



XOLOPAK INDIA LIMITED

CODE OF CONDUCT FOR **DIRECTORS AND SENIOR MANAGEMENT**

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

A. Preamble

Xolopak India Limited (the "Company") believes in sustained growth with ethics in transactions and a quest for excellence in performance. In order to re-emphasize this organizational culture, and commitment towards conducting its business in accordance with the applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct, the Company has formulated the Code of Conduct for Board Members and Senior Managerial Personnel ("Code"), to reflect the business practice and principles of conduct that supports the said commitment of the Company.

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

Therefore, it is recognized that compliance with the Code is essential for promoting stakeholder confidence in our organization, and every member of the Board and Senior Management is expected to mandatorily comply with the Code.

B. Basic Guidelines

The Code has been framed and adopted by the Company in compliance with the provisions of the **Companies Act, 2013**, and is applicable to all members of the Board and the Senior Management.

Any reference to statutory provisions or regulations shall be construed as meaning and including references to any amendment or re-enactment and any amendments to any statutory provisions or regulations or clarifications applicable to the Code shall automatically be deemed to be included in the Code, without any further amendment of the Code by the Board or relevant committee of the Board.

The Company shall procure and possess the Code of Conduct Acknowledgement Forms (Annexure – I) signed by all Directors and Senior Management (under the custody of the Company Secretary) indicating that they have received, read and understood the provisions of the Code and agree to comply with the same. All Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis to the Company Secretary, within 30 days from every financial year closing in the Code of Conduct Annual Compliance Report (Annexure – II).

C. Objective

This Code is intended to:

- Provide guidance and help in recognizing and dealing with ethical issues.
- Help foster a culture of honesty and accountability.
- Bring about a uniform understanding required to maintain the highest standard of business conduct and ethics for the Company.
- Provide guidance in difficult situations involving conflict of interest and moral dilemma.

- Ensure compliance with all applicable laws.

Every Director and member of the Senior Management is expected to read and understand this Code and its application while performing their duties, functions and responsibilities.

D. Definitions and Interpretation

In this Code, words and expressions shall have the meaning assigned to them below:

- **"Act"** shall mean the Companies Act, 2013, and rules framed thereunder, notified by the Ministry of Corporate Affairs, Government of India, as amended from time to time;
- **"Board"** shall mean the Board of Directors of the Company;
- **"Directors"** shall mean all the members of the Board of Directors of the Company, including the Independent Directors;
- **"Company"** shall mean Xolopak India Limited;
- **"Independent Directors"** shall mean the Director other than a managing director or a whole-time director or a nominee director as more specifically set out under Section 149(6) of the Act;
- **"Whole-time Director"** shall mean members of the Board who are in whole-time employment of the Company;
- **"Senior Management"** shall mean officers/personnel of the Company who are members of its core management team excluding the board of directors. This shall comprise all members of management one level below the Chief Executive Officer / Managing Director / Whole-time Director / Manager (including CEO/Manager, in case they are not part of the board) and shall specifically include the **Company Secretary** and **Chief Financial Officer**;
- **"Related Party"** means a related party as defined under sub-section (76) of section 2 of the Act or under the applicable accounting standards; provided that any person or entity belonging to the promoter or promoter group of the Company and holding 20% or more of shareholding in the Company shall be deemed to be a related party;
- **"Related Party Transaction"** means a transfer of resources, services or obligations between a Company and a related party, regardless of whether a price is charged;
- **"Relative"** means relatives as defined under Section 2(77) of the Act read with the Companies (Specification of definitions details) Rules, 2014.

In this Code, words and expressions are done with no differentiation on Gender, and words importing singular shall include plural or vice versa.

E. Code of Conduct

Every Director and member of the Senior Management shall act within the authority advised upon them in the best interest of the Company, and strictly in compliance with this Code, and shall:

1. Exhibit high standards of integrity, commitment and independence of thought and judgment.
2. Act in the best interests of, and fulfill their fiduciary obligations to the Company and its shareholders.
3. Act honestly, fairly, ethically and with integrity.
4. Conduct themselves in a professional, courteous and respectful manner and not take improper advantage of their position.
5. Dedicate adequate time, energy and attention to ensure the diligent performance of his/her duties.
6. Make all reasonable efforts (to the extent required under applicable statutes/regulations) to attend Board or committee meetings of the Board and act in accordance with the Articles of Association of the Company.
7. Act in good faith in order to promote the objective of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees and shareholders.
8. Exercise his/her duties with due and reasonable care, skill and diligence and shall not allow their independent judgment to be subordinated.
9. Not involve themselves in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
10. Not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners, or associates pursuant to his/her position as a Director or Senior Management of the Company. If found guilty of making any undue gain, he/she shall be in terms of Section 166(5) of the Act, and face further disciplinary action as determined by the Board.
11. Avoid conducting business on behalf of the Company except with the prior approval of the Board with:
(a) a relative; (b) a limited company in which he or his relative is a member or a director; (c) a public limited company in which he along with his relative holds more than two per cent of its paid-up share capital; and (d) with a firm in which he or his relative is a partner.
12. Disclose and avoid having any personal and/or financial interest in any business dealings concerning the Company.
13. Not assign his/her office, and any assignment so made shall be void.
14. Facilitate the Independent Directors to perform their role effectively as a member of the Board and also a member of a committee of the Board.

15. Conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.
16. Comply with every provision of this Code.

F. Conflicts of Interest

The Directors and the Senior Management must avoid conflicts of interest. They should also be mindful of, and seek to avoid, conduct which could reasonably be construed as creating an appearance of a conflict of interest. While they are free to make personal investments and enjoy social relations, they must not have any interests that adversely influence the performance of their corporate duties.

A conflict situation can arise when improper personal benefits accrue to a Director, Senior Management member, or immediate family relative, making it difficult to perform duties objectively. Examples of conflict situations include:

1. Working, in any capacity, for a competitor, customer, supplier or third party while occupying a position in the Company.
2. Competing with the Company for the purchase or sale of property, products, services or other assets.
3. Directing corporate business to a supplier owned or managed by, or which employs, a relative or friend.
4. Receiving personal loans or guarantees of obligations as a result of one's position in the Company.
5. Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company.
6. Accepting a gift from persons or entities dealing with the Company where the gift is intended to influence decisions or creates an appearance of impropriety.

The Directors or Senior Management must promptly bring any question about actual or potential conflicts to the attention of the Chairman of the Board or the Compliance Officer. Individuals involved must disclose the matter to the Board and recuse themselves from any discussion or decision relating thereto.

G. Directorship in other Companies

Unless specifically permitted by the Board, members of the Board shall not serve as a director of any other company or as a partner of a firm that is engaged in a competing business with the Company. Senior Management shall obtain prior approval of the Management before accepting directorship of any other company or partnership of a firm.

H. Gifts & Donations

The Directors and Senior Management shall neither receive nor offer or make, directly or indirectly, any gifts, donations or comparable benefits intended to obtain undue favors detrimental to the interests of the Company.

Nominal values customarily given as commemorative tokens for special events are excluded, provided they never create an appearance of impropriety.

I. Corporate Opportunity

The Directors and the Senior Management shall not:

1. Compete directly or indirectly with the Company.
2. Take for themselves personally any business opportunities that belong to the Company or are discovered through the use of corporate property, information, or position.
3. Use corporate property, information, or position for unauthorized personal gain.

J. Manufacturing Operations and Operational Excellence

Senior Management (specifically Plant, Works, and Operational Heads) and Executive Directors overseeing manufacturing facilities must:

1. **EHS Statutory Compliance:** Ensure strict operational compliance with environmental laws, pollution control norms, and industrial health and safety standards under the applicable laws.
2. **Quality Control & Safety:** Maintain rigid monitoring parameters over material inputs to protect the integrity of the Company's products.
3. **Supply Chain Sustainability:** Engage only with sustainable lumber/material extraction vendors who align with local labor laws and firmly prohibit the use of child labor.

K. Continuous Improvements

All Directors and Senior Management should adopt a customer-oriented approach to maximize company competitiveness. They should endeavor to make continuous improvements in all manufacturing plans, factory workflows, and corporate processes, actively fostering innovative steps for the betterment of the Company.

L. Insider Trading and Price-Sensitive Information

Every Director and member of Senior Management must ensure strict internal controls to prevent the misuse of non-public financial or strategic data:

1. They shall not deal or trade in the equity shares or security components of the Company (where applicable) while in possession of non-public material information or price-sensitive financial balances.
2. They must not divulge internal production capacities, structural expansion layouts, or financial margins to third parties except for legitimate corporate purposes explicitly authorized by the Board.

M. Vigil Mechanism / Whistleblower Policy

In compliance with provisions of the Companies Act, 2013, the Company provides a secure channel for structural reporting of systematic errors or ethical violations:

1. Every Director and Senior Management person is duty-bound to report actual or suspected fraud, systemic ethics deviations, or breaches of this Code via the established Vigil Mechanism.
2. The Company guarantees robust protection and victimization safeguards to anyone submitting complaints in good faith.
3. Exceptional circumstances permit an escalation route providing direct access to the Chairperson of the Audit Committee.

N. Confidentiality

The Directors and the Senior Management must maintain the confidentiality of information entrusted to them or acquired during their duties, except where disclosure is explicitly authorized by the Company or required by law. "Confidential information" includes non-public data, proprietary production formulas, vendor supply costs, or technical metrics that might be harmful to the Company or its customers if disclosed. They should consult the Chairman or Compliance Officer if they believe they face a statutory obligation to disclose such data.

O. Public Representation

The Company honors the information requirements of the public and its stakeholders. All public appearances, media statements, or disclosures regarding the Company's financial results, expansion layouts, or operational workflows must be handled exclusively by designated, authorized spokespersons to prevent volatile information leaks.

P. Enforcement and Violation Management

1. **Duty to Report:** Every Director and member of Senior Management has a professional obligation to promptly report any suspected or actual breach of this Code to the Chairman of the Board or the Compliance Officer.
2. **Investigation Protocols:** The Board, directly or through a specifically delegated committee, will investigate reported infractions transparently, fairly, and discreetly.
3. **Protection of Informants:** Retaliatory actions, victimization, or intimidation against any individual reporting a code violation in good faith is prohibited and constitutes a structural breach of this policy.

Q. Non-Compliance and Penalties

1. **Corporate Consequences:** Non-compliance with the rules, obligations, or parameters defined in this Code will attract immediate disciplinary measures.
2. **Disciplinary Remedies:** Depending on the nature and severity of the infraction, the Board may impose remedies including formal written reprimands, suspension of operational authorities, calling of performance bonuses, or recommendation for termination of employment/removal from office.
3. **Statutory Penalties:** In instances where non-compliance also breaches the Companies Act, 2013, the default party remains personally liable to statutory penalties, regulatory fines, and legal prosecution by external authorities.

R. Review and Assessment Cycle

1. **Periodic Evaluation:** The Compliance Officer and the Audit Committee will review the operational implementation of this Code to assess its ongoing efficacy.
2. **Regulatory Integration:** Reviews ensure the policy adapts to shifts in the manufacturing landscape, corporate requirements, and governance structures.
3. **Reporting to the Board:** Synthesized feedback from review cycles will be reported to the Board of Directors to determine whether operational benchmarks require updating.

S. Amendments, Modifications, and Waivers

1. **Board Authorization:** The Board of Directors retains exclusive authority to alter, replace, amend, or modify any section of this Code.
 2. **Automatic Structural Updates:** Any statutory amendments or official clarifications issued by the Ministry of Corporate Affairs (MCA) will automatically integrate into this Code without requiring an immediate, formal Board vote.
 3. **Waiver Strictness:** Operational waivers of any specific clause within this Code for a Director or Senior Management member may only be granted in writing under exceptional circumstances by an explicit resolution of the Board.
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ANNEXURE – I

CODE OF CONDUCT ACKNOWLEDGEMENT FORM

To,
The Company Secretary & Compliance Officer
Xolopak India Limited
Office No. 202, 2nd Floor, Seven Business Square,
Shivajinagar, Pune, Maharashtra – 411005.

Dear Sir/Madam,

I, _____, holding the position of _____ (Director / Member of Senior Management) in Xolopak India Limited, do hereby acknowledge that I have received, thoroughly read, and completely understood the updated **Code of Conduct for Board Members and Senior Management Personnel** of the Company.

I hereby confirm that I accept the standards, obligations, and restrictions set forth in the Code, and I agree to completely comply with all its provisions during my tenure with the Company.

Signature: _____

Name: _____

DIN / **Employee ID:** _____

Date: _____

Place: _____

ANNEXURE – II

CODE OF CONDUCT ANNUAL COMPLIANCE REPORT

(To be submitted within 30 days of the close of every Financial Year)

To,
The _____ Company _____ Secretary & _____ Compliance Officer
Xolopak India Limited

Dear Sir/Madam,

I, _____, holding the position of _____ (Director / Member of Senior Management) in Xolopak India Limited, do hereby solemnly affirm that I have meticulously read, understood, and maintained full compliance with the provisions of the **Code of Conduct for Board Members and Senior Management Personnel** during the Financial Year ended March 31, 20____.

I further declare that I have not violated any clauses of this Code, nor am I aware of any undisclosed instances of potential non-compliance or conflicts of interest that could harm the integrity or operational status of the Company.

Signature: _____

Name: _____

DIN _____ / **Employee** **ID:** _____

Date: _____

Place: _____