

# **Sri Kannapiran Mills Limited**

## **CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT** **(Vide Clause 49 of the Listing Agreement)**

### **1. *Applicability***

This 'Code of Conduct' shall be applicable to all Board Members and Senior Management Staff immediately one level below the Board Members, that is, all Business and Functional heads

### **2. *Conduct of Business***

The Board Members and the Senior Management team shall conduct the Company's business in an efficient and transparent manner in meeting its obligations to those connected with the Company and to the society.

The Board Members and the Senior Management team shall not be involved in any activity that would have any adverse effect on the objectives of the company or give rise to a conflict of interest. The corporate objectives to be pursued shall be to sustain the competitive edge the company and not to indulge in any activity which is prejudicial to the interests of the Company.

### **3. *Code***

All Directors and Senior Management should adhere to the standards contained in this code. The Code of Conduct for Directors and Senior Management includes but is not limited to the following:

- To act in accordance with the highest standard of personal and professional integrity, honesty and ethical conduct in the discharge of duties and promote professionalism in the Company.
- To exercise independent judgment on issues of strategy, performance, policy matters, etc.
- To avoid and disclose actual and apparent conflicts of personal interest with interest of the Company and to disclose all fiduciary interest, whether directly or indirectly, in transaction with the Company.
- To maintain confidentiality of the Company's business.

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- To observe the “Code of Conduct for dealing in Equity Shares and other securities of the Company” framed under the SEBI (Insider Trading) (Amendment) Regulation, 2001.
- Not to accept any offer, payment or anything of value from customers, vendors, consultants, etc. that could impact or influence any business decision concerning the Company.
- Not to hold any office or place of profit in the Company by himself or by his/her relatives without full disclosure of information in connection therewith.
- Not to divert to his/her own advantage any business opportunity that the Company is in pursuit.
- Not to compete, whether directly or indirectly, with the Company.
- If the Director discloses his interest, direct or indirect, in other companies or entities (either as Director, Shareholder or Otherwise) under section 297 and 299 of Companies Act, 1956, that will be deemed to be sufficient compliance with this Code).
- To use reasonable care and skill in the discharge of duties and responsibilities and exercise of powers for the benefit and prosperity of the Company.

The senior management has the following additional responsibilities under the Code:

- Promote compliance and ethics by example – in other words, show with their behaviour what it means to act with integrity;
- Make sure that those who report to them understand the Code’s requirements and have the resources to meet them;
- Monitor compliance with the code and observance of the ethical values of the people they supervise;
- Enforce the Code; and
- Support employees who, in good faith, raise reasonable and legitimate questions or concerns.

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All breaches or potential breaches of the Company's compliance and ethics, commitments, or which one becomes aware of – whether these relate to him/her directly, should be reported.

#### ***4. Company assets and financial integrity***

The Directors and Senior Management have the responsibility as well as the legal duty to protect the property and the confidentiality of the company's intellectual property. The Directors and Senior Management should be forthright and transparent about their operations and performance, accurate in the recording and reporting of data and results and exercise care in the use of the its assets and resources.

#### ***5. Adoption and Commencement***

This Code of Conduct was adopted by the Board of Directors by a Resolution passed at its meeting held on 26.12.2005. This code shall be deemed to have come into force with immediate effect.