

## **Code of conduct for all Board Members and Senior Management of Everest Industries Limited**

### **Preface**

The Board of Directors (hereinafter referred to as the “Board”) of Everest Industries Limited (EIL) (hereinafter referred to as the “Company”) has adopted the following Code of Business Conduct and Ethics (hereinafter referred to as the “Code”) for the Board and Senior Management.

A model code of conduct has been designed to put values into practice. This Code of Conduct isn't merely a set of rules for specific circumstances but an intentionally expansive statement of principles meant to inform all the actions of the Board of Directors and Senior Management. The Board and Senior Management should make an effort to study and understand these principles and do their best to apply them to any and all circumstances which may arise.

The Code shall be posted/ displayed on the website of the Company.

### **Applicability of the Code**

This Code applies to :

- a) All directors of the Company ; and
- b) All the Senior Management Employees of the Company, which would comprise all members of Management one level below the Executive Directors, including all functional heads, works and zonal heads.

In terms of Listing Agreement all the Board Members and the Senior Management employees should affirm compliance with the code on an annual basis. The Annual Report of the Company shall contain a declaration to this effect and signed by the Managing Director.

### **The Code**

#### **1. Conflict of Interest or Duty**

- 1.1 The Board and Senior Management must be aware of potential conflict between (directly or indirectly):
  - (a) on the one hand :
    - i. the interest of the Company; or
    - ii. their duties to the Company; and
  - (b) on the other hand :

- i. their personal or external business interests; or
- ii. their duties to any third party.

1.2 The Board and Senior Management must avoid placing themselves in a position that may lead to ;

- (a) an actual or a potential conflict of interest or duty; or
- (b) a reasonable perception of an actual or potential conflict of interest or duty.

1.3 The Board and Senior Management must :

- (a) fully and frankly inform the Company of any personal or external business interest that may lead to :
  - i. an actual or potential conflict of interest or duty; or
  - ii. a reasonable perception of an actual or potential conflict of interest or duty.
- (b) obtain and follow independent legal advice to avoid and resolve any actual, potential or perceived conflict of interest of duty.

1.4 Each Director must :

- (a) not participate when the Board considers any matter in which the Director has or may have a conflict of interest or duty; and
- (b) comply with the Companies Act, 2013 and Listing Agreement provisions in relation to the disclosing material personal interests and restrictions on voting by Directors.

1.5 Each Director must inform the Board :

- (a) any existing Directorship or other office held by Director in another entity; and
- (b) any proposed appointment as a Director or Senior Executive of another entity before accepting the appointment.

1.6 The Board and Senior Management must not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the company.

## **2. Duties of Independent Directors**

The independent directors shall :-

- 2.1 undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 2.2 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;
- 2.3 strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- 2.4 participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 2.5 strive to attend the general meetings of the company;
- 2.6 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;
- 2.7 keep themselves well informed about the company and the external environment in which it operates;
- 2.8 not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 2.9 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;
- 2.10 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;
- 2.11 report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- 2.12 acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;

### **3. Compliance with laws, regulations, policies and procedures**

The Board and Senior Management must :

- 3.1 comply with the letter and spirit of any applicable law, rule or regulation;

- 3.2 comply with the Insider Trading Regulations as laid down by SEBI and the Company;
- 3.3 comply with policies and procedures of the Company; and
- 3.4 encourage other officers and employees to do the same.

#### **4. Confidentiality**

- 4.1 Any information acquired by the Board and Senior Management while performing their duties is confidential information of the Company which includes commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information and must be kept confidential. The Board and Senior Management must not disclose the information to a third party except where that disclosure is :
  - (a) authorized by the Board; or
  - (b) required by law or regulatory body (including a relevant stock exchange)
- 4.2 The existence and details of any Board and Management information, discussions and decisions that are not publicly known and have not been approved by the Board for public release are confidential information of the company and subject to paragraph 4.1.

#### **5. Protection and proper use of Company Assets**

- 5.1 The Company expects each Director and Senior Management to use all reasonable endeavors to protect any company Asset and to ensure its efficient use.
- 5.2 A Director or Senior Management may only use a Company Asset for legitimate business purpose approved by the Board.
- 5.3 Each Director and Senior Management must immediately report any suspected fraud or theft of a Company asset for investigation.
- 5.4 The Board, senior Management and all employees must pay particular attention to information technology aspects such as data protection and data security.

#### **6. Fair Dealing**

- 6.1 The Company expects the Board and Senior Management to :
  - (a) deal fairly with employees, investors, customers, suppliers, competitors, auditors, lawyers, creditors or other advisors of the Company ; and

(b) encourage other employees and officers to do the same.

- 6.2 The Board and Senior Management must not take unfair advantage of any employee, customer, supplier, competitor, auditor, lawyer or other advisors of the Company, creditor through illegal conduct, manipulation, undue influence, concealment, abuse of confidential information, misrepresentation of material facts or any other unfair dealing practice.
- 6.3 The Board and Senior Management must promote a respectful work place, culture that is free of harassment, bias and discrimination of any kind.

**7. Compensation from non-Company sources and Gifts**

- 7.1 The Board and Senior Management should not accept compensation (in any form) for services performed for the Company from any source other than the Company.
- 7.2 The board and Senior Management may not offer, give or receive gifts from persons or entities who deal with the Company or its Holding company, where any such gift is being made in order to influence the actions or where acceptance of the gifts could create the appearance of a conflict of interest.

**8. Reporting of illegal and unethical behavior**

- 8.1 The Board and Senior Management should promote ethical behavior and take steps to ensure that the company;
- (a) encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in a particular situation.
  - (b) Encourages employees to report violations of laws, regulations or the company's code of Conduct to appropriate personnel.
  - (c) Informs employees that the Company will not allow retaliation or reports made in good faith.

**9. Violation and Compliance of the Code**

- 9.1 The Board and Senior Management is required to held enforce this code as part of his/ her job and also of his/ her ethical responsibility.
- 9.2 Directors should communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Senior Management should communicate any suspected violation of this Code to the Managing

Director who in turn shall communicate it to the Chairman of the Audit Committee.

- 9.3 Violations will be investigated by the Board or by persons designated by the Board and appropriate action will be taken in the event of any violations of the Code.

**10. Waiver and Amendment of the Code**

- 10.1 This Code is subject to modification at any time since the Company is committed to continuously reviewing and updating its policies and procedures in terms of extant guidelines and procedures laid down by different statutory authorities.
- 10.2 Any amendment/ inclusion or waiver of any provision of this Code shall be approved by the Company's Board of Directors and must be promptly disclosed on the Company's website.