

STAR PAPER MILLS LIMITED

CIN-L21011WB1936PLC008726

CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND OTHER OFFICERS

I. INTRODUCTION

This Code of conduct (the "Code") for all Board members and senior management is to help maintaining standards of business conduct and good governance for Star Paper Mills Limited (the "Company"), and ensures compliance with legal requirements, including those required specifically under clause - 49 of listing agreement with the stock exchanges.

The Board of Directors (the "Board") of the Company adopts the following Code of conduct for Directors and Senior Management in its Board meeting dated 20th May, 2015.

II. INTERPRETATION OF CODE

This code of conduct will be applicable to all officers of the company including Directors.

Each officer must comply with letter and spirit of this Code. Nothing in this Code or in other related communications (verbal or written), creates or implies an employment contract or term of employment.

All Officers should sign the acknowledgment form at the end of this Code and return the same to the secretarial department, indicating that they have received, read, understood and agreed to comply with the Code.

III. CONFLICT OF INTEREST

Officers must avoid any conflicts of interest between them and 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 their superiors. A "conflict of interest" can occur when:

-Officer's personal interest is adverse to the interests of the Company as a whole.

-Officer or his/her relative, as defined by the Companies Act, 2013, receives improper personal benefits as a result of his/her position as officer of the Company. Some of the more common conflicts, which officers should avoid, are listed below:

a. **Relationship of Company with third-parties:** Officers should not receive personal benefit from a person or firm, which is seeking to do business or to retain business with the Company.

b. **Compensation from non-Company sources:** Officers should not accept compensation (in any form) for services performed for the Company from any source other than the Company.

c. **Payment or gifts from /to others:** Officers should not accept any offer, payment, promise to pay or authorization to pay any money, gift or anything of value from customers, vendors, consultants etc. that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud or opportunity for commitment of any fraud. Gifts received from suppliers or customers, should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety.

d. **Related parties:** As a general rule, officers should avoid conducting Company's business with a related party. 'Related party' means relative as defined under the Companies Act, 2013 /Clause 49 of listing agreement.

e. **Personal use of Company assets:** Officers should not use Company assets, labour or information for personal use unless approved by proper authority.

f. **Other situations:** Because other conflicts of interest may arise, it would be impractical to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Officers must consult their superiors.

IV. DUTIES OF INDEPENDENT DIRECTORS (IDs):

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.

V. CORPORATE OPPORTUNITIES

Officers are prohibited from:

- a. Using the Company's property or information for personal gain; or
- b. Competing with the Company for business opportunities. However, if the Company is not interested in pursuing an opportunity that relates to the Company's business, officers may then do so.

VI. CONFIDENTIALITY

Officers 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 an officer, except when disclosure is authorized or legally mandated. For purposes of this Code, "confidential information" includes all non-public information relating to the Company.

VII. COMPLIANCE WITH LAWS, RULES AND REGULATIONS; FAIR DEALING

Officers must comply, and oversee compliance by other employees and officers, with laws, rules and regulations applicable to the Company

VIII. INTEGRITY OF DATA FURNISHED

Every Board Member and officer shall ensure, at all times, the integrity of data or information furnished by him to the Board.

IX. ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

Officers should promote ethical behavior 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;

X. WAIVER AND AMENDMENT TO THE CODE

Company is committed to continuously reviewing and updating policies and procedures. Therefore this code of conduct is subject to modification.

XI. SERVICE RULES

This code of conduct is in addition to Service Rules/Standing Orders and other statutory provisions and is not a substitute for them.

ACKNOWLEDGEMENT OF RECEIPT OF CODE FOR MEMBERS OF THE BOARD AND OTHER OFFICER

I have received and read the Company's Code of Conduct (the "Code") for members of the board and other officers. I understand the standards and policies contained in the Code and agree to fully comply with the code.

Signature -----
Officer Name -----
Designation / Position -----
Date -----

Please sign and return this form to the Secretarial department.