

SHAILY CODE OF CONDUCT

CIN: L51900GJ1980PLC065554

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF SHAILY ENGINEERING PLASTICS LIMITED

The Board Of Directors of Shaily Engineering Plastics Limited has adopted the following code of conduct for the Board of Directors and senior management of the Company which was adopted in its meeting held on 16th May, 2015 which shall be effectively from the 16th May, 2015

1. Introduction:

- 1.1 The Code of Conduct (hereinafter referred to as the “SEPL Code”) shall be “The Code of Conduct for the Board Members and Senior Management of Shaily Engineering Plastics Limited (the Company);
- 1.2 The SEPL Code has been framed in Compliance with the provisions of revised Clause 49 of the Listing Agreement (as per Circular No. CIR/CFD/POLICY CELL/2/2014 dated 17th April, 2014) entered into by the Company with Bombay Stock Exchange Limited, Mumbai (the “Stock Exchange”);
- 1.3 This SEPL Code envisages that the Board of Directors of the Company (the “Board”) and Senior Officers must act within the boundaries of the authority conferred upon them and with a duty to comply with the requirements of applicable laws and rules;
- 1.4 The Principles prescribed in SEPL Code are general in nature and lay down broad standards of compliance and ethics, as required by revised Clause 49 of the Listing Agreement with the Stock Exchange. The Board and the Senior Officers shall also refer to other applicable policies and procedures of the Company for specific instructions and guidelines, which are to read in conjunction with SEPL Code;
- 1.5 This SEPL Code shall come into force with effect from 16th May, 2015.

2. Definitions and Interpretations:

Unless repugnant to the meaning or context thereof, the following expressions, wherever used in SEPL Code, shall have the meaning assigned to them below:

- a) “Board Members” shall mean Directors on the Board of the Company, which includes the Chairman.
- b) “Relative” shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 read with Companies (Specification of definitions details) Rules, 2014.
- c) “Senior Management” means personnel of the Company occupying the position of one level below the Whole time Directors. Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

- d) “Whole Time Directors” shall mean the Board Members who are in the whole time employment of the Company;
- e) “Non-executive Directors” shall mean the Board Members who are not in whole time employment of the Company.
- f) “Confidential information” means any information concerning the Company’s business, its customers and suppliers etc, which is not in public domain and to which only the Board Members and the Senior Officers have access.

3. Applicability

This code shall be applicable to the

- (i) The Board Members;
- (ii) Senior Management.

4. SEPL Code of Conduct

The Board Members and the Senior Management shall:

- i. Act in accordance with the highest standard of honesty, good faith and integrity while working for the Company as well as while representing the Company and fulfill their fiduciary obligations without allowing their independence of judgment to be compromised;
- ii. Not involve them in making any decision on a subject matter in which a conflict of interest arises or could arise, between their personal interest and the interest of the Company. In the event of apprehending such conflict of interest, the relevant facts shall be disclosed in writing, explaining the circumstances that create or could create the conflicts of interest to the Board Member(s) for further directions in the matter;
- iii. Not have any personal financial interest in works or contracts awarded by the Company, unless approved by the Board taking note of such interest;
- iv. Not (including his/her relatives/associates) derive any undue personal benefits or advantage by virtue of his/her position or relationship with the Company;
- v. Not hold any position(s) or job(s) or engage in any outside business or other interests that adversely affect the performance of duties of the Company. Whole Time Directors and Senior Management are expected to devote their full attention to the business interest of the Company;
- vi. Not exploit for their own personal gain, opportunities that are discovered through company’s business, information or position, unless the opportunity is disclosed fully in writing to the Board;
- vii. Comply with all applicable laws, rules, regulations of the land both in letter and spirit;
- viii. Comply with the Code of Conduct for Prevention of Insider Trading;

- ix. Not disclose to any person any confidential information unless (a) authorized to do so by the Board, or (b) it is required to be disclosed in accordance with applicable laws and rules;
- x. Not misuse the assets of the Company and shall employ them for the purpose of conducting the business for which they are duly authorized;
- xi. comply with the laws, rules and regulations applicable to them as directors and senior management of the Company, including laws on prevention of insider trading;
- xii. endeavor to promote ethical behavior and to provide an opportunity to employees to report violation of laws, rules, and regulations of code of conduct and policy directives adopted by the company to the appropriate personnel without fear of retaliation of any kind for reports made by the employee in good faith.
- xiii. not directly/indirectly obtain any illegal payments, gifts, donations or any benefits where the value of it could make it appear that the person giving is attempting to influence the Directors/ Senior Management Personnel to gain advantage except gifts of food/edible items which are customary in nature or associated with festivals.

5 Enforcement of Code of Conduct:

- 5.1 Mr. Sanjay Shah, CSO (Chief Strategy Officer) shall be the Compliance Officer for the purpose of this Code;
- 5.2 Compliance Officer shall report breach of this Code; if any; which comes to his notice to the Board;
- 5.3 All Board members and Senior Management shall be subject to investigation of possible violation of SEPL Code;
- 5.4 The Managing Director shall determine the penalty for breach of SEPL Code by the Senior Management. In case of breach of SEPL Code by the Board Member(s), the Board shall examine and initiate suitable disciplinary action.

6 Duties of Independent Directors

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;
- 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.

7 Amendments to the Code

The provisions of this code can be amended and modifies by the Board from time to time and all such amendments and modifications shall take effect from the date stated therein. All Board Members and Senior Management shall be duly informed of such amendments and modifications.

8 Placement of the Code on website

Pursuant to Clause 49 of the Listing Agreement, the SEPL Code and any amendments thereto shall be posted on the website of the Company.

9 Affirmation of Compliance of the SEPL Code

As required under revised Clause 49 (II) (E) of the Listing Agreement, all Senior and managerial personnel shall affirm compliance with SEPL Code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by Chairman.

10. Waivers

Waiver of any provisions of this SEPL Code of Conduct must be granted in writing by the Board.
