



National Plywood Industries Limited

Codes & Policies

CODE OF CONDUCT

Interpretation of the Code

In this code wherever the word "Director" is appearing, it also means and includes senior management personnel to the extent applicable. Any question or interpretation under this Code of Ethics and Business Conduct will be considered and dealt with by the Board or any committee or any person authorized by the Board on its behalf.

The Board or any designated person/committee so authorised 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 of the case to the Board or the designated person/committee. Any waiver of this Code as may be made by the Board and/or so authorised person/committee shall be promptly posted on the website of the Company. Each and every director and senior management personnel is expected to comply with the letter and spirit of this Code.

I. Conflict of Interest

Directors must avoid any conflicts of interest with the Company. Any situation that involves, or may reasonably be expected to involve, a conflict of interest with the Company, should be disclosed promptly to the Board. A "conflict of interest" can occur when:

- 1) A director's personal interest is averse to or may appear to be averse to the interests of the Company as a whole.
- 2) A director, or his/her relative, receives improper personal benefits as a result of his/her position as a Director of the Company. *Explanation: Relatives here mean dependent-parents, brothers, sisters, spouse, children, daughters-in-law and sons-in-law.* As illustrations only and being not exhaustive, some of the more common instances of conflict of interest which directors should avoid, are listed below:
 - a. **Relationship of Company with third parties:** Directors shall not receive a personal benefit from a person or entity, which is seeking to do business or to retain business with the Company. They shall not participate in any decision-making process of the Board involving another entity in which the director has direct or indirect interest.
 - b. **Compensation from non-Company sources:** Directors shall not accept compensation (in any form) for services performed for the Company from any source other than the Company.
 - c. **Gifts:** Directors shall not offer, give or receive gifts from persons or entities that deal with the Company, where any such gift, is perceived as intended directly or indirectly to influence the directors' actions as members of the Board, or where acceptance of such gift could create the appearance of a conflict of interest.
 - d. **Personal use of Company assets:** Directors shall not use Company assets, labour or information for personal use.



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II. Corporate Opportunities

Directors are prohibited from:

- a. Taking for themselves or their companies, opportunities that are discovered through the use of Company property, Company information or position as a director
- b. Using the Company's property or information for personal gain; or
- c. Competing with the Company for business opportunities. However, if the Company is not interested to pursue an opportunity then the Director may do so.

III. Confidentiality

Directors must maintain the confidentiality of information entrusted to them by the Company and any other confidential information about the Company that comes to them, from whatever source, in their capacity as a Director, except when such disclosure is authorized or legally mandated. For purposes of this Code, "confidential information" includes all unpublished information relating to the Company.

IV. Political Non-Alignment

The Board shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. The Board shall not support, directly or indirectly, any specific political party or candidate for political office. The Company shall not offer or give any funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign if it is violating any law.

V. Compliance with Laws, Rules and Regulations; Fair Dealing

Directors must comply, and oversee compliance by employees, officers and other directors with laws, rules, and regulations applicable to the Company, including insider trading laws. Directors must deal fairly and must ensure fair dealing by employees and officers with the Company's customers, suppliers, competitors and employees.

VI. Financial Reporting and Records

The Directors must ensure that:

- a. The Company and its Officers shall prepare and maintain accounts of the Company's business affairs truly and fairly in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the Company conducts its business affairs
- b. Internal accounting and audit procedures shall truly and fairly reflect all the Company's business transactions and disposition of assets
- c. All required information shall be accessible to Company Auditors and other parties as authorized by the Board and government agencies



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- d. There shall be no wilful omissions of any Company transactions from the books and records, no premature income recognition, deferment of any chargeable expenses and no undisclosed bank account and funds
- e. Wilful material misrepresentation of and/or misinformation on the financial accounts shall be regarded as a violation of this code, apart from inviting appropriate civil or criminal action under the relevant laws

VII. Integrity of Data Furnished

The integrity of data or information furnished to the Board is required to be ensured by any one (including a Director or Senior management personnel) who submits such data or information.

VIII. Encouraging the Reporting of any Illegal or Unethical Behaviour

- 1) Directors should promote ethical behaviour 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, rules, regulations, or the Company's Code of Conduct to appropriate personnel.
 - c. Informs employees that the Company will not allow retaliation for reports made in good faith.
- 2) Directors should exercise independent judgement on issues of strategy, performance, Policy matters, etc.

IX. Compliance Standards

- 1) Directors should communicate any suspected violation of this Code promptly to the Board. Such violations are subject to investigation by the Board or any Committee/or any person(s) so designated and appropriate action will be taken in the event of any violation
- 2) Directors should inform the Company immediately about the emergence of any situation which may disqualify him/her from directorship
- 3) It shall be the endeavour of every director to attend and actively participate in meetings of the Board and Committee of which they are members

X. Some Examples of Responsibilities of Directors

- 1) To be open minded, free and frank in expressing his/her opinion(s) and willing to engage in meaningful debates/objective discussions leading to forming of sound decisions relating to the Company and its business
- 2) To offer him/herself ready continually to keep abreast with the latest developments in the areas of the Company's operations, applicable laws and regulations by means of seeking information both from within and, if required, use outside professional knowledge for better discharge of functions as a Director



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- 3) To utilize the possessed expertise to the good and advantage of the Company and be better corporate citizens
- 4) To remain committed to the decisions made by the Board and ensure the religious implementation thereof