

CODE OF CONDUCT AND ETHICS FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1. INTRODUCTION

The directors of SAB Industries Limited ("Company") adopt this Code of Conduct (the "Directors' Code") to assist directors in fulfilling their duties to the Company. The directors are entrusted with responsibility to oversee management of the business and affairs of the Company. As the Company's policy-makers, the directors set the standard of conduct for all directors, officers and employees.

SAB Industries Limited has a long-standing commitment to compliance with applicable laws and regulations and to operating in accordance with the highest standards of business conduct.

2. APPLICABILITY

The Code of Ethics is applicable to the Board of Directors and Senior Management Personnel of the Company.

3. INTERPRETATION

"Board" shall mean the Board of Directors of the Company.

'Chief Executive Officer' shall mean an individual appointed as Managing Director of the Company under the Companies Act, 1956 who, by virtue of an agreement with the Company, which has been approved by way of a resolution, passed by the Company in General Meeting, has the management of the whole, or substantially the whole, of the affairs of the Company.

'Chief Operating Officer' shall mean an employee who has been entrusted responsibility of managing any one or more of Units of the Company.

'Chief Financial Officer' shall mean any person responsible for managing all funds, reviewing the financial statements, establishing and maintaining internal controls and who shall be either a member of the Institute of Chartered Accountants of India or Institute of Cost and Works Accountants of India.

'The Company' shall mean SAB Industries Limited

'Executive Director' shall mean and include Company's Chairman, Functional Directors, and such other Directors who are in full time employment of the Company.

'Independent Director' shall mean a non-executive director of the Company who:

- a) apart from receiving director's remuneration, does not have any material pecuniary relationships or transactions with the Company, its promoters, its directors, its senior management or associates, which may affect independence of the director;
- b) is not related to promoters or persons occupying management positions at the board level or at one level below the board;

- c) has not been an executive of the Company in the immediately preceding three financial years;
- d) is not a partner or an executive or was not partner or an executive during the preceding three years, of any of the following:
 - i).The statutory audit firm or the internal audit firm that is associated with the Company, and
 - ii).The legal firm(s) and consulting firm(s) that have a material association with the Company.
- e) is not a material supplier, service provider or customer or a lessor or lessee of the Company, which may affect independence of the director; and
- f) is not a substantial shareholder of the Company i.e. owning two percent or more of the block of voting shares.

'Non-Executive Director' shall mean those members on Board who are not in whole time employment of the Company.

"Senior Management Personnel" shall mean personnel of the Company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

4. COMBINED CODE OF CONDUCT

The Combined Code of the Company is based on the following fundamental principles for Directors & Senior Management Personnel:

- a). **Performance of duties**--- The Directors & Senior Management Personnel will exercise due care and diligence in the performance of their duties of office and will not undertake any activity, which is pre-judicial to the interests of the Company. All Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at Company sponsored business and social events, or at any other place where Officers represent the Company.
- b). **Honest and Ethical Conduct**--- The Directors & Senior Management Personnel shall act in accordance with the highest standards of honesty & integrity. They will always act in good faith and in the best interests of the Company.
- c). **Confidentiality**--- The Directors & Senior Management Personnel are expected to maintain the highest level of confidentiality of the information, which they acquire during the course of their relationship with the Company. They are not expected to use such information for their personal interests.
- d). **Conflicts of Interest**--- The Directors & Senior Management Personnel are expected to act as independent persons while making an opinion and make the judgment, which will be in the best interests of the Company. There should not be conflict of the personal interests with the organizational interests.
- e). **Interest of Stakeholders** --- The Directors & Senior Management Personnel are expected to recognize that their primary responsibility is

to SAB Industries' shareholders as a whole. They will provide all the stakeholders with information that is accurate, complete, objective, relevant, timely and understandable.

5. APPLICABLE LAWS

Officers must acquire adequate knowledge of all the applicable laws, rules, regulations, orders and notifications under regulatory framework as applicable to their functions and duties and should follow and comply with the same and avoid violation, breach, or infringement thereof.

6. NON-COMPLIANCE

In case of non-compliance of any of the provisions of this Code of Conduct, the same shall be reported to the Chairman of the Company.

7. ANY AMENDMENTS OR MODIFICATION TO THE CODE OF CONDUCT

It 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. As required by clause 49 of the Listing Agreement, this code and any amendments thereto shall be disclosed on the website of the Company. This Code of Conduct is subject to modification. The Board of Directors has requisite powers and authority to update and amend the Code of Conduct from time to time.

8. NO RIGHTS CREATED

This Directors' Code sets forth guidelines for conduct for the Board of Directors. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity.

9. ACKNOWLEDGEMENT OF RECEIPT OF CODE OF CONDUCT.

The Directors & Senior Management Personnel shall acknowledge the code as under: -

"I have received and read the Company's Code of Conduct and Ethics and have understood the standards and policies contained therein. I agree to comply with the Company's Code of Conduct and Ethics.

I hereby affirm to the Company compliance with the Code of Conduct and Ethics and also undertake to renew such affirmation in the first week of April every year".

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