



Code of Conduct & Ethics for Board & Senior Management

HERITAGE FOODS LIMITED

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1. PREFACE

Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“Listing Regulations”) stipulates that the Board of Directors of every listed company shall lay down a code of conduct for all Board members and Senior Management personnel of the Company.

This Code of Conduct and Ethics (herein after referred to as the “HFL Code of Conduct”) has been adopted by the Board of Directors of Heritage Foods Limited (herein after referred to as “the Board”), to be applicable to all Directors and members of senior management of the Company (herein after referred to as “the Members”).

This Code helps the Members to maintain good standards of business conduct, foster ethical and moral conduct and promote a culture of honesty and accountability, so as to set an example to others in the company.

The Code is not an all-inclusive comprehensive policy and cannot anticipate every situation that may arise in the course of the company’s business. The Members are expected to bear in mind the essence and substance of the Code in all their dealings / transactions with the Company and this Code shall be posted on the website of the Company.

2. DEFINITIONS

- **Board:** shall mean the Board of Directors of the Company.
- **Compliance Officer:** shall mean the Company Secretary or any person duly authorized by the Board of Directors of the Company
- **Directors:** mean all members on the Board of Directors or Committees thereof.
- **Senior Management:** “senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding Board of Directors and normally this shall comprise all the members of the 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.

- **Conflict of interest:** means pertains to situations in which financial or personal considerations may compromise, or have the appearance of compromising judgment of professional activities. A conflict of interests exists where the interests or benefits of one person or entity conflicts with the interests or benefits of the other person/entity/Company and includes dealing in the shares of listed entity, commercial dealings with bodies, which have shareholding of management and their relatives etc.
- **Price-sensitive information:** means any information which relates, directly or indirectly, to a company and which if published is likely to materially affect the price of securities of the company.
- **The Company:** shall mean Heritage Foods Limited.
- **Relative:** shall mean a 'relative' as defined under Section 2(77) of the Companies Act, 2013 and rules prescribed there under.

3. STRICT COMPLIANCE

All members shall act within the bounds of the authority conferred upon them and undertake the duty to make and enact informed, judicious and harmonious decisions and policies in the best interests of the Company and its shareholders /Stakeholders.

All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis. Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the company at large.

No employee including key managerial personnel or directors or promoters of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution: Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years , shall be disclosed to the stock exchanges for public dissemination with a view to maintain the high standards the Company requires, the following rules/ code of conduct to be observed in all activities. For the purpose of the code, the Company appoints the Company Secretary as compliance officer, who shall be available to Members to answer questions and help them in complying with the code.

4. CONFLICT OF INTEREST

All Members should not engage in any business, relationship or activity, which may be in conflict with the interest of the Company. Conflict may 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 the proper and improper activities. Set forth below, are some of the common circumstances that may lead to conflict of interest, actual or potential.

- i. Members should not engage in any activity / employment that interfere with your performance or responsibility to the Company or otherwise in conflict with or prejudicial to the interests of the Company.
- ii. As a general policy, Members should avoid conducting business with a relative or with a firm / Company in which a relative / related party is associated in a significant role / position.
- iii. Whenever/ wherever the related party transaction is unavoidable Members will fully disclose their interest in the transaction to the Board or to the CEO of the Company and due records for such transactions will be maintained as per the statutory requirements.

5. HONESTY AND INTEGRITY:

All Members shall conduct their activities on behalf of the Company and on their personal behalf, with professionalism, honesty, integrity and fairness as well as high moral and ethical standards. They will act in good faith, with responsibility, due care, competence and diligence, allowing independent judgment to their subordinates. Members shall act in the best interests of the Company and fulfill their fiduciary obligations.

6. POLICY OF BUSINESS RELATIONSHIP

The Company shall conduct business legally and ethically. The quality of company's products and the efficiency of its services at the most competitive price is the greatest tool in conducting the business of the company. Profits do not justify unfair/ unethical practices. All Members should uphold the highest standards of integrity in all the business relationships.

7. INTELLECTUAL PROPERTY POLICY

All Members have utmost obligation to identify and protect the intellectual properties, trade secrets and confidential information owned by the Company and its

clients or associates as it is critical to the success of the company. “Intellectual Property Rights” (IPR) means generally patented or potentially patentable inventions, trademarks, copyrightable subject matters and trade secrets.

8. CORPORATE OPPORTUNITIES

Members owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises and are expressly prohibited from improper use of information / property or taking improper advantage of their position.

9. PREVENTION OF INSIDER TRADING

Insider trading is prohibited both the Law as well as by the company policy. Insider trading generally involves the act of subscribing to or buying or selling of the Company’s securities, when in possession of any Unpublished Price Sensitive Information about the company.

Members shall not derive benefit or assist others to derive benefit or assist them to derive benefit on their behalf by giving investment advice from the available access to and possession of information about the Company, which is not in public domain and thus constituting insider information. Members shall comply with the prevention of insider trading guidelines as issued by Securities Exchange Board of India (SEBI).

10. SECURITIES MARKET POLICY

The Company is committed to comply with securities laws in all the markets in which the Company’s securities are listed. The company prohibits fraudulent and unfair trade practices with regard to the securities of the Company by all Members.

11. CONFIDENTIALITY OF INFORMATION POLICY

The Company’s confidential information is a valuable asset. Members shall understand that protection of all confidential information is essential. Members should undertake and be committed to protect the business and personal information of confidential nature obtained from clients, associates and employees.

Any information concerning the Company’s business, its customers, suppliers etc which is not in the public domain and to which the Members have access or possesses such information, shall be considered confidential and held in confidence, unless authorized to disclose or such disclosure is required as a matter of law. Members shall not provide any information either formally or informally, to the press or any other publicity media, unless specially authorized to do so.

12. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Members should comply with all applicable laws, rules, and regulations, both in letter and spirit. In order to assist the Company in promoting the lawful and ethical behavior, Members have to report any possible violation of law, rules, regulations or the code of conduct to the Company Secretary.

13. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

All Members have the responsibility to protect the assets of the company, ensure optimal utilization of assets and to report and record all transactions. Members shall protect the Company's assets from loss, damages, misuse or theft and assets may only be used for business purposes and other purposes specifically approved by management and must never be used for any personal or illegal purposes.

14. COMPETITION POLICY

The Company shall compete only in an ethical and legitimate manner. It prohibits all actions that are anti-competitive or otherwise contrary to laws that govern competitive practices in the market place. Members shall uphold the same.

15. SELECTING SUPPLIERS

The Company's suppliers make significant contribution to its success. The Company's policy is to purchase / avail supplies based on need, quality, service, price and other commercial terms and conditions. Suppliers should be selected based on merit, price, quality and performances. The Company's policy is to select significant suppliers through a competitive bid process wherever possible. Under no circumstance should the Company or its employee, agent or contractor attempt to coerce suppliers in anyway.

16. ENVIRONMENT, HEALTH AND SAFETY POLICY.

Members shall take environmental consciousness a step further as a company and contribute to preserving nature as well as safety measures in own respective work areas. All Members are responsible for conducting safe and environmentally sound operations; this is in the interest of our own well-being and the quality of life of others. Members shall abide by this policy.

The members of the Board should ensure that the Company adopts most efficient energy management system, prevention of energy waste and utilisation of natural resources in all plants.

17. ELIMINATION OF CHILD LABOUR

It is the Company's policy not to support Child Labour. The Company is committed to implement the provisions of the Child Labour (Prohibition and Regulation) Act, 1986, as amended from time to time. To promote this, the Company encourages its suppliers to maintain Child Labour policies in their industries. Members shall strictly observe that this policy is strictly followed and no Child Labour is been employed in the company.

18. ABOLITION OF FORCED LABOUR.

The Company strictly prohibits the forced or compulsory Labour. The Company is committed to ensuring that employees enter into employment and stay on in the Company of their own free will. Members shall uphold this policy.

19. GIFTS & DONATIONS

No Member shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended or perceived to be intended to obtain business (or uncompetitive) favors or decision for the conduct of the business. Normal gifts of commemorative nature for special events may be accepted.

20. OTHER DIRECTORSHIPS

The Company feels that serving on the Board of Directors of other companies may raise substantial concerns about potential conflict of interest. Therefore all Directors shall 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. Hence, all the Directors are barred in accepting such position without the concurrence of the Board.

21. DUTIES OF INDEPENDENT DIRECTORS

All Independent Directors shall adhere the Role, Functions and Duties as prescribed in the Schedule-IV read with Sub-section 7 of Section 149 of Companies Act, 2013 and rules made thereof and applicable provisions of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015 with Stock Exchange as amended from time to time.



22. ACCOUNTABILITY

The Board of Directors (BOD) shall oversee the Company’s adherence to ethical and legal standards. All employees and members of the Board of Directors shall undertake to stop or prevent actions that could harm customers or reputation of the Company and to report such actions as soon as they occur to take corrective steps and see that such actions are not repeated. They are expected to use their best endeavours and organize the resources for advancing the Company’s objectives.

23. COMPLIANCE WITH CODE OF CONDUCT

Each Director and senior management personnel shall adhere to this code of conduct and affirm compliance with the code on an annual basis as per the Annexure-1 to the Code and the new member(s) shall submit the declaration cum acknowledgement form as per the Annexure-2 at the time of the joining in the Company. Violation of this Code will lead to appropriate disciplinary action.

24. WAIVER OF THE CODE

Any waiver of the applicability of the Code or waiver of application of any provision of the Code to any Member shall be approved by the Board of Directors and such waiver shall be uploaded on the Company website.

25. SCOPE AND LIMITATION

In the event of any conflict between the provisions of this Policy and the Listing Regulations/Companies Act, 2013 or any other statutory enactments, rules, the provisions of such Listing Regulations/Companies Act, 2013 or statutory enactments, rules shall prevail over this Policy.

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