

# KAY POWER AND PAPER LIMITED

## ABRIDGED CODE OF CONDUCT

### **Section 1: Preface**

About the Code of Conduct:

The Code of Conduct (“The Code”) pertains to **Kay Power and Paper Limited** (“The Company”).

Our Values:

This Code lays down a set of expectations and desired behaviour for Company’s Directors.

The Code seeks to ensure that the business of the Company is conducted with the highest standards of ethical and organizational values.

Applicability of this Code:

The Code applies to the Board of Directors of the Company (“the Board”). Every Director shall, in his business conduct, comply with all applicable laws and regulations, in letter and in spirit.

The Board of Directors is responsible for setting the standards of conduct contained in the Code and for updating these standards as appropriate to reflect legal and regulatory developments.

The Board has adopted this Code as a testimony of its commitment to adhere to the standards of honesty, integrity and avoidance of conflict of Interest.

### **Section 2: Code of Conduct:**

#### ➤ Honesty and Integrity

The Directors shall, at all times, in the conduct of the business of the Company, exhibit absolute honesty, integrity, commitment and independence of thought and judgement.

The Directors shall act in good faith and in best interests of the Company so as to promote the interests of the Company.

#### ➤ Conflict of Interest

Directors are prohibited from engaging in any activity that interferes with their performance or responsibilities in the Company or is otherwise in conflict with or prejudicial to the Company.

**Do's:**

- i. A Director should disclose to the Board every year, in writing, in the format prescribed under section 184 of the companies Act, 2013, about any outside business-interests that he/ she or his/her family members i.e. only immediate family spouse/children, have if these interests create or even appear to create a conflict of interest.
- ii. A Director shall intimate the Board, in writing, before he/she or his/her family member involves in a new business that is likely to create conflict of interest.
- iii. Prior approval of the Board to be obtained by a director, before he/she accepts a position as a Director, Officer, employee, consultant or promoter any other Organization, engaged in the same business/ competition as that of the Company.

**Don'ts:**

- i. Do not work or consult for a business doing work similar to that of the company, except in a professional capacity.
- ii. Do not use company resources, including assets, properties, information and intellectual rights, other than for the business use of the Company.
- iii. Do not take up or accept business or employment or a position of responsibility with any other organization for remuneration, or otherwise, that are prejudicial or conflict with the interest of the Company,
- iv. Do not take up any business opportunity relevant to the line of business pursued by the company or direct such opportunity that is discovered through the use of Corporate Property, information or position to a third party unless the company has already been offered the opportunity and it has turned it down.

➤ **Corporate Social Responsibility**

The Company respects human rights, values its employees and believes in sustainable development. The Company aims to reach out to the neighbouring communities, conserve the environment and nurture young people.

**Section3: Implementation of the code of conduct**

Reporting Non- Compliance

Any reported non-compliance will be taken up by the Board.

**Framework:**

Responsibility for

- Approval of the Code- Board
- Implementation of the Code- Chairman
- Communication of the Code- Company Secretary
- Investigation- Board
- Reporting to the Board:

The Company Secretary shall collect data pertaining to all non-compliances reported to the Board and submit the consolidated results to the Board on a quarterly basis.

**Waiver:**

Any waiver of any provision of this Code of Conduct with respect to any Director must be approved in writing by Chairman with the consent of the Board.

Duties of the Independent Directors under Schedule IV 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;
- 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.

The Code of conduct will be suitably amended in compliance with the relevant Companies Act, Securities and Exchange Board of India Act, Rules and Regulations there under and the Listing Agreement with the Stock Exchanges.