

# **SYLPH TECHNOLOGIES LIMITED**

## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT & EMPLOYEES**

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## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT**

The Board of Directors (the “Board”) and the senior management of Sylph Technologies Limited (“the Company”) subscribe to the following Code of Conduct adopted by the Board. They would

1. use **due care and diligence in performing their duties** of office and in exercising their powers attached to that office;
2. **act honestly and use their powers of office, in good faith and in the best interests** of the Company as a whole;
3. not make **improper use of information nor take improper advantage of their position** as a Director;
4. not allow **personal interests** to conflict with the interests of the Company;
5. recognise that their **primary responsibility** is to the Company’s shareholders as a whole but they should (where appropriate) have regard for the interests of all stakeholders of the Company;
6. not engage in **conduct likely to bring discredit** upon Company; and
7. be **independent in judgement** and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors;
8. ensure the **confidentiality of information** they receive whilst being in office of Director and is only disclosed if authorised by the company, or the person from whom the information is provided, or as required by law;
9. All Independent Director shall ensure at all times compliance with the Code of Conduct of the Company and Code for Independent Directors as per Schedule IV of the Companies Act, 2013.

Besides the Code of Conduct, Business Policies of the Company also apply to Directors and Senior Management.

**For, Sylph Technologies Limited**

**Company Secretary**

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## **CODE OF CONDUCT**

### **Responding responsibly**

#### **STL is committed to the code of conduct enunciated by STL.**

All employees irrespective of level, across all units and offices of the Company, are expected to adhere to the following views of the Code:

#### **1. National Interest**

STL shall be committed in all its actions to benefit the economic development of the of our country, and shall not engage in any activity that would adversely affect such objectives. It 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.

STL shall conduct its business affairs in accordance with the economic, development and policies, objectives and priorities of the nation's government and shall strive to make a positive contribution to the achievement of such goals at the national and regional level as appropriate.

#### **2. Financial reporting and records**

STL shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.

Internal accounting and audit procedures shall fairly and accurately reflect all of the company's business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorised parties and government agencies. There shall be no willful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank account and funds.

Any willful material misrepresentation of and/or misinformation on the financial accounts and reports shall be regarded as a violation of the code, apart from inviting appropriate civil or criminal action under the relevant laws.

#### **3. Competition**

STL shall fully strive for the establishment and support of a competitive open market economy in India and shall cooperate in the efforts to promote the progressive and judicious liberalization of trade and investment by a country.

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

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STL 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.

#### **4. Equal-opportunities to employees**

STL shall provide equal opportunities to all its employees and all qualified applicants for employment without regard to their race, caste, religion, colour, ancestry, marital status, sex, age, nationality, disability and veteran status.

Employees of STL shall be treated with dignity and in accordance with the STL's policy to maintain a work environment free of sexual harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner that would ensure that in all matters equal opportunity is provided to those eligible and the decisions are merit-based.

#### **5. Gifts and donations**

Company (STL) and its employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits which are intended to or perceived to obtain business or uncompetitive favours for the conduct of its business. However, the company and its employees may accept and offer nominal gifts, which are customarily given and are of commemorative nature for special events.

#### **6. Government agencies**

The company and its employees shall not offer or give any company funds or property as donation to any government agencies or their representatives, directly or through intermediaries, in order to obtain any favorable performance of official duties.

#### **7. Political nonalignment**

The company shall be committed to and support a functioning democratic constitution and system with a transparent and fair electoral system in India. STL shall not support directly or indirectly any specific political party or candidate for political office. The company shall not offer or give any company funds or property as donations, directly or indirectly, to any specific political party, candidate or campaign.

#### **8. Health, safety and environment**

The company 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. STL 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 on the ecological environment.

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## **9. Quality of products and services**

The company shall be committed to supply goods and services of the highest quality standards consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the company's goods should at least meet the required national standards.

## **10. Corporate citizenship**

The company shall be committed to be a good corporate citizen not only in compliance with all relevant laws and regulations but also by actively assisting 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, water management, vocational training, education and literacy and encourage application of modern scientific and managerial techniques and expertise. This will be reviewed periodically in consonance with national and regional priorities.

The company would also not treat these activities as optional ones but would strive to incorporate them as integral part of its business plan. The company would also encourage volunteering amongst its employees and help them to work in the communities. STL is encouraged to develop social accounting systems and to carry out social audit of their operations.

## **11. Public representation of the company**

The company honours the information requirements of the public and its stakeholders. In all its public appearance with respect to disclosing company and business information to public constituencies such as the media, the financial community, employees and shareholders, STL shall be represented only by specifically authorized directors and employees. It will be the sole responsibility of these authorized representatives to disclose information on the company.

## **12. Third-party representation**

Parties which have business dealings with the company but are not part of the Company such as consultants, agents, sales representatives, distributors, contractors, suppliers, etc. shall not be authorised to represent the company if their business conduct and ethics are known to be inconsistent with the code.

## **13. Shareholders**

The company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors of STL shall duly and fairly inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements.

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#### **14. Ethical conduct**

Every employee of STL, which shall include whole-time directors and the managing director, shall deal on behalf of the company with professionalism, honesty, integrity as well as high moral and ethical standards. Such conduct shall be fair and transparent and be perceived to be as such by third parties.

Every employee shall be responsible for the implementation of and compliance with the code in his professional environment. Failure to adhere to the code could attract the most severe consequences including termination of employment.

#### **15. Regulatory compliance**

Every employee of STL shall, in his business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he operates. If the ethical and professional standards set out in the applicable laws and regulations are below that of the code then the standards of the code shall prevail.

#### **16. Concurrent employment**

An employee of STL shall not, without the prior approval of the Board of the company, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide 'freelance' services to anyone. In the case of a whole-time director or the managing director such prior approval must be obtained from the board of directors of the company.

#### **17. Conflict of interest**

An employee of STL shall not engage in any business, relationship or activity, which might detrimentally conflict with the interest of his company or the group. A conflict of interest, actual or potential, may arise where, directly or indirectly:

- (a) An employee of STL engages in a business, relationship or activity with anyone who is party to a transaction with his company;
- (b) An employee is in a position to derive a personal benefit or a benefit to any of his relatives by making or influencing decisions relating to any transaction, and
- (c) an independent judgment of the company's best interest cannot be exercised.

The main areas of such actual or potential conflicts of interest would include the following:

- (i) Financial interest of an employee of STL or his relatives including the holding of an investment in the subscribed share capital of any company or a share in any firm which is an actual or potential competitor, supplier, customer, distributor, joint venture or other alliance partner of STL.

(The ownership of up to 1% of the subscribed share capital of a publicly held company shall not ordinarily constitute a financial interest for this purpose).

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- (ii) An employee of STL conducting business on behalf of his company or being in a position to influence a decision with regard to his company's business with a supplier or customer of which his relative is a principal, officer or representative, resulting in a benefit to him or his relative.
  - (iii) Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a relative of an employee of STL where such an individual is in a position to influence the decision with regard to such benefits.
  - (iv) Acceptance of gifts, donations, hospitality and / or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the company.

Notwithstanding that such or other instances of conflict of interest exist due to any historical reasons, adequate and full disclosure by the interested employees should be made to the company's management. It is also incumbent upon every employee to make a full disclosure of any interest which the employee or the employee's immediate family, which would include parents, spouse and children, may have in a company or firm which is a supplier, customer, distributor of or has other business dealings with his company.

Every employee who is required to make a disclosure as mentioned above shall do so, in writing, to his immediate superior who shall forward the information along with his comments to the person designated for this purpose by the Board who in turn will place it before the MD and / or the board of directors and, upon a decision being taken in the matter, the employee concerned will be required to take necessary action as advised to resolve / avoid the conflict.

If an employee fails to make a disclosure as required herein and the management of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the employee, the management would take a serious view of the matter and consider suitable disciplinary action against the employee.

## **18. Securities transactions and confidential information**

An employee of STL and his immediate family 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 and thus constitutes insider information.

An employee of STL shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the company on which such insider information has been obtained.

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Such insider information might include the following:

- Acquisition and divestiture of businesses or business units;
- Financial information such as profits, earnings and dividends;
- Announcement of new product introductions or developments;
- Asset revaluation's, investment decisions/plans, restructuring plans;
- Major supply and delivery agreements, raising finances.

### **19. Protecting the company's assets**

The assets of the Company should not be misused but employed for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment and machinery, systems, facilities, materials, resources as well as intangible assets such as proprietary information, relationships with customers and suppliers, etc.

### **20. Citizenship**

An employee of the Company shall in his private life be free to pursue an active role in civic or political affairs as long as it does not adversely affect the business or interests of the company or the group.

### **21. Integrity of data furnished**

Every employee of the Company shall ensure, at all times the integrity of data or information furnished by him to the Company.

### **22. Reporting concerns**

Every employee of the Company shall promptly report to the management any actual or possible violation of the code or an event he becomes aware of that could affect the business or reputation of his or any other Group Company.

### **23. Independent Directors**

All Independent Director shall ensure at all times compliance with the Code of Conduct of the Company and Code for Independent Directors as per Schedule IV of the Companies Act, 2013.

**For, Sylph Technologies Limited**

**(Company Secretary)**