

# STAR PAPER MILLS LIMITED

## CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

### I. INTRODUCTION

This Code of conduct (the “Code”) for all Board members and senior management is to help maintain the standards of business conduct 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 has adopted the following Code in its Board meeting dated 25.02.2005.

### II. INTERPRETATION OF CODE

This code of conduct will be applicable to the following persons, hereinafter referred to as **officers**:

1. All members of Board of Directors
2. All officers reporting directly to Managing Director.

Each officer must comply with the 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 acknowledgement 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, 1956, 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 may not receive a 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 may 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:** Under no circumstances may officers 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 business with a relative or with a business in which a relative is associated in any significant role. 'Relative' means relative as defined under section 2(41) of the Companies Act, 1956.
- e. **Personal use of Company assets:** Officers may 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 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, in case of directors, if the Company's disinterested directors determine that the Company will not pursue an opportunity that relates to the Company's business, directors may then do so.

#### **V 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 authorised or legally mandated.

For purposes of this Code, "confidential information" includes all non-public information relating to the Company.

#### **VI 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

## **VII 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.

## **VIII 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;
- c. Informs employees that the Company will not allow retaliation for reports made in good faith.

## **IX 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. Any amendment of any provision of this code must be approved in writing by the Company's board of directors.

**ACKNOWLEDGEMENT OF RECEIPT OF CODE FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT**

I have received and read the Company's Code of Conduct (the "Code") for members of the board and senior management. 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.