



ADF FOODS LTD

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

This Code is formulated in line with the requirement of Circular no. SEBI/CFD/DIL/CG/1/2004/12/10 dated 29th October, 2004 issued by Securities and Exchange Board of India (SEBI) read with Regulation 17 (5) of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 .

Applicability :

This Code of Conduct applies to all the Directors and Senior Management of the Company.

Preamble :

All Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interest of the Company and its shareholders/stakeholders.

With a view to maintain the high standards that the Company requires, the following rules/ code of conduct should be observed in all activities of the Board. The Company appoints the Company Secretary to act as a compliance officer for the purposes of the code, who will be available to Directors and Senior Management to answer questions and to help them comply with the code.

1) Honesty & Integrity –

All Directors/ Senior Management shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors/ Senior Management will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated. Directors/ Senior Management will act in the best interests of the Company and fulfill the fiduciary obligations.

2) Conflict of interest –

Directors on the Board of the Company/ Senior Management shall not engage in any business, relationship or activity, which may be in conflict of interest of the COMPANY or the group.

Conflicts can arise in many situations. It is not possible to cover every possible conflict



situation and at times, it will not be easy to distinguish between proper and improper activity. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential-

- a) Directors/ Senior Management should not engage in any activity/ employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.
- b) Independent Directors / Senior Management and their immediate families should not invest in a company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company. (The investment upto 2 percent of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose.)
- c) Directors/Senior Management should avoid conducting Company business with a relative or with a firm /company in which a relative/related party is associated in any significant role.

If such related party is unavoidable, it must be fully disclosed to the Board or to the Managing Director of the Company.

3) Compliance –

Directors /Senior Management are required to comply with all applicable laws, rules and regulation, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behavior, Directors/Senior Management must report any possible violation of law, rules, regulations or the code of conduct to the Managing Director of the Company.

4) Other Directorships –

The Company feels that serving on the Board of Directors of other companies may raise substantial concerns about potential conflict of interest. And therefore, all Directors must report/ disclose such relationships to the Board on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the Company.

5) Confidentiality of Information –

Any information concerning the Company's business, its customers, suppliers etc., which is not in the public domain and to which the Director/ Senior Management has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Director /Senior Management shall provide any insider information either formally or informally, to the press or any other publicity media, unless specially authorized.



Such insider information might include the following:

- Acquisition and sale of businesses or business units
- Announcement of new product introductions or developments
- Financial information such as profits, earnings and dividends
- Asset revaluations
- Investment decisions/plans
- Restructuring plans
- Major job work agreements
- Raising finances

6) Insider Trading -

Any Director/ Senior Management of the Company shall not derive benefits or assist others to derive benefits by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information. All Directors/ Senior Management will comply with insider trading guidelines as issued by SEBI.

7) Gifts & Donations -

No Director / Senior management of the Company shall receive or offer , directly or indirectly, any gifts, donations , remunerations, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favours or decisions for the conduct of business. Nominal gifts of commemorative nature for special events may be accepted.

8) Protection of Assets-

The Executive Directors / Senior management of the Company must protect the Company's tangible as well as intangible assets and may not use these for personal use, unless approved by the Board.

9) Financial reporting-

The Executive Directors shall ensure full, fair, accurate, timely and clear disclosure on relevant material aspects of its business including periodic financial reports that are filed with or submitted to regulatory authorities. These filings may be required under applicable laws, Stock Exchanges Listing Agreements and the regulations of Securities Exchange Board of India. These filings should comply with applicable government laws, rules and regulations.

The Executive Directors & the Accounts & Finance Incharge shall further ensure that all transactions are fully and accurately recorded in books and records in compliance



with the applicable laws and applicable standards of accounting. Recording or approving false or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation is strictly prohibited.

10) Equal Opportunity Workplace-

The Company is an equal opportunity employer and makes employment decisions based on merits and business needs. It prohibits harassment of any kind, including harassment based on race, religion, colour, gender identity, national origin, medical condition, marital status, age, sexual orientation, or any other basis protected by federal, state or local laws. Accordingly the Executive Directors / Senior management of the Company shall refrain from engaging into or supporting discrimination against the employees.

11) Safety at workplace-

The safety of people at the workplace is a primary concern of the Company. ADF takes appropriate measures to prevent workplace injuries and ill health and to provide employees with a safe and healthy working environment.

12) Policy on environment-

ADF believes that its employees are environment conscious and contribute to preserving nature as well as danger-proofing their own respective work areas. All the employees are responsible for conducting safe and environmentally sound operations. ADF recognizes its responsibility as a global citizen to assess and minimize the impact of its business activities to reduce environmental impact and protecting eco-systems upon which all life depends, while advancing economic development.

To accomplish this, the Executive Directors /Senior Management shall ensure -

- a. compliance with all applicable environment and related laws, regulations, codes of practices and other requirements;
- b. taking appropriate measures to identify, assess and manage the environment impacts of our existing and planned operations;
- c. Conduct of the business that achieves a balance or integration of economic, environmental and social imperatives;
- d. prevention of the wasteful use of natural resources and minimize any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment.



13) Political Non-alignment-

The Company shall be committed to support a functioning democratic constitution and system with transparent and fair electoral system in India. Company reserves the right to communicate its position on important issues to the elected representatives and other government officials. The Executive Directors and the Senior Management shall ensure that the company does not support directly or indirectly any specific political party or candidate for political office. They shall also ensure that the company does not offer or give any of its funds or assets as donations directly or indirectly, for specific political campaigns, for any political candidates or political practices.

14) National Interest-

The Executive Directors/Senior Management shall ensure that the Company remains committed in all its actions to benefit the economic development of India and shall not engage in any activity which would adversely affect such objective. The Company shall not undertake any project or activity to the detriment of the nation's interests or those that will have any adverse impact on the social and cultural life patterns of its citizens. The Company shall conduct its business affairs in accordance with the economic, development and foreign policies, objectives and priorities of the nation's government .

15) Competition-

The Company shall not engage in activities, which generate or support the formation of monopolies, dominant market positions, cartels and similar unfair trade practices.

The Company shall market its products and services on its own merits and shall not make unfair and misleading statements about competitors' products and services.

Any collection of competitive information shall be made only in the normal course of business and shall be obtained only through legally permitted sources and means.

Employees are encouraged to collect, share and use information about our competitors, but do so only in legal and ethical manner and not to use any illicit activities to obtain such information.

16) Duties of the Independent Directors-

(Pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013)



(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.

(IV) Separate Meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) (All the independent directors of the company shall strive to be present at such meeting;



(3) The meeting shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

17. General duties of Directors pursuant to Section 166 of the Companies Act, 2013-

- (1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall 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.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall 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.
- (5) A director of a company shall 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.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.

18. Periodic Review –

The Code shall be reviewed by the Board Of Directors on Annual basis or as and when there are changes in the governing laws, rules and regulations whichever is earlier.

Once every year or upon revision of this code, every Director/ Senior Management must acknowledge and execute an understanding of the code and an agreement to comply. New Directors/ Senior Management will sign such a deed at the time when their Directorship/ employment begins.
