

# **CODE OF CONDUCT FOR BOARD OF DIRECTORS, KMP AND SENIOR MANAGEMENT OF ENCODE PACKAGING INDIA LIMITED**

## **A. APPLICABILITY:**

This code applies to:

- i. Directors of Encode Packaging India Limited (the Company)
- ii. Members of Senior Management of the Company (i.e. one level below the executive **directors including the functional heads**)

For this purpose, the term "Senior Management" shall mean personnel of the company who are members of its core management team excluding the Board of Directors. All the Directors and members of the Senior Management are mandatorily required to understand and adhere to the code/standards prescribed herein, including any amendments/ modifications thereof as may be notified by the Board of Directors of the company.

This Code of Conduct (hereinafter referred to as the "Code") shall be called "The Code of Conduct for the Members of the Board and Senior Management personnel" of Encode Packaging India Limited (hereinafter referred to as the "Company").

The purpose of this code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence shown in the Management by the shareholders of the Company with a mission.

## **B. SCOPE:**

The Board of Directors (the Board) and the Senior Management of the Company agree to abide by the following Code of Conduct:

1. Attend Board/ Shareholders / Committee / Senior management meetings and seek prior leave for absence from such meeting/s.
2. Exercise authority and power with due care and diligence and whilst discharging the fiduciary responsibility of office in the best interest of the Company and all the stake holders.
3. Not allow personal interest to conflict with the interest of the Company or to come in the way of discharge of duties of office.
4. Abide by policies and business principles of the Company.
5. Respect safety and health of all employees and provide working conditions which are not harmful to health.

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6. Preserve and protect the environment with due concern for ecology, clean air and meet high levels of pollution and emission standards.
7. Observe strict confidentiality of the information acquired in the course of discharge of duties of office and not use the same for any personal purpose or advantage
8. Use Company property only for official purposes and for no personal gain.
9. Deal fairly with customers, suppliers, employees and other business partners.
10. Maintain high ethical and professional standards in all dealings.
11. Encourage employees to acquire skills, knowledge and training to expand/enhance their professional and specialized knowledge.
12. Provide equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or color, merit being the sole differentiating factor.
13. Make proper record of all financial transactions and not create undisclosed or unrecorded account/fund or asset.
14. Report any violation of this Code of Conduct to either HRL or AUD or any of the Whole-time Directors of the Company.
15. Co-operate with Government, Trade and Industry Associations for and in the development of economic legislations concerning the business of the Company
16. Comply with all applicable laws, rules and regulations.

### **C .GENERAL DUTIES OF DIRECTORS PURSUANT TO SECTION 166 OF THE COMPANIES ACT, 2013:**

- (1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company 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 interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

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(4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

(5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.

(6) A director of a company shall not assign his office and any assignment so made shall be void.

**D. DUTIES OF INDEPENDENT DIRECTORS PURSUANT TO SECTION 149 AND 166 OF  
THE COMPANIES ACT, 2013:**

The independent directors 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 and Separate meeting of Independent Directors;

(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) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

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(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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

(12) 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.

### **E. INSIDER TRADING**

The Directors and Senior Management shall comply with the Code of Internal Procedures and Conduct in dealing with the securities of the Company as applicable from time to time.

### **F. REGULATORY COMPLIANCE**

Every Director and Senior Management shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the Code, then the standards of the Code shall prevail.

### **G. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE**

In case of breach of this Code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary.

In case of breach of this Code by the Senior Management, the same shall be dealt with by Chairman & Managing Director in accordance with the COA Rules of the Company.