

VIP CLOTHING LIMITED



(Formerly known as Maxwell Industries Limited)

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

[Pursuant to Regulation 17(5) of the SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015]

Details of Amendments to the Policy				
Policy Change effective Date	Clause No.	Particulars of the Change	Board Approval Date	Version of Policy
<u>11.05.2017</u>		<u>Pursuant to change of name Company had change its name in its policies.</u>	<u>11.05.2017</u>	<u>1</u>

Preamble

Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Regulations”) mandates that the board of directors of every listed Company shall lay down the code of conduct for all members of board of directors and senior management.

“Senior Management” shall mean all the members of the management one level below the board including all functional heads.

Applicability:

All Directors and Senior Management personnel are expected to comply with the code in letter and spirit. They are also required to affirm compliance on an annual basis. The Annual Report of the Company shall contain a declaration to this effect signed by the Chief Executive Officer/ Managing Director.

This Code shall apply to the Independent / Non- Executive Directors to the extent that it does not conflict with or is prejudicial to the interest to the Company. Subject to the foregoing and in accordance with the following paragraphs, the Independent / Non- Executive Directors of the Company shall not be precluded from taking up outside assignments / directorships in other companies.

This Policy will be applicable to the Company effective December 1, 2015 or such other date as may be specified by Securities and Exchange Board of India.

Objective:

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the following rules/code of conduct is required to be observed.

The Company appoints the Company Secretary as the Compliance Officer for the purposes of this Code, and the compliance officer will be available to Directors and Senior Management personnel to answer queries / provide clarifications and to help them comply with the code.

Honesty and Integrity:

Directors and Senior Management shall act in accordance with the high standards of personal and professional integrity, transparency, honestly, ethically and fairly.

Directors and Senior Management shall act in good faith, responsibility with due care, skills, competence and diligence, without allowing their independent judgment to be subordinated. Directors shall fulfil the fiduciary obligations and act in the best interest of the company, shareholders, suppliers, customers, competitors and employees. To comply with all applicable laws and regulations, both in letter and in spirit, in all territories operates by the company.

Conflict of interest:

All of our Directors and Senior Management employees must act in the best interest of the Company. All of our directors and Senior Management employees must refrain from engaging in any activity or having a personal interest that present a conflict of interest.

A conflict of interest can arise whenever our directors and senior management employees, take action or have an interest that prevents them from performing the Companies duties and responsibilities honestly and effectively.

Following are the common circumstances which may lead to a conflict of interest
Occurs when their personal interest;

1. No senior management employee or director or close relative of a senior management employee or director may own any financial interest, a proprietorship interest or a partnership interest in any enterprise exceeding 5% interest which competes with the Company without obtaining prior written consent from the Chairman in case of senior management employee or his relatives and from the board of directors of the company in case of any director or his relatives.
2. Material investment in a company, customer, supplier, developer or competitor or in any activity that is likely to compromise their responsibility to the Company.
3. No director may engage in any activity as an officer, director, employee, contractor, supplier or consultant with any enterprise (other than the Company) that competes with the Company without informing to the board of directors of the Company.
4. Creating or selling any product or services that compete with the company shall be considered to be against the policy of the Company.

If any transactions which prima facie appear to be conflicting with the interest of the Company but are unavoidable, the Director or Senior Management involved in such routed through Compliance Officer of the Company.

In case the chairman of the board is interested, the matter should be referred to the Chairman of the Audit Committee of the Board.

Corporate Opportunities:

Directors and Senior Management personnel shall not exploit for their own personal gain, opportunities that are discovered through their position with the Company, use for themselves corporate information or property unless the same is disclosed prior to use in writing to the chairman in case of senior management employee and to the board of directors in case of any director.

Compliance with Laws, Rules and Regulation:

Directors and Senior Management personnel are required to comply with all applicable laws, rules, and regulations. In order to assist the company in promoting lawful and ethical behaviour, Directors and Senior Management Personnel must report any violation of law, rules, regulations or the code of conduct to the Compliance Officer.

Other Directorship:

Directors must disclose their directorship, committee membership and substantial shareholding in other companies to the board on an annual basis. If there is any change in directorship in other companies during the course of the year, Directors must promptly advise the same to the Board which will be noted by the board at the next meeting.

Senior Management must obtain the prior approval of the Chairman of the Board of Directors of the Company before accepting a directorship in any other company. The application seeking such approval should be routed through Compliance Officer of the company. Directors and Senior Management shall not accept the directorship of the direct competitor of the Company.

Gifts and Donations:

Directors and Senior Management or close relatives of Directors and Senior Management Personnel shall not ever be offered, given, provided or accepted any gifts, donations, remuneration, hospitality, illegal payment, gratuities or any comparable benefits which are likely to obtain business favours or influence any business decision for the conduct of business.

Insider Trading:

All Directors and Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and Insider Trading Policy of the Company.

Protection of Assets:

Protection of Assets is a key responsibility of every person associated with the Company. Directors and Senior Management are not expected to use Companies Assets for personal gain. Care should be taken to ensure that assets are not misappropriated.

Duties of Directors:

Without limiting the generality of the duties stated in the Companies Act, 2013, the Listing Regulations, SEBI (Prohibition of Insider Trading) Regulations, 2015 and the Code of Conduct for Prevention of Insider Trading framed thereunder and other applicable laws, the duties of a director are as under:

In terms of Section 166 of the Companies Act, 2013, a director shall:

- act in accordance with the articles of the Company;
- act in good faith in order to promote the objects of the Company for the benefit of its members as a whole, and in the best interests of the Company, its employees, the shareholders, the community and for the protection of environment;
- exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;

- not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company;
- shall not assign his office and any assignment so made shall be void.

Further in terms of Para III (Duties) of Schedule IV of Companies Act, 2013, 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.

Notwithstanding anything contained in the Companies Act, 2013, an independent director or a non-executive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through business processes, and with his consent or connivance or where he had not acted diligently.

Annual Review:

This Code shall be distributed to Directors and Senior Management Personnel of the Company upon commencement of his or her employment or other relationship with the Company and shall also be distributed whenever any change is affected to the Code, and each Director and Senior Management shall certify that he or she has received, read and understood the Code and has complied with its terms every year.

The company reserves the rights to amend, alter or terminate this code at any time without giving any reason. The company will make public disclosure as per requirement by applicable laws

Directors and Senior Management shall affirm compliance with the Code annually at its Corporate Governance Report. (As per **Annexure-1**)

Amendment/Modification/Waiver:

This code may be amended, modified, varied or waived by the board as may be deemed necessary in the interest of the Company and subject to the provisions of applicable laws, rules, regulations or guidelines.

Violation of the Code:

Directors and Senior Management are responsible for reporting in good faith to the Company any circumstances that he believes may constitute a violation of this code, as well as any other Companies Policies. Any perceived violation of the Code by any Director or Senior Management personnel should be reported in writing to the Chairman of the Audit Committee in a closed cover addressed to the Compliance Officer. The Board shall take appropriate disciplinary action against Senior Management, who is found to have violated the code. Such action may be taken in various forms, viz. a verbal warning or written reprimand, dismissal or referral for criminal prosecution or such action as may be deemed fit in the circumstances of each case.

Acknowledgement:

The Directors and Senior Management personnel shall read and fully understand this model code of conduct and comply with the policies procedures and principles containing therein.

Annexure -1

CODE OF CONDUCT UNDER REGULATION 17(5) THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015.

As a Director / Senior Management Person, I hereby acknowledge that I have received and read the document. I understand that it is my responsibility to consult the Compliance Officer if I have any questions regarding the provisions of the Code.

I understand and agree that as a Director/Senior Management Person, it is my responsibility to promote the application of this code.

Signature of Director/Senior Manager : _____

Name of Director/Senior Manager : _____

Designation of Director/Senior Manager : _____

Date : _____
