

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT:

Salona Cotspin Limited (SCL) is committed to ethical and lawful conduct of business. Consistent with its Values and Beliefs, SCL has formulated the following Code of Conduct as a guide.

This code of conduct is applicable to the Directors and Senior Management personnel as per Clause 49 of the Listing Agreement which include Executives who are in the grade of Vice President and above; all executives directly reporting to the Managing Director / Joint Managing and includes Company Secretary.

In performing their function, the Directors and Senior Management of the Company shall:

- act honestly, diligently and in good faith and integrity in all their dealings with and for the Company.
- not use any confidential information obtained by them in the course of their official duty, whether from the company or otherwise, for personal gain, or use/ allow the use of such information for the financial benefit for any other person.
- maintain the principle of need to know and also confidentiality of all material non-public information about the company, its business and affairs.
- abide by all applicable laws and regulations including the company's prohibition of Insider Trading code.
- not use their status to seek or accept any personal gains or favours from those doing or seeking to do business with the Company or from other employees of the company.
- not accept gifts in cash or kind, either by themselves or by their close family members, particularly if this is likely to lead to a business relationship with the company.
- not share any information regarding the company, its business and/or affairs with media without the prior approval of the Management.
- not employ any of their relatives or deal with them on company's behalf without proper authorization, obtained after disclosing their relationship.

In addition, in performing their Board and Board Committee function, the Directors shall:

- not hold position of Director / Adviser with a competitor company.
- Further, in terms of the Companies Act, 2013, Independent Directors of the Company shall also perform the duties as enumerated in Schedule IV of the Companies Act, 2013.
- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company.
- seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expenses of the company.
- strive to attend all meeting of the Board of Directors and of the Board Committees of which he is a member.
- participate constructively and actively in the Committees of the Board in which they are Chairperson or Member.
- strive to attend the general meeting of the company.
- where they have concerns about 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 meetings .
- keep themselves well informed about the company and the external environment in which it operates.
- not to unfairly obstruct the functioning of an otherwise proper Board or Board Committee.
- pay sufficient attention and ensure that adequate deliberation are held before approving related party transaction and assure themselves that the same are in the interest of the company.
- 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.
- report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct.

- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees.
- 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.

This code embodies the belief that acting always with the Company's legitimate interest in mind and being aware of the Company's responsibility towards its stakeholders is an essential elements of the Company's long-term excellence.

FINANCIAL REPORTING AND RECORDS

The professional and ethical conduct in the matter of financial affairs is essential for the proper functioning of the company. The officers and employees engaged in the finance functions should act with honesty and integrity. The person's in-charge for finance and accounting function should prepare and maintain company's accounts fairly and accurately in accordance with generally accepted guidelines, principles, standards, laws and regulations applicable to the company. Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. There shall be no wilful omissions of the company transactions from the books and records. Any wilful material misrepresentation or misinformation on the financial accounts and reports shall be regarded as a violation of this code.

PROTECTING COMPANY ASSETS

The assets of the company should not be misused but employed only for the purpose of conducting the business for which they are authorised. All Directors and Senior Management Team should strive to protect company's assets and property and ensure its efficient use.

ADVANCING INTEREST OF THE COMPANY

Directors and Senior Management Team owe a duty to the company to advance its legitimate interests when the opportunity to do so arises. They should not use company's property, information or position for personal gains. All Directors and Senior Management Team of the company must strive to perform best at all times.

INTEGRITY AND HONESTY

Directors and Senior Management Team shall act in accordance with highest standards of personal and professional integrity, honesty and ethical conduct. They shall act and conduct free from fraud and deception. Their conduct shall conform to professional standards of conduct.

FAIR DEAL

Each Director and the members of Senior Management Team should deal fairly with customers, suppliers and competitors. 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 practices.

HEALTH, SAFETY, ENVIRONMENT AND SOCIAL RESPONSIBILITY

Salona Cotspin Limited shall strive to provide a safe and healthy working environment and comply with all regulations regarding the preservation of the environment in and around its points of operations.

CONFIDENTIALITY

The Directors and the Senior Management Team shall maintain the confidentiality of information or that of any customer, supplier or business associates of the company to which company has a duty to maintain confidentiality, except when disclosure is authorised. The use of confidential information for his own advantage or profit is also prohibited.

COMPLIANCES

The Directors and the Senior Management Team shall comply with all applicable laws, rules and regulations. Transactions relating to sale or purchase of company's equity shares should not be undertaken without complying the formalities contained in the company's code of internal procedures and conduct for prevention of insider trading. If any Director or Member of the Senior Management Team who knows of or suspects of a violation of applicable laws, rules or regulations or this Code of Conduct, he must immediately report the same to the Board of Directors or any designated person 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.

All Directors and Senior Management Team should adhere to the Code of Conduct and Ethics of the company. Violations of this Code of Ethics will result in disciplinary action, which may even include termination of services of the employee. The Board of Directors or any person designated by the Board for this purpose shall determine appropriate action in response to violations of this Code of Ethics.