

Code of Conduct
for the
Board of Directors and Senior Management
Of
SKM Egg Products Export India Limited
pursuant to
Clause 49 of the Listing Agreement with the
Stock Exchanges

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**Code of Conduct
for the
Board of Directors and Senior Management of SKM**

Article 1 – Introduction

The Securities Exchange board of India (SEBI) has come out with the norms / guidelines on Corporate Governance by revising Clause 49 of the Listing Agreement with the Stock Exchanges. And one of the item prescribed as a measure for good Corporate Governance in Clause 49 is that the Companies should have a Code of Conduct for the Board of Directors and Senior Management.

Hence, our Company's Code of Conduct for the Board of Directors and Senior Management is framed as a part of maintaining and promoting the business conducts and adhering to the norms of Corporate Governance as required by the regulatory mechanisms in India.

Article 2 – Objective of the Code

2.1 To enhance the standards of ethical conduct, which are based on "**Core Values**" of SKM Egg Products Export India Limited as given in **Schedule I**.

2.2 To evolve as good corporate citizen by implementing highest degree of transparency, integrity, accountability and corporate social responsibility thereby achieving the "**Basic Management Objective**" and adhering to "**Company Creed**" as given in **Schedule II**.

2.3 To further achieve good corporate governance by complying with all laws, rules and regulations applicable to the Company and fulfilling responsibilities towards stakeholders based on "**Seven Principles**" as given in **Schedule III**.

Article 3 – Definitions

All terms and definitions under this Clause shall be interpreted harmoniously with definitions given under Clause 49 of the Listing Agreement or any other applicable statutory definitions and any provision in this clause shall, to the extent to which it is repugnant to any definition under Clause 49 or statutory definition, become or be void, as the case may be.

3.1 "Board" shall mean the Board of Directors of the Company duly constituted under the Companies Act, 1956 including the present and future amendments thereof and / or in compliance with any other statutory regulations applicable to the Company

3.2 "Board Committees" shall mean all Committees constituted by the Board of Directors including Audit Committee, Share Transfer and Investors Grievances Committee, Remuneration Committee and includes such other Committee as may be constituted in future.

3.3 "Code" means the Code of Conduct of the Company duly approved by the Board of Directors pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges.

3.4 "Company" means SKM Egg Products Export India Limited

3.5 "Controlling Group" means any person who holds more than 50% of the shareholding of the Company either on his / her / its own directly or indirectly or along with any other person.

3.6 "Independent Director" shall mean a Director as defined in Clause 49 of the Listing Agreement with the Stock Exchanges where the shares of the Company are listed and shall also mean a Director defined as such in the Companies Act, 1956 including the present and future amendments thereof.

3.7 "Nominee Director" shall mean a Director nominated by any Controlling Group in the shareholding of the Company to be a Member of the Board

3.8 "Non-executive Director" shall mean any Member of the Board who is not in the whole-time employment of the Company.

3.9 "Senior Management" shall mean any Personnel of the Company who are members of the top management (excluding Board of Directors) and shall include Chief Operating Officer, Chief Financial Officer, Company Secretary, General Managers, Deputy General Managers, Assistant General Managers, Senior Managers and Managers.

Article 4 – Applicability of the Code

4.1 The Code is applicable to the Board, Non-Executive Director, Independent Director, Nominee Director, Board Committees, Senior Management as defined in Article 3 of this Code.

4.2 Though the Code is framed for the Board of Directors and Senior Management, nevertheless all the employees of the Company are expected to extend full co-operation and support in all forms and manner in their official capacity as may be required to ensure compliance with the code. Any non-co-operation by any employee in this regard would be deemed as breach of duty and in violation of terms of appointment.

4.3 The Code shall be adopted and approved by the Board of Directors as required under Clause 49 of the Listing Agreement and thereafter the Code shall be applicable as referred in Article 4.1 and Article 4.2.

Article 5 – Compliance with the Code of Conduct

5.1 The Directors, Board Committees and Senior Management as defined in Article 2 are expected to read and understand this Code, act in accordance with the highest standards of personal and professional integrity in all aspects of their activities, to comply with all applicable laws, rules and regulations, to deter wrong doing and abide by the code of conduct of the Company and other policies and procedures

adopted by the Company that govern the conduct of its Directors and Senior Management.

5.2 The responsibility to familiarize with the policies and procedures shall rest with the Directors and Senior Management to whom the Code applies.

5.3 If any director, officer or employee who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of conduct, he/she must immediately report the same to the Board of Directors or any designated person/committee thereof. Such person should as far as possible provide the details of suspected violations with all known particulars relating to the issue. The Company recognizes that resolving such problems or concerns will advance the overall interests of the Company that will help to safeguard the Company's assets, financial integrity and reputation.

Article 6 – General Standards to be observed

6.1 Regulatory Compliances

6.1.1 To comply with all applicable laws, rules, regulations and regulatory orders

6.1.2 To acquire appropriate up to date knowledge of requirements of compliances under various applicable statutes.

6.1.3 To ensure proper legal compliance and management system in place for reporting status of compliance under various laws.

6.2 Honest and Ethical Conduct

The Directors, officers and employees shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct not only on Company's premises and offsite but also at company sponsored business, social events as well as any places. They shall act and conduct free from fraud and deception. Their conduct shall conform to the best-accepted professional standards of conduct.

6.3 Conflict of Interest

6.3.1 Every semblance of a conflict of interest between the Company and the Board and Senior Management should be avoided.

6.3.2 A member of the Board or Senior Management shall not:

(a) enter into competition with the Company;

(b) demand or accept (substantial) gifts from the Company for himself

(c) provide unjustified advantages to the third parties including vendors, suppliers to the detriment of the Company;

- (d) take advantage of business opportunities to which the Company is entitled for himself.
 - (e) A member of the Board or Senior Management with a (potential) material conflicting interest shall immediately report this to the Board of Directors and to the Chairman of the Board and shall provide all relevant information. The Board of Directors shall decide, without such Member of the Board or Senior Management who has material conflicting interest being present, whether there is a conflict of interest.
 - (f) A conflict of interest exists, in any event, if the Company intends to enter into a transaction with a legal entity: (i) in which a Member of the Board or Senior Management personally has material financial interest; (ii) which has a Director or member in Senior Management who has a relationship in any form with the Director of the Company;
 - (g) A Member of the Board shall not take part in any discussion or decision making that involves a subject or transaction in relation to which he has a conflict of interest with the Company.
 - (h) All transactions between the Company and individuals or legal entities who hold atleast 10% of the shares in the Company must be agreed on terms that are customary for arms-length transactions in the branch of business in which the Company and its subsidiaries operate. Decisions to enter into transactions in which there are conflicts of interest with such persons that are of material significance to the Company and / or to such persons require the approval of the Board of Directors.
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- (i) All transactions in which there are conflicts of interest with members of the Board or Senior Management shall be agreed on terms that are customary for arms length transactions in the branch of business in which the Company operates. Decisions to enter into transactions in which there are conflicts of interest with the Members of the Board or Senior Management that are of material significance to the Company and / or the relevant Member of the Board or Senior Management require the approval of the Board of Directors. Such transactions shall be published in the annual report together with a statement of the conflict of interest.

6.4 Corporate Opportunities

Directors, officers and employees owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors, officers, and employees are expressly prohibited from: -

- ~~a) Taking for themselves personally, opportunities that are discovered through the use of Company's property, information, or position;~~
- b) Competing directly with the business of the Company or with any business that the Company is considering.

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- c) Using Company's property, information, or position for personal gain. If the Company has finally decided not to pursue an opportunity that relates to the Company's business activity, he/she may pursue such activity only after disclosing the same to the Board of directors or the nominated person/committee.

6.5 Fair Dealing

Each director, officer, and employee should deal fairly with customers, suppliers, competitors, and employees of group companies. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

6.6 Insider Trading

5.6.1 The Directors and Senior Management Personnel should observe all applicable laws and regulations including the Company policies and Codes as applicable to them with respect to purchase and sale of Company's securities.

5.6.2 The Directors and Senior Management Personnel shall regularly, atleast once a quarter, report changes in his holding of securities of the Company to the Company Secretary.

6.7 Provisions for Personnel in Finance and Accounts Department

6.7.1 Honesty, integrity and sound judgment of the senior financial officers is fundamental for the success and reputation of our Company. The professional and ethical conduct of the personnel in the finance and accounts department is essential to the proper functioning of the Company. The personnel in finance as well as directors of the Company, shall be bound by the following code of ethics:

- a) Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships;
- b) Make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files with, or submits or makes periodically, to the shareholders, government authorities, and to the public;
- c) Comply with governmental laws, rules, notifications and regulations applicable to the Company's business;
- d) Disclose to the Board or any committee/officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the company;
- e) Respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that no such confidential information is used for personal advantage/benefit;

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- f) Maintain the skills necessary and relevant to the Company's needs;
- g) Act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts;
- h) Refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts, achieve responsible use of resources employed or entrusted to them;
- i) Promote ethical and honest behavior within the Company and its subsidiaries.

6.7.2 All personnel in finance and accounts department should adhere to both the code of business conduct of the Company.

6.7.3 No deviation or waiver from this Code can be effected by the Board of Directors.

6.8 Compliance with Laws, Rules, and Regulations

The Directors, Senior Management Personnel and employees shall comply with all applicable laws, rules, and regulations. Transactions, directly or indirectly, involving securities of the Company should not be undertaken without pre-clearance from the Company's compliance officer. Any Director, Senior Management Personnel or employee who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her should consult the legal department of the Company before taking any action that may jeopardize the Company or that individual.

Article 7 - Interpretation of Code

Any question or interpretation under this Code of Ethics and Business Conduct will be handled by the Board or any person /committee authorised by the Board of the Company. The Board of Directors or any designated person/committee has the authority to waive compliance with this Code of business conduct for any director, officer or employee of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Board or the designated person/ committee.

Article 8 - Confidentiality

No Director or Senior Management Personnel shall, during his currency of tenure in the Company or afterwards, disclose in any way whatsoever to anyone whomsoever any information of confidential nature regarding the business of the Company and / or companies in which it holds a stake, that came to his knowledge in the capacity of his work for the Company and which he knows or should know to be of confidential nature, unless required by law. A Director or Senior Management Personnel is allowed to disclose the above information to the Board of Directors of the Company and also to other staff of the Company who in view of their activities for the company should be informed of the information concerned. A Director or Senior Management Personnel shall not in any way whatsoever utilize the information referred to above for his personal benefit.

Article 9 – Amendments

9.1 The Company reserves the right to amend, alter the policies set forth in this Code at any time.

9.2 Any amendment of the Code or alteration of any Article requires the prior approval of the Board.

Article 10 – Certification

Each of the Directors and each of the Senior Management Personnel of the Company to whom this Code is applicable, shall file with the Company Secretary of the Company, a certificate addressed to the Chairman of the Company, by the 10th of April every year, starting from April 2006 onwards, confirming his / her compliance with the provisions of this Code as specified in Schedule IV to this Code.

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SCHEDULE I

Core Values
(See Article 2.1)

SKM's Core Values:

1. Our basic business philosophy as the Foundation of our Business
2. Creation of value and contribution to society
3. Close ties with society
4. An enterprise as a Public Institution
5. Carrying out our basic business philosophy

SCHEDULE II

Basic Management Objective and Company Creed *(See Article 2.2)*

SKM EGG PRODUCTS' Basic Management Objective:

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Recognizing our responsibilities as industrialists, we will devote ourselves to the progress and development of society and the well-being of people through our business activities, thereby enhancing the quality of life throughout the world.

SKM EGG PRODUCTS'

Creed: -

Progress and development can be realized only through the combined efforts and cooperation of each employee of our company. United in spirit, we pledge to perform our corporate duties with dedication, diligence and integrity.

SCHEDULE III

Seven Principles
(See Article 2.3)

SKM EGG PRODUCTS' Seven
Principles: -

1. Contribution to Society
2. Fairness and Honesty
3. Cooperation and Team Spirit
4. Untiring effort for improvement
5. Courtesy and Humility
6. Adaptability
7. Gratitude

SCHEDULE IV

Certificate on Compliance of Code of Conduct
(See Article 10)

The Chairman
SKM Egg Products Export India Limited
185, Chennimalai Road
Erode-638001

I, _____, (Director / Designation of Senior Management Personnel) pursuant to Clause 49 of the Listing Agreement with the Stock Exchanges hereby solemnly affirm compliance of the provisions of the Code of Conduct for the Board of Directors and / or Senior Management of the Company as applicable to me for the period _____

I further declare that the above statement is true and it conceals nothing and no part of it is false.

Dated _____

Signature: _____

Place: _____

Name: _____

Designation: _____