



# V2 RETAIL LIMITED

## Code of Conduct for Board Members and Senior Management Personnel

---

### Preamble

- 1.1 This Code of Conduct shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of **V2 Retail Limited** (hereinafter referred to as "the Company"). This Code shall also be treated as Code of Business Ethics for the purpose of Schedule IV of the Companies Act, 2013.
- 1.2 This code is in alignment with Company's Vision and Values to achieve the Mission & Objectives and aims at enhancing ethical and transparent process in managing the affairs of the Company.
- 1.3 The Board has adopted the Code of Conduct for Board Members and Senior Management. The said Code is being modified for better presentation and to keep pace with the changing regulatory environment. This amended code shall come into force with effect from 15<sup>th</sup> May 2015.
- 1.4 At V2 Retail Limited, it is the commitment and continuous endeavor of the Board of Directors and all the employees to attain good corporate governance, ensuring truth and transparency, accountability in all its dealing with employees, stakeholders, consumers and community at large.
- 1.5 The Management believes that this organization has been trusted by various stakeholders and we are the "trustees" of these stakeholders. It is, therefore, necessary to ensure that the organization should be managed in a manner that protects and secures the interests of its stakeholders. We (the Board of the Directors and all senior level employees) recognize society as an important stakeholder in this enterprise in addition to the promoters and other shareholders; therefore, it is part of our responsibility to practice good corporate citizenship.
- 1.6 It is also our belief that in order to serve the interests of our stakeholders in perpetuity, we

must build this organization into an institution whose dynamism and vitality are anchored in its core values.

### **Applicability**

This code is applicable to the Board Members including Independent Directors, members of the Management Committees and all employees upto the level of functional heads (HODs) (hereinafter collectively referred to as "Employee(s)").

All concerned must read, understand and ensure to abide by it in their day to day activities. They may contact Head- HR or, Company Secretary & Compliance Officer in case any query relating to compliance of this Code.

### **Purpose and Scope**

This Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every employee is expected to comply with this Code in letter and spirit. One 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.

### **Commitment**

#### **We as employees undertake that**

##### **• Honest and Ethical Conduct:**

Honesty is the basic input of Trusteeship. We shall act in accordance with the highest standards of personal and professional integrity and honesty. Such acts are not only on the Company's premises and offsite but also at company sponsored business if any, social events as well as other places. Our act and conduct shall be free from fraud and deception. We shall conform to the best-accepted professional standards of conduct.

##### **• Inter-personal Relationships:**

In our relationship with colleagues - we recognize their respect and dignity and in the same way, we ourselves would expect the same from them.

##### **• Honour Confidentiality:**

We shall maintain the confidentiality of all material non- public information about the

company business until and unless discharged from such obligations under requirement of any law or any provisions of this Code.

• **Fair Dealing:**

Our dealing shall be fair with customers, suppliers, competitors, and employees of group companies and not take unfair advantage through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing practices.

**Conflict of Interest**

It is expected on part of the employees to make business decisions taking into account best interest of the Company as a whole, without being influenced by personal relationships or benefits. They are expected to apply their proper mind in arriving at sound decision without any conflict of interest, which may adversely affect the company's business.

Conflict of interest may occur directly with employees, directors or through their relative or family connection. It may arise when an employee or director or a member of his/her family gets any undue personal benefits or interests due to his/her position with the Company. Under such situation, he/she is expected to disclose to the Departmental Head/ the Board about the same. The following examples are given as guidelines for determining situations where such conflict of interest may arise, but such examples are not intended to cover all possible events.

- i. **Corporate Business Opportunities:** It is duty of the Employees and Directors towards the Company to enhance its legitimate business interest whenever and wherever such opportunities so arise. They are prohibited from taking benefit of such opportunities for themselves or through third party. More so, employees and directors are not to use corporate property, information or position for personal gain or in competition with the company.

Sometimes, it is difficult to draw a line between the benefit to an employee or a director and the benefit to the company and under such situation it is prudent on part of the said employee or director to get approval in this respect from higher management beforehand.

- ii. **Improper Influences – Gifts and Entertainment:** No employee or director must offer, make, solicit or receive any bribe, kickback, illegal contribution or other improper payment. Such activity is not condonable. Further, no employee or director should accept any gift or gratuity of material value or excessive entertainment from any organization or individual that is having business relationship with the company. In order to avoid such situation, the employees

and directors must use common sense and good judgement in case of such circumstances.

- iii. **Transactions with Affiliates:** As regards selection of vendors, they should be selected on competitive and merit basis, without being influenced with favouritism. Under this policy, the employees do not engage in any activities that might affect independence of judgement in such selection and any deviation of such policy requires to be brought to knowledge of the Management.
- iv. **Confidential Information/Publicity:** Employees are not allowed to disclose or use any confidential information obtained or gained in course of his/her employment for his/her personal gain or profit or to any other person or party. Further they are not allowed to provide any information either formally or informally to the press or to any publicity media without authorization.
- v. **Outside directorship:** It is a conflict of interest to serve as a director of any company that competes with the Company. Directors/ Senior Management must first obtain approval from the Company's Board/Managing Director before accepting a directorship.

#### **Duties of Independent Directors**

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;
- (14) hold at least one meeting in a year, without the attendance of non-independent directors and members of management to (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 and (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. All the independent directors of the company shall strive to be present at such meeting ; and
- (15) abide by the Code for Independent Directors as laid down under Schedule IV of the Companies Act, 2013.

### **Legal Compliance**

Employees are responsible for the implementation of this Code ensuring compliance under this Code as well as under all applicable laws, regulations and corporate policies since such non-compliance is unethical and subject the company with unwanted fine or penalties. Therefore, to deter such occurrence, negligence or willful default would call for disciplinary action upto and including reprimand, suspension or termination depending upon the seriousness of the offence and/or the employee's overall record.

To ensure necessary compliance with various statutes and laws applicable to the company, the Board has assigned such responsibility on Departmental Heads that they will provide such compliance reports to CFO (Chief Financial Officer) &/or CEO (Chief Executive Officer) for

placing the same in consolidated form to the Board.

### **Securities Transactions and Confidential Information**

All employees and their immediate family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the Group which is not in the public domain.

No employee shall use or proliferate information which is not available to the investing public as it would constitute insider information for making or giving advice on investment decisions on the securities of the Company. Such insider information might include the following:

- acquisition and diversification of businesses
- financial information such as profits, earnings and dividends
- announcement of new product introductions or developments asset revaluation investment decisions/plans
- restructuring plans raising finances
- major supply and delivery agreements
- Business Development
- Any other information as determined by the respective Acts, rules and regulations as amended from time to time

### **Reporting Concerns**

All employees shall report promptly to the management any actual or possible violation of the Code or any event which could affect the business or reputation of the Company.

### **Proper use of Company's assets and cost consciousness**

We are trustees of the company's properties, funds and other assets and as such it is our responsibility for protecting the same against any misappropriation, loss, damage, theft etc, by evolving proper internal control system and procedures. No employee shall use the company's facilities for personal use. Even for use of company's purpose, employees are expected to take utmost care for avoidance of wastage so that cost to the company becomes reasonable.

### **Environment Protection, Social Responsibility & Risk Management**

#### **a. Environment Protection:**

The Company places highest corporate priority in ensuring and adhering to best procedures relating to environment protection.

**b. Social Responsibility:**

**Community Development:**

The Company continues to contribute to the communities in which we operate and address social issues responsibly. Our products are safe to make and use. We conserve natural resources and continue to invest in a better environment.

○ **Transparency and shareholder value :**

We are committed to be driven by our conscience and regulatory standards, to deliver value to our shareholders, commensurate with our management and financial strength.

○ **Safety, Health and friendly work place for the Employee:**

The Management recognizes human resources as the prime machinery of an organization; therefore they always give first priority to provide all safety measure for good health of the employees. The Company expects that all employees of the company possess good habit and leave bad habit, if any, because fair and fresh environment helps employees to realize their full potential

○ **V2 Retail Family Culture :**

The Management has fostered a culture of feeling of being togetherness and attachment amongst company employees through participative management practices, open interaction and mutual respect. All employees are expected extend this "V2 Retail Family" culture further.

**c. Risk Management :**

The Company believes in evolving a comprehensive risk management framework by a process of developing strategy to not only manage but also minimize the risk. This is process of identifying, assessing and measuring the possible risk, which may be faced by the company, and then formulating plans to cover and manage the same.

We are aiming at an ideal risk management system where we have visions to make this company a zero accident company with focus on safety and environment. We like to market consumer friendly products of global best quality and ensure safety and security of all stakeholders of the Company.

**No Rights Created:**

This Code sets forth guidelines for conduct for the Board of Directors and Senior Management Executives. It is not intended to and does not create any rights in any Director or Senior Management Executive, client, supplier, customer, shareholder, or any other person or

entity.

**Violation of this Code:**

In case it is found that any of the employees does not follow this Code by engaging misconduct, the matter would be reviewed by the Board whose decision shall be final and the Company reserves the right to take appropriate action against the guilty employee.

**Continual updation of Code:**

This Code is subject to continuous review and updation in line with any change in law, the Company's policy, vision & plans or otherwise the Board may deem as necessary.