



Speciality Systems & Coatings

SYSCO INDUSTRIES LIMITED

CODE OF CONDUCT & ETHICS

CODE OF CONDUCT FOR EXECUTIVE DIRECTORS

This Code of Conduct (hereafter the "Code") approved by the Board of Directors (hereafter the "Board") of SYSCO INDUSTRIES LIMITED (the "Company") is applicable to all its Executive Directors and Senior Managers (hereafter "Senior Management", and refers to the core management team designated by the Executive Committee of the Board). The Code is intended to serve as guiding principles for Senior Management.

Senior Management shall affirm compliance with this code on an annual basis as at the end of each financial year.

I. THE CODE

In acting within the bounds of the authority conferred upon them, Senior Management shall observe high standards of ethical conduct, fairness and integrity and shall work to the best of their ability, responsibility and judgment in a manner that is in consonance with the best interests of the Company and its stakeholders.

Senior Management shall not engage in any business, relationship or activity, which may be in conflict with the interest of the Company. Conflicts could arise in many situations, and it is not possible to enumerate an exhaustive list of such conflicts. However, set forth are some of the common circumstances that could lead to a conflict of interest, actual or potential:

- a) Engagement 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's interest. This includes simultaneous employment with suppliers, customers, developers, or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.
- b) Conducting Company business with a relative or with a Firm/Company in which a relative/related party is associated in any significant role. No such transaction may be carried out without prior permission of the Board.
- c) Senior Management shall not accept any outside directorship without the prior permission of the Board.

In all such and other circumstances which may involve actual or potential conflict(s) of interest, Senior Management shall not only be expected to ask for permission from the Board, but also to disclose in full the nature of such conflict(s) or transaction(s). This is notwithstanding that such disclosures may not technically be construed as a disclosure required within the meaning of the Companies Act, 2013. Senior Management is required to comply with all the applicable laws, rules and regulations in force and governing the Company.

Any information concerning the Company's business, its customers, suppliers etc., which is not in the public domain and to which the Senior Management may have access or knowledge shall be considered confidential and thus, to be held in confidence and not

disclosed to third parties, unless authorized to do so or when disclosure is required as a matter of law.

Senior Management shall not provide any information either formally or informally to the press or any other publicity media, unless specially authorized or required under law.

All members of Senior Management shall comply with insider trading regulations issued by the Securities and Exchange Board of India and the Insider Trading Code issued by the Company as may be applicable to them.

Senior Management shall not seek or accept any favour from any business associate, customer and supplier which might put it and/or the Company under any potentially injurious obligation.

Senior Management and its immediate family members should not accept any gift, gratuity, fee or other benefits of any kind from suppliers, customers, competitors and related business parties if it is known, believed or suspected that its purpose is to influence a transaction and/or if the value such an item is significant and/or might cause embarrassment to the Company.

Senior Management shall protect the Company's assets and information.

II. COMPLIANCE OFFICER FOR THE PURPOSE OF THE CODE

The Company has appointed the Company Secretary as the Compliance Officer, who shall be available to the Senior Management to answer their queries and to help them comply with the Code.

III. REVIEW OF THE CODE

The Code shall be reviewed as and when deemed fit by the Board and necessary amendments may be made thereto. Any such amendment shall be notified to all members of the Senior Management by the Compliance Officer.

CODE OF CONDUCT FOR NON-EXECUTIVE DIRECTORS

This Code of Conduct (hereafter the "Code") approved by the Board of Directors (hereafter the "Board") of SYSCO INDUSTRIES LIMITED (the "Company") is applicable to all its Non-Executive Directors (hereafter referred to as "NEDs"). It is intended to serve as guiding principles for the NEDs. The NEDs shall affirm compliance with this code on an annual basis as at the end of each financial year.

I. THE CODE

Within the bounds of fiduciary authority conferred upon them, NEDs are expected to make and enact informed decisions and policies in the best interests of the Company and its stakeholders, and in doing so, are encouraged to raise questions about particular circumstances that may involve one or more of the provisions of this Code, or any other issue of ethical risk, to the attention of the Company Compliance Officer. In performing their Board and the Board Committee functions, the NEDs shall adhere to certain principles as enumerated below:

1. The NEDs shall endeavour to attend and actively participate in the Meetings of the Board and of the Board Committee(s) on which they serve.
2. They shall not participate in the discussion of any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases the same shall be disclosed and recorded in the minutes of the meeting.
3. The NEDs shall endeavour that the Company abides by all the provisions of the relevant legislations as applicable to it.
4. The NEDs shall act in good faith, with due care, and with competence and diligence, to not misrepresent material facts or allow their independent judgment to be subordinated.
5. The NEDs shall submit the necessary disclosures of interest / statement of holdings / dealings in securities as required under the law.
6. Unless otherwise required by law, the NEDs shall maintain confidentiality and shall not divulge/ disclose any information obtained in the discharge of their duties and that no such information shall be used by them for their personal gains.
7. The NEDs shall maintain the highest standards of personal integrity, truthfulness, honesty and fortitude in the discharge of their duties in order to inspire stakeholder's confidence. The NEDs shall perform their duties in an independent and objective manner and avoid activities that may impair, or may appear to impair their independence or objectivity.
8. In carrying out their duties, the NEDs shall endeavour to ensure that the Company's assets, proprietary information and resources are used by the Company and its employees only for legitimate business purposes of the Company.
9. The NEDs shall not associate with the Company's competitor in a manner prejudicial to the interest of the Company & also shall not accept any outside directorship without the prior permission of the Board.

10. The NEDs shall protect the Company's interest and shall not utilize their position to the detriment of the Company's interest.

11. The NEDs shall not engage in any act involving moral turpitude, dishonesty, fraud, deceit, or misrepresentation or any other act prejudicial to the Company.

12. The NEDs will perform the duties as prescribed under the Companies Act, 2013 and the Rules made there under, as amended from time to time.

II. COMPLIANCE OFFICER

For the purpose of the Code, the Company has appointed the Company Secretary as the Compliance Officer, who shall be available to the NEDs to answer their queries and help them comply with the Code.

III. REVIEW OF THE CODE

The Code shall be reviewed as and when deemed fit by the Board and necessary amendments may be made thereto. Any such amendment shall be notified to all NEDs by the Compliance Officer.

CODE FOR INDEPENDENT DIRECTORS

In addition to above, Code for Independent Directors as per Schedule IV (Section 149(8) of the Companies Act 2013) -

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution 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) scrutinise 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) act within their 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. Manner of appointment:

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out :

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D and O) insurance, if any;

(e) the Code of Business Ethics that the company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. Separate meetings:

(1) The independent directors of the company shall hold at least one meeting in a financial 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.