

## **FLEX FOODS LIMITED**

**Applicable to all Directors, Senior Management Personnel of Flex Foods Limited  
(Herein after referred as 'Company')**

**In supersession of earlier Code of Conduct, the revised Code of Conduct is given below which will be effective from 1<sup>st</sup> April, 2019.**

### **Introduction**

**Flex Foods Limited is committed to conducting its business in accordance with the applicable laws, rules and regulations and with highest standards of business ethics. This Code of conduct (Code) is intended to provide guidance and help in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. Each Director, and Senior Management [Senior Management means officers/personnel of the company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer] is expected to comply with the letter and spirit of this Code. The Directors and Senior Management of the Company must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business. Their responsibilities include helping to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management.**

### **Compliance Officer**

**Flex Foods Limited has authorized the Company Secretary as Compliance Officer to administer this Code. Directors and Senior Management at their discretion may make any report or complaint provided for in this Code to the Chairman of the Company or to the Compliance Officer.**

### **Conflicts of Interest**

**A conflict situation can arise:**

- a) When Director and Senior Management takes action or has interests that may make it difficult to perform his or her work objectively and effectively,**
- b) The receipt of improper personal benefits by a member of his or her family as a result of one's position in the Company,**
- c) Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities with the Company,**
- d) The receipt of non-nominal gifts or excessive entertainment from any person/company with which the Company has current or prospective business dealings,**
- e) Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,**
- f) Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.**

The Directors and Senior Management should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Chairman of the Company and a prior written approval should be obtained.

#### **Honest and Ethical Conduct**

The Directors and Senior Management 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 other places. They shall act and conduct free from fraud and deception. Their conduct shall conform to the best-accepted professional standards of conduct.

#### **Corporate Opportunities**

The Directors and Senior Management owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises. Directors and Senior Management 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.
- 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 to and taking approval of the same from the Chairman of the Company.

#### **Health, safety and environment**

Flex Foods Limited shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. Flex Foods Limited shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.

#### **Corporate citizenship**

Flex Foods Limited shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting as far as possible in the improvement of the quality of life of the people in the communities in which it operates with the objective of making them self reliant. Such social responsibility would comprise: to initiate and support community initiatives in the field of community health and family welfare, training to promote rural sports, nationally recognized sports, paralympic sports and olympic sports, eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation and making available safe drinking water; and rural development etc. The Company would strive to pursue these activities with the best of its intent & spirit. The company would also encourage volunteering amongst its employees and help them to work in the communities. FLEX FOODS Limited shall also be encouraged to develop social accounting systems and to carry out social audit of its social operations.

## **Confidentiality**

The Directors and Senior Management shall maintain the confidentiality of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorized or legally mandated. The Confidential information includes all non-public information (including private, proprietary, and other) that might be of use to competitors or harmful to the Company or its associates. The use of confidential information for his/her own advantage or profit is also prohibited.

## **Fair Dealing**

Each Director and Senior Management should deal fairly with customers, suppliers, competitors, and employees of the company. 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.

## **Protection and Proper Use of Company's Assets**

All Directors and Senior Management should protect Company's assets and property and ensure its efficient use. Theft, carelessness, and waste of the Company's assets and property have a direct impact on the Company's profitability. Company's assets should be used only for legitimate business purposes.

## **Compliance with Laws, Rules, and Regulations:**

The Directors and Senior Management should sign the acknowledgement form at the end of this Code and return the form to the Compliance Officer indicating that they have received, read and understood, and agree to comply with the Code. Any Director and Senior Management, who is unfamiliar or uncertain about the legal rules involving Company business conducted by him/her, should consult the Compliance Officer or other concerned department of the Company before taking any action that may jeopardize the Company or that individual.

## **Disclosure**

Our policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that we file with, or submit to, the various authorities and in our other public communications. Accordingly, our Officers must ensure that they and others in the Company comply with our disclosure controls and procedures, and our internal controls for financial reporting.

## **Non-Compliance**

The Directors/ Senior Management are expected to comply with all the provisions of this code. The code will be strictly enforced and violations will be dealt with immediately.

The Directors and Senior Management must report all possible violations of this code to Chairman and Managing Director of the company.

The Directors/ Senior Management must co-operate in case of any internal or external investigation of possible violations.

## **Punishment**

If a Director of the company is found guilty of the charged enquired, he shall have to vacate the position of director immediately after the decision by the Company.

This would, however, be without prejudice to the company's right to recover loss caused to the company by the Directors' conduct as also in regard to action that the company may like to take against him under the civil, criminal and other laws of the country.

If the officer found guilty is the Senior Management, the Company can, looking to the gravity of the breach of Code/misdemeanor and punish the officer in any manner mentioned hereinafter, taking into account all the facts and circumstances of the case. The punishment would be :- a. Warning, b. Withholding of increment(s)/promotion, c. Reduction to a lower grade/post/service, d. Recovery of loss caused to the company, e. Retirement/dismissal from service Nature of punishment shall be decided on the merits of the case.

#### **Interpretation of Code**

Any question or interpretation under this Code of conduct will be handled by the Compliance Officer. The Chairman of the Company has the authority to waive compliance with this Code of conduct for any Director and Senior Management of the Company. The person-seeking waiver of this Code shall make full disclosure of the particular circumstances to the Chairman.

#### **Waivers and Amendments of the Code**

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment or modification of any provision of this Code must be approved in writing by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or modification.

#### **Acknowledgement of Receipt of Code of Conducts**

##### **For Directors and Senior Management**

I have received and read the Company's Code of Conducts for Directors and Senior Management (the "Code"). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult the Secretarial Department or the respective department, and that my questions or reports to these sources will be maintained in confidence.

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**Director/Officer Name**

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**Signature**

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**Date**

## **ANNEXURE TO THE CODE OF CONDUCT –DUTIES OF INDEPENDENT DIRECTORS**

### **I. Guidelines of professional conduct:**

**An independent director shall:**

- (1) Uphold ethical standards of integrity and probity;**
- (2) Act objectively and constructively while exercising his duties;**
- (3) Exercise his responsibilities in a bona fide manner in the interest of the company;**
- (4) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;**
- (5) Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;**
- (6) Not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;**
- (7) Refrain from any action that would lead to loss of his independence;**
- (8) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;**
- (9) Assist the company in implementing the best corporate governance practices.**

### **II. Role and functions:**

**The independent directors shall:**

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;**
- (2) bring an objective view in the evaluation of the performance of board and management;**
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;**
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;**
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;**
- (6) balance the conflicting interest of the stakeholders;**
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing**

and where necessary recommend removal of executive directors, key managerial personnel and senior management;

- (8) Moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**III. Duties:**

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.

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