

Code of Conduct for Board Members and Senior Management Personnel

Preamble

V-Guard Industries Limited has adopted this Code of Conduct for its Board Members and Senior Management Personnel under the provisions of Clause 49 of the Listing Agreement effective 15th January 2008.

1. Introduction

V-Guard Industries Limited is one of the growing industrial houses in Kerala in the manufacturing and marketing of various electrical and electronic products, with a vision to be trusted house- hold name in electronic home appliances. At V-Guard, success is measured in terms of customer satisfaction and quality that is built into every product, and includes respect for human values, individual dignity and adherence to honest, ethical and professional conduct. This enable customers and all stakeholders to be partners in the Company's growth and prosperity.

2. About the code of conduct

The revised Clause 49 of the Listing Agreement with Stock exchanges requires Board of Directors of Listed Companies to lay down a Code of Conduct for all Board members together with the Senior Management who shall affirm compliance with the Code on an Annual basis. In compliance with this requirement, this Code of Conduct has been framed and the same is placed for adoption by the Board of directors.

3. Code of Conduct for Directors and Senior Management of V-Guard Industries Limited

Ethical business conduct is critical to the business carried on by the Company. Keeping this in mind the Board of Directors of our Company have adopted the Code and Ethics which helps to maintain the standards of business conduct for the Company and ensures compliance with the legal requirements more particularly with the provisions of clause 49 of the listing agreement of the Stock Exchange(s). This code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability.

4. Definitions/ Interpretations

- i) The term "**Board / Board of Directors**" shall mean the Board of Directors of the Company.
 - ii) "**Company**" shall mean "V-Guard Industries Limited"
 - iii) The term "**Senior Management Personnel**" means the General Manager, Chief Managers, Senior Managers, Company Secretary and all Departmental / Functional heads of different functions of the Company.
- iii) The term "**Relative**" shall mean 'relative' as defined in Section 2(41) and Section 6 read with Schedule IA of the Companies Act, 1956, as reproduced in **Appendix –III** hereto.

5. Applicability

This Code shall be applicable to the following persons:

- (a) All members of the Board of Directors of the Company; and
- (b) Senior Management Personnel as defined in clause 4 iii) above of the Code.

6. Philosophy of the Code

The Directors and Senior Management shall act within the authority conferred upon them in the best interests of the Company and will:

- Act in the best interest of, and fulfill their fiduciary obligations to the Company and its shareholders;
- Act honestly, fairly, ethically and with integrity

- Shall try to avoid having any personal and / or financial interest in any business dealings concerning the Company.
- Conduct themselves in a professional, courteous and respectful manner and not take indecent advantage of their respective positions.
- Comply with all applicable laws, rules and regulations.
- Act in good faith, responsibility, with due care, competence and diligence, without allowing independent judgment to be subordinated.
- Use their prudent judgment to avoid all situations, decisions or relationships which give or could give rise to conflict of interest or appear to conflict with their responsibilities within the Company.
- Not to use Company's property, information, position or opportunities for personal gain,
- Disclose and avoid having any personal and or financial interest in any business dealings concerning the Company.
- Act in a manner to enhance and maintain the reputation of V-Guard Industries Limited.
- Make available and to share with fellow Directors and Senior Managers information as may be appropriate to ensure proper conduct and sound operations of V-Guard Industries Limited.
- Respect the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information and not to use such information for personal advantage.
- Help, create and maintain a culture of high ethical standards and commitment to compliances.
- Regularly assess their performance and effectiveness as a Board and that of individual directors and committees

- Shall exercise their responsibilities with utmost cost consciousness within the organization and shall promote the same.
- Ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise.
- Shall not seek or accept or offer directly or indirectly any gifts, donations, remuneration, hospitality, illegal payments, favour in whatsoever form howsoever described by the 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, opportunity for committing any fraud.

7. Enforcement of Code of Conduct

- iv) Each Board Member and Senior Management Personnel shall be accountable for fully complying with the code.
- v) The Compliance Officer shall report breach of the code, if any, which comes to his / her notice to the Board.
- vi) The Company shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or a suspected violation of law, of the code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation.
- vii) Any failure of a Director / Senior Management Personnel to comply with the Code will result in referring his/ her actions / omissions to the Board of Directors. The Board will consider the reference and take such remedial action as deemed fit by it.

8. Waivers and Amendments of the Code

We are committed to continuously reviewing and updating our policies consequent to any changes in laws, changes in the Company's philosophy, vision, business plans or otherwise. Therefore, the Code is subject to modification. Any amendment or waiver of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed as required by any applicable law, to protect the interest of the Company.

9. Placement of the Code on website

As required by clause 49 of the listing agreement this code and any amendment thereto shall be posted on the website of the company.

10. Compliance of the Code

Each Director and Senior Management Personnel shall monitor his or her personal compliance with the code. Also in terms of clause 49 of the listing agreement all Board members and Senior Management Personnel shall within 30 days of close of every financial year affirm compliance with the Code. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company, in the form annexed hereto as **Appendix –II**.

11. Consequences of Non – Compliance of this code

In case of breach of this code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary. In case of breach of this Code by the Senior Management, the same shall be dealt with by the Managing Director.

12. Acknowledgement of Receipt of the Code

All Board Members and Senior Management Personnel shall acknowledge the receipt of the code in the acknowledgement form annexed as **Appendix I** indicating that

they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer.

13. No Rights Created

This code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and Senior Management Personnel of the Company in the conduct of the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.

V-Guard Industries Limited

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR
MANAGEMENT PERSONNEL**

ACKNOWLEDGE FORM

I have received and read the Company’s “**Code of Conduct for Board Members and Senior Management Personnel**” (“this code”) .
I have understood the provisions and policies contained I this code and I agree to
comply with this code.

Signature :
Name :
Designation :
Date :
Place :

V-Guard Industries Limited

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ANNUAL COMPLIANCE REPORT*

I, hereby confirm that I have read the code of Conduct applicable to Directors and Senior Management of the Company and that I have complied with the requirements of this code during the period to

Signature :
Name :
Designation :
Date :
Place :

* To be submitted by 30th April each year.

V-Guard Industries Limited

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MANAGEMENT PERSONNEL**

EXTRACT OF SECTION 6 OF THE COMPANIES ACT, 1956

Meaning of “**relative**”

6. A person shall be deemed to be a relative of another if, and only if,:-
- a. they are members of s Hindu undivided family; or
 - b. they are husband and wife; or
 - c. the one is related to the other in the manner indicated in Schedule 1A

Schedule 1A

List of Relatives

1. Father
2. Mother (including step- mother)
3. Son (including step son)
4. Son’s wife
5. Daughter (including step -daughter)
6. Father’s father
7. Father’s mother

8. Mother's mother
9. Mother's father
10. Son's son
11. Son's son's wife
12. Son's Daughter
13. Son's daughter's daughter
14. daughter's husband
15. Daughter's daughter
16. Daughter's daughter's husband
17. Brother (including step - brother)
18. Brother's wife
19. Sister (including step sister)
20. Sister's husband