
SPENTEX INDUSTRIES LIMITED

Code of Conduct

for

Independent Directors

The operations of the company are managed under the directions of the Board within the framework set up under the Companies Act' 2013, the Listing Agreement with Stock Exchange and the Article of Association of the Company. The Board is also governed by Internal codes/ procedure prescribed by the company from time to time.

The Board represents and is accountable to the shareholders of the Company. The Board is primarily responsible to provide and evaluate the strategic direction of the company, management policies and their effectiveness. The Board's Responsibilities further include overseeing the functioning of the Companies top management and monitoring legal compliances and the management of risks related to the company's operations.

Pursuant to the provisions of sub section (6) of section 149 read with schedule IV of the Companies Act, 2013 and Listing Agreement with the Stock Exchanges, a "Code of Conduct" has been prepared for Independent Directors reflecting underlying core values, commitment of personal integrity, respect for the individual, transparency, fairness, accountability, etc being some of the pursuits of achieving desired excellence.

The Independent Directors are expected to act in good faith and with due care so as to exercise their judgment on an informed basis in what they reasonably and honestly believe to be in the best interest of the company and its stakeholders. The purpose of this Code is to deter wrong doing and promote ethical conduct and transparent process in managing the affairs of the Company.

Here the term "[Independent Director](#)" means an independent director referred to in sub-section (6) of Section 149 of the Companies Act, 2013.

APPLICABILITY

This Code shall be applicable to all the Independent Directors of the company including the person appointed in future as an Independent Director of the company.

Code of Conduct for Independent Directors

The code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

1. The Code of Conduct enjoins upon all concerned:-

- i) To maintain absolute integrity, devotion to duty and do nothing which is unbecoming of a Public Servant.
- ii) To conduct oneself soberly and temperately, and show proper respect and civility to all concerned. Endeavour to promote the interest of the Company and to promote and maintain its good reputation.

- iii) To build an enriching relationship with all our stakeholders including customers, vendors, suppliers, bankers, Government authorities and fellow employees based on trust and treat each of these individuals with respect and dignity when conducting business.
- iv) Aim to avoid conflicts between the Company's interests and one's own individual interests.
- v) To familiarize and comply with legal and regulatory requirements and the Company's policies and procedures.
- vi) To take care to provide accurate, timely, complete and reliable information in records submitted, safeguard Company's confidential information and respect the confidential information of other parties with whom Company do business.
- vii) To report promptly to the Management, any violation or breach of law or regulation, ethical principles or the Company policies that come to one's attention.

1. Role & Functions

The Act requires Independent Director to review the overall strategy, oversee the performance of management and participate and arrive at an independent judgment. Their key role is to provide an unbiased, varied and expertise perspective to the Board and toward the company.

The roles and functions of Independent Directors collectively or through their committee include:

- a) To help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- b) To bring an objective view in the evaluation of the performance of board and management;
- c) To scrutinize the performance of management in meeting, agreed goals and objectives and monitor the reporting of performance
- d) To satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- e) To safeguard the interests of all stakeholders, particularly the minority shareholders;
- f) To balance the conflicting interest of the stakeholders;
- g) To determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management
- h) To moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

2. Duties

The Act requires the Independent Director to Act in the best interest of the company and its stakeholders and to give unbiased decision on all the issues of the company which affects the interest of the stakeholders for this purpose the Independent Directors are required to fulfill following duties:

The Independent Director 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/she 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;
- d) 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;
- f) keep themselves well informed about the company and the external environment in which it operates;
- g) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
- h) 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;
- i) 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;
- j) report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- k) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees
- l) 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.

3. Manner of Appointment

- 1) The company shall ensure that the person who is appointed as an Independent Director fulfill the criteria specified under Section 149(6) of the Companies Act and also of the listing Agreement as amended from time to time.
- 2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- 3) The appointment of independent directors shall be formalized through a letter of appointment, which shall set out:

- a) the tenure of appointment;
 - b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - c) the fiduciary duties that come with such an appointment along with accompanying liabilities
 - d) provision for Directors and Officers (D and O) insurance, if any;
 - e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - f) the list of actions that a director should not do while functioning as such in the company; and
 - g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 4) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- 5) The terms and conditions of appointment of independent directors shall abide by this Code of Conduct.

4. Reappointment

The re-appointment of independent director shall be on the basis of report of performance evaluation.

5. Resignation or Removal

- 1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of Companies Act, 2013.
- 2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- 3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

6. Separate Meetings

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management.
- (2) All the independent directors of the company shall strive to be present at such meeting
- (3) The meeting shall—
 - a) review the performance of non-independent directors and the Board as a whole;
 - b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non- executive directors;
 - c) assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

7. Evaluation Mechanism

- (1)** The performance evaluation of independent directors shall be done by the entire Board of Directors excluding the director being evaluated
- (2)** On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

8. Confidentiality and Access to Company Records

- a)** Independent Directors shall not disclose the information acquired during his/her period of appointment as an Independent Director which are confidential to the Company and should not be disclosed either during his / her period of appointment or following termination (by whatever means) to third parties except as permitted by law and with prior clearance with the Managing Director or the Chairman. Further, on the reasonable request, Directors shall surrender any documents or other materials made available by the Company.
- b)** Independent Directors should avoid making any such statements or performing any such transactions that might risk a breach of rules and regulation of the SEBI/Stock Exchanges or any other act for the time being in force as applicable to the Company, without prior clearance from the Managing Director or the Chairman.
- c)** Independent Directors shall not represent the Company to any third party unless and until he is specifically authorized by the Board of Directors.
- d)** Independent Directors shall not act in contravention to the Companies Act, 2013 or rules made there under and Articles of Association of the Company.

9. Disclosure of Interest

Every Independent director shall be liable to disclose his interest in any contract or arrangement with a particular person, firm or any Body Corporate from time to time as per the provisions mentioned in Companies Act, 2013 and in the manner provided therein.

CODE OF CONDUCT FOR INDEPENDENT DIRECTOR

ACKNOWLEDGEMENT FORM

I, have received the Letter of Appointment and read the Company's "**CODE OF CONDUCT FOR INDEPENDENT DIRECTOR**". I understood the standards and policies contained in the Code. I agree to comply with the Code.

Signature :.....
Name :.....
Position :.....
Date :.....
Place :.....