



# **B.A.G. Convergence Limited**

{Formerly Known as B.A.G. Convergence Private Limited}

## **Code of Conduct for Directors and Senior Management**

## Code of Conduct for Directors and Senior Management

### 1. Preamble

The Code of Conduct for Board of Directors and Senior Management (“**Code/Code of Conduct**”) has been framed pursuant to the requirements of Section 149(8) read with Schedule IV of the Companies Act, 2013 (“**the Act**”). All the Directors and Senior Management Personnel of B.A.G. Convergence Limited (“**the Company**”) are expected to read and understand the Code of Conduct and uphold these standards in their day-to-day activities comply with all applicable policies and ensure compliance.

The Board of Directors of the Company may amend this Code of Conduct from time to time provided that such revised Code complies with the Act and SEBI Listing Regulations.

### 2. Definitions

“**Board**” or “**Board of Directors**” shall mean the board of directors of the Company.

“**Company**” shall mean B.A.G. Convergence Limited.

“**Code**” shall means Code of Conduct for the Board of Directors and Senior Management Personnel of the Company and as may be amended from time to time.

“**Compliance Officer**” shall mean the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code.

“**Director**” shall mean a member of the Board.

“**Independent Director**” means a director appointed as such in accordance with the relevant provisions of the Act and the SEBI Listing Regulations, and amendments thereto.

“**SEBI Listing Regulations**” shall mean the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

“**Senior management**” shall mean 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.

### 3. Applicability of the Code

The Code applies to Directors and Senior Management of the Company.

The independent directors of the Company are subject to certain additional duties as laid down by the Act which are set out in Annexure - I of the Code.

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board. The Company Secretary of the Company is appointed as the Compliance Officer under the Code and will be available to answer any questions, provide clarification and to help in ensuring compliance with the Code.

#### **4. Guidelines for Conduct**

Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall confirm to the highest moral and ethical standards and at all time, be loyal to the Company and act in good faith and in the best interest of the Company.

Besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company and provisions of the Code, set out hereinbefore, a Director is also expected to:

- a. use such degree of skill as may be reasonable to expect from a person with his/her knowledge or experience;
- b. not seek to influence any decision of the Board for any consideration other than in the interests of the Company;
- c. make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly;
- d. inform the chairman of the Board/ committee or the Company Secretary of the Company well in advance in case he is not in a position to attend a Board/ committee meeting and apply for the grant of leave of absence;
- e. dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties;
- f. notify the other Directors about the material personal interest in any matter and must not vote on such matter;
- g. bring an open and independent mind to the Board/ committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting;
- h. treat each other with courtesy and observe the other guidelines set out in the Code;

- i. act in a cooperative and respectable manner with their colleagues;
- j. maintain order and decorum at the meetings and obey the directions given by the Chairperson; and
- k. comply with all applicable laws, regulations, confidentiality obligations and Company's policies.

## **5. Conflict of Interest**

The Directors and Senior Management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to the Company's interest. They should avoid transacting company business with their relative or with a firm/ company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the Board.

The Directors and Senior Management shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the director's actions as a member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.

## **6. Honesty, Integrity, Fairness and Accountability**

The Directors and Senior Management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence.

The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel.

## **7. Insider Trading**

Directors / Senior Management personnel shall not deal in the securities of a Company whether on their own account / their relative's account if they are in possession of any unpublished price sensitive information concerning the Company. Directors / Senior Management personnel who are in possession of any unpublished price sensitive information shall not communicate directly or indirectly the said information to others who trade on such information.

## **8. Disclosure of Interest**

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws.

The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

## **9. Confidentiality**

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company.

The Company's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of the Director/ Senior Management or anyone other than the Company.

Confidential information includes any information relating to the Company's business, distributors, operators, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/ Senior Management has access or they possesses such information because of their position in the Company.

## **10. Company Property**

Directors and Senior Management have a fiduciary relationship with the Company and they should act like a trustee for the Company's property/ assets as well as the property/ assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Directors and Senior Management shall not use these assets/ property except as specifically authorised and that too only for the purpose of Company business.

## **11. Corporate Business Opportunities**

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors/ Senior Management due to the position held by them in the Company. The Directors/ Senior Management shall not utilise such opportunities for their personal benefit. However once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity.

## **12. Compliance with Applicable Laws & Company's Policies**

Every person to whom the Code is applicable and others directly or indirectly associated with the Company shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time.

Further, they shall also comply with the various policies, guidelines and codes formulated by the Company in compliance with the SEBI Listing Regulations and other applicable provisions including the Company's policy on insider trading and procedures for fair disclosure.

## **13. Declaration for Compliance with the Code**

The members of the Board and Senior Management shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect as per the format set out in Annexure II.

The Annual Report of the Company shall carry a declaration signed by the CEO/ Managing Director of the Company stating that the members of Board and Senior Management have affirmed compliance with the Code.

## **14. General Duties of Directors**

The Directors shall follow the general duties as prescribed under 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.

## **15. Miscellaneous**

Suspected violations of the Code must be reported to the Chairperson of the Board or the Chairman of the Audit Committee. All reported violations would be appropriately investigated and action will be taken on the conclusion of the enquiry by the Board, which may even include a request to resign as Director or Senior Management of the Company, if permitted by applicable laws and is in the best interest of the Company.

The Board of Directors of the Company reserves the right to modify and/or amend the Code at any time. The Code and subsequent amendment(s) thereto, shall be published on the website of the Company.

## Annexure -I

The Duties of Independent Director as laid down in Schedule IV of the Companies Act, 2013 are as follow:

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 behavior, 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.





## **Annexure – II**

### **Code of Conduct for Directors and Senior Management**

#### **ANNUAL COMPLIANCE REPORT\***

I ..... hereby confirm that I have received and read the Code of Conduct applicable to Directors and Senior Management of the Company and I have fully complied with the requirements of the same during the financial year ending March.....

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

\*To be submitted by 30<sup>th</sup> April each year.