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## **CODE OF CONDUCT FOR BOARD MEMBERS, KEY MANAGERIAL PERSONNELS AND EMPLOYEES**

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Salora International Limited strongly believes and shows its commitment to conduct business in accordance with the applicable laws, rules and regulations with highest standards of business ethics. This code of conduct is intended to provide guidance and help in recognizing and dealing with ethical issues and to provide proper mechanisms for reporting any unethical conduct or wrong doing in the Company.

### **Applicability**

This Code of Ethics is applicable to all Board Members i.e. Directors, Key Managerial Personnels (KMPs) and all the Employees of Salora International Limited in compliance with Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR, 2015 Regulations)

### **Purpose and Scope**

The Board Members shall act within the powers conferred on them and shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment in align to the Ethical Standards of the company provided in this code.

### **Ethical conduct**

Board Members, KMPs and Every employee of the company, shall deal on behalf of the company with professionalism, honesty and integrity, as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

### **Regulatory compliance**

Board Members, KMPs and Every employee of the company 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.

## **Dealing with Related Parties and entering into Related Parties Transaction**

The Board Members, before conducting business of the Company with a Related Party as mentioned in the applicable regulations, shall promptly disclose their interest to the Board of Directors of the Company and shall follow the procedures and/or compliances given in the Companies Act, 2013, SEBI (LODR) Regulations, 2015, Applicable Accounting standards as per Related Parties Transaction Policy of the Company.

## **Securities transactions and confidential information**

Board Members, KMPs and Every employee of the company and his or her relatives shall not derive any benefit or assist others to derive any benefit from access to and possession of information about the Company, which is not in the public domain and thus constitutes insider information and shall comply with the requirements given under the Act and relevant SEBI Regulations for Prevention of Insider Trading. They should not make any statements or provide information to any person that may lead to non-compliance of these legal provisions except as permitted by law.

They shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the company on which such insider information has been obtained.

Such insider information might include but not limited to the following:

- acquisition and divestiture of businesses or business units;
- financial information such as profits, earnings and dividends;
- announcement of new product introductions or developments;
- asset revaluations;
- investment decisions/plans;
- restructuring plans;
- major supply and delivery agreements;
- raising finances.

## **Concurrent employment**

Any Director shall take consent from Board before accepting employment / directorship in any company which is in the same business of Salora International Limited. In the case of a whole-time director or the managing director, prior approval must be obtained before accepting employment / directorship in any other company and /or for providing any 'freelance' services to any business entity from the board of directors of the company.

An employee of the company shall not, without the prior approval of the managing director of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide 'freelance' services to anyone.

### **Conflict of interest**

Board Members, KMPs and Every employee of the company shall not engage in any business, relationship or activity which might detrimentally conflict with the interest of his company or the Group. A conflict of interest, actual or potential, may arise where, directly or indirectly, if such person:

- engages in a business, relationship or activity with anyone who is party to a transaction with his or her company;
- is in a position to derive a personal benefit or a benefit to any of his or her relatives by making or influencing decisions relating to any transaction;

The main areas of such actual or potential conflicts of interest would include the following:

- Financial interest of any Board Members, KMPs and employee of the company or his relatives, including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of the company. (The ownership of up to 2 per cent of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)
- Board Members, KMPs and employee of the company conducting business on behalf of his or her company, or being in a position to influence a decision with regard to his or her company's business with a supplier or customer of which his or her relative is a principal, officer or representative, resulting in a benefit to him/her or his/her relative.
- Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of the company, where such an individual is in a position to influence the decision with regard to such benefits.
- Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested Board Member, KMP and employee of the company employees should be made to the company's management. It is also incumbent upon every such persons to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his or her company.

## **Protecting company assets**

The assets of the company shall not be misused but shall be employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials and resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

Board Members, KMPs and Employees shall endeavor to protect the assets and any suspected incident or fraud or mismanagement of the assets of the Company should be immediately reported to the Chairman or Managing Director or Whole-time Director or Compliance Officer of the Company.

## **Reporting concerns**

Every Board Member, KMP and Employee of the company shall promptly report to the management or chairman of the Audit Committee about any actual or possible violation of this code, or an event he or she becomes aware of that could affect the business or reputation in the manner and procedure prescribed in the Whistle Blower Policy of the Company.

## **Code for Independent Directors**

Independent Directors shall provide their expertise, experience and valuable inputs to the Company's business policies, planning, strategies, management and corporate governance. They should allocate requisite time for Board and committee meetings for proper participation in the Company's management as per terms and conditions of their employment with the Company. Their duties are already mentioned in the terms and conditions of the appointment of Independent Non-executive Directors issued by the Company. However, for the compliance of SEBI(Listing Obligations and Disclosure Requirements) Regulation, 2015, their duties shall also be given in this code.

### **Guidelines for professional conduct by Independent Directors:**

- 1) To uphold ethical standards of integrity and probity;
- 2) To act objectively and constructively while exercising his duties;
- 3) To exercise his responsibility in a bonafide manner in the interest of the company;
- 4) To devote sufficient time to his professional obligations for informed and balanced decision making;
- 5) To avoid abusing his position to the detriment of the company and refrain from any action that would lead to the loss of his independence;
- 6) To assist the company in ensuring best corporate governance practices.

**Duties of Independent Directors:** The Independent Directors shall-

- 1) To 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 including a Separate meeting of the independent director and of the Board committees of which he is a member.
- 4) Participate constructively and actively in the committees of the Board in which he is chairperson or member.
- 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 yourself 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) 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.

**Ethical standards of the Company**

➤ **Financial reporting and records**

Company shall prepare and maintain its accounts fairly and accurately in accordance with

the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company

conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorized parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition, and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of this code, apart from inviting appropriate civil or criminal action under the relevant laws.

### ➤ **Competition**

Company shall fully strive for the establishment and support of a competitive, open market economy in India and abroad, and shall cooperate in efforts to promote the progressive and judicious liberalisation of trade and investment by the country. Specifically, company shall not engage in activities that generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

Company shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services. Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

### ➤ **Equal-opportunities employer**

Company shall provide equal opportunities to all its employees and all qualified applicants for employment, without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality and disability. Employees of the company shall be treated with dignity and in accordance with the policy of maintaining a work environment free of sexual harassment, whether physical, verbal or psychological.

Employee policies and practices shall be administered in a manner that ensures that in all matters equal opportunity is provided to those eligible and that decisions are based on merit.

### ➤ **Gifts and donations**

Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favors for the conduct of its business. However, company and its employees may accept and offer nominal gifts, which are customarily given and are of a commemorative nature, for special events.

➤ **Government agencies**

Company and its employees shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favourable performance of official duties.

➤ **Political non-alignment**

Company shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. Company shall not support, directly or indirectly, any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or political campaign.

➤ **Health, safety and environment**

Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. Company shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

➤ **Quality of products and services**

Company shall be committed to supplying goods and services of the highest quality standards, backed by efficient after-sales service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the company's goods and services should meet the required national standards, and the company should endeavour to achieve international standards.

➤ **Corporate citizenship**

Company shall be committed to be a good corporate citizen, not only in compliance with all relevant laws and regulations, but also by actively assisting in the improvement of the quality of life of the people in the communities in which it operates, with the objective of making them self-reliant.

Such social responsibility would comprise: initiating and supporting initiatives in the field of community health and family welfare, water management, vocational training, education and literacy, and encouraging the application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities.

The company shall also not treat these activities as optional ones, but shall strive to

incorporate them as integral part of its business plan. The company shall also encourage volunteering among its employees and help them to work in the community.

➤ **Public representation of the company and the Group**

Company shall honour the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as the media, the financial community, employees and shareholders, company shall be represented only by specifically authorised directors and employees. It will be the sole responsibility of these authorised representatives to disclose information on the company or the group.

➤ **Shareholders**

Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors of the company shall duly and fairly inform its shareholders about all relevant aspects of the company's business, and disclose such information in accordance with the respective regulations and agreements.

Every employee shall be responsible for the implementation of and compliance with this code in his or her professional environment. Failure to adhere to the code could attract the most severe consequences, including termination of employment.

➤ **Citizenship**

An employee of the company shall in his or her private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the company or the Group.

## **Waivers and Amendments of the Code**

The Company is committed to continuously monitoring the implementation of its policies and procedures, reviewing and updating as and when required. However, any amendment or waiver of any provision of the Code must be approved by the Board of Directors of the Company.