to enter into and / or exit from banking relationship with existing banks / any other banks to meet requirements of the Company;
- 4.2. Delegate powers to the various officers of the Company and its units for operating the banking accounts and vary the powers delegated within the limits as prescribed vide a resolution of this Board of Directors;
- 4.3. Approve the drafts of agreements, deeds, declarations, undertakings, and other papers and documents that may be required in the normal course of business and to authorise and delegate all or any of the powers in this regard to one or more of its members or officers of the Company and to execute such documents, if necessary, under the Common Seal of the Company in terms of Articles of Association of the Company;
- 4.4. Nominate or revoke nomination of a representative under Foods Safety and Standards Act, 2006 and any consequent amendment thereof;
- 4.5. Issue, approve, cancel or renew the power of attorney(ies) in favour of employees of the Company as and when required for business purposes; and
- 4.6. To take all necessary actions, which are incidental or consequential to the above functions.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary prepares minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference.

Appendix 16 - PDC - ToR

Appendix 16: Terms of reference: Committee for Disposal of Surplus Property

1. CONSTITUTION

- 1.1. The Committee is responsible for identifying the surplus assets and evaluating and approving individual transactions with regard to sale or disposal of the property and to expedite the transfer process after ensuring due compliance with requisite formalities

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Identifying surplus properties;
- 4.2. Inviting bids from potential buyers and carrying out evaluation of bids received;
- 4.3. carrying out negotiation, agreeing on consideration, execution of requisite documents and taking all other steps involved in giving effect to sale and transfer of the ownership rights, interest and title in the identified property of the Company; and
- 4.4. Authorising individuals to execute any of the above mentioned responsibilities assigned to the Committee.
- 4.5. Any other matter as may be prescribed

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference.

Appendix 17 - Differential Remuneration Policy

HINDUSTAN UNILEVER LIMITED
DIFFERENTIAL REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS (NEDS)

Background

The Members of the Company, at the Annual General Meeting held on 29th June, 2015, had revised the maximum limit of remuneration payable to Non-Executive Directors from the then existing Rs. 150 lakhs to Rs. 300 Lakhs, in aggregate, with effect from 1st April, 2015 for a period of five years. The revision of the maximum limit of remuneration payable was approved by members to enable the Company to adopt Differential Remuneration Policy and for the remuneration to be commensurate with enhanced role and engagement of the Non-Executive Directors of the Company.

Differential Remuneration Policy is a globally accepted and recommended policy of remunerating Non-Executive Directors. Considering the enhanced role and responsibilities of the Independent Directors in the current Corporate Governance regime as also provided under the Companies Act, 2013. The Board of Directors had adopted a Differential Remuneration Policy for Non-Executive Directors which is linked to the attendance at the Board and Committee Meetings, position of Chairman or Member of Committees.

The Company currently follows a policy of fixed remuneration to Non-Executive Independent Directors. As per the current policy, Company pays an annual fixed compensation of Rs. 15 lakhs as a Commission to each of the Independent Director. In addition a sitting fees of Rs. 30,000/- is paid for attending each of the meetings of Board and Committees thereof. The Non-Executive Chairman of the Company does not receive any sitting fees, commission or stock options from the Company.

The criteria and corresponding commission amount as per Differential Remuneration Policy is detailed below:

Particulars	Commission (Rs. Lakhs p.a.)
Base Fixed Commission for Non-Executive Directors	15.00
<u>Additional Variable Fees:</u>	
Corresponding to the percentage of attendance at all the Board and Committee Meeting(s)	5.00
In the capacity of Chairperson of the Committee:	
Audit Committee	2.00
Nomination and Remuneration Committee	2.00
Stakeholder Relationship Committee	2.00
Corporate Social Responsibility Committee	2.00
In the capacity of Member of the Committee:	
Audit Committee	1.00
Nomination and Remuneration Committee	1.00
Stakeholder Relationship Committee	1.00
Corporate Social Responsibility Committee	1.00

The above remuneration will be exclusive of Sitting Fees of Rs. 30,000 paid to NEDs for attending meetings of the Board and Board Committees.



Hindustan Unilever Limited

Corporate Governance Code

Amended by Board of Directors on 3rd May, 2019

Corporate Governance Philosophy of HUL

“I believe that nothing can be greater than a business, however small it may be, that is governed by conscience; and that nothing can be meaner or more petty than a business, however large, governed without honesty and without brotherhood.”

– William Hesketh Lever

About the Code

The visionary founders of Unilever had laid the foundation stone of the Company for good governance and made it an integral principle of the business, as demonstrated in the words above. The Corporate Governance practices of Hindustan Unilever are built on this philosophy.

This document describes the Corporate Governance Code of Hindustan Unilever Limited. This document lays down the principles governing Board Structure, Board Processes, Board Committees, Board Induction and Training, Board Evaluation, Financial Reporting and Risk Management, Shareholder interface and redressal of their grievances, , Related Party Transactions Policy, Policy on Material Subsidiaries, Corporate Social Responsibility Policy, which will be the guiding force for the Company to maintain highest governance standards.

This Corporate Governance Code has been adopted by the Board of Directors as a statement of practices and procedures to be followed by the Company and its officers and employees. Any amendment or modification to this Code can be made only with the approval of Board of Directors of Hindustan Unilever Limited, unless specifically provided otherwise.

Glossary

<p>The Company or HUL Hindustan Unilever Limited</p> <p>Holding Company or Parent Company Unilever PLC</p> <p>Board Committee Statutory Committees which have Board Directors as members namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and Risk Management Committee.</p> <p>Sub-Committee Statutory or non-statutory Committee that executes items of routine nature and has Executive Directors of the Board as members namely, Share Transfer Committee, ESOP Committee, Committee for Disposal of Surplus Assets and the Administrative Matters Committee.</p> <p>Executive Committee The Committee which is constituted by Board or constituted under any of the Policies of the Company and has members of the management or other senior managers of the Company as its members.</p>	
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1. Fundamentals

1.1. Introduction to HUL

Unilever is one of the world's leading suppliers of Fast Moving Consumer Goods with strong local roots in more than 100 countries across the globe. In 1931, Unilever set up its first Indian subsidiary, Hindustan Vanaspati Manufacturing Company, followed by Lever Brothers India Limited (1933) and United Traders Limited (1935). In November 1956, these three companies merged to form Hindustan Lever Limited. In June 2007, the Company was renamed as Hindustan Unilever Limited.

Hindustan Unilever Limited ("HUL" or "the Company") is amongst India's largest Fast Moving Consumer Goods (FMCG) Companies. With several brands spanning distinct categories such as soaps, detergents, household care, skin care, hair care, oral care, colour cosmetics, deodorants, tea, coffee, processed foods, frozen desserts, water purifiers, etc. the Company's products are a part of the everyday life of millions of consumers across India.

The Company is listed on two Stock Exchanges in India, namely, BSE Limited and National Stock Exchange of India Limited.

1.2. Corporate Vision

We meet everyday needs for nutrition, hygiene and personal care with brands that help people feel good, look good and get more out of life. Sustainability is at the heart of our business, and through our brands, we seek to inspire people to take small everyday actions that can add up to a big difference for the world.

Our deep roots in local cultures and markets around the world give us our strong relationship with consumers and are the foundation for our future growth. We bring our wealth of knowledge and international expertise to the service of local consumers – a truly multi-local multinational. Consumer and Customer Centricity is one of our key beliefs and we endeavor to keep the consumer at the heart of everything we do.

Our long-term success requires a total commitment to exceptional standards of performance and productivity, to working together effectively, and to a willingness to embrace new ideas and learn continuously.

To succeed also requires, we believe, the highest standards of corporate behaviour towards everyone we work with, the communities we touch, and the environment on which we have an impact.

This is our road to sustainable, profitable growth, creating long-term value for our shareholders, our people, and our business partners.

1.3. Company Structure

The Board of Directors ('the Board') are responsible for the management, general affairs, direction and performance of the Company. The Board has been vested with the requisite powers, authorities and

duties under Articles of Association of the Company and relevant laws of the country. Executive and Non-Executive Directors are members of the Board and share the overall responsibility of the strategic direction of the Company. The Executive Directors have additional responsibilities for the operation of the Company's business as determined by the Chief Executive Officer.

Subject to the provisions of the Companies Act, 2013, as amended from time to time, the Memorandum of Association and the Articles of Association of the Company and any other Regulation not inconsistent therewith and duly made thereunder, the Board shall exercise all such powers and do all such acts, deeds and things that the Company is authorized and exercised to do. The Executive Directors on the Board have specific responsibility of each function in addition to discharging their role as a Member of the Board. The Non-Executive Directors who are Independent Directors discharge their role as such in accordance with the Act and the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time respectively. The Chairperson of the Board may be either an Executive Director or a Non-Executive Director, but at all times the office of the Chairperson will be held in compliance with the Articles of Association of the Company and the applicable Laws and Regulations.

The Board is comprised of a mix of Executive and Non-Executive Directors. The composition of the Board is in accordance with the Act and the Listing Regulations, 2015 with the Stock Exchanges.

1.4. Foundation Documents

- a. The Memorandum of Association; and
- b. The Articles of Association.

The Memorandum of Association and Articles of Association sets out the foundation of the Company, on which it operates. The Memorandum of Association governs the relationship between the Company and the public at large and sets out the Objects of the Company, while Articles of Association govern the internal management of the Company. The Memorandum and Article of Association was first adopted by the Company on its incorporation on 17th October, 1933. The Memorandum and Articles of Association of the Company have been amended, as and when it was necessary, with the approval of shareholders. The Memorandum and Articles of Association of the Company is made available on the website of the company www.hul.co.in.

1.5. Company Policies

The Company has developed and adopted a set of policies to provide mandatory rules designed to ensure consistency in key areas within the operations of the Company. These Policies are applicable across all Units / Branches and they govern the principles and practices of how the Company runs its business. Few of the important policies which govern the Company are given below.

1.5.1. Code of Business Principles

The Code of Business Principles is the Company's statement of values and represents the standard of conduct which all the employees are expected to observe in their business endeavors. The Code of Business Principles reflects the Company's commitment to principles of integrity, transparency and

fairness. It forms the benchmark against which the world at large is invited to judge the Company's activities. A copy of the Code of Business Principles is made available on the website of the Company www.hul.co.in and is also set out in Appendix 1.

The Chief Executive Officer through the Management Committee and Business / Unit Heads is responsible for ensuring that the Code of Business Principles is understood and implemented throughout the Company. The Code of Business Principles is also applicable to everyone with whom the Company engages in a business association be it the Company's distributors, third party manufacturers etc. or others.

1.5.2. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy to provide appropriate avenues to the Directors and employees to bring to the attention of the Management any issue which is perceived to be in violation of or in conflict with the fundamental business principles of the Company. The Directors and employees are encouraged to raise concerns by way of whistle blowing and the employees have direct access to the Chairperson of the Audit Committee. The Company Secretary is the designated officer for effective implementation of the Policy and resolution of complaints registered under the Policy. A copy of the Whistle Blower Policy is made available on the website of the Company www.hul.co.in and is also set out in Appendix 2.

The Code of Business Principles and the Whistle Blower Policy together act as a Vigil Mechanism for the Company. The Audit Committee of the Company periodically reviews the issues received under the Code of Business Principles and the Whistle Blower Policy. The process is subjected to extensive internal audit to check the awareness, application and implementation of the vigil mechanism on an ongoing basis.

1.5.3. Share Dealing Code

The Company has instituted mechanism to avoid Insider Trading and abusive self-dealing. The Share Dealing Code of the Company prohibits the Directors of the Company and other specified employees dealing in the securities of the Company on the basis of any unpublished price sensitive information, available to them by virtue of their position in the Company. The objective of this Code is to prevent misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The Company disseminates the Do's and Don'ts of the Code frequently to generate awareness amongst employees about the Code.

The Company has constituted an executive committee, 'Share Dealing Code Compliance Committee', to decide upon such penal/ disciplinary/ remedial action as may be considered appropriate if any employee violates the provisions of this Code. A copy of the Share Dealing Code is made available on the website of the Company www.hul.co.in and is also set out in Appendix 3.

2. The Board

Role of the Board

The role of the Board is that of a guardian and trustee of the Company's interests. The Board has the final responsibility for the management, direction and performance of the Company and its business. In all its dealings and decision making, the Board shall consider the interests of the Company as a whole, the interest of its shareholders, employees, consumers, customers, suppliers, Government and all other stakeholders together with Company's social and legal responsibilities in the communities in which it operates and to the responsibility towards the environment. The Board shall exercise objective and independent judgment and shall be collectively responsible for the long-term success of the Company.

2.1. Board Composition

The composition of the Board as a whole shall be commensurate with the size of the Company, its portfolio and geographical spread, where the balance between skills and experience is an optimal one. The composition of the Board shall enable the Board to discharge its responsibilities and provide effective leadership to the business. The composition of the Board shall be such that the members are able to act critically and independently of one another and without any particular interest.

The Board shall ordinarily comprise majority of Non-Executive Independent Directors and at least one Woman Independent Director. Subject to Articles of Association of the Company and applicable Laws and Regulations, the position of the Chairperson of the Board and the Chief Executive Officer of the Company can be held by one individual.

2.2. Board Powers

As per the Act, the Board of Directors of a Company shall exercise the following powers on behalf of the Company by means of resolutions passed at meetings of the Board, namely:

- (a) To make calls on shareholders in respect of monies unpaid on their shares;
- (b) To authorize buy-back of securities under section 68;
- (c) To issue securities, including debentures, whether in or outside India;
- (d) To borrow monies;
- (e) To invest the funds of the Company;
- (f) To grant loans or give guarantee or provide security in respect of loans;
- (g) To approve financial statement and the Board's report;
- (h) To diversify the business of the Company;
- (i) To approve amalgamation, merger or reconstruction;
- (j) To take over a company or acquire a controlling or substantial stake in another company;
- (k) Any other matter which may be prescribed through the Act or Rules made thereunder.

Provided that the Board may, by a resolution passed at a meeting, delegate to any committee of Directors, the Managing Director, the Manager or any other principal officer of the Company or in the case of a Branch office of the Company, the principal officer of the Branch office, the powers specified in clauses (d) to (f) on such conditions as it may specify.

2.3. Responsibilities and Duties of the Board

The responsibilities of the Board of Directors as a whole, flow from the Act, the Memorandum and Articles of Association and the Listing Regulations, 2015. These responsibilities shall inter-alia include:

- a. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- b. Monitoring the effectiveness of the company's governance practices and making changes as needed.
- c. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- d. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- e. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- f. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- g. Ensuring the integrity of the company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.
- h. Overseeing the process of disclosure and communications.
- i. Monitoring and reviewing Board Evaluation framework.

2.4. Duties of the Board

The Board of Directors are responsible for the overall conduct of the Company and have the powers, authorities and duties vested in them respectively pursuant to the relevant laws. As per the Act, the duties of the Directors are:

- (1) to act in accordance with the Articles of the company.
- (2) to 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.
- (3) to exercise their duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) The Directors shall not involve 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.
- (5) The Directors shall not achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates.
- (6) The Directors shall not assign their office
- (7) Any other matter as may be prescribed.

2.5. Appointment to the Board

The Directors of the Company shall be appointed by shareholders at the General Meetings. In accordance with the Act and the Articles of Association of the Company, all Directors, except for the Managing Director and the Independent Directors, shall step down at the Annual General Meeting each year and, if eligible, may offer themselves for re-election.

A shareholder who wishes to recommend a candidate for being appointed as a Director at the ensuing Annual General Meeting or for vacancies of the Board that arise between meetings, must provide the Board with timely and sufficient written documentation as prescribed under the law, to permit a determination by the Board whether such candidate meets the criteria for appointment to the Board.

In case an Independent Director resigns or is removed from the Board of the Company, a new Independent Director shall be appointed at the immediate next Board meeting or within three months from the date of such vacancy, whichever is later.

2.5.1. Board Membership Criteria

The Nomination and Remuneration Committee shall be responsible for identifying, screening, recruiting and recommending candidates for election as Directors on the Board. An assessment of the skills and characteristics needed by the Board in the context of scenario, at the relevant point in time, shall be performed by the Nomination and Remuneration Committee. Following shall act as guidelines when selecting a member of the Board.

Desired professional expertise and experience

- a. Industry/Finance/Banking professional with commensurate professional qualification and proven track record. Preferably having experience as CEO/COO/CFO or equivalent of a medium to large enterprise with prior Board experience.
- b. Senior retired Government officials / civil servants with proven track record and diverse experience including in the area of finance, public service.
- c. Background in consumer goods industry/ retail industry/ services industry;
- d. Experience in technology / research and development that is relevant for Unilever / distinguished academician in management skills associated with a reputation of global repute;
- e. Understanding of the markets where Unilever is active, in particular the developing and emerging markets;
- f. Executive management experience and knowledge of corporate governance issues at Board level with a company of comparable size or international spread of activities;
- g. Experience with financial administration, accounting policies, internal control and risk management of multinationals.

Desired Personal Attributes

- a. The proposed candidate should not have present or potential conflict of interest while serving on Board of HUL. Non-Executive Independent Director should qualify as Independent, if the incumbent meets the Independence criteria as laid down in the Companies Act, 2013 and the Listing Regulations, 2015.
- b. Each Board member should have sufficient time available for the proper performance of his or her duties. Directors should be sufficiently free of other commitments to be able to devote the time needed to prepare for meetings and participate in induction, training, evaluation and other Board associated activities.
- c. Preferably, the Non-Executive Independent Director to be considered for appointment shall be below the age of 75 years. If the Independent Directors attains the age of 75 years, a special resolution to be passed by the members at the General Meeting. The age criteria for Executive Directors will be in line with the prevailing company policy for full time employees.
- d. The candidate proposed to be appointed on the Board as an Independent Director shall not be a Director of more than six Listed Companies at the time of appointment.
- e. The personal characteristics of the person should be in line with the Company's values, such as integrity, honesty, transparency, pioneering mindset etc., commitment to adding value to the Company by personal endeavor and ability / willingness to represent the long term and short term interests of the shareholders and awareness of its responsibilities towards various stakeholders of the Company. The candidate proposed to be appointed on the Board, should not have been convicted of any offence in the past, which may raise a doubt as to the integrity of the person concerned.
- f. The proposed candidate should possess experience at the highest levels of decision making, demonstrable strategic thinking abilities and an ability to take a long term view. Familiarity with national and international issues affecting the Company's businesses, familiarity with economic, political, social and cultural attributes affecting the Company's businesses is desirable.

The Company recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. A copy of the Policy on Board Diversity is made available on the website of the Company www.hul.co.in and is also set out in Appendix 4

2.5.2. Procedure for Appointment

The Nomination and Remuneration Committee shall identify a suitable candidate who satisfies the criteria mentioned above and possesses required skill set and expertise. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors shall consider the candidate for appointment to the Board. However, such appointment will be subject to approval of shareholders at the General Meeting.

On Appointment, the Director shall be given a Letter of Appointment, setting out in detail the terms of appointment, duties, responsibilities and expected time commitments. The terms and conditions prescribed in Letter of Appointment shall be in line with the format provided at Appendix 5. Each new appointed Director shall be taken through a formal Induction Program as detailed at Clause 10.

At the time of appointment, the Director shall make disclosure of their interests and significant commitments to the Board. Any change in such commitments should also be reported to the Board as and when it arises. Independent Director shall also provide a certificate of Independence in line with the requirements of the Companies Act, 2013 and the Listing Regulations, 2015.

The list of Initial Disclosures required from Directors is provided at Appendix 6.

2.6. Code of Conduct

The Company has adopted a Code of Conduct for the members of the Board and members of the Management Committee of the Company. The Code requires members of the Board to avoid any conflict of interest in contracts entered into by the Company. If such interest exists, the members shall make disclosure to the Board and shall abstain from discussion, voting or otherwise influencing decision on any matter in which the concerned Director has or may have such interest. The Code also restricts the Directors from accepting any gifts or incentives in their capacity as Director of the Company, except what is duly authorised under the Gift Policy of the Company. The Independent Directors are required to abide by the Code for Independent Directors, as prescribed in Schedule IV to the Companies Act, 2013 and forming part of the Company's Code of Conduct.

The members of the Board and the Management Committee are required to annually confirm compliance with the Code of Conduct to the Board. The Code is in addition to the Code of Business Principles of the Company. The Copy of Code of Conduct of the Company is made available on the website of the Company www.hul.co.in and is also set out in Appendix 7.

2.7. Directors and Officers Liability Insurance

The Company shall provide insurance cover in respect of legal action against its Directors under the Directors' and Officers' Liability Insurance. Any person who becomes a Director or Officer, including an employee who is acting in managerial or supervisory capacity, shall be covered under Directors' and Officers' Liability Insurance policy. The policy shall also cover those who serve as a Director, officer or equivalent of an outside entity at Company's request.

3. Board Committees

The Board Committees play a crucial role in the governance structure of the Company and have been constituted to deal with specific areas / activities which concern the Company and need a closer review. The Committees are set up under the formal approval of the Board, to carry out clearly defined roles which are considered to be performed by members of the Board as a part of governance practice. While deciding the Chairpersonship and Membership of the Committee, the Board shall ensure that undue reliance is not placed on particular individuals. The Board shall supervise the execution of its responsibilities by the Committees and shall be responsible for action taken by the Committees.

The meetings of the Board Committees shall be attended by the designated members of the Committee. The Committee can, however, request special invitees to join the meeting, as appropriate. The minutes of the meetings of all the Committees shall be placed before the Board for noting. The Board has currently established the following statutory and non-statutory Committees.

3.1. Audit Committee

The Audit Committee of the Company is entrusted with the responsibility to supervise the Company's internal control and financial reporting process. The Audit Committee, in addition to overseeing the financial reporting process shall also carry out periodic reviews of various businesses/functions of the Company, review of internal audit and control assurance reports of all the major divisions, decide the terms of appointment of the auditors, review related party transactions and review functioning and cases reported under the Code of Business Principles and Whistle Blower Policy of the Company.

The Audit Committee shall consist of at least three members. All the members of the Audit Committee shall be Independent Directors. The Committee may invite the CEO, CFO, Statutory Auditor, Internal Auditor, other management representatives or external consultants to attend the Committee meetings as they may deem appropriate. The Terms of Reference of the Audit Committee are provided at Appendix 8.

3.2. Nomination and Remuneration Committee

The Nomination and Remuneration Committee deals with all elements of remuneration package of all the Executive Directors i.e. salary, benefits, bonuses, stock options, pension etc. including details of fixed component and performance linked incentives, along with the performance criteria. It also recommends and monitors the level and structure of remuneration for members of the Management Committee including Key managerial Personnel; and other employees. It also evaluates the service contracts, notice period and severance fees of the Directors. The Committee shall also concern itself with identifying candidates for nomination as Directors on the Board or as member of the Management Committee. The Committee shall also be responsible for orderly succession planning of the Board and will be consulted by the Chief Executive Officer on appointments to or removals from the Management Committee. The Committee shall also be responsible for implementation of the Board Evaluation framework.

The Nomination and Remuneration Committee shall comprise of at least three members with majority of the members as Independent Directors. All the members of the Nomination and Remuneration Committee shall be Non-Executive Directors and the Chairperson of the Committee shall be an Independent Director. The terms of reference of the Nomination and Remuneration Committee are given at Appendix 9.

3.3. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee is entrusted with the responsibility to consider and resolve security holders' concerns or complaints. The Committee shall monitor and review the investor service standards of the Company. The Committee shall also evaluate performance and service standards of

the Registrar and Share Transfer Agent of the Company and provide continuous guidance to improve the service levels for investors.

The Committee shall take steps to develop an understanding of the views of shareholders about the Company, either through direct face-to-face contact, analysts' briefings or survey of shareholders. The Committee shall oversee and review the engagement and Communication Plan with shareholders and ensure that the views / concerns of the shareholders are highlighted to the board at appropriate time and that the steps are taken to address such concerns. The term of reference of the Committee are given at Appendix 10.

3.4. Corporate Social Responsibility Committee

The Corporate Social Responsibility Committee shall be responsible for formulating and implementation of Corporate Social Responsibility Policy of the Company. The Committee shall also recommend the amount of expenditure to be incurred on CSR activities. The Committee shall bring any relevant issue to the attention of the Board and make recommendations relating to such issues. The Committee shall be assisted by such experts in discharging its obligations as it may consider necessary including requisite internal team that looks after the CSR agenda of the Company.

The Committee shall comprise of at least three Directors with a majority of the members as Independent Directors. The Chairperson of the Committee shall be an Independent Director. The terms of reference of the Committee are given at Appendix 11.

3.5. Risk Management Committee

The Risk Management Committee shall be responsible for framing, monitoring, reviewing the risk management plan and implementation of the risk management framework of the Company including 'Cyber Security'.

The Committee shall comprise at least three members with a majority of the members as Directors from the Board of the Company. The Chairperson of the Committee shall be a Director. The terms of reference of the Committee are given at Appendix 12.

3.6. Share Transfer / Transmission Committee

The Share Transfer / Transmission Committee has been formed exclusively to look into share transfer and related applications received from shareholders, with a view to accelerate the transfer procedures. The Committee shall comprise of any three Directors of the Board. The Committee shall consider applications for transfer, splitting up and consolidation of share certificates and will be responsible to ensure compliance with provisions in this regard. The terms of reference of the Committee are given at Appendix 13.

3.7. Committee for Allotment of Shares under ESOPs

The Committee for Allotment of Shares under ESOPs has been constituted to expedite the process of allotment and issue of shares to eligible employees of the Company under the Stock Option Plan of the

Company, as approved by the Shareholders of the Company. The ESOP Committee shall comprise of any three Directors of the Board. The Committee shall be in charge for approval, issue and allotment of shares under Stock Option Schemes of the Company. The terms of reference of the Committee are given at Appendix 14.

3.8. Administrative Matters Committee

The Administrative Matters Committee has been set up to oversee routine items that are in the normal course of the business, such as decision on banking facilities, delegation of operational powers, considering and approving agreements to be executed in the normal course of business, etc. The Administrative Matters Committee shall comprise of any three Directors of the Board. The terms of reference of the Committee are given at Appendix 15.

3.9. Committee for Approving Disposal of Surplus Assets

The Committee for approving Disposal of Surplus Assets has been constituted for identifying the surplus assets of the Company and to authorise sale and disposal of such surplus property. The Committee shall comprise of any three Directors of the Board. The Committee is fully authorised to take necessary steps to give effect to sale and transfer of the ownership rights, interest and title in the said property, on behalf of the Company. The terms of reference of the Committee are given at Appendix 16.

4. Board Procedures

4.1. Meetings

The Board shall meet at regular intervals to discuss and decide on Company's business policy and strategy apart from other businesses. The Board and Committee meetings shall be pre-scheduled and a tentative annual calendar of Board and Committee meetings should be circulated to the Directors in the beginning of the year to facilitate them to plan their schedule and to ensure meaningful participation in the meetings.

The Board shall hold a minimum number of four meetings of its Board of Directors every year in such a manner that not more than one hundred and twenty days shall intervene between two consecutive meetings of the Board. There shall be at least five Board meetings in a calendar year including quarterly meetings to consider the financial results of the Company and at least one strategy meeting. However, in case of a special and urgent business need, the Board's approval can be taken by circulating the resolution, which shall be confirmed by the Board at the next Board meeting. The periodicity of meetings of Board Committees shall be as per terms of reference of each committee.

The notice of the Board meetings shall be given to all the Directors at least seven clear days before the meeting. A meeting of the Board / Committee may be called at a shorter notice than those stated above, if the majority of members of the Board or Committee, as the case may be, agree. The proposal to hold the meeting at a shorter notice shall be stated in the Notice of the meeting and the fact that consent of the Directors was obtained shall be recorded in the Minutes thereof.

Usually, meetings of the Board will be held in Mumbai. However, the Company may organise any meeting outside of Mumbai or a visit to market or unit, as it may deem fit. Efforts shall be made to have full attendance at the meeting and it should be ensured that at least two Independent Directors are present in all the Board meetings.

4.1.1. Video Conferencing

The Directors, who are unable to be physically present at a particular Board or Committee meeting, may attend the meeting through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and storing the proceedings of such meetings. The Directors attending the meeting through video conference or such other means as may be prescribed will be considered as present for the meeting.

4.2. Agenda

The agenda of Board meetings shall be set by the Company Secretary in consultation with the Chairperson and the Chief Executive Officer. The Company Secretary may also consult the Independent Directors at appropriate occasions. The Agenda shall be circulated at least seven days prior to the date of the meeting to facilitate the Directors to provide their inputs, thoughts and suggestion at the meeting. The Agenda shall include detailed notes and draft resolutions on the items to be discussed at the meeting to enable Directors to take an informed decision.

The Agenda of each of the Board meeting shall inter-alia include:

- a. regular items, such as reports from Management on the financial affairs of the Company, on performance against plan, reports from Board Committees, reports on litigation and governance matters, etc.;
- b. special items, such as Business/ Functional Reviews;
- c. items for approval;
- d. items for noting; and
- e. papers for information.

Any supplementary item, not originally included in the Agenda, may be taken up for consideration at the meeting with the permission of the Chairperson and with the consent of the majority of the Directors present in the Meeting. However, no supplementary item which is of significance or is in the nature of unpublished price sensitive information should be taken up by the Board without prior written Notice. Apart from the items that will be discussed in the Board Meeting, the Company Secretary shall ensure that regular communications are sent to all Non-Executive Independent Directors for updating them on key business related issues / developments.

4.3. Decision Making Process

Each member of the Board shall have one vote and the resolutions of the Board shall be passed by a majority of votes. In case of equal number of votes in favor of the resolution as well as against, the Chairperson of the Company may exercise his casting vote.

4.4. Managing Conflict of Interests

The Board of Directors are responsible for ensuring that the rules are in place to avoid conflicts of interest by the Board members and the Management Committee. Any conflict of interest or apparent conflict of interest between the Company and its Directors should be avoided. Where conflicts arise, the Board shall ensure that, in dealing with them, all applicable laws, regulations, codes and policies have been complied with.

The members of the Board shall avoid any interest in contracts entered into by the Company. If such an interest exists, the interested Director shall make a disclosure. In case of Conflict of Interest, the interested Director shall not participate in the decision making process and the same shall be recorded in the minutes of the meeting. In case of Conflict of Interest of Chairperson, the Chairperson shall abstain from participation in the discussion and one of the Independent Directors shall assume the position of Chairperson of the meeting.

The members of the Board and Management Committee shall on an annual basis submit the details of individuals to whom they are related and entities in which they hold interest and the same shall be placed before the Board. Transactions with any of the entities referred above shall be placed before the Board or Audit Committee for approval in line with Related Party Transaction policy of the Company.

The proposal for appointment of any Executive Director or the Management Committee members of the Company to serve as a Director, Trustees or equivalent of such position on outside Board, whether for commercial ventures or for non-profit making bodies should be subject to prior internal approvals. The Executive Directors of the Company shall not be allowed to serve as a Non-Executive or an Independent Director on the Board of more than one Company, other than those companies where they are representing the interest of HUL or Unilever.

4.5. Board Support

The Company Secretary is responsible for collation, review and distribution of all papers submitted to the Board for consideration. The Company Secretary is also responsible for the preparation of the agenda and convening of the meetings of the Board and Committees thereof. The Company Secretary shall attend all the meetings of Board and Committees thereof and advice/assure the Board and such Committees on Compliance and Governance principles and ensure appropriate recording of minutes of the meeting.

4.6. Recording of Minutes

The Company Secretary of the Company is responsible for proper recording of minutes. Minutes of the Board and Committee meeting shall be circulated to the Board not later than fifteen days of the meeting and the same shall be placed before the Board and Committee at its next meeting, for confirmation. The Board and Committee members can give their comments / suggestions on draft minutes within seven days of circulation and the same shall be incorporated in the minutes of the meeting.

The minutes of meetings of the Board or Board Committees shall be circulated to the Board or Board Committees, respectively, along with the Agenda of the next meeting. Any alteration in the minutes shall be made only after obtaining express approval in the subsequent meeting in which such minutes are sought to be altered. Dissent or concern, if any, as expressed by any member of the Board, shall be recorded in the minutes.

4.7. Delegation of Powers

The Board has delegated certain powers, authorities and discretions (including the power to sub-delegate) to the Chief Executive Officer and the members of the Management Committee and to the Board's Committees. The Board supervises the execution of its responsibilities by the Chief Executive Officer, members of Management Committees and the Board Committees and is ultimately responsible for the fulfillment of the duties by them.

5. Directors

5.1. Term of Office of Directors

The Executive Directors serve in accordance with the terms of their contract of service with the Company. The Managing Director of the Company is appointed for a term of five years as per the requirement of the Act.

Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company. On conclusion of first term of 5 years, if the Board considers it appropriate they can propose the re-appointment of an Independent Director for another period of five years after taking approval of shareholders of the Company by way of a special resolution. Such proposal for reappointment shall be based on performance of the Independent Director and recommendation of the Nomination and Remuneration Committee and appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In accordance with the Articles of Association of the Company, except the Managing Director and in accordance with the Act except the Independent Directors, all Directors step down at the Annual General Meeting each year and, if eligible, offer themselves for re-election.

5.2. Remuneration

The reward philosophy of the Company is to pay market competitive reward with a strong linkage to performance. The reward philosophy is set forth into practice by various policies governing different elements of reward. The intent of all these policies is to ensure that the principles of reward philosophy are followed in entirety, thereby facilitating the Company to recruit and retain the best talent. It also ensures the effective recognition of performance and encourages a focus on achieving superior

operational results. The Nomination and Remuneration Committee shall review the total reward annually, taking into account external benchmarks within the context of group and individual performance.

5.2.1. Executive Directors

The reward of the Executive Directors shall be determined by the Nomination and Remuneration Committee and shall be recommended to the Board for their approval. In order to create alignment with the strategy and business priorities to enhance shareholder value, a fair portion of the Executive Directors' total reward is linked to Company's performance. The total reward package for Executive Directors is intended to be market competitive with a strong linkage to performance in line with the Company's reward philosophy. In addition, the Company's Share Plans seek to reward Executive Directors by aligning their deliverables with shareholders' interests.

5.2.2. Non-Executive Directors

Non-Executive Independent Directors are eligible for sitting fees and commission not exceeding limits prescribed under the Companies Act. The remuneration payable to Non-Executive Directors is decided by the Board of Directors subject to the overall approval of the shareholders of the Company. In the event, the annual remuneration payable to a single Non-Executive Director exceeds fifty percent of the total annual remuneration payable to all Non-executive Directors, approval of Shareholders by passing Special Resolution shall be obtained every year.

The Independent Directors are paid sitting fees for attending every meeting of the Board or Committees thereof and Commission on profits for each year, in accordance with the Differential Remuneration Policy and within the limits approved by the shareholders at the Annual General Meeting of the Company. The Differential Remuneration Policy, as approved by the Board, is given at Appendix 17.

The Non-Executive Directors, who continuously serve for a period of ten years, are also entitled for retirement commission at the time of retirement. The Non-Executive Director shall not be entitled to Stock Option Plan of the Company.

5.3. Access to Independent Professional Advice

Directors are entitled to take independent professional advice, at the expense of the Company, on matters relating to the proper discharge of their office. This does not extend to issues regarding Directors' personal interests. The Company Secretary is responsible for arranging such external advice.

6. The Chairperson

6.1. Appointment

Subject to Articles of Association of the Company and applicable Laws and Regulations, the Board of Directors shall, after considering the recommendation of the Nomination and Remuneration Committee, appoint any Director as the Chairperson of the Company.

6.2. Responsibilities

The Chairperson's general and specific responsibilities cover:

- a. conducting shareholders' meetings including AGMs;
- b. leading the Board and ensuring that it operates effectively in relation to all aspects of its role;
- c. ensuring that the members of the Board receive accurate, timely and clear information, in particular about the Company's performance, to enable the Board to take sound decisions, monitor effectively and provide advice to promote the success of the Company;
- d. encouraging active engagement by all the members of the Board;
- e. to take full account of the issues and the concerns of all Directors and ensuring that adequate time is available for discussion on strategic issues;
- f. promoting effective relationships and open communication, both inside and outside the boardroom, between Non-Executive Directors and the Executive Directors;
- g. building an effective and complementary Board, initiating change and planning succession in Board appointments, subject to Board and shareholders' approval;
- h. monitoring effective implementation of Board decisions;
- i. ensuring clear structure for and the effective running of Board Committees;
- j. in conjunction with the Senior Independent Director, ensuring that the performance of individuals and of the Board as a whole and its committees is evaluated at least once a year;
- k. in conjunction with Senior Independent Director, identifying and meeting the development needs of individual Directors and agreeing and regularly reviewing a personalised approach to training and development with each Director;
- l. addressing the development needs of the Board as a whole with a view to enhancing its overall effectiveness as a team;
- m. acting where appropriate as the Company's representative on corporate aims and policies including environmental and corporate social responsibility matters;
- n. guarding the corporate reputation and relations with relevant stakeholders;

7. Chief Executive Officer and Managing Director

7.1. Appointment and Tenure

The Chief Executive Officer and Managing Director (CEO & MD) of the Company is appointed by the Board after considering the eligibility criteria and qualification of the candidates. The CEO and MD is appointed for a period of five years and is eligible for reappointment, subject to approval of shareholders. The CEO & MD is responsible for day to day management of the Company and enjoys substantial powers of Management to discharge the responsibilities in managing the affairs of the Company on a day to day basis including power to sub delegate any of the powers in relation to the

running of the Company. For the sake of brevity, these powers are not being reproduced again. Please refer to the Board Role and Powers.

7.2. Responsibilities

The Chief Executive Officer and Managing Director is entrusted with all the Board's powers, authorities and discretions (including the power to sub-delegate any of those powers, authorities, decision-making powers and discretions) in relation to the operational running of the Company and specifically all the Board's powers, authorities and discretions in relation to the following matters:

7.2.1. Strategy and Maintaining the Corporate Portfolio

- a. proposing for approval by the Board, the strategies for shaping of the portfolio and direction of the Company, Corporate Financial Plan and priorities in corporate resource allocation;
- b. ensuring that business plans and strategies are aligned with corporate objectives and priorities agreed with the Board;
- c. agreeing geographical markets, products and places of operation of business of the Company with the Board of the Company;
- d. monitoring the development of the markets in which the Company operates, testing future economic scenarios against growth objectives and making proposals to the Board for the corporate strategic priorities;
- e. ensuring delivery of the Company's agreed strategy, business plans and financial performance;
- f. preparing for approval by the Board periodic business performance report including quarterly and annual results;

7.2.2. Financial

- a. setting financial and treasury strategies for the Company and implementing them;
- b. overseeing efficient functioning of the operating framework, the accounting and reporting policies, planning and reporting processes (including internal control measures and authority levels) and implementing and maintaining such framework, policies and processes;

7.2.3. Governance

- a. appointing and removing members of the Management Committee of the Company and other functional heads who report, directly or indirectly, to the Chief Executive Officer and Managing Director, subject to obtaining necessary approvals of the Committees, the Board and / or Shareholders of the Company, as may be applicable;
- b. proposing to the Nomination and Remuneration Committee the remuneration policy and the specific remuneration, bonuses and other terms of employment of members of the Management Committee and other Functional Heads, who report directly to the Chief Executive Officer and Managing Director, including those members of the Management Committee who are Executive Directors on the Board but without prejudice to the authority of the Shareholders of the Company;
- c. supervising and determining the roles, activities and responsibilities of the Management Committee of the Company and delegate powers to enable them to perform their roles;
- d. ensuring that the performance of members of the Management Committee and other Functional / Business Heads is systematically assessed and adequately rewarded;

- e. ensuring a continual supply of leadership of the quality necessary to meet the strategic needs of the Business;
- f. Establishing value leadership and expected norms of conduct, including implementation of and compliance with the Code of Business Principles;
- g. to provide, in conjunction with the Company Secretary, a properly constructed induction to new Directors;
- h. preparing for approval by the Board, and implementing and managing, HUL's risk management approach;
- i. implementing and managing compliance with the Code of Business Principles and HUL's Code Policies and standards;
- j. notify the Board of any issues, projects or transactions that in his judgment have the capacity to impact the reputation of the Company;

7.2.4 Communication with Stakeholders

- a. interacting with the media and approving any press release in relation to any matter within the ambit of the Chief Executive Officer and Managing director;
- b. preparing all public filings, reports and statements relating to the Business and representing the Company with in trade and professional bodies.

7.2.5 Contracts

- a. power to enter into commitments, agreements, contracts, instruments or other documents on behalf of the Company in relating to day to day functioning of the business.

The Chief Executive Officer or the Managing Director in discharging his duties is responsible to the Board as a whole.

8. Independent Directors

8.1. Definition of Independent Director

The Board shall comprise Directors who qualify as "Independent" as per the statutory provisions applicable to the Company. The criteria chosen by the Board for Independent Director are as follows:

- a. is a person of integrity and possess relevant expertise and experience as may be deemed necessary by the Nomination and Remuneration Committee;
- b. is or was not a promoter / promoter group of the Company or holding, subsidiary or associate company;
- c. is or was not related to promoters or Directors in the Company or holding, subsidiary or associate company;
- d. does not have or did not have any pecuniary relationship with the company or holding, subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- e. none of the relatives has or had pecuniary relationship or transaction with the company or holding, subsidiary or associate company, or their promoters, or Directors, amounting to two per cent or more of its gross turnover or total income or fifty lakh rupees or such higher

amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;

- f. who, neither himself nor any of his relatives, holds or has held the position of a key managerial personnel or is or has been employee of the company or holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year;
- g. who, neither himself nor any of his relatives, has or had no relationships within the last three years with statutory auditor, secretarial auditor, cost accountant, legal or consulting firm that has had transaction with the Company or its holding, subsidiary or associate company;
- h. who, neither himself nor any of his relatives, holds two per cent or more of the total voting power of the company;
- i. has or had no material business relationship with customers or suppliers of the company; during last three years;
- j. who possesses such other qualifications as deemed necessary by the Nomination and Remuneration Committee, in line with the criteria for appointment to the Board;
- k. who is not a non-independent director of another company on the board of which any non-independent director of the listed entity is an independent director.

The Board will decide on the independence of a Non-Executive Director by applying these criteria to the particular circumstances of the individual concerned. Where there are additional criteria for a member to be considered independent imposed by applicable laws and regulations, the Board will apply such criteria. Every Independent Director shall at the time of appointment to the Board at the end of every financial year or whenever there is any change in the circumstances which may affect his status as an Independent Director, give a declaration that he meets the criteria of 'independence'.

8.2. Tenure

Independent Directors shall hold office for a term of up to five consecutive years on the Board of the Company. On conclusion of first term of 5 years, the Board may propose the re-appointment of an Independent Director for another period of five years for approval of shareholder of the Company by way of Special Resolution. Such proposal for reappointment will be based on performance evaluation of the Independent Director and the recommendation of Nomination and Remuneration Committee. At the time of proposing re-appointment of Independent Directors, appropriate disclosure shall be made in the Board's Report.

No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after the expiration of three years of ceasing to become an independent director. Provided that an independent director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

In case any vacancy is caused by resignation or removal of an Independent Director and the composition of Board is not in compliance with the requirement of statute, such vacancy shall be filled in the next Board Meeting or within three months, whichever is later.

8.3. Meetings of Independent Directors

The Chairperson shall meet the Non-Executive Directors without the executives present, once in each quarter. The Independent Directors shall also meet independently once in each quarter to consider agenda items set by them. Independent Directors shall amongst themselves elect one of them to lead the agenda of their meeting. The agenda of the meetings shall, inter alia, include following items:

- 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.

The Independent Directors may ask members of management and external professional advisers to attend those meetings. The Company Secretary shall assist them with the support they need.

In addition to these formal meetings, regular interaction shall take place between the Chairperson and Independent Directors to discuss such issues as are deemed appropriate.

9. The Company Secretary

9.1. Formal Status

The appointment or removal of the Company Secretary is a matter for the Board as a whole. All Directors have open access to the Company Secretary at any time and on any matter relating to the Company. The Company Secretary reports to the Board and administratively to the CEO & MD of the Company.

9.2. Responsibilities

The Company Secretary is responsible:

- a. to provide to the Directors of the company, collectively and individually, such guidance as they may require, with regard to their duties, responsibilities and powers;
- b. to facilitate the convening of meetings and attend Board, Committee and General Meetings and maintain the minutes of these meetings;
- c. to obtain approvals from the Board, shareholders at the General Meeting, the Government and such other authorities as required under the provisions of the Act;
- d. to represent before various regulators, and other authorities under the Act in connection with discharge of various duties under the Act;
- e. to assist the Board in the conduct of the affairs of the company;
- f. to assist and advise the Board in ensuring good corporate governance and in complying with the corporate governance requirements and best practices; and
- g. to discharge such other duties as have been specified under the Act or rules;
- h. to ensure that the compliance status across the Organisation is monitored and reported to the Board; and
- i. such other duties as may be assigned by the Board from time to time.

10. Directors Induction & Training

10.1. Background

The provision of an appropriate induction programme for new Directors and ongoing training for existing Directors is a major contributor to the maintenance of high corporate governance standards of the Company. The Chief Executive Officer and the Company Secretary are jointly responsible for ensuring that such induction and training programmes are provided to Directors.

The Independent Directors also request management to provide detailed understanding of any specific project, activity or process of Hindustan Unilever. The management provides such information and training either at the meeting of Board of Directors or otherwise.

10.2. Induction

The induction process is designed to:

- a. build an understanding of Hindustan Unilever, its businesses and the markets and regulatory environment in which it operates;
- b. provide an appreciation of the role and responsibilities of the Director;
- c. fully equip Directors to perform their role on the Board effectively; and
- d. develop understanding of Company's people and its key stakeholder relationships.

The Company Secretary shall provide new Directors, both Executive and Non-Executive, with a briefing on their legal and regulatory responsibilities as Directors. This includes provision of a Directors' Induction kit containing general information on Company's Structure, Key Policies of the Company, Brief profile of the Board of Directors, Role and Responsibility of the Directors and necessary disclosure forms. The Chief Executive Officer provides a briefing on Company's current structure and performance of business.

The induction briefing for Non-Executive Independent Directors includes interactive sessions with Management Committee Members, Business and Functional heads, Auditors and a visit to market or any plant.

10.3. Training

The Company Secretary keeps the Board briefed on legal and regulatory development relevant to the Company and the Directors. The Company Secretary ensures that the programme to familiarise the Non-Executive Directors with the business is maintained over time and kept relevant to the needs of the individuals involved and the Board as a whole. Based on the yearly performance evaluation of the Board and individual Directors, the Chairperson shall in consultation with Senior Independent Director agree on the Training and Development needs of the Board as a whole and decide on action plan for each year. The Company Secretary shall be responsible for implementation of such plan and Chairperson shall regularly review the same.

In addition to the extensive induction and training provided as part of the familiarization programme, the Independent Directors are also taken through various business and functional sessions in the Board meetings including the Board meetings to discuss strategy.

11. Board Evaluation

11.1. Background

It is important that the Board, Board Committees and individual Directors are evaluated on the effectiveness of their performance in a rigorous and structured manner to ensure that their contribution is reflected in the growth of the Company whilst adhering to highest corporate governance standards. The Companies Act, 2013 (the Act) also provides for the evaluation of the Board, its Committees and individual Directors. The Act requires disclosure in the Board's Report of the manner in which a formal annual evaluation has been made by the Board of its own performance and that of its Committee and Individual Directors. The Act has tasked the Nomination & Remuneration Committee of the Board with evaluation of each Director.

11.2. The Board

The Chairperson in consultation with a Senior Independent Director nominated by the Independent Directors, shall lead the process of evaluation of the Board as a whole. The Company Secretary shall be responsible for organizing such an evaluation.

Following each evaluation, a report shall be prepared based on appropriate interviews and/or responses to questionnaires. The report shall be reviewed and discussed by the Board following its submission to the Board by the Chairperson. Thereafter, the Chairperson, with the support from the Company Secretary shall implement the actions that the Board decides as appropriate. The process of evaluation of the Board shall be carried out on an annual basis and this process will be facilitated by an independent consultant as and when deemed appropriate by the Board.

11.3. Board Committees

Each Chairperson of a Board Committee shall lead the process of evaluating the performance of that Committee. This includes taking the views of the Board on the performance of that Committee, the delivery of performance against the terms of reference of the Committee.

The Chairperson of the Committee shall report the results of the process to the Board and such report shall form part of Annual Report of the Company.

11.4. Independent Directors

The evaluation of Independent Directors shall be done by the entire board of Directors which shall include -

- (a) performance of the Independent Directors; and
- (b) fulfillment of the independence criteria from the management.

11.5. Non-Executive Directors

For Non-Executive Directors, such evaluation shall be based on criteria viz. the considerations which led to the selection of the Director on the Board and the delivery against the same, contribution made to the Board / Committees, attendance at the Board / Committee Meetings, impact on the performance of the Board / Committees, instances of sharing best and next practices, engaging with top management team of the Company, participation in strategy Board Meetings etc.

11.6. Executive Directors

The criteria for evaluation of Executive Directors will include the annual performance plan of the concerned Executive Director and delivery against the same, assessment made by the Line Manager in addition to the above criteria laid down for Independent Directors to the extent applicable.

11.7. Chairperson

The Senior Independent Director shall lead the evaluation process whereby the Board evaluates the performance of the Chairperson. In this process, the Senior Independent Director shall consult the Executive Directors and fellow Non-Executive Directors.

The Senior Independent Director shall share the results of the assessment with the Chairperson. These individual assessments should be taken into account in the evaluation of the performance of the Board as a whole.

11.8. Timing

The evaluations will be carried out on an annual basis. All evaluations shall be designed to be completed before the meeting of Nomination and Remuneration Committee, to discuss remuneration packages and the nominations of candidates for election as Directors of the Company at the Annual General Meetings in the following year, are held.

11.9. Processes

The Company Secretary shall, in consultation with the Chairperson and Senior Independent Director, lay down the process and provide guidance on how to carry out the evaluation. The Company Secretary shall update this guidance on annual basis in the light of internal experience and external best practice. The Company Secretary may also take help of an independent consultant for review / development of the evaluation process.

11.10. Reporting

The annual report of the Company shall describe the process followed for evaluation and shall also include a report on evaluation considering the following :

- a. Observations of board evaluation carried out for the year.

- b. Previous year's observations and actions taken.
- c. Proposed actions based on current year observations.

12. Financial Reporting and Risk Management

The Board of Directors shall present a balanced and understandable assessment of the company's position and prospects to shareholders and statutory authorities. This shall include reporting requirements under various regulations and statutes. The Board shall, either directly or through a committee, ensure establishment and maintenance of disclosure controls and procedures. The Board shall also evaluate the appropriateness of the disclosures made.

12.1. Dividend Policy

The Company believes in continuous shareholder value enhancement and seeks to pay an attractive, sustainable and growing dividend to the shareholders of the Company. The Board of Directors may, after considering the situation prevalent at the relevant point in time, propose if the dividend needs to be declared and if so, the rate at which it needs to be declared

The Dividend declared by the Board shall be subject to approval of shareholders at the Annual General Meeting.

12.2. Risk Management

The Board, the Audit Committee and the Risk Management Committee shall be collectively responsible for Risk Identification, Risk Minimization and Risk Mitigation as a part of risk management framework. The risk management framework in the Company aims to embed risk management in the normal course of business. This ensures that risk management is not seen as a standalone activity but as a part and parcel of running the business / function.

The Company has put in place an elaborate Risk Management Framework wherein Business Risk Assessment procedures have been set in place for self-assessment of business risks, operating controls and compliance with Corporate Policies. The objective of risk assessment framework is to provide to the operating management, a proactive and value adding review process, which enables them to maintain a risk profile associated with transactional controls at an acceptable level. This will be an ongoing process to track the evolution of the risks and delivery of mitigating action plans.

All the members of the Senior Leadership are required to provide a Positive Assurance once in a year to confirm their understanding and adherence to the processes relating to risk management. They are also required to escalate any new or enhanced risks to the Risk Management Committee as soon as they are perceived in their business.

A formal review of risks shall be carried out by the Risk Management Committee at least once in a year. This review will involve preparation and endorsement of a Corporate Risk Matrix, based on the inputs received from businesses and functions. The risk matrix details various risks on "Likelihood-Impact" axes, along with the acceptability levels, based on the sufficiency of the mitigating actions in place.

The Internal Auditor is responsible for providing independent reassurance to the Board, through the Chief Executive Officer/ Managing Director and the Risk Management Committee, that all major risks affecting the achievement of Company's objectives are adequately understood and managed.

12.3. Internal Control

The Board shall be responsible for sound internal control systems and shall on annual basis check effectiveness of internal controls systems. This review should cover all material controls including financial, operational and compliance related controls.

12.3.1. Internal Auditor

In order to ensure the independence and credibility of the internal audit process, the Board shall appoint an internal auditor who will be supported by a team of independent auditors and shall be responsible for internal audit. The internal auditor shall conduct internal audit of the functions and activities of the company. The internal auditor shall, in consultation with Audit Committee, formulate the scope, functioning, periodicity and methodology for conducting the internal audit. The Internal Auditor reports to the Audit Committee and is administratively reporting to the Chief Financial Officer. The Appointment and Remuneration of Internal Auditor will be subject to approval of Audit Committee.

12.4. Auditors

The Statutory Auditor shall be appointed by shareholders at the Annual General Meeting, based on the recommendation of the Board of Directors. The Audit Committee shall be the first point of reference for appointment of auditors (including internal auditors) and shall evaluate the performance of the Statutory and Internal Auditor and recommend to the Board their appointment, re-appointment along with the annual audit remuneration or removal.

The Auditor shall, on an annual basis, submit a certification of independence and arm's length relationship with the company to the Board.

The Audit Committee will review and monitor Auditor's independence, objectivity and effectiveness of the audit process. The Audit Committee will discuss the annual work programme and the depth and detailing of the audit plan to be undertaken by the auditors. The Audit Committee may approve the engagement of the auditors to supply statutorily permissible non-audit services.

All Directors, and in particular the Chairperson and members of the Audit Committee, have open access to the Statutory and Internal Auditor of the Company at any time and vice versa. The Statutory Auditors have open access to the Internal Auditor at any time and vice versa.

The Board shall also appoint Independent Secretarial Auditors to conduct secretarial audit on an annual basis and submit the report to the Board.

12.4.1. Rotation

In order to maintain independence of Auditors, the Company shall rotate the audit partner responsible for audit of the Company, every five year and the Audit firm shall be rotated every ten years. A cooling off period of three years must have elapsed before an audit partner or audit firm can be re-appointed by the Company.

The Secretarial Auditor shall be subject to rotation every five years.

13. Relation with Shareholders

The Company recognises the importance of continuous communication with the shareholders of the Company and is committed to implementing effective and innovative ways of conveying effective information to our shareholders. The Company shall provide to shareholders access to balanced and understandable information about the Company.

13.1. Rights of Shareholders

The Shareholders of the Company shall have following rights:

- a. to participate in, and to be sufficiently informed on, decisions concerning fundamental corporate changes;
- b. opportunity to participate effectively and vote in general shareholder meetings;
- c. to be informed of the rules, including voting procedures that govern general shareholder meetings;
- d. opportunity to ask questions to the board, to place items on the agenda of general meetings, and to propose resolutions, in accordance with the provisions of the Companies Act, 2013;
- e. participation in key decisions, such as the nomination and election of board members;
- f. sufficient and timely information concerning the date, location and agenda of general meetings, as well as full and timely information regarding the issues to be discussed at the meeting;
- g. sufficient and timely information on capital structures and arrangements that enable certain shareholders to obtain a degree of control disproportionate to their shareholding;
- h. exercise of ownership rights by all shareholders, including institutional investors;
- i. adequate mechanism to address the grievances of shareholders;
- j. protection of minority shareholders from abusive actions by, or in the interest of, controlling shareholders acting either directly or indirectly, and effective means of redress.

13.2. Contact with the Directors

Shareholders may contact an Individual Director, the Board as a group, or a specified Board Committee, including the Independent Director, by writing to levercare.shareholder@unilever.com or by sending communication to the Company Secretary at the registered office. The Corporate Secretarial Department will receive and process communications before forwarding them to the addressee. A communication concerning a process related or general query will be answered by the Corporate Secretarial Department. Communication concerning serious issues will be escalated to the Chairperson of the Stakeholders' Relationship Committee, through the Company Secretary of the Company.

Each Director is encouraged to attend the Company's annual meeting of shareholders to address shareholder's concerns, if any.

The Corporate Secretarial Department shall be first point contact for the shareholders and shall be responsible for ensuring the highest standard of service levels to the Shareholders / Investors. The Company shall periodically conduct investor satisfaction survey and benchmark the service standards for continuous improvement.

13.3. Methods of Communication

The Company shall regularly communicate relevant information to shareholders through a range of forums, publications and online. These shall include:

- a. the General Meeting
- b. transcripts of Minutes of General Meetings and Speeches
- c. the Annual Report
- d. investor presentations
- e. disclosures to the Stock Exchanges
- f. the Company website

In addition to the formal interactions with the shareholders in the General Meeting the Company Secretary and the Corporate Secretarial Department shall hold such interactive meetings with the shareholders as may be required to address concerns of shareholders, if any.

Company shall maintain an investor relations section on its website to assist with shareholder communication.

13.4. Grievance / Dispute Resolution

The Company has put in place the process of resolving shareholders disputes and grievances through an alternative disputes redressal mechanism. The Company has appointed four retired Judges of different High Courts, one in each region, to act as Ombudsman. The Ombudsman independently reviews the merits of the complaint and decides on the issue.

In case of any shareholder's / investor's grievance arising out of the shares, dividends or any other related matter, the first point of contact shall be the Corporate Secretarial Department of the Company. The Corporate Secretarial team shall attempt to resolve any such grievance mutually in a speedy manner. In case the shareholder is not satisfied with the resolution provided by the Corporate Secretarial Department, the matter may be referred to the Stakeholders' Relationship Committee of the Company.

In the event the matter is not resolved as stated above at the level of Stakeholders' Relationship Committee or the shareholder is not satisfied with the resolution provided by the Committee, the said grievance can be referred to the Company's Ombudsman, as nominated by the Company for each region, for resolution. The decision of the Ombudsman shall be final and binding on the Company.

14. Related Party Transactions Policy

14.1. Scope of the Policy

Hindustan Unilever Limited shall engage with Related Parties in the ordinary course of business and on an arm's length basis to leverage scale, size and drive operational synergies to provide value added, innovative products to its consumers while ensuring that transactions with Related Parties are, fully compliant with applicable Regulations.

14.2. Objective of the Policy

The Board of Hindustan Unilever Limited ("HUL" or "the Company"), after considering the recommendation of the Audit Committee, has adopted this Policy and associated procedures with regard to Related Party Transactions, in line with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations, 2015') as amended from time to time, respectively.

This Policy is intended to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and Related Parties. This Policy specifically deals with the review and approval of Material Related Party Transactions keeping in mind the potential or actual conflicts of interest that may arise because of entering into these transactions.

14.3. Definitions and Applicability

All capitalised terms used in this Policy document but not defined herein shall have the meaning ascribed to such term in the Companies Act, 2013 and the Rules made there under and the Listing Regulations, 2015, as amended from time to time.

This Policy is applicable to Hindustan Unilever Limited. The Policy to the extent applicable may be adopted by Subsidiary Companies. Accordingly, the terms 'Company', 'Board of Directors', 'Audit Committee', 'Nomination and Remuneration Committee', 'Corporate Social Responsibility Committee' shall be construed with reference to the respective Companies. In case the Company is not required to constitute any of the Committee as per the applicable provisions of the Companies Act, 2013 and the Listing Regulations, 2015, the reference to the Committees in this Policy shall be read as the 'Board of Directors'.

The Audit Committee of the Company shall review all Related Party Transactions as a matter of good governance and suggest such actions, if required, that are consistent with the approach outlined in this Policy namely of executing Related Party Transactions that are in the ordinary course of business and at arm's length.

14.4. Dealing with Related Party Transactions

Related Party Transactions are prohibited, unless approved or ratified by the Audit Committee and / or the Board of Directors of the Company in accordance with this Policy. In dealing with Related Party Transactions, the Company will follow the following approach:

14.4.1. Identification of Related Party Transactions

All Related Party Transactions must be brought to the notice of the Audit Committee of the Company.

Any employee of the Company who is aware of any transaction that is or may be perceived to be a Related Party Transaction is required to bring the same to the attention of the Audit Committee of the Company through Company Secretary.

All Directors, Members of the Management Committee and Key Managerial Personnel (KMPs) are responsible for informing the Company of their interest (including interest of their Relatives) in other Companies, firms or concerns at the beginning of every financial year and any change in such interest during the year. In addition, all Directors, Members of the Management Committee and KMPs are responsible for providing notice to the Company Secretary of any potential Related Party Transaction involving him/her or his or her relative, including any additional information about the transaction that the Audit Committee may request. The Board shall record the disclosure of interest and the Audit Committee will determine whether the transaction is in the ordinary course of business and on an arm's length basis.

Such notice of any potential Related Party Transaction should be given well in advance so that the Company Secretary has adequate time to obtain and review information about the proposed transaction and to refer it to the Audit Committee.

14.4.2. Review and Approval of Related Party Transactions

All Related Party Transactions shall be approved or ratified by the Audit Committee of the Company in accordance with this Policy.

Unless otherwise stated in this Policy, all Related Party Transactions require prior approval of the Audit Committee of the Company. All Related Party Transactions must be reported to the Company Secretary who shall submit the same for approval or ratification by the Audit Committee in accordance with this Policy.

The Audit Committee shall, after obtaining approval of the Board of Directors, specify the criteria for making the omnibus approval which shall include the following, namely:

- i. Maximum value of transactions, in aggregate, which can be allowed under the omnibus route in a year;
- ii. Maximum value per transaction which can be allowed;
- iii. Extent and manner of disclosures to be made to the Audit Committee at the time of seeking omnibus approval;
- iv. Review of RPTs at such intervals as the Audit Committee may deem fit, entered into by the Company pursuant to each of the omnibus approval made;
- v. Transactions which cannot be subject to omnibus approval by the Audit Committee.

Based on the aforementioned criteria, the Audit Committee may, in the interest of the conduct of affairs of the Company, grant omnibus approval to Related Party Transactions that are repetitive in nature.

Such omnibus approval will be granted to the transactions which, in addition to meeting the above criteria, also satisfy the following considerations:

- (a) The transaction in question is necessary to be executed as it is in the business interest of the Company;
- (b) The requisite information is presented to the Audit Committee's satisfaction, to confirm that the transaction is at arm's length and in ordinary course of business;
- (c) Such omnibus approval shall specify
 - i. the name/s of the Related Party, nature of transaction, period of transaction, maximum amount of transaction that can be entered into;
 - ii. the indicative value and the formula for variation in the value, if any and
 - iii. such other conditions as the Audit Committee may deem fit;

Such omnibus approval shall be valid for a period not exceeding one year and shall require fresh approval after the expiry of one year.

The Audit Committee shall, on quarterly basis, review the details of the Related Party Transactions entered into by the Company pursuant to the omnibus approval.

In an unforeseen event where a Related Party Transaction, for which Omnibus approval has not been given by the Audit Committee, needs to be entered due to business exigencies between two Audit Committee meetings, the Audit Committee may approve such Related Party Transaction by passing a resolution by circulation, after satisfying itself that such transaction is in the interest of the Company.

Ratification, if any, of a Related Party Transaction after its commencement or completion will be approved by the Audit Committee in exceptional circumstances only. A Related Party Transaction entered into without prior approval of the Audit Committee shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as the transaction is brought to the Audit Committee for ratification as promptly as reasonably practical after it is entered into and such transaction is ratified.

Any Member of the Audit Committee, who has a potential interest in any Related Party Transaction, will recuse himself or herself and abstain from voting on the approval or ratification of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval or ratification of the Audit Committee.

All Related Party Transactions that are not in the ordinary course of business or not on arm's length basis shall be referred to the Board of Directors for their approval. Any Member of the Board who has a potential interest in such Related Party Transaction will recuse himself or herself and abstain from voting on the approval of such Related Party Transaction. Such Member may, however, participate in discussions with respect to other Related Party Transactions placed for approval of the Board.

Any such Related Party Transactions shall also be placed for prior approval of shareholders if it exceeds the thresholds as prescribed under the Companies Act, 2013 and rules made there under and the Listing Regulations, 2015.

All entities falling under the definition of Related Parties shall abstain from voting irrespective of whether the entity is a party to the particular transaction or not.

14.4.3. Related Party Transactions that shall not require Approval

Following transactions shall not require separate approval under this Policy:

- a. Any transaction pertaining to appointment and remuneration of Directors and KMPs that has already been approved by the Nomination and Remuneration Committee of the Company or the Board;
- b. Transactions that have been approved by the Board under the specific provisions of the Companies Act 2013, e.g. inter-corporate deposits, borrowings, investments with or in wholly owned subsidiaries or other Related Parties;
- c. Payment of Dividend;
- d. Transactions involving corporate restructuring, such as buy-back of shares, capital reduction, merger, demerger, hive-off, approved by the Board and carried out in accordance with the specific provisions of the Companies Act, 2013 or the Listing Regulations, 2015;
- e. Contribution to Corporate Social Responsibility (CSR) obligations, subject to approval of CSR Committee and within the overall limits approved by the Board of Directors of the Company.

14.5. Material Related Party Transaction

All Material Related Party Transactions shall be placed for prior approval of shareholders through resolution. The Company has fixed the following materiality threshold for the purposes of Companies Act, 2013 and SEBI Listing Regulations, 2015:

- a. Transactions with a Related Party covered under Rule 15(3) of the Companies (Meeting of Board and its Powers) Rules, 2014, shall be governed by the respective limits provided under the said rules.
- b. For other type of transactions with a Related Party, the materiality threshold shall be 10% of the annual consolidated turnover of the Company as per its last audited financial statements.
- c. For payment to a Related Party with respect to brand usage or royalty, materiality threshold shall be as per limits specified under the Listing Regulations, 2015 as amended from time to time.

The Material Related Party Transactions entered between HUL and its wholly owned subsidiaries shall not require prior approval of shareholders.

Related Party Transactions Policy on materiality and its threshold limits shall be reviewed by the Board of Directors of the Company once in every three years and updated accordingly.

14.6. Disclosure(s)

Details of all Related Parties Transactions on a consolidated basis shall be disclosed, on a half yearly basis, along with the half yearly standalone and consolidated financial statements, to the Stock Exchanges.

The Company shall disclose the Policy on materiality of Related Party Transactions and on dealing with Related Party Transactions on its website and provide weblink in the Annual Report. In addition to the disclosures required under Accounting Standard, Related Party Transactions that are not at arm's

length basis and Material Related Party Transactions that are at arm's length or such other transactions as may be statutorily required, shall be disclosed in the Annual Report of the Company.

14.7. Governance of the Policy

The Company shall constitute a Steering Committee which will be headed by the Chief Financial Officer and the Company Secretary and will have such Members from Finance, Corporate Secretarial and other functions as may be determined by the Chief Financial Officer and the Company Secretary. The Steering Committee shall meet periodically to ensure that the actions agreed with the Audit Committee and the Board with respect to Related Party Transactions has been implemented. The Steering Committee shall also ensure that the systems and processes are in place for identification and approval of Related Party Transactions as per this Policy.

14.8. Amendments to the Policy

The Audit Committee of the Company shall review the Policy atleast once in three years and may amend this Policy from time to time, subject to the approval of the Board of Directors of the Company.

Any or all provisions of this Policy would be subject to revision / amendment in accordance with the Rules, Regulations, Notifications, etc. on the subject as may be issued by relevant statutory authorities, from time to time. In case of any amendment(s), clarification(s), circular(s) etc. issued by the relevant authorities, not being consistent with the provisions laid down under this Policy, then such amendment(s), clarification(s), circular(s), etc. shall prevail upon the provisions hereunder and this Policy shall stand amended accordingly from the effective date as laid down under such amendment(s), clarification(s), circular(s), etc.

15. Policy for Material Subsidiaries

15.1. Objective

The objective of this policy is to lay down criteria for identification and dealing with material subsidiaries and to formulate a governance framework for subsidiaries of Hindustan Unilever Limited ("HUL" or "the Company").

15.2. Definitions

15.2.1. Subsidiary

A Company in which HUL controls the composition of the Board of Directors or exercises or controls more than fifty percent of the total voting power of the Company, either directly or through one or more subsidiaries, shall be treated as a Subsidiary of HUL.

15.2.2. Material Subsidiary

A Subsidiary Company shall be treated Material if:

a subsidiary whose income or net worth exceeds ten percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

15.2.3. Significant transactions or arrangements

Significant transactions or arrangements shall mean any individual transaction or arrangement that exceeds or is likely to exceed 10% of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted Subsidiary for the immediately preceding accounting year.

15.3. Governance Framework

15.3.1. All Subsidiaries

- a. minutes of the Board meetings of all Subsidiary Companies shall be placed before the Board of Directors of HUL on quarterly basis;
- b. a statement of all significant transactions and arrangements entered into by the Subsidiary Companies during the quarter shall be brought to the attention of the Board of Directors of HUL on quarterly basis;
- c. the Audit Committee of HUL shall review the financial statements, in particular, the investments made by the unlisted Subsidiary Company on an annual basis;
- d. any transaction between HUL and its Subsidiary Company shall be entered into in accordance with Related Party Transaction Policy of the Company.

15.3.2. Material Subsidiaries

- a. the list of Material Subsidiaries shall be placed before the Audit Committee of HUL on an annual basis;
- b. at least one Independent Director on the Board of HUL shall be appointed as a Director on the Board of material unlisted Indian Subsidiary Company (the term “material subsidiary” for the purpose of this clause shall mean a subsidiary, whose income or net worth exceeds twenty percent of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year);
- c. any proposal for disposal of shares in Material Subsidiary, such that the shareholding in the Company may reduce to less than fifty percent or HUL would cease to exercise control over the entity, shall be subject to prior approval of shareholders of HUL;
- d. any proposal for selling, disposing and leasing of assets amounting to more than twenty percent of the assets of the Material Subsidiary shall be subject to prior approval of shareholders by way of special resolution;

15.4. Responsibility

The Company Secretary shall be responsible for ensuring the compliance of this Policy. A list of Material Subsidiary shall be maintained by the Company Secretary and the same shall be placed before the Audit Committee on an annual basis. The Audit Committee shall review the list of Material Subsidiary and make suitable recommendations, including recommendation for appointment of Independent Director on the Board of Material Subsidiary.

16. Corporate Social Responsibility Policy

16.1. Policy

The Company is committed to operate and grow its business in a socially responsible way. The Company's vision is to grow its business whilst reducing the environmental impact of the operations and increasing its positive social impact.

This policy outlines the Company's Corporate Social Responsibility agenda. The aim is to achieve responsible growth and the Company will inspire to bring this to life by encouraging people to take small everyday actions that will add up to make a big difference. The Company has embraced Unilever Sustainable Living Plan (USLP) (available on the website of the Company www.hul.co.in) which contributes to activities listed in the Schedule VII of Section 135 of the Companies Act, 2013. The USLP has three global goals, namely, help more than a billion people take action to improve their health and wellbeing, reduce the environmental footprint of our products and enhance the livelihoods of people as we grow our business. Additionally, considering India as a water scarce region and the water availability is expected to go down further, the Company has identified water as a key area of intervention. The Company will focus in this area by creating capacities in conserving water through significant investments in partnership with relevant stakeholders with the objective of water conservation.

16.1.1. Corporate Social Responsibility (CSR) Principles

The CSR Policy is supported by the following principles:

- a. The Company is committed to conducting its operations with integrity and respect, in the interest of the stakeholders, and in line with the Code of Business Principles.
- b. The Company believes growth and environmental sustainability need not be conflicting. The Company's business model is designed to deliver sustainable growth. The inputs to the model are the Company's brands, people and operations. The outputs to the model are sustained growth, lower environmental impact and positive social impact. The differentiator in the business model is USLP and the goal of sustainable living.
- c. The Company collaborates and engages with different stakeholders including Governments, NGOs, IGOs, Suppliers, Farmers, and Distributors to tackle the challenges faced by the society.

In accordance with Section 135(5) of the Companies Act, 2013 (the Act), the Company is committed to spend at least 2% of its average net profits made during the three immediately preceding financial years in some of the identified activities that are listed in Schedule VII (as amended) to the Act. This

will include the spends through activities undertaken by Hindustan Unilever Foundation (HUF), a not for profit subsidiary Company, aimed at building capacities to conserve water and to further community development initiatives.

16.1.2. Governance Mechanism

The Company follows structured governance procedures to monitor CSR activities. The CSR Policy is governed by the Board of Directors of the Company. The Board has constituted a CSR Committee comprising of an Independent Chairperson and a majority of Independent Directors to monitor the Policy and the programmes from time to time.

The activities described in annexure to the policy are covered under Schedule VII (as amended) of the Act that lists down permitted activities that constitute such activities. These activities undertaken by the Company are not expected to lead to any additional surplus beyond what would accrue to the Company in the course of normal operations. The Company may take up other CSR activities as may be appropriate.

17. Transparency and Disclosures

The Company shall conduct its operation with honesty, integrity and openness and shall provide the Board and Stakeholders with true and fair view of Company's progress. In all its dealings, the Company shall uphold principles of good governance for healthy growth of the Company, as well as inclusive growth of the economy. The Company shall disseminate timely and accurate information and shall, inter alia, disclose all material matters including the financial situation, performance, ownership, and governance of the Company. The information should be prepared and disclosed in accordance with the prescribed standards of disclosure.

The company should implement the prescribed accounting standards in letter and spirit in the preparation of financial statements taking into consideration the interest of all stakeholders and should also ensure that the annual audit is conducted by an independent, competent and qualified auditor.

Where in the preparation of financial statements, a treatment different from that prescribed in an Accounting Standard has been followed, the fact shall be disclosed in the financial statements, together with the management's explanation as to why it believes such alternative treatment is more representative of the true and fair view of the underlying business transaction in the Corporate Governance Report.

18. Monitoring Mechanism for Code

The Board of Directors of the Company shall be responsible for monitoring and implementation of the Code. There shall be an independent Audit carried out by the Secretarial Auditor on an annual basis to evaluate the compliance of the code. The Report of the said audit shall be placed before the Board of Directors.

Appendix 1 - Code of Business Principles

THE CODE OF BUSINESS PRINCIPLES (1 of 2)

Standard of Conduct

We conduct our operations with honesty, integrity and openness, and with respect for the human rights and interests of our employees.

We shall similarly respect the legitimate interests of those with whom we have relationships.

Obeying the Law

Unilever companies and employees are required to comply with the laws and regulations of the countries in which we operate.

Employees

Unilever is committed to a working environment that promotes diversity and equal opportunity and where there is mutual trust, respect for human rights and no discrimination.

We will recruit, employ and promote employees on the sole basis of the qualifications and abilities needed for the work to be performed.

We are committed to safe and healthy working conditions for all employees.

We will provide employees with a total remuneration package that meets or exceeds the legal minimum standards or appropriate prevailing industry standards.

We will not use any form of forced, compulsory, trafficked or child labour.

We are committed to working with employees to develop and enhance each individual's skills and capabilities.

We respect the dignity of the individual and the right of employees to freedom of association and collective bargaining.

We will maintain good communications with employees through company-based information and consultation procedures.

We will ensure transparent, fair and confidential procedures for employees to raise concerns.

Consumers

Unilever is committed to providing branded products and services which consistently offer value in terms of price and quality, and which are safe for their intended use. Products and services will be accurately and properly labelled, advertised and communicated.

Shareholders

Unilever will conduct its operations in accordance with internationally accepted principles of good corporate governance. We will provide timely, regular and reliable information on our activities, structure, financial situation and performance to all shareholders.

Business Partners

Unilever is committed to establishing mutually beneficial relations with our suppliers, customers and business partners. In our business dealings we expect our partners to adhere to business principles consistent with our own.

Community Involvement

Unilever strives to be a trusted corporate citizen and, as an integral part of society, to fulfil our responsibilities to the societies and communities in which we operate.

Public Activities

Unilever companies are encouraged to promote and defend their legitimate business interests.

Unilever will co-operate with governments and other organisations, both directly and through bodies such as trade associations, in the development of proposed legislation and other regulations which may affect legitimate business interests.

Unilever neither supports political parties nor contributes to the funds of groups whose activities are calculated to promote party interests.



THE CODE OF BUSINESS PRINCIPLES (2 of 2)



The Environment

Unilever is committed to making continuous improvements in the management of our environmental impact and to the longer-term goal of developing a sustainable business.

Unilever will work in partnership with others to promote environmental care, increase understanding of environmental issues and disseminate good practice.

Innovation

In our scientific innovation to meet consumer needs we will respect the concerns of our consumers and of society.

We will work on the basis of sound science, applying rigorous standards of product safety.

Competition

Unilever believes in vigorous yet fair competition and supports the development of appropriate competition laws. Unilever companies and employees will conduct their operations in accordance with the principles of fair competition and all applicable regulations.

Business Integrity

Unilever does not give or receive, whether directly or indirectly, bribes or other improper advantages for business or financial gain. No employee may offer, give or receive any gift or payment which is, or may be construed as being, a bribe. Any demand for, or offer of, a bribe must be rejected immediately and reported to management.

Unilever accounting records and supporting documents must accurately describe and reflect the nature of the underlying transactions. No undisclosed or unrecorded account, fund or asset will be established or maintained.

Conflicts of Interests

All employees and others working for Unilever are expected to avoid personal activities and financial interests which could conflict with their responsibilities to the company.

Employees must not seek gain for themselves or others through misuse of their positions.

Compliance – Monitoring – Reporting

Compliance with these principles is an essential element in our business success. The Unilever Board is responsible for ensuring these principles are applied throughout Unilever.

The Chief Executive Officer is responsible for implementing these principles and is supported in this by the Global Code and Policy Committee which is chaired by the Chief Legal Officer.

Day-to-day responsibility is delegated to all senior management of the geographies, categories, functions and operating companies. They are responsible for implementing these principles, supported by local Code Committees. Assurance of compliance is given and monitored each year. Compliance is subject to review by the Board supported by the Corporate Responsibility Committee and for financial and accounting issues the Audit Committee.

Any breaches of the Code must be reported. The Board of Unilever will not criticise management for any loss of business resulting from adherence to these principles and other mandatory policies. Provision has been made for employees to be able to report in confidence and no employee will suffer as a consequence of doing so.

Note

In this Code the expressions 'Unilever' and 'Unilever companies' are used for convenience and mean the Unilever Group of companies comprising Unilever N.V., Unilever PLC and their respective subsidiary companies. The Board of Unilever means the Directors of Unilever N.V. and Unilever PLC.

Appendix 2 - Whistle Blower Policy



WHISTLE BLOWER POLICY

PREFACE

Hindustan Unilever Limited (HUL) follows highest standards of business ethics and management practices in the conduct of its business.

Directors and Employees are often the first to realise that there may be something not in order requiring redressal by the Company. HUL is committed to the highest possible standards of openness, probity and accountability. In line with that commitment, HUL Directors and Employees, with concerns about any aspect of the Company, are encouraged to come forward and voice their concerns to the Management.

Whistle Blower Policy is a device to help alert and responsible individuals to bring to the attention of the Management, promptly and directly, any unethical behaviour, suspected fraud or abrasion or irregularity in the Company practices which is not in line with HUL's Code of Business Principles or the law of the land, without any fear or threat of being victimised.

Whistle Blower Policy expects Employees and Directors to be the guardian of HUL's core values and the corporate purpose. The spirit of the Policy is to foster a sense of collective responsibility in safeguarding the business interests. The Policy provides an avenue to report matters directly to the Management or to the Chairman of the Audit Committee. The Policy also provides for reporting in confidence. Through this Policy, a vigil mechanism is established for every employee to report genuine concerns.

The assurance and co-operation from the Management in safeguarding the interest of the individuals who choose to report matters of principles to the Management is reinforced by the Whistle Blower Policy. In the process, it is also ensured that the Policy is not misused.

The Whistle Blower Policy supplements the Code of Business Principles and the policies under the Code. This Policy is issued pursuant to Section 177 of the Companies Act, 2013, read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules 2014 and Regulation 22 of the Listing Regulations, 2015.



WHISLE BLOWER POLICY

Disclosure in Confidence with Confidence

1. AIM AND SCOPE OF THE POLICY

- (a) This Policy aims to:
- Provide avenues for Employees and Directors to raise concerns and receive feedback on any action taken;
 - Provide avenue for Employees and Directors to report breach of Company's policies
 - Reassure Employees and Directors that they will be protected from reprisals or victimisation for Whistle Blowing in good faith.
- (b) There are existing procedures in place to enable employees to lodge a grievance relating to their own employment. This Whistle Blower Policy is intended to cover concerns that fall outside the scope of other procedures. That concern may be about an act or omission that:
- is unlawful or in breach of any law;
 - is against the Company's Policies;
 - falls below established standards or practices; or
 - amounts to improper conduct, unethical behaviour or suspected fraud.

2. SAFEGUARDS

(a) Harassment or Victimisation

The Company recognises that the decision to report a concern can be a difficult one to make, not least because of the fear of reprisal from those responsible for the malpractice or from superiors. The Company will not tolerate harassment or victimisation and will take action to protect an individual when they raise a concern in good faith. In case, a Whistle Blower is already the subject of any disciplinary action those procedures will not be halted as a result of their Whistle Blowing.

(b) Confidentiality

The Company will do its best to protect an individual's identity when he/she raises a concern and does not want their name to be disclosed. It must be appreciated that a statement from the Whistle Blower may be required as part of the evidence in the investigation process.

(c) Anonymous Allegations

This Policy encourages individuals to put their names to allegations. However, individuals may raise concerns anonymously. Concerns expressed anonymously will be evaluated by the Company for investigation. In exercising this discretion, the factors to be taken into account would include:

- The seriousness of the issue raised;
- The credibility of the concern; and
- The likelihood of confirming the allegation from attributable sources.



(d) Untrue Allegations

If the Whistle Blower makes an allegation in good faith, which is not confirmed by the investigation, no action will be taken against the Whistle Blower. If a complaint is malicious or vexatious, disciplinary action will be taken.

3. RAISING A CONCERN

- (a) Operational concerns shall be raised with Line Manager or Skip Line Manager. Whistle Blowing mechanism should be used for potentially serious or sensitive issues.
- (b) The first step should be to approach the relevant Business Head. In case the Business Head or Senior Management is the subject of complaint, the employees can directly reach out to HR Director or Legal Director. If the Business Head finds the Whistle Blower complaint to be substantiated, he/she will consult with the HR Director or Legal Director on referring it to the appropriate body formed by the Company for such purposes. Employees of the HR / Legal Director's Services should raise their concerns with the Finance Director.
- (c) Concerns are better raised in writing. In case any concerns are to be raised directly with the Chairperson of the Audit Committee, the Chairperson can be reached out through the following email id : Kalpana.morparia@unilever.com. Alternatively, employees may send in written communications to Manager – Corporate Policies and Compliances, C/o Legal Department at Head Office or email at cobp.hul@unilever.com.
- (d) The background and history of the concern, giving names, dates and places where possible, should be set out and the reason why the individual is particularly concerned about the situation. Those who do not feel able to put their concern in writing can telephone or meet the appropriate officer (immediate superior or Legal Director).
- (e) The complainant is not expected to prove the truth of allegation, but should be able to demonstrate that there are sufficient grounds for concern. Employees must raise concerns immediately. This will support investigation process and enable faster implementation of corrective actions, if any.
- (f) Advice and guidance on how matters of concern may be pursued can be obtained from the Code Officer.
- (g) In case of any serious concerns, the Whistle Blower may also directly approach the Chairperson of the Audit Committee.

4. HOW THE COMPLAINT WILL BE DEALT WITH

- (a) The concerns raised may:
 - form the subject of an independent inquiry;
 - be investigated internally;
 - be referred to the external Auditor; or
 - be referred to the police; if required.



- (b) Upon receipt of a concern, an initial enquiry will be made to decide whether an investigation is appropriate and, if so, what form it should take. Some concerns may also be resolved by an agreed action without the need for investigation.
- (c) After the concern has been evaluated, the Company will write to the complainant:
 - acknowledging that the concern has been received;
 - indicating how it is proposed to be dealt with;
 - informing whether further investigations will take place, and if not, why not.
- (d) The amount of contact between the body considering the issues and the complainant will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from the complainant.
- (e) The Company will take steps to protect the Whistle Blower from victimisation and minimise any difficulties which a person reporting under Whistle Blowing may experience as a result of raising a concern.
- (f) The Company accepts and would take such steps as may be required to assure the Whistle Blower that the matter has been appropriately addressed.

5. REPORTING

The concerns raised under Whistle Blowing shall be reported periodically to Management Committee and Audit Committee of the Company.

6. THE COMPLIANCE OFFICER

The Company Secretary as the Compliance Officer of the Company shall also act as the Compliance Officer under the Whistle Blower Policy. The Whistle Blower Policy will be integrated with and implemented through the structures created under the administration of the Code of Business Principles in HUL.

7. ADDRESS FOR REPORTING AND COMMUNICATION

E Mail: kalpana.morparia@unilever.com, or write to
Manager – Corporate Policies and Compliances,
Email : cobp.hul@unilever.com
Address : Hindustan Unilever Limited
Unilever House,
B D Sawant Marg,
Chakala, Andheri East,
Mumbai 400 099

Appendix 3 - Share Dealing Code

Hindustan Unilever Limited

Share Dealing Code

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Note : This Share Dealing Code was approved by the Board of Directors in their meeting held on 31st October 2009 and was modified on 14th December 2012, 8th May, 2015, 9th May 2016, 18th April, 2019 and 27th January, 2021.

HUL – Share Dealing Code

1. INTRODUCTION

Trading in a Company's shares by insiders, including its Directors or employees or other persons connected or deemed to be connected to the Company while in possession of unpublished price sensitive information, i.e. information that is not generally available to the public, and can materially impact the price of securities is known as 'insider trading'. Such insider trading places the average investor who does not have access to such insider information at a disadvantage. Needless to mention, this kind of profiteering by misusing any material access to confidential information available to such insiders by virtue of their position or connection with a Company, erodes investors' confidence in the integrity of the management of the Company. Thus, such conduct, apart from being unethical and immoral, is also illegal.

The Securities Exchange Board of India ("**SEBI**") has notified the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 ("**SEBI Regulations**"), which came into force on 15th May, 2015 and governs the law relating to insider trading in India.

2. OBJECTIVE

The objective of this document is to give a basic understanding of the law relating to insider trading and to reiterate the Company's policy and code for dealing in the securities of Hindustan Unilever Limited ("**HUL**" / "**Company**") and its associate companies in India, for the benefit of and compliance by all concerned. It also includes guidance to the Company's Directors and employees on the policy, pre-clearance/notification procedures to be followed at the time of dealing in shares or other securities of the Company and the option of formulation of Trading Plans pursuant to which trades may be carried out in the shares or other securities of the Company ("**HUL Securities**").

This Code places two sets of restrictions, Clause 4 of the Code applies to all HUL employees and seeks to prevent them from dealing in HUL securities when they are in possession of unpublished price sensitive information. Clauses 5, 6 and 7 of the Code apply mainly to Special Employees, as defined under this Code, and prohibit dealings in the shares and other securities of HUL at certain times, imposes a requirement of pre-clearance and sharing of trading plans pursuant to which trades may be carried out, and contains other obligations for Special Employees.

The restrictions in this Code, in certain cases, go beyond strict legal requirements and are intended to preserve the reputation of HUL and the individuals to which the Code applies.

This Code is in addition to the 'Unilever Disclosure and Share Dealing Manual' which applies for dealing in Unilever Securities.

3. IMPORTANT CONCEPTS

A. HUL SECURITIES

“HUL Securities” means shares, scrips, stock, bonds, debentures, debenture stock and other derivative instruments of HUL, which are listed on stock exchanges.

B. TRADING IN SECURITIES

“Trading in securities” means and includes an act of subscribing, buying, selling, dealing or agreeing to subscribe, buy, sell, deal in any securities. The term “trade” shall be construed accordingly.

For the avoidance of any doubt, it may be noted that dealings by a nominee on behalf of the Special Employee or dealings between Special Employees or off-market dealings or transfers without consideration shall also be constituted as trading for the purposes of this Code.

C. CONNECTED PERSON

“Connected Person” means:

- (i) any person who is or has during the six months prior to the concerned act been associated with the Company, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a Director, officer or an employee of the Company or holds any position including a professional or business relationship between himself and the Company whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information or is reasonably expected to allow such access.
- (ii) Without prejudice to the generality of the foregoing, the persons falling within the following categories shall be deemed to be connected persons unless the contrary is established,
 - a) an immediate relative of connected persons specified in clause (i); or
 - b) a holding Company or associate Company or subsidiary Company; or
 - c) an intermediary as specified in Section 12 of the Act or an employee or Director thereof; or
 - d) an investment Company, trustee Company, asset management Company or an employee or Director thereof; or
 - e) a concern, firm, trust, Hindu undivided family, Company or association of persons wherein a Director of a Company or his immediate relative or banker of the Company, has more than ten per cent. of the holding or interest.

D. DEPENDANT OR IMMEDIATE RELATIVE

“Immediate Relative” means a spouse of a person, and includes parent, sibling, and child of such person or of the spouse, any of whom is either dependent financially on such person, or consults such person in taking decisions relating to trading in securities;

E. GENERALLY AVAILABLE INFORMATION

“Generally Available Information” means information that is accessible to the public on a non-discriminatory basis;

F. INSIDER

“Insider” means any person (e.g. Individual, Company, Association or Body of Individuals, whether incorporated or not) who:

- i) a connected person; or
- ii) in possession of or having access to unpublished price sensitive information;

G. KEY MANAGERIAL PERSON

“Key Managerial Person” means a person as defined in Section 2(51) of the Companies Act, 2013

H. UNPUBLISHED PRICE SENSITIVE INFORMATION

“Unpublished Price Sensitive Information” means any information, relating to a Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following

- i. Financial results
- ii. Dividend
- iii. Change in Capital Structure
- iv. Mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions
- v. Changes in key managerial personnel

I. CLOSE PERIOD

A “Close Period” in relation to a Trading Window, means:

- (i) The period from the end of financial year [31st March] up to the date of announcement of the unaudited and/or audited annual results and 48 hours thereafter: and
- (ii) The period from the end of each quarter up to the date of the announcement of unaudited quarterly result and 48 hours thereafter.
- (iii) The period which the Compliance Officer determines that a designated person or a class of designated persons can reasonably be expected to have possession of unpublished price sensitive information.

The trading window may be reopened after closure, not earlier than 48 hours after the unpublished price sensitive information in question becomes generally available. Any closure shall be imposed in relation to HUL Securities to which UPSI relates, as applicable.

J. COMPLIANCE OFFICER

The Company has appointed the Company Secretary, as the Compliance Officer for the purposes of the SEBI Regulations and this Code.

K. SPECIAL EMPLOYEES

The following categories of employees will be considered as 'Special Employees' for the purposes of this Code:

- (i) Chief Executive Officer and employees upto two levels below Chief Executive Officer of the Company;
- (ii) all management employees at work level 3X and above;
- (iii) all employees in the finance & accounts department of the Company;
- (iv) Executive Assistants/Private Secretaries of Whole-time Directors and Management Committee Members;
- (v) Employees in the IT Department, Corporate Secretarial department who may have access to unpublished price sensitive information as determined by the Compliance Officer;
- (vi) Any other employee who may be notified or advised of his or her categorisation as a Special Employee for the purpose of this Code ;
- (vii) All employees of material subsidiaries of the above level prescribed in clauses (i) to (v) above;

- (viii) All promoters of the Company; and
- (ix) Immediate relatives of employees mentioned in clauses (i) to (viii) above.

Explanation - “Material Subsidiary” shall mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year or such other Company determined by the Company as material per its policy on determining material subsidiaries.

Those who are considered to be 'Special Employees' shall be notified to that effect and a copy of this Code will be provided to them. All Special Employees, to whom the Code applies, shall be required to submit a written confirmation regarding receipt of the Code with an undertaking to abide by the requirements of the Code. The said confirmation cum undertaking shall be submitted in the form prescribed in **Appendix 1**.

The Code also applies to all Non-Executive Directors as if they were Special Employees and all provisions of the Code apply for them accordingly.

L. TRADING WINDOW

“Trading Window” means a notional window used as an instrument of monitoring trading by Special Employees.

M. OTHER WORDS AND EXPRESSIONS

All words and expressions not defined herein shall have the same meaning as that set out in the SEBI Regulations.

4. RESTRICTIONS ON ALL EMPLOYEES

Employees of the Company should not deal in HUL Securities at any time when he/she is in possession of any unpublished price sensitive information. Employees must also maintain confidentiality of all unpublished price sensitive information and must not pass such information to any person either directly or indirectly except for legitimate purposes and strictly on a need to know basis.

In addition, employees should not deal in the securities of any other listed Company at any time when they are in possession of unpublished price sensitive information in relation to those securities and shall not pass such information to someone else or encourage someone else to trade in such securities at such a time.

Employees ought to note that it is a criminal offence to deal in the securities of any listed Company, directly or indirectly, when in possession of any unpublished price sensitive information in relation to such securities.

5. RESTRICTION ON SPECIAL EMPLOYEES

5.1. Over and above the basic rule applicable to all employees as set out at Clause 4 above, this Code places additional special restrictions on Special Employees from trading in HUL Securities. The Special Employees to whom this Code applies should:

- (i) not deal in HUL Securities during the Close Period
- (ii) always seek pre – clearance for trading in HUL Securities as per the procedure for seeking clearance set out in Clause 7 of this code.
- (iii) not deal in HUL securities based on short term considerations. HUL securities should not be sold by Special Employees within six (6) months of last purchase and any purchase should not be made within six (6) months of last sale. This six (6) months rule may be relaxed in individual cases by the Compliance Officer for reasons to be recorded in writing if such relaxation does not violate the SEBI Regulations. Any request for dispensation should be included in the written notice required under clause 7 of this Code. However, this provision shall not be applicable in case of trades pursuant to exercise of stock options

5.2. In addition to the exemption for stock options, it is proposed to clarify that the Close Period restrictions are not applicable for certain transactions as prescribed in Clause 4 (3) of Schedule B of PIT Regulations, viz.

- Off-market Inter-se transfer between Special Employees;
- Transaction through Block deal window mechanism between Special Employees;
- Transaction due to statutory or regulatory obligations;
- Trade pursuant to duly approved Trading plan;
- Creation of pledge for bona fide purpose such as raising of funds;
- Transactions which are undertaken in accordance with respective regulations made by SEBI such as subscribing to rights issue, further public issue, preferential allotment or tendering of shares in a buy-back offer, open offer, delisting offer or transactions which are undertaken through such other mechanism as may be specified by SEBI from time to time.

5.3 The Company does not encourage the Special Employees to deal in derivatives related to HUL Securities at any time [such as put and/or call options, contracts for differences and other contracts intended to secure a profit or avoid a loss based on fluctuations in the

price of HUL securities] because of the speculative nature of such instruments. However, if a Special Employee decides to trade in derivatives he will be under an obligation to abide by the Code and obtain pre- clearance as per clause 7 and consequent to the transaction, make requisite disclosures as per clause 12 of the Code being provided herein.

6. FORMULATION OF TRADING PLAN

This provision intends to give an option to Special Employees who may be perpetually in possession of unpublished price sensitive information and enable them to trade in securities in a compliant manner. This provision enables the formulation of a trading plan by a Special Employee to enable him/her to plan for trades to be executed in the future. By doing so, possession of unpublished price sensitive information when a trade under a trading plan is actually executed would not prohibit the execution of such trades that had been pre-decided even before the unpublished price sensitive information came into being.

6.1. Trading Plan: An insider shall be entitled to formulate a trading plan for dealing in securities of the Company and present it to the Compliance Officer for approval and public disclosure pursuant to which trades may be carried out on his/her behalf in accordance with such plan.

6.2. Trading Plan shall:

- i. not entail commencement of trading on behalf of the insider earlier than six months from the public disclosure of the plan;
- ii. not entail trading for the period between the twentieth trading day prior to the last day of any financial period for which results are required to be announced by the Company and the second trading day after the disclosure of such financial results;
- iii. entail trading for a period of not less than twelve months;
- iv. not entail overlap of any period for which another trading plan is already in existence;
- v. set out either the value of trades to be effected or the number of securities to be traded along with the nature of the trade and the intervals at, or dates on which such trades shall be effected; and
- vi. not entail trading in HUL Securities for market abuse.

- 6.3. The Compliance Officer shall review the Trading Plan made as above and shall approve it after reviewing the plan to assess whether the plan would have any potential for violation of SEBI Regulations. However, he shall be entitled to take express undertakings as may be necessary to enable such assessment and to approve and monitor the implementation of the plan as per provisions of the SEBI Regulations.
- 6.4. However, it is clarified that pre-clearance of trades shall not be required for a trade executed as per an approved trading plan. Further, it is clarified that trading window norms and restrictions on contra trade shall not be applicable for trades carried out in accordance with an approved Trading Plan.
- 6.5. The Trading Plan once approved shall be irrevocable and the Insider shall mandatorily have to implement the plan, without being entitled to either deviate from it or to execute any trade in the HUL Securities outside the scope of the trading plan.

However, the implementation of the trading plan shall not be commenced, if at the time of formulation of the plan, the Insider is in possession of any unpublished price sensitive information and the said information has not become generally available at the time of the commencement of implementation. The commencement of the Plan shall be deferred until such unpublished price sensitive information becomes generally available information.

- 6.6. Upon approval of the trading plan, the compliance officer shall notify the plan to the stock exchanges on which the HUL Securities are listed.

7. PRE-CLEARANCE PROCEDURE

- 7.1. Clearance must be obtained in advance for all dealings or trading in HUL Securities by Special Employees. The form to obtain clearance as set out in **Appendix 2** of this Code should be forwarded to Corporate Secretarial Department duly completed, for being considered for recommendation by an appropriate person as set out below who shall further send it to the Compliance officer for approval.

DEALING BY	CLEARANCE BY
Chairman or Chief Executive Officer	Group Chief Executive
Non-Executive Directors	Chairman
Executive Directors (including members of the Management Committee)	Chief Executive Officer
Special Employees other than above	Compliance Officer

It should be noted that the form set out in **Appendix 2** contains an undertaking prescribed by the SEBI Regulations and the employees should consider its full implications before

signing the form. The Compliance Officer will endeavor to give clearance within two (2) working days of receiving the request.

Explanation – No Special Employee shall seek to trade during the Close Period or seek pre-clearance with a view to trade during such period. The Company Secretary is the Compliance Officer for the purposes of the SEBI Regulations and this Code. The Company may develop an electronic method of administering the process under this Code.

- 7.2. Pre-Clearance to deal in any HUL Securities shall not be given by the Compliance Officer during any of the following periods:
- (i) Close Period
 - (ii) At the time of:
 - (a) intended declaration of interim or final dividend;
 - (b) issue of securities or buyback of securities
 - (c) any major expansion plans or execution of new projects
 - (d) amalgamations, mergers or takeovers
 - (e) disposal of undertakings
 - (f) any significant changes in policies, plans or operations of the Company
- 7.3. Pre- Clearance shall not be given to any Special Employee when who is aware / expected to be aware of one or more of the events mentioned in (ii) above, due to his involvement in the proposed transaction or has been notified by the Compliance Officer to such effect, even though full details may not have been disclosed to him on the principle of 'need to know' basis
- 7.4. Pre- Clearance shall not be given to any Special Employee during any period when there exists any matter which constitutes unpublished price sensitive information in relation to HUL Securities (whether or not the Special Employee has knowledge of such matter) and the proposed dealing would (if permitted) take place after the time when it has become reasonably probable that an announcement will be required in relation to that matter.
- 7.5. Pre- Clearance shall not be given to any Special Employee during any period when the Compliance Officer otherwise has reasons to believe that the proposed dealing is in breach of this Code, or SEBI Regulations

The periods under 7.4 and 7.5 above, shall be determined and communicated by the Compliance Officer when such eventualities arise.

- 7.6. A record of all applications received from Special Employees and all clearances given, shall be maintained by the Compliance Officer. Clearances given by the Compliance Officer will be communicated to concerned Special Employees by returning Part 2 of the application duly completed.

- 7.7. If clearance is given for any trades by the Compliance Officer, the same should be completed within seven (7) trading days (excluding the day on which clearance is given) from the grant of such clearance. A fresh clearance must be sought if such trades are not completed within such period.
- 7.8. The completion of any trade must be reported to the Compliance Officer by completing **Part 3** of the Form given in **Appendix 2** and returning the same within two days of such trade.
- 7.9. Persons to whom this Code applies must keep confidential the fact that they are intending to deal or that they have applied for clearance to deal or the clearance is granted/refused by the Compliance Officer.

8. DEALINGS BY CONNECTED PERSONS AND IMMEDIATE RELATIVES

- 8.1. A Special Employee must (so far as is consistent with his/her duties of confidentiality to HUL Group Companies) seek to prohibit any dealing in HUL Securities by persons connected to him/her or by his/her family members, relatives, stockbrokers or other associates or acquaintances at a time when Special Employees would be prohibited from trading in HUL Securities under this Code.
- 8.2. Special Employees must advise all Connected Persons/Immediate Relatives (who are also deemed to be Special Employees under this Code):
- (i) of the fact that they are covered by this Code and that this Code applies to them
 - (ii) of the Close Periods during which the connected persons/immediate relatives should not deal in HUL Securities
 - (iii) of any other periods when Special Employee knows that he/she himself/herself is not free to deal in HUL Securities under the provisions of this Code, unless his/her duty of confidentiality to HUL/Group Companies prohibits him/her from disclosing such periods
 - (iv) that the connected person / Immediate relatives must intimate him / her immediately after they have dealt in HUL Securities.

Special Employees must also take reasonable steps to prevent any dealings by or on behalf of Connected Persons and Dependents in HUL Securities on considerations of a short-term nature.

9. SPECIAL EMPLOYEE ACTING AS TRUSTEE

When a Special Employee acts as a trustee, the provisions of this Code will normally still apply as if he/she is also a beneficiary. This may not be the case if either he/she is only a nominee trustee without any discretion of his/her own or if his/her co-trustees act completely independently of the Special Employee.

10. ROLE OF COMPLIANCE OFFICER

- 10.1 The Compliance Officer shall, apart from carrying out the duties enshrined hereinabove, report to the Board of Directors of the Company and in particular, provide reports to the Chairman of the Audit Committee, if any, or to the Chairman of the Board of Directors at such frequency as may be stipulated by the Board of Directors, but not less than once in a year.
- 10.2 The Compliance Officer shall assist all employees in addressing any clarifications regarding the SEBI Regulations and the Code.

11. PRESERVATION OF “PRICE SENSITIVE INFORMATION”

- 11.1. No insider in relation to the Company shall communicate, provide, or allow access to any unpublished price sensitive information, relating to the Company or the HUL Securities listed or proposed to be listed, to any person including other insiders except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.2. No insider in relation to the Company shall procure from or cause the communication by any insider of unpublished price sensitive information, relating to the Company or HUL Securities listed or proposed to be listed, except in furtherance of legitimate purposes, performance of duties or discharge of legal obligations.
- 11.3. All information shall be handled within the Company on a ‘need-to-know’ basis and no unpublished price sensitive information shall be communicated to any person except in furtherance of the insider's legitimate purposes, performance of duties or discharge of his/her legal obligations.
- 11.4. Any person in receipt of unpublished price sensitive information pursuant to a “legitimate purpose” shall be considered an “insider” and notice shall be given to such persons to maintain confidentiality of such unpublished price sensitive information by the Compliance Officer.

“Legitimate Purpose” shall be determined in accordance with the Code of Fair Disclosure and Conduct, as amended from time to time. The Code of Fair Disclosure and Conduct is annexed herewith as ‘**Annexure A**’ to this Code.

Illustrative Examples of Legitimate Purposes:

- sharing of draft accounts with the statutory auditor
- sharing of information pertaining to Intellectual Property Rights with an attorney etc.

11.5. For the purposes of this clause, 'need to know basis' will mean:

- a. Unpublished Price Sensitive Information should be disclosed only to those within the Company who need the information to discharge their role and perform their duty and whose possession of such information will not give rise to a conflict of interest or appearance of misuse of the information.
- b. All non-public information directly received by any employee should immediately be reported to the Compliance Officer.

11.6. The Company shall enter the details of the person or entity with who UPSI is shared under this part in a digital database.

11.7. Files containing confidential information shall be kept secure. Computer files must have adequate security of login and password, etc.

12. REPORTING REQUIREMENTS FOR TRANSACTIONS IN SECURITIES

12.1. Initial Disclosure

Every person on appointment as a Key Managerial Personnel or a Director or being designated as a Special Employee of the Company or upon becoming a promoter or member of the promoter group shall disclose his holding of HUL Securities, including the holding of their Immediate Relatives, and of any other person for whom such person takes trading decisions on the date of appointment or becoming a promoter or member of the promoter group, to the Company within seven days of such appointment or becoming a promoter in the prescribed Form B as set out in **Appendix 3**.

12.2. Continual Disclosure

- (i) Every promoter, member of the promoter group, Special Employee and Director of the Company shall disclose to the Company as per **Form C** set out in **Appendix 3**, the number of such securities acquired or disposed of within two trading days of such transaction if the value of the securities traded, whether in one transaction or a series of transactions over any calendar quarter, aggregates to a traded value in excess of Rs. 10,00,000 (Rs. Ten lakhs). The disclosure shall be made within 2 working days of:
 - (a) the receipt of intimation of allotment of shares, or
 - (b) the acquisition or sale of shares or voting rights, as the case may be

- (ii) Every Promoter, member of the promoter group, Key Managerial Personnel, Director and Special Employee of the Company shall disclose annual statements of their holding, and the holding of their Immediate Relatives and of any other person for whom such person takes trading decisions, of HUL Securities to the Compliance Officer as on 31st March every year in such form and manner set out in **Appendix 4** or as may be prescribed by the Compliance Officer from time-to-time. Such statement shall be submitted on or before 30th April, each year.

12.3. Other Disclosures

12.3.1. Every Special Employee shall disclose names and Permanent Account Number (“**PAN**”) or any other identifier authorized by law as may be required of the following persons to the Company on an annual basis and as and when the information changes:

- (i) immediate relatives;
- (ii) persons with whom such Special Employee shares a Material Financial Relationship; and
- (iii) phone, mobile and cell numbers which are used by them.

In addition, the names of educational institutions from which Special Employees have graduated and names of their past employers shall also be disclosed on a one time basis.

12.3.2. For the purposes of 12.3. 1., the following persons will be deemed to have a “Material Financial Relationship” with a Special Employee -

- (i) Any person who has received any kind of payment from a Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid by the Special Employee represents 25% or more of the annual income of such Special Employee;
- (ii) Any person who has made a payment to the Special Employee whether by way of a loan or a gift, other than on an arms-length basis, during the immediate preceding twelve months, where the amount paid to the Special Employee represents 25% or more of the annual income of such Special Employee; or

For the purposes of this clause, the “annual income” of the Special Employee shall be determined as being the extant CTC (Cost to Company) of the relevant Special Employee.

12.4. REPORTING TO THE BOARD

A quarterly report of the dealings in HUL Securities by or on behalf of any Non-Executive Director or a Special Employee shall be circulated to the members of HUL Board in the quarterly Board Meetings.

13. PROTECTION AGAINST RETALIATION AND VICTIMIZATION

Employees will be protected against any discharge, termination, demotion, suspension, threats, harassment, directly or indirectly or discrimination who files a Voluntary Information Disclosure Form, irrespective of whether the information is considered or rejected by the Board or he or she is eligible for a Reward under these regulations, by reason of:

- i. Filing a Voluntary Information Disclosure Form under these regulations;
- ii. Testifying in, participating in, or otherwise assisting or aiding the Board in any investigation, inquiry, audit, examination or proceeding instituted or about to be instituted for an alleged violation of insider trading laws or in any manner aiding the enforcement action taken by the Board; or
- iii. Breaching any confidentiality agreement or provisions of any terms and conditions of employment or engagement solely to prevent any employee from cooperating with the Board in any manner.

Provided that such protection shall not be available for any employee who files or threatens to file Voluntary Information Disclosure with

- i. Malafide intention; or
- ii. Motive to harass the Company
- iii. Motive to extort money from the Company

Explanation - For the above purpose, "employee" means any individual who during employment may become privy to information relating to violation of insider trading laws and files a Voluntary Information Disclosure Form under these regulations and is a director, partner, regular or contractual employee, but does not include an advocate.

14. NON-COMPLIANCE OF THIS CODE

- a. In respect of any non-compliance of this Code or the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the Company, the Compliance Officer shall report to the Board and in particular, shall provide reports to the Chairman of the Board atleast once every year, or more frequently if so stipulated by the Board, or if the Compliance Officer so considers it necessary.

- b. In addition to the above, the Audit Committee shall review compliance with the provisions of the SEBI Regulations atleast once in a financial year and shall verify that the systems for internal controls which are required to be maintained per these Regulations are adequate and are operating effectively.
- c. The Company shall initiate appropriate inquiries on becoming aware of leak of Unpublished Price Sensitive Information or suspected leak of Unpublished Price Sensitive Information in accordance with the policy formulated by the Board of Directors of the Company and inform SEBI promptly of such leaks, inquiries and results of such inquiries.

15. SHARE DEALING CODE COMPLIANCE COMMITTEE

There shall be a Committee called the Share Dealing Code Compliance Committee comprising the Chief Executive Officer, Executive Director, Finance & IT and Chief Financial Officer and Executive Director, Legal & Corporate Affairs and Company Secretary ("**Committee**"). The Committee will concern itself with the establishment and maintenance of disclosures, control of Unpublished Price Sensitive Information alongwith a suitable procedure, protocol for sharing informing which is for legitimate purposes and which is in the best interests of the Company and also with the appropriateness of the disclosures. The Committee shall also decide the suitable actions under Clause 14 of this Code for any breach of the Code. Further, such Committee will also concern itself with any leak / suspected leak of unpublished price sensitive information and inquiries as laid out in the Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information. The policy on 'procedures to be adopted while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information' is annexed as **Annexure B** to this Code.

16. PENALTIES

16.1. PENALTIES BY THE COMPANY

Failure to comply with this Code is a serious disciplinary matter and may also constitute a criminal offence in certain cases.

Any employee who violates the provisions of this Code shall be liable for such penal/disciplinary / remedial action as may be considered appropriate by the 'Share Dealing Code Compliance Committee' as per the sanction framework of the code prescribed in **Appendix 5**.

All Breaches of this Code with actions taken by the 'Share Dealing Code Compliance Committee' shall be reported to the Board of Directors of the Company. In case of any

observed violations of the SEBI Regulations, the Board of Directors shall inform Stock Exchanges promptly of the same.

The above actions of Company will be without prejudice to any civil or criminal action that the regulatory authorities may initiate against such an employee.

Any amount collected by the Company under the Code shall be remitted to the Investor Protection and Education Fund administered by SEBI under the Act.

16.2. **PENALTIES BY THE STATUTORY AUTHORITIES**

Under Section 15G of SEBI Act, any insider who indulges in insider trading is liable to a penalty of Rs. 25 crores or three times the amount of profits made out of insider trading, whichever is higher. Under Section 24 of the SEBI Act, anyone who contravenes the Insider Trading Regulations is punishable with imprisonment which may extend to ten years, or with fine, which may extend to Rs. 25 crores or with both.

It may also be noted that *mens rea* or criminal intent is not relevant in an offence of insider trading. Whether or not any actual gains were made or losses were avoided out of such deal also has no bearing on the maintainability of the criminal proceedings though depending on the facts of the case, the Court may take these factors into account while deciding the extent of penalty/punishment.

SEBI can also pass directions to an insider found indulging in insider trading, not to deal in the Company's shares in any particular manner or prohibit him from disposing any of the shares acquired in violation of the Regulations and/or restrain him from communicating to or counselling any other person to deal in the Company's shares.

17. **ENQUIRIES / CONSULTATION**

Any person, to whom this Code applies, and who has any doubt as to interpretation of any Clause of the Code, should at all times consult the Compliance Officer. All communications under this Code should be addressed to the Corporate Secretarial Department at Mumbai or to the designated e-mail: comsec.hul@unilever.com.

**CODE OF PRACTICES AND PROCEDURES FOR FAIR DISCLOSURE OF
UNPUBLISHED PRICE SENSITIVE INFORMATION**

[Pursuant to Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015]

Hindustan Unilever Limited (“**HUL**” / “**Company**”) believes in fair disclosure of all unpublished price sensitive information on a non-discriminatory basis in order to enable fair price discovery in the securities of the Company. In this regard, it is to be noted that Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations, 2015 (“**Regulations**”) requires a listed Company to formulate and publish on its official website a “Code of Practices and Procedure for Fair Disclosure of Unpublished Price Sensitive Information (“**UPSI**”)” in adherence to the principles set out in Schedule A to the said Regulations. HUL believes in fairness of information, uniformity of information and confidentiality of UPSI.

In light thereof, the following is being set out as the “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” which applies to all employees of HUL regardless of whether they are designated as Special Employees for the purposes of the Share dealing code.

- 1) The Company will strive to make prompt public disclosure of UPSI that would impact price discovery, as soon as it has credible and concrete information, in order to make such information ‘generally available’ i.e. to make the information accessible to the public on a non-discriminatory basis.
- 2) The Company will strive to make uniform and universal dissemination of unpublished price sensitive information to avoid selective disclosures.
- 3) The Compliance Officer shall be the Chief Investor Relations Officer entrusted with the administration of this code and must be contacted in case of any queries or uncertainties pertaining to UPSI or of the obligations or directions placed herein
- 4) If any employee(s) ends up disclosing any UPSI selectively, inadvertently or otherwise, such employee must forthwith intimate the Compliance Officer, about the occurrence of such event;
- 5) The Company will strive to make appropriate and fair responses to queries on news reports and requests for verification of market rumors by regulatory authorities.
- 6) The Company shall ensure that information shared with analysts and research personnel is not UPSI. Authorized representatives of the Company shall be present at meetings with analysts, media persons and institutional investors. Unanticipated questions may be taken on notice and a

considered response given later. If the answer includes UPSI, a public announcement shall be made before responding. There shall be simultaneous release of information after every such meet.

- 7) Best practices shall be developed to make transcripts or records of proceedings of meetings with analysts and other investor relations conferences on the Company's website www.hul.co.in to ensure official confirmation and documentation of disclosures made. Employee shall handle all UPSI on a need-to-know basis and in furtherance of her role, tasks and duties owed to the organization.
- 8) Therefore, any information which is in the nature of UPSI shared with third parties such as lenders, customers, suppliers, merchant bankers, legal advisors, auditors, or any other counterparty is ought to be done only when the employee is satisfied that such sharing is necessary for 'legitimate purposes' and to carry out their legitimate duties and in proper discharge of their responsibility owed to the organization.
- 9) As an organization, the Company will engage with such counterparties where such communication would be necessary for legitimate purposes bearing in mind the same principle of sharing information on a 'need-to-know basis'. The Company will require any recipient of any information to execute Non-Disclosure Agreements in accordance with extant policy.
- 10) The Company shall enter the details of the person or entity with whom UPSI is shared in a digital database.

**POLICY ON PROCEDURES TO BE ADOPTED WHILE CONDUCTING AN INQUIRY IN THE EVENT OF LEAK
OR SUSPECTED LEAK OF UNPUBLISHED PRICE SENSITIVE INFORMATION**

(Pursuant to SEBI (Prohibition of Insider Trading) Regulations, 2015)

Leak of UPSI distorts this “Policy on procedures to be conducted while conducting an inquiry in the event of leak or suspected leak of unpublished price sensitive information”, as may be amended from time to time (the “Policy”) is approved by the Board of Directors of Hindustan Unilever Limited (the “Company”) on 18th April, 2019. The Policy has been formulated under Regulation 9A(5) of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended (the “Insider Trading Regulations”), with an objective to put in place a framework for inquiry in the event of leak or suspected leak of unpublished price sensitive information.

DEFINITIONS

For the purpose of this Policy, unless the context otherwise requires, the following words, expressions and derivations therefrom shall have the meanings assigned to them as under:

“Board of Directors” or “Board” shall mean the Board of Directors of the Company;

“Company” shall mean Hindustan Unilever Limited;

“Insider Trading Regulations” shall mean the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended;

“Policy” shall mean this “Policy and procedures for inquiry in case of leak or suspected leak of unpublished price sensitive information”, as amended from time to time, formulated under Regulation 9A(5) of the Insider Trading Regulations;

“Unpublished Price Sensitive Information” or “UPSI” shall mean any information, relating to the Company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following:

- financial results;
- dividends;
- change in capital structure;
- mergers, de-mergers, acquisitions, delistings, disposals and expansion of business and such other transactions; and
- changes in key managerial personnel.

Words and expressions used and not defined herein shall have the meanings assigned to them in the Insider Trading Regulations.

INQUIRY COMMITTEE

The Share Dealing Code Compliance Committee ("hereinafter referred to as Inquiry Committee") as envisaged under the Share Dealing Code of the Company shall

- deal with any leak of UPSI or suspected leak of UPSI, upon becoming aware of such leak;
- conduct inquiries as laid out in this Policy in case of such leaks or suspected leaks and inform the SEBI of such leaks, inquiries and result of such inquiries.

QUORUM OF THE INQUIRY COMMITTEE PROCEEDINGS

While conducting an inquiry, a minimum of two members of the Inquiry Committee shall be present. The Inquiry Committee may designate additional persons or third parties to also attend and participate in an inquiry conducted by the Inquiry Committee. If a minimum of two members of the Inquiry Committee are not present or not available, or any member of the Inquiry Committee is under investigation, then the Board shall have the power to nominate alternate member(s) in place of the member who is not available or cannot be present to conduct the inquiry.

INQUIRY PROCESS

- Upon receipt of information or upon becoming aware of a leak or suspected leak of UPSI, the Inquiry Committee shall send details of the information to be sought to the head of the relevant department viz., finance, Company secretarial department etc., which had access to the UPSI or to which the UPSI is related ("Relevant Person"). The indicative list of questions and information to be sought from the Relevant Person are given in Annexure to this Policy.
- The Inquiry Committee shall appoint external advisers as consultants as may be necessary to assist them in the inquiry.
- The Inquiry Committee shall separately obtain from the IT department all emails and records of the relevant persons in the department where the leak could have originated.
- The Relevant Person shall file its reply to the information sought by the Inquiry Committee, along with the list of documents, names and addresses of persons with whom the information was shared etc., within the period stipulated by the Inquiry Committee.
- The Inquiry Committee shall also call for a meeting with the Relevant Person.
- The Inquiry Committee shall make transcripts or records of proceedings of meetings with

Relevant Persons and ensure that requisite information and documentation is made available to the Board.

- Such Inquiry Committee shall be completed by the Inquiry Committee in a timely manner.
- Thereafter, such action as prescribed under the Share Dealing Code of the Company as well as the Insider Trading Regulations as may be applicable shall be taken.
- During the pendency of the inquiry proceedings, the Inquiry Committee may restrain the Relevant Person from accessing the documents/emails, from which the Inquiry Committee believes, the leak or suspected leak originated.

POWERS OF THE INQUIRY COMMITTEE

- The Inquiry Committee shall have the powers to summon and enforce the attendance of any person and conduct an examination, request the discovery and production of documents and / or any other matter which may be prescribed and deemed necessary for the inquiry process.
- Any refusal by any employee of the Company to attend the inquiry proceedings when summoned or to provide to the Inquiry Committee any documents and / or information within his / her power or possession shall constitute a misconduct, rendering such employee for adverse action as the Inquiry Committee or Board deems fit.
- The Inquiry Committee itself may, suo moto, call for the details of any leak or suspected leak of USPI or upon receipt of any such information, may investigate or deal with such matter per this Policy. The Inquiry Committee may seek information from the IT department for details of the persons accessing personal email id from office computers, from where the USPI may have been leaked.
- The Inquiry Committee shall have the right to terminate the inquiry proceedings or to give an ex-parte decision on the Relevant Person, if the Relevant Person fails, without sufficient cause, to present themselves, for any meeting convened by the Inquiry Committee.

AUTHORITY TO MAKE ALTERATIONS

The Board is authorised to make such alterations to this Policy from time to time as considered appropriate,

The provisions of the Policy have to be read along with the Insider Trading Regulations and if there is any inconsistency/contradiction between the two, the provisions of the Insider Trading Regulations shall prevail.

The indicative list of questions and information to be sought from the Relevant Person are given below:

- Relevant Person to provide details of documents/files/information shared with different team members and also provide details of the medium through which such information was shared i.e. email, common access controlled shared folders, password protected files, etc.
- Relevant Person to provide a detailed timeline from which it was made aware of the UPSI till the date of receipt of notice of information sought from the Inquiry Committee.
- Relevant Person to evaluate role of each and every employee including employee from the support function who were part of the meetings in which UPSI was discussed and whether the Relevant Person noticed any suspicious activity on part of all persons attending these meetings.
- Whether the Relevant Person is aware of any activity of a person in its department who may be involved in the said leak of UPSI.
- Whether adequate safeguards per existing procedures were undertaken by the Relevant Person while dealing with UPSI.
- Whether access to the room where the documents in relation to UPSI were stored, was given to a limited set of authorized personnel.
- Whether the documents in relation to UPSI were disposed of in a proper manner.
- Whether access to the internet/USB drive was provided on computers on which sensitive data regarding UPSI was stored.

HUL SHARE DEALING CODE
CONFIRMATION CUM UNDERTAKING

To, Compliance Officer,

Hindustan Unilever Limited

Name : _____

Employee Id No. : _____

Designation : _____

Unit / Location : _____

Mobile No. : _____

I have received the copy of Share Dealing Code of HUL. I have read and understood the requirements of the Code and hereby agree to abide by the same.

I understand that any breach of the Code could lead to monetary/disciplinary action as prescribed under the Share Dealing Code.

Signature:

Date:

HUL SHARE DEALING CODE**PRE-CLEARANCE FORM****1. APPLICATION TO DEAL**

To : Compliance Officer, HUL
 From (Name of the Employee) : _____
 Employee Id No. : _____
 Department /Unit : _____
 Location : _____

With reference to the HUL Share Dealing Code, I hereby give notice that I propose to carry out the following transaction:

Transaction in name of	
Relation	
PAN	
DP ID/CL ID/Folio No.	
Type of Transaction	Open Market Purchase / Open Market Sale/ ESOP cash / ESOP Cashless / Gift
Type of Securities	
Number of Shares	

(Please give additional information if the transaction is proposed to be effected through connected persons or as a Trustee).

UNDERTAKING

I hereby undertake and confirm:

- (a) that I do not have any access or have not received price sensitive information upto the time of signing of this undertaking.
- (b) that in case I access to or receive any price sensitive information after the signing of this undertaking but before the execution of the transaction, I shall inform the Compliance Officer of the change in my position and that I would completely refrain from dealing in the securities of the Company till the time such information becomes public.
- (c) that I have not contravened the code of conduct for prevention of insider trading as notified by the Company from time to time.
- (d) that I have made a full and true disclosure in this application.

Date: _____

 (Signature)

2. AUTHORISED TO DEAL

The above transaction has been authorised **in full / to the extent of** _____ **shares**. Your dealing must be completed within 7 days excluding _____ (the date of approval).

Please confirm by completing Part 3 below and returning this Form to us immediately on completion of transaction.

Date: _____

 (Compliance Officer)

3. CONFIRMATION OF DEALING

I confirm that the share dealing was completed on _____ (Insert date) by **buying/selling** _____
shares/debentures through open market/ under ESOPs/Gift _____

Date: _____

 (Signature)

Note:
 It is critically important that the Applicant Employee sends this confirmation IMMEDIATELY after completing the transaction by e-mail to the Compliance Officer, followed by dispatching the form, duly signed.

HUL SHARE DEALING CODE**Form C**

SEBI (Prohibition of Insider Trading) Regulations, 2015
[Regulation 7 (2) read with Regulation 6(2) – Continual Disclosure]

Name of the Company: Hindustan Unilever Limited

ISIN of the Company: INE030A01027

Details of change in holding of Securities of Promoter, Member of the Promoter Group, Designated Person or Director of a listed company and immediate relatives of such persons and other such persons as mentioned in Regulation 6(2).

Name, PAN, CIN/DIN & address with contact nos.	Category of Person (Promoter/member of the promoter group/designated person/Directors/immediate Relative to/others etc.)	Securities held prior to Acquisition / disposal		Securities acquired / Disposed				Securities held post acquisition / disposal		Date of allotment advice/ acquisition of shares / disposal of shares, specify		Date of intimation to company	Mode of Acquisition/ disposal (on market purchase/ public rights / preferential offer / off market / Inter-se transfer, ESOPs, etc.	Exchange on which the trade was executed	Trading in derivatives (Specify type of contract, Futures or Options etc)						Exchange on which the trade was executed
															Type of Contract	Contract Specifications	Buy		Sell		
			Type of security (For eg. – Shares, Warrants, Convertible Debentures, Right entitlements, etc.)	No. & % of shareholding	Type of securities (For eg. - Shares, Warrants, Convertible Debentures, Right entitlement, etc.)	No.	Value	Transaction type (Purchase/ Sale/ Pledge/ evocation/ Invocation/ Others-please specify)	Type of securities (For eg. - Shares, Warrants, Convertible Debentures, Right entitlement, etc.)	No. & % of shareholding	From				To						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
															N/A	N/A	N/A	N/A	N/A	N/A	N/A

Note: (i) "Securities" shall have the meaning as defined under regulation 2(1)(i) of SEBI (Prohibition of Insider Trading) Regulations, 2015.

(ii) Value of transaction excludes taxes/brokerage/any other charges

Name & Signature:

Designation:

Date:

Place:

HUL – Share Dealing Code

HUL SHARE DEALING CODE
ANNUAL DISCLOSURE
[Clause 12 of Share Dealing Code]

To, Compliance Officer,
Hindustan Unilever Limited

Date: _____

Name : _____

Employee Id No. : _____

Designation : _____

Unit / Location : _____

Mobile No. : _____

PAN : _____

Details of Transactions		
Self:		
Particulars/Type of Transaction	Number of shares (including derivatives)	Date of Pre-Clearance
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		
Immediate Relatives (Name and Relation):		
Particulars/Type of Transaction	Number of shares (including derivatives)	Date of Pre-Clearance
As on 1st April _____ (Last Year)		
As on 31st March _____ (Current Year)		

Signature: _____

HUL SHARE DEALING CODE
SANCTIONS FRAMEWORK

Categorisation of Code Breaches	Suggested Sanctions
Technical Breach	
➤ Non reporting of completion of trade after obtaining pre-clearance	1st time Violation – Written Warning 2nd time or repeat Violations – Minimum Penalty of Rs. 10,000/-
➤ Non-reporting of disclosure for one or series of transactions (purchase/sale), in a calendar quarter, exceeding ₹10 lakhs	
➤ Misreporting/Non-reporting of information required under the Code (For e.g. providing incorrect information of self or immediate relatives in Fintraks Portal, non-disclosure of Material Financial Relationship in Fintraks Portal)	
➤ Non-submission / delay in submission of Annual Disclosure (within 30 days of the end of the financial year i.e. by 30th April)	
Substantial Breach	
➤ Dealing without obtaining pre-clearance from the Compliance Officer	1st time Violation and less than 50 shares traded – Written Warning. 1st time Violation and equal to or more than 50 shares traded – Minimum Penalty of Rs. 50,000/- or 30% of the transaction value, whichever is higher.
➤ Dealing in HUL Securities during Closed Period	2nd time or repeat Violation and less than 50 shares traded – Minimum Penalty of Rs. 50,000/- or 30% of the transaction value, whichever is higher.
➤ Engaging in short-term dealings/Dealing in derivatives	2nd time or repeat Violation and equal to or more than 50 shares traded – Minimum Penalty of Rs. 1,00,000/- or 30% of the transaction value, whichever is higher.
➤ Dealing in securities based on price sensitive information	The Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee.

Categorisation of Code Breaches	Suggested Sanctions
➤ Contra-Trade (Dealing in opposite transactions of sale and purchase)	Minimum Penalty of Rs. 1,00,000/- or 30% of the transaction value, whichever is higher.
	In case of multiple contra trades, the Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee
➤ Passing on price sensitive information or making recommendations directly or indirectly for dealing in securities on the basis of such information	The Compliance Officer would determine the penalty in consultation with the Share Dealing Code Committee.

Notes:

1. Sanctions mentioned above are not mutually exclusive and more than one can be applied in any situation;
2. The Share Dealing Code Committee while deciding the level of sanctions may take into account factors such as knowledge of price sensitive information, level of management responsibility of the individual concerned, numbers of securities transacted, whether the breach occurred as a result of deliberate intent or not;
3. The above penalty structure is applicable in case of violation by immediate relatives of Special Employees as well;
4. The penalties collected in this regard, shall be remitted by the Company to the Investor Protection and Education Fund of SEBI;
5. The above framework provides a guide for determining the appropriate penalty for a breach of the Code or Regulations and the Compliance Officer / Share Dealing Code Committee may decide any other actions not listed above as may be necessary based on circumstances of a particular case. Such penalties may include wage freeze, suspension, recovery, termination and initiation of any other legal action.

Appendix 4 - Board Diversity Policy

Policy on Board Diversity

1. Background

The Boardroom is where strategic decisions are made. It is, therefore, imperative that the Board consists of individuals who together offer an optimal mix of skills, experiences and backgrounds. The Boards of Directors of Hindustan Unilever Limited ('the Board') acknowledges the importance of diversity in the Boardroom and considers that its diversity, including gender diversity, is a vital asset to the business.

2. Purpose

The Board Diversity Policy ('the Policy') sets out the approach to diversity on the Board of Hindustan Unilever Limited.

3. Scope of Application

The Policy applies to the Board. It does not apply to diversity in relation to employees of the Hindustan Unilever Limited, which is covered by Unilever Gender Balance Charter.

4. Policy Statement

Hindustan Unilever Limited recognises and embraces the benefits of having a diverse Board, and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. A truly diverse Board will include and make good use of the differences in skills, regional and industry experience, background, race, gender and other distinctions between the Directors. These differences will be considered in determining the optimum composition of the Board and when possible should be balanced appropriately.

All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which are required on the Board for it to be effective.

The Board, while considering a candidate for appointment to the Board, shall ensure diversity of experience, knowledge, perspective, background, gender, age and culture. The Board recognises that gender diversity is a significant aspect of diversity and acknowledges that women with the right skills and experience are key contributors to diversity of perspective in the Boardroom.

5. Role of the Nomination and Remuneration Committee

The Nomination and Remuneration Committee of the Board ('the Committee') reviews and assesses Board composition on behalf of the Board and lays down the criteria for appointment to the Board and recommends the appointment of new Directors to the Board.

The Committee also oversees the annual evaluation of the Board as per the guidance provided in the Evaluation Policy.

In reviewing Board composition, the Committee will consider the benefits of all aspects of diversity including, but not limited to, those described above, in order to enable it to discharge its duties and responsibilities effectively.

As part of the annual performance evaluation of the Board, Board Committees and individual Directors, the Committee will consider the balance of skill, knowledge, experience, independence, and diversity on the Board, to evaluate the effectiveness of the Board as a whole.

The Nomination Committee is responsible for developing measurable objectives to implement this policy and for monitoring progress towards the achievement of these objectives.

6. Review of the Policy

The Nomination and Remuneration Committee shall periodically review the Policy, which will include an assessment of the effectiveness of the Policy. The Committee will discuss any revisions that may be required and recommend any such revisions to the Board for approval.

Appendix 5 - Terms and Conditions for Appointment



Hindustan Unilever Limited

Hindustan Unilever Limited
Unilever House, B. D. Sawant Marg
Chakala, Andheri East
Mumbai 400 099
CIN : L15140MH1933PLC002030
Tel : +91 (22) 3983 0000
Web : www.hul.co.in

[DATE]

Name

Dear _____,

We are pleased to inform you that upon the recommendation of Nomination and Remuneration Committee, approval of the Board of Directors of Hindustan Unilever Limited (hereinafter referred to as HUL or the Company) and approval of Shareholders of the Company at the Annual General Meeting held on _____, you are being appointed as an Independent Director on the Board of the Company.

The terms of your appointment shall be as follows:

1. Appointment

- 1.1 You have been appointed as a Non-Executive Independent Director on the Board of Directors of HUL with effect from _____ for a period of upto five years. Your appointment shall be governed by the provisions of the Companies Act, 2013 and the Listing Regulations, 2015. Your appointment is also subject to the maximum permissible Directorships that one can hold as per the provisions of the Companies Act, 2013 and the Listing Regulations, 2015.
- 1.2 The term 'Independent Director' should be construed as defined under the Companies Act, 2013 and the Listing Regulations, 2015.
- 1.3 The Company has adopted the provisions with respect to the appointment and tenure of Independent Directors which is consistent with the Companies Act, 2013 and the Listing Regulations, 2015. Accordingly, the Independent Directors will serve for not more than two terms of five years each on the Board of the Company. The disengagement earlier than five years will be in accordance with the provisions of the Companies Act, 2013 or on mutually agreed terms.
- 1.4 The provisions contained in the Companies Act, 2013 and the Listing Regulations, 2015 will apply as regards performance evaluation of Independent Directors is concerned. The performance of Independent Directors shall be evaluated by the entire Board of Directors, excluding the Director being evaluated. On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of your appointment as an Independent Director.



2. Committees

The Board of Directors (the Board) may, if it deems fit, invite you for being appointed on one or more existing Board Committees or any such Committee that is set up in the future. Your appointment on such Committee(s) will be subject to the applicable regulations.

3. Time Commitment

3.1 As a Non-Executive Director, you are expected to bring objectivity and independence of view to the Board's discussions and to help provide the Board with effective leadership in relation to the Company's strategy, performance, and risk management as well as ensuring high standards of financial probity and corporate governance.

The Board meets atleast five times in a year. The Audit Committee also meets atleast six times in a year. Besides, there are other Committee meetings like Nomination and Remuneration Committee, Stakeholders' Relationship Committee and Corporate Social Responsibility Committee meetings which are ordinarily convened twice in a year. Ordinarily, all meetings are held in Mumbai. You will be expected to attend Board, Board Committees of which you are a member or to which you may be appointed and Shareholders meetings and to devote such time to your duties, as appropriate for you to discharge your duties effectively.

3.2 By accepting this appointment, you confirm that you are able to allocate sufficient time to meet the expectations from your role to the satisfaction of the Board.

4. Role and Duties

Your role and duties will be those normally required of a Non-Executive Independent Director under the Companies Act, 2013 and the Listing Regulations, 2015. There are certain duties prescribed for all Directors, both Executive and Non-Executive, which are fiduciary in nature and are as under:

- I. You shall act in accordance with the Company's Articles of Association.
- II. You shall 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 interest of the Company.
- III. You shall discharge your duties with due and reasonable care, skill and diligence.
- IV. You shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- V. You shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.



- VI. You shall not assign your office as Director and any assignments so made shall be void.

The Non-Executive Independent Directors are also required to abide by the provisions of 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, a copy of which is annexed for ready reference.

5. Status of Appointment

- 5.1 You will not be an employee of the Company and this letter shall not constitute a contract of employment. You will be paid such remuneration by way of sitting fees for meetings of the Board and its Committees as may be decided by the Board and approved by the Shareholders from time to time. Further, you will also be paid remuneration by way of commission as may be approved by the Board and the Shareholders from time to time.
- 5.2 The sitting fees, presently paid to the Non-Executive Independent Director is Rs. 30,000/- per meeting of the Board or a Committee thereof.
- 5.3 The Company has adopted 'Differential Remuneration Policy' for Non-Executive Directors' remuneration. As per the Differential Remuneration Policy, Non-Executive Independent Directors are currently entitled to fixed commission on profits at the rate of Rs. 15 lakhs for each financial year. In addition, Non-Executive Independent Directors are entitled to a remuneration linked to their attendance at the meetings of the Board or Committees thereof and also on the basis of their position in various Committees of the Board, whether that of a Chairman or a member of the Committee(s). The remuneration payable to the Independent Directors collectively under the Differential Remuneration Policy shall be within the overall limit of Rs. 150 lakhs, as approved by the Members of the Company.
- 5.4 The Non-Executive Directors, who continuously serve minimum two terms of five years each, are also entitled to one time commission of Rs. 10 lakhs at the time of stepping down from the Board.

6. Reimbursement of Expenses

In addition to the remuneration described in paragraph 5, the Company will, for the period of your appointment, reimburse you for travel, hotel and other incidental expenses incurred by you in the performance of your role and duties.

7. Conflict of Interest

- 7.1 It is accepted and acknowledged that you may have business interests other than those of the Company. As a condition to your appointment commencing, you are required to



declare any such directorships, appointments and interests to the Board in writing in the prescribed form at the time of your appointment.

- 7.2 In the event that your circumstances seem likely to change and might give rise to a conflict of interest or, when applicable, circumstances that might lead the Board to revise its judgement that you are independent, this should be disclosed to both the Chairman and the Secretary.

8. Confidentiality

All information acquired during your appointment is confidential to HUL and should not be released, either during your appointment or following termination (by whatever means) to third parties without prior clearance from the Chairman unless required by law or by the rules of any stock exchange or regulatory body. On reasonable request, you shall surrender any documents and other materials made available to you by HUL.

Your attention is also drawn to the requirements under the applicable regulations and the HUL Share Dealing Code which concern the disclosure of price sensitive information and dealing in the securities of HUL. Consequently you should avoid making any statements or performing any transactions that might risk a breach of these requirements without prior clearance from the Chairman or the Secretary.

9. Insurance

HUL has Directors' and Officers' liability insurance and it is intended that HUL will assume and maintain such cover for the full term of your appointment.

10. Independent Professional Advice

There may be occasions when you consider that you need professional advice in furtherance of your duties as a Director and it will be appropriate for you to consult independent advisors at the Company's expense. The Company will reimburse the full cost of expenditure incurred in accordance with the Company's policy.

11. Disclosure of Interest

The Company must include in its Annual Accounts a note of any material interest that a Director may have in any transaction or arrangement that the Company has entered into. Such interest should be disclosed no later than when the transaction or arrangement comes up at a Board meeting so that the minutes may record your interest appropriately and our records are updated. A general notice that you are interested in any contracts with a particular person, firm or company is acceptable.



12. Termination

- a. You may resign from your position at any time and should you wish to do so, you are requested to serve a reasonable written notice to the Board.
- b. Continuation of your appointment is contingent on your getting re-elected by the shareholders in accordance with provisions of Companies Act, 2013 and the Articles of Association of the Company, from time to time in force. You will not be entitled to compensation if the shareholders do not re-elect you at any time.
- c. Your appointment may also be terminated in accordance with the provisions of the Articles of Association of the Company from time to time in force.

13. Governing Law

This agreement is governed by and will be interpreted in accordance with Indian law and your engagement shall be subject to the jurisdiction of the Indian courts.

If you are willing to accept these terms of appointment relating to your appointment as a non executive Independent Director of HUL, kindly confirm your acceptance of these terms by signing and returning to us the enclosed copy of this letter.

Yours sincerely

Chairman
For and on behalf of Hindustan Unilever Limited

I hereby acknowledge receipt of and accept the terms set out in this letter.

Signed
Dated

Appendix 6 -List of Initial Disclosures



LIST OF INITIAL DISCLOSURES

Form No.	PARTICULARS
Form I	Confirmation to the Code of Conduct of the Company
Form II	Disclosure of Interest u/s 184(1) of the Companies Act, 2013
Form III	Details of Membership/Chairmanship of Committees
Form IV	Declaration under Section 164 of the Companies Act, 2013 (Form DIR-8)
Form V	Disclosure of Shareholding as per Insider Trading Regulations
Form VI	Certificate regarding independence in accordance with Section 149(6) of the Companies Act, 2013



Appendix 7- Code of Conduct IDs



CODE OF CONDUCT

The Company has adopted a Code of Conduct specifically for the members of the Board of Directors and / or members of the Senior Management of the Company, which sets out as follows:

- To act in the best interests of, and fulfill fiduciary obligations to the Company; act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner and not take improper advantage of the position of Director;
- To comply with all applicable laws, rules and regulations;
- To act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- To act in a manner to enhance and maintain the reputation of the Company;
- 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;
- To respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, while continuing as such a director and even after ceasing to be such a director, for a reasonable period of say two years, except when authorised or legally required to disclose such information;
- Restrain from using the Company's property or position for personal gain;
- Avoid using any information or opportunity received in the capacity as Directors for personal gain, or in a manner that would be detrimental to the Company's interests;
- 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.
- Not to use confidential information acquired in the course of their service as Directors for their personal advantage or for the advantage of any other entity in which they have a direct or indirect interest, or where they occupy a position of board or executive responsibility with influence over their decisions;
- Help create and maintain a culture of high ethical standards and commitment to compliance.

No Director shall seek, or accept, any gifts or incentives in their capacity as director of the Company, except what is duly authorized as acceptance under the Company's Gift Policy.

In addition, the Non-Executive Independent Directors shall also abide by the provisions of the 'Code for Independent Directors' as provided in Schedule IV of the Companies Act, 2013, enclosed herewith as Annexure 1.

A director who has concerns regarding compliance with this Code should raise such concerns with the Chairman of the Board who will deal with the same. 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 minuted with reasons for such action.

Directors will annually sign a confirmation that they have read and will comply with this Code.

This Code shall be in addition to the Code of Business Principles of the Company.

CODE FOR INDEPENDENT DIRECTORS



SCHEDULE IV

[See section 149(8) of Companies Act, 2013]

The Code is a guide to professional conduct for Independent Directors. Adherence to these standards by Independent Directors and fulfillment 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 Director(s).

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 Director(s) 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;
- 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 Director(s) shall—

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- 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 behaviour, 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;
 - 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 Director(s) 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;

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- 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 Director(s) 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 Director(s) 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.

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 a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 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 Director(s) of the company shall hold at least one meeting in a year, without the attendance of non-Independent Director(s) and members of management;
- (2) All the Independent Director(s) 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 report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.
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Appendix 8 - AC - ToR

Appendix 8: Terms of reference: Audit Committee

1. CONSTITUTION

- 1.1. The Audit Committee assists the Board in fulfilling its oversight responsibilities in respect of:
 - the integrity of financial statements;
 - internal control arrangements;
 - the performance, qualifications and independence of the external auditors; and
 - the performance of the internal audit function.
- 1.2. The Committee is directly responsible, regarding shareholder approval, for the nomination, compensation and oversight of the statutory auditors.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board from time to time;
- 2.2. The Committee comprises a minimum of three Directors, all of them shall be Independent Directors;
- 2.3. The Company Secretary acts as the secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least four times in a financial year and the Committee has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee at least seven days prior to the meeting;
- 3.3. Meeting may be called at shorter notice, subject to consent of all the members of the Committee;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. The quorum for the meeting shall be, minimum three members of the Committee;
- 3.6. Meetings of the Committee may be attended by the Chief Executive Officer, Chief Financial Officer, Group Controller, Head of Control Assurance, the lead partner of the Statutory Auditors, and other Directors and executives as per the invitation of the Committee;
- 3.7. The Committee shall meet the Statutory Auditors in private session at least once a year;
- 3.8. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.9. A person attending through video conference shall be counted in the quorum for the meeting;
- 3.10. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote;
- 3.11. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. overseeing the Company's financial reporting process and disclosure of financial information to ensure that the financial statements are correct, sufficient and credible;
- 4.2. reviewing and examination with management the quarterly financial results before submission to the Board;
- 4.3. reviewing and examination with management the annual financial statements before submission to the Board and the auditors' report thereon;
- 4.4. review management discussion and analysis of financial condition and results of operations;
- 4.5. scrutiny of inter-corporate loans and investments made by the Company;
- 4.6. reviewing with management the annual financial statements as well as investments made by the unlisted subsidiary companies;
- 4.7. reviewing, approving or subsequently modifying any related party transactions in accordance with the Related Party Transaction Policy of the Company;
- 4.8. approving the appointment of Chief Financial Officer after assessing the qualifications, experience and background, etc. of the candidate;
- 4.9. recommending the appointment, remuneration and terms of appointment of Statutory Auditors of the Company and approval for payment of any other services;
- 4.10. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 4.11. reviewing management letters / letters of internal control weakness issued by the statutory auditors;
- 4.12. discussing with statutory auditors, before the audit commences, on the nature and scope of audit as well as having post-audit discussion to ascertain area of concern, if any;
- 4.13. reviewing with management performance of statutory auditors and internal auditor, the adequacy of internal control systems;
- 4.14. recommending appointment, remuneration and terms of appointment of internal auditor of the Company;
- 4.15. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 4.16. evaluating internal financial controls and risk management systems;
- 4.17. valuating undertaking or assets of the Company, wherever it is necessary;
- 4.18. monitoring the end use of funds raised through public offers and related matters, if any;
- 4.19. reviewing the functioning of the Whistle Blowing mechanism;
- 4.20. examining reasons for substantial default in the payment to members (in case of non-payment of declared dividends) and creditors, if any;
- 4.21. reviewing the progress made on cases that are reported under the Code of Business Principles of the Company and implication of these cases, if any, under the UK Bribery Act, 2011.
- 4.22. reviewing the utilization of loans and / or advances from / investments by the Company in its subsidiary exceeding Rs. 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments.
- 4.23. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Audit Committee or a member authorized by him/her attends the Annual General Meetings of the Company and is available to answer any questions referred to him/her.

Appendix 9 - NRC - ToR

Appendix 9: Terms of reference: Nomination and Remuneration Committee

1. CONSTITUTION

1.1. The Nomination and Remuneration Committee is concerned with:

- recommending candidates for appointment as Directors on the Board or on the Management Committee in accordance with the criteria laid down;
- the level and structure of remuneration for members of the Board and the Management Committee;
- performance evaluation of each of the Directors and the Board; and
- ensuring orderly succession planning at the Board level;

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board;
- 2.2. Majority of the members shall be Independent Directors;
- 2.3. one of the Independent Director shall be appointed as the Chairman of the Committee;
- 2.4. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a financial year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice on each of the members of the Committee at least seven days prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum three members of the Committee;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. The Committee may invite members of the Management, consultants or other external experts, if required;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary to the Committee shall be responsible, in conjunction with the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Determine / Recommend the criteria for appointment of Executive, Non-Executive and Independent Directors to the Board;
- 4.2. Determine / Recommend the criteria for qualifications, positive attributes and independence of Director;
- 4.3. Identify candidates who are qualified to become Directors and who may be appointed in the Management Committee and recommend to the Board their appointment and removal;

- 4.4. Review and determine all elements of remuneration package of all the Executive Directors, i.e. salary, benefits, bonuses, stock options, pension etc;
- 4.5. Review and determine fixed component and performance linked incentives for Directors, along with the performance criteria;
- 4.6. Formulate / recommend to the Board a policy relating to the remuneration for the Directors, Key Managerial Personnel and other employees;
- 4.7. Determine policy on service contracts, notice period, severance fees for Directors and Senior Management;
- 4.8. Devise a policy on Board diversity;
- 4.9. Formulate criteria and carryout evaluation of each Director's performance and performance of the Board as a whole;
- 4.10. Implement employee stock option / purchase schemes, if any;
- 4.11. Recommend to the Board, all remuneration, in whatever form, payable to Senior Management [Senior Management includes Chief Executive Officer / Managing Director / Whole-time Director / Manager and shall specifically include Company Secretary and Chief Financial Officer];
- 4.12. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Nomination and Remuneration Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him / her.

Appendix 10 - SRC - ToR

Appendix 10: Terms of reference: Stakeholders Relationship Committee

1. CONSTITUTION

- 1.1. The Stakeholders Relationship Committee assists Board in fulfilling its oversight responsibilities in respect of review of Investor Service Standards of the Company and redress of Shareholders' Grievances.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board from time to time;
- 2.2. The Committee comprises a minimum of three Directors, of which at least one Director should be an Independent Director;
- 2.3. The Chairman of the Committee should be an Independent Director;
- 2.4. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum of two members including one independent Director of the Company;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.8. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Consider and resolve the grievances of shareholders of the Company with respect to general meetings, transfer of shares, transmission of shares, non-receipt of annual report, non-receipt of declared dividend, issue of new / duplicate share certificates, etc;
- 4.2. Review of measures taken for effective exercise of voting rights by shareholders;
- 4.3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by its Registrar & Share Transfer Agent;
- 4.4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- 4.5. Ensure expeditious share transfer process in line with the proceedings of the Share Transfer Committee;

- 4.6. Provide guidance and make recommendations to improve investor service levels for the investors.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

6. ANNUAL GENERAL MEETING

- 6.1. The Chairperson of the Stakeholders Relationship Committee attends the Annual General Meetings of the Company and is available to answer any questions referred to him / her.

Appendix 11 - CSR - ToR

Appendix 11: Terms of reference: Corporate Social Responsibility Committee

1. COMPOSITION

- 1.1. The Committee assists Board in fulfilling its oversight responsibilities in respect of:
- formulating and recommending to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the Company;
 - recommending the amount of expenditure to be incurred on the activities referred;
 - monitoring the Corporate Social Responsibility (CSR) Policy of the Company from time to time.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board and majority of the members shall be Independent Directors;
- 2.2. The Chairman of the Committee shall be an Independent Director;
- 2.3. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee meets at least twice in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice served on each of the members of the Committee prior to the meeting;
- 3.3. All members of the Committee are expected to attend each meeting;
- 3.4. The quorum for the meeting shall be, minimum of three members including two independent Directors of the Company;
- 3.5. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.6. A person attending through video conference shall be counted in quorum for the meeting;
- 3.7. The Committee may invite consultants and other external experts, if required;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company;
- 4.2. Recommending the amount of expenditure to be incurred on CSR activities of the Company;
- 4.3. Reviewing the performance of the Company in area of CSR;
- 4.4. Providing external and independent oversight and guidance on the environmental and social impact of how the Company conducts its business;
- 4.5. Monitoring CSR Policy of the Company from time to time; and

- 4.6. Institute a transparent monitoring mechanism for implementation of the CSR projects or programs or activities undertaken by the Company.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND PERFORMANCE EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out; and
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 12 - RMC - ToR

Appendix 12: Terms of reference: Risk Management Committee

1. COMPOSITION

- 1.1. The Risk Management Committee assists the Board in:
- monitoring and reviewing the risk management plan; and
 - Implementation of the risk management framework.

2. MEMBERSHIP

- 2.1. The members of the Committee are appointed by the Board;
- 2.2. The senior executives of the Company may be appointed a members of the Committee;
- 2.3. Majority of the members of the Committee should be members of the Board of Directors;
- 2.4. The Chairman of the Committee shall be a Director;
- 2.5. The Company Secretary acts as the Secretary to the Committee;

2. MEETINGS

- 3.1. The Committee reviews the Risk Management plans at least once in a year and has an authority to convene additional meetings, as may be required;
- 3.2. Meetings are convened by written notice or through electronic means served on each of the members of the Committee;
- 3.3. The quorum for the meeting shall be minimum three members of the Committee;
- 3.4. All members of the Committee are expected to attend each meeting;
- 3.5. Meetings of the Committee may be attended by other executives as per the invitation of the Committee;
- 3.6. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting.
- 3.7. A person attending through vide conference shall be counted in quorum for the meeting;
- 3.8. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.9. The Secretary shall be responsible, in conjunction with the Head of Control Assurance and the Chairman of the Committee, for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Implementation of Risk Management Systems and Framework;
- 4.2. Reviewing the Company's financial and risk management policies including Cyber Security;
- 4.3. Risk assessment and minimization procedures;
- 4.4. Framing, implementing and monitoring the risk management plan for the Company; and
- 4.5. Any other matters as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board of Directors;
- 5.2. The Company Secretary shall, in consultation with Head of Control Assurance, prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference, and confirm that all the responsibilities set out in Terms of Reference have been carried out;
- 5.4. The Committee shall conduct an annual performance evaluation of its own performance and see that the Committee is functioning in accordance with its Terms of Reference.

Appendix 13 - STC - ToR

Appendix 13: Terms of reference: Share Transfer / Transmission Committee

1. CONSTITUTION

- 1.1. The Committee assists Board in considering the applications for transfer, transmission, spilt, consolidation of the Company's shares.

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required. However, the Committee shall meet at least once in every fortnight, excluding during the period of book closure;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Consider applications for transfer / transmission of the Company's shares, splitting up or consolidating share certificates or dematerialization or rematerialization of the shares of the Company;
- 4.2. Order the names of approved transferees to be entered on the reverse of the Share Certificates and the names of the said transferees to be entered in the Register of Members;
- 4.3. Order the cancellation of any share certificate or the signing, sealing or issue of any new certificate either as a result of transfer, consolidation or splitting or in lieu of Share Certificates lost, defaced or destroyed; and
- 4.4. Authorize individuals to print share certificate stationery and to sign or endorse share certificates.
- 4.5. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Secretary prepares minutes of all meetings of the Committee and these are promptly circulated to the members of the Committee;

- 5.3. The Committee reviews and assesses periodically the adequacy of these Terms of Reference, and confirms that all the responsibilities set out in the current Terms of Reference have been carried out;
- 5.4. The Committee ensures that its current Terms of Reference are made available on Company's website;
- 5.5. The Committee conducts an annual performance self-evaluation to ensure that the Committee is functioning in accordance with its Terms of Reference, and reports thereon to the Board. This evaluation takes into account the views of the Board on the performance of the Committee.

Appendix 14 - ESOP - ToR

Appendix 14: Terms of Reference: Committee for Allotment of Shares under ESOPs

1. CONSTITUTION

- 1.1. The Committee assists Board in the process of allotment and issue of eligible shares on an ongoing basis to the concerned employees of the Company under the Stock Option Plan of the Company.

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Company;
- 3.3. All or any of the members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary of the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Approve issue and allotment of shares to eligible employees, pursuant to and in terms of Stock Option Plans of the Company; and
- 4.2. Authorise individuals to take necessary steps for allotment of shares and other allied activities.
- 4.3. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee; and
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference

Appendix 15 - AMC - ToR

Appendix 15: Terms of reference: Administrative Matters Committee

1. CONSTITUTION

- 1.1. The Committee assists Board in considering and approving operational business requests that arise in the normal course of the business.

2. MEMBERSHIP

- 2.1. The Committee comprises a minimum of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting.
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and responsibilities shall inter-alia include:

- 4.1. Consider and approve the proposal(s) to enter into and / or exit from banking relationship with existing banks / any other banks to meet requirements of the Company;
- 4.2. Delegate powers to the various officers of the Company and its units for operating the banking accounts and vary the powers delegated within the limits as prescribed vide a resolution of this Board of Directors;
- 4.3. Approve the drafts of agreements, deeds, declarations, undertakings, and other papers and documents that may be required in the normal course of business and to authorise and delegate all or any of the powers in this regard to one or more of its members or officers of the Company and to execute such documents, if necessary, under the Common Seal of the Company in terms of Articles of Association of the Company;
- 4.4. Nominate or revoke nomination of a representative under Foods Safety and Standards Act, 2006 and any consequent amendment thereof;
- 4.5. Issue, approve, cancel or renew the power of attorney(ies) in favour of employees of the Company as and when required for business purposes; and
- 4.6. To take all necessary actions, which are incidental or consequential to the above functions.
- 4.7. Any other matter as may be prescribed.

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary prepares minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference.

Appendix 16 - PDC - ToR

Appendix 16: Terms of reference: Committee for Disposal of Surplus Property

1. CONSTITUTION

- 1.1. The Committee is responsible for identifying the surplus assets and evaluating and approving individual transactions with regard to sale or disposal of the property and to expedite the transfer process after ensuring due compliance with requisite formalities

2. MEMBERSHIP

- 2.1. The Committee comprises of any three Directors;
- 2.2. The Company Secretary acts as the Secretary to the Committee.

3. MEETINGS

- 3.1. The Committee has an authority to convene meetings, as may be required;
- 3.2. The quorum for the meeting is two members of the Committee;
- 3.3. All or any members of the Committee may participate in a meeting by video / teleconference. A person so participating is deemed to be present at the meeting;
- 3.4. A person attending through video conference shall be counted in quorum for the meeting;
- 3.5. Formal decisions are made by a simple majority vote, with the Chairman of the meeting holding a casting vote; and
- 3.6. The Secretary to the Committee shall be responsible for compiling and circulating the agenda and papers for the meeting.

4. ROLES AND RESPONSIBILITIES

The Roles and Responsibilities of the Committee shall inter-alia include:

- 4.1. Identifying surplus properties;
- 4.2. Inviting bids from potential buyers and carrying out evaluation of bids received;
- 4.3. carrying out negotiation, agreeing on consideration, execution of requisite documents and taking all other steps involved in giving effect to sale and transfer of the ownership rights, interest and title in the identified property of the Company; and
- 4.4. Authorising individuals to execute any of the above mentioned responsibilities assigned to the Committee.
- 4.5. Any other matter as may be prescribed

5. REPORTING AND EVALUATION

- 5.1. The Committee reports to the Board on a regular basis;
- 5.2. The Company Secretary shall prepare minutes of all meetings of the Committee;
- 5.3. The Committee shall periodically review and assess the adequacy of its Terms of Reference.

Appendix 17 - Differential Remuneration Policy

HINDUSTAN UNILEVER LIMITED
DIFFERENTIAL REMUNERATION POLICY FOR NON-EXECUTIVE DIRECTORS (NEDS)

Background

The Members of the Company, at the Annual General Meeting held on 29th June, 2015, had revised the maximum limit of remuneration payable to Non-Executive Directors from the then existing Rs. 150 lakhs to Rs. 300 Lakhs, in aggregate, with effect from 1st April, 2015 for a period of five years. The revision of the maximum limit of remuneration payable was approved by members to enable the Company to adopt Differential Remuneration Policy and for the remuneration to be commensurate with enhanced role and engagement of the Non-Executive Directors of the Company.

Differential Remuneration Policy is a globally accepted and recommended policy of remunerating Non-Executive Directors. Considering the enhanced role and responsibilities of the Independent Directors in the current Corporate Governance regime as also provided under the Companies Act, 2013. The Board of Directors had adopted a Differential Remuneration Policy for Non-Executive Directors which is linked to the attendance at the Board and Committee Meetings, position of Chairman or Member of Committees.

The Company currently follows a policy of fixed remuneration to Non-Executive Independent Directors. As per the current policy, Company pays an annual fixed compensation of Rs. 15 lakhs as a Commission to each of the Independent Director. In addition a sitting fees of Rs. 30,000/- is paid for attending each of the meetings of Board and Committees thereof. The Non-Executive Chairman of the Company does not receive any sitting fees, commission or stock options from the Company.

The criteria and corresponding commission amount as per Differential Remuneration Policy is detailed below:

Particulars	Commission (Rs. Lakhs p.a.)
Base Fixed Commission for Non-Executive Directors	15.00
<u>Additional Variable Fees:</u>	
Corresponding to the percentage of attendance at all the Board and Committee Meeting(s)	5.00
In the capacity of Chairperson of the Committee:	
Audit Committee	2.00
Nomination and Remuneration Committee	2.00
Stakeholder Relationship Committee	2.00
Corporate Social Responsibility Committee	2.00
In the capacity of Member of the Committee:	
Audit Committee	1.00
Nomination and Remuneration Committee	1.00
Stakeholder Relationship Committee	1.00
Corporate Social Responsibility Committee	1.00

The above remuneration will be exclusive of Sitting Fees of Rs. 30,000 paid to NEDs for attending meetings of the Board and Board Committees.