
Code of Conduct
for
Directors & Senior Management

SIMMONDS MARSHALL LIMITED
Apeejay Chambers
5, Wallace Street,
Mumbai – 400 001

1. PREAMBLE

The Code of Conduct for Directors & Senior Management of Simmonds Marshall Limited (“the Code”) helps to the standards of business conduct of Simmonds Marshall Limited (“the Company”) and ensures compliance with various legal requirements which governs the operations of the Company. The purpose of code is to promote ethical conduct and to deter wrongdoing so as to protect the best interest of the company and its stakeholders. The matters covered in the Code are of utmost importance to the Company, our shareholders and our business associates and partners. Further, these are essential so that we can conduct our business in accordance with stated values.

2. APPLICABILITY

This Code applies to all members of the audit committee, all members of the Board of Directors of the Company, members of the Senior Management Team of the Company and to all employees of the Company. The Directors and members of the Senior Management Team of the Company are expected to abide by this Code as well as other applicable Company policies or guidelines. “Senior Management” for the purpose of this Code includes the following personnel of the Company: - The departmental heads serving in the role of Finance, Marketing & Service, Internal Audit, Production, Technical and Operations, Personnel, Information Technology and Legal and Secretarial.

3. PURPOSE OF THE CODE

The Company is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This code is intended to deter wrongdoing and provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. The matters covered in this Code of Business Conduct and Ethics are of utmost importance to the Company, its shareholders, consumers, business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. Each Director, officer and employee is expected to comply with the letter and spirit of this Code. The directors, officers and employees of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.

4. CODE OF BUSINESS CONDUCT AND ETHICS

- i. Financial Reporting and Records: The 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. Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required records shall be accessible to company auditors and other authorised 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 the code apart from inviting appropriate civil and/or criminal action under the relevant laws.

- ii. **Equal-Opportunities by Employer:** The Company shall provide equal opportunities to all its employees and applicants for employment without regard to their race, cast, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status. Employees of the Company shall be treated with dignity and in accordance with Company's policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.
- iii. **Gifts and donations** The Company and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, entertainment, donations, or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, the Company and its employees may accept and offer nominal gifts, which are customarily given and are of commemorative nature for special events.
- iv. **Health, Safety and Environment:** The 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 in which it operates. The Company shall be committed to prevent the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.
- v. **Quality of Products and Services:** The Company shall be committed to supply goods of the highest quality standards consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the Company's goods should at least meet the required national standards and the Company should endeavour to achieve international standards.
- vi. **Shareholders / Stakeholders:** The Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' / stakeholders rights. The Board of Directors of the company shall duly and fairly inform its shareholders / stakeholders about all relevant aspects of the Company's business and disclose such information in accordance with the respective regulations and agreements.
- vii. **Honest and Ethical Conduct :** The directors, officers and employees shall act in accordance with the highest standards of personal and professional integrity, honesty and

ethical conduct not only on Company's premises and offsite. They shall act and conduct themselves free from fraud and deception. Their conduct shall conform to the best-accepted professional standards of conduct.

- viii. Corporate Opportunities: The Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. The Directors, officers, and employees are expressly prohibited from:
 - a. Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position,
 - b. Competing directly with the business of the Company or with any business that the Company is considering.
 - c. Using Company's property, information, or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after disclosing the same to the Board of directors or the nominated person/committee.
- ix. Fair Dealing: Each director, officer, and employee should deal fairly with customers, suppliers, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.
- x. Conflicts of Interest The directors, officers and employees should be conscientious in avoiding 'conflicts of interest' with the Company. A situation of conflict of interest, actual or potential, can arise :
 - a) When an employee, officer, or director takes action or has interests that may make it difficult to perform his or her work objectively and effectively,
 - b) The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,
 - c) Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,
 - d) The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,
 - e) Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,
 - f) Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof

to the Board of directors or any Committee / officer nominated for this purpose by the Board and a prior written approval should be obtained.

- xi. Confidentiality: The directors, officers and employees shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The confidential information includes all non-public information that might be of use to competitors or harmful to the Company or its associates. Such confidential information might include, among other things, the following:
 - a) Financial information such as profits, earnings and dividends.
 - b) Acquisition and divestiture of businesses or business units.
 - c) New product introductions or developments.
 - d) Asset revaluations.
 - e) Investment decisions / plans.
 - f) Restructuring plans.
 - g) Major supply and delivery agreements.
 - h) Raising finances. The use of confidential information for his/her own advantage or profit is also prohibited.
- xii. Protection and Proper Use of Company's Assets: All directors, officers and employees should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes.
- xiii. Compliance with Laws, Rules, and Regulations: The directors, officers and employees shall comply with all applicable laws, rules, and regulations. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's Compliance Officer. Any director, officer or employee who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the Legal Department of the Company before taking any action that may jeopardize the Company or that individual.
- xiv. Compliance with Code of Conduct & Reporting concerns: If any director, officer or employee who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of Conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's

assets, financial integrity and reputation. The Company has instituted a Vigil Mechanism through which employees and other persons like contractors, vendors, customers and business consultants can report instances of unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy to management. These instances referred to as Protected Disclosures should be addressed to the Compliance Officer of the Company. Protected Disclosures against the Compliance Officer should be addressed to the Chairman of the Audit Committee of the Company. The Company will provide protection against victimization to the persons making Protected Disclosures. Disciplinary action will be taken against the person making a Protected Disclosure if it is found to be frivolous, bogus or made with mala fide intention. Everyone involved in making and handling the Protected Disclosure will maintain complete confidentiality and secrecy. The Vigil Mechanism will not substitute normal communication channels nor should it be used to report routine or operational matters. In the event of non-compliance with the Code, it is left to the discretion of the Board of Directors to take appropriate action against the person who has violated this Code. This discretion, however, will not be exercised arbitrarily and regard will be had to various factors such as the nature and circumstances of each case, the severity and impact of the non-compliance, whether the intention of the accused was malafide, etc. Disciplinary actions may include termination of employment. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will cooperate fully with the appropriate authorities.

xv. Duties of Independent Directors

The independent directors shall—

- a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- b) 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;
- c) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- e) strive to attend the general meetings of the company;
- f) 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;

- g) keep themselves well informed about the company and the external environment in which it operates;
 - h) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
 - i) 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;
 - j) 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;
 - k) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
 - l) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
 - m) 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.
- xvi. Interpretation of Code: Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person / committee authorised by the Board of the Company. The Board of Directors or any designated person / committee has the authority to waive compliance with this Code of Business Conduct for any director, officer or employee of the Company. The person, seeking waiver of this Code shall make full disclosure of the particular circumstances in writing to the Board or the designated person / committee.
- xvii. It is required that all the members to whom this code is applicable read and understand this code, and uphold these standards in the day-to-day activities and comply with all the applicable laws, rules and regulations. All members to whom this code is applicable should sign and return to the Secretarial Department indicating that they have received, read, understood, accepted and agree to comply with the terms and conditions of this code.