

# **CCL International Limited**

## **Code of Conduct for Board of Directors and Senior officials**

### **1. INTRODUCTION**

This Code of Ethics for Board of Directors and Senior Officers (the “Code”) of CCL International Limited (“the Company”) helps in maintaining and following the standards of business conduct of the Company. The purpose of the Code is to deter wrongdoing and promote ethical conduct in the Company. The matters covered in this Code are of the utmost importance to the Company, its stakeholders and business partners. Further, these are essential so that we can conduct our business in accordance with our stated values. Ethical business conduct is critical to a business. Accordingly, Directors and Senior Officers of the Company are expected to read and understand this Code, uphold these standards in all day-to-day activities, and comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company that govern the conduct of its employees.

### **2. APPLICABILITY**

This code is applicable to members of the Board of Directors and Senior Officers of the Company.

### **3. HONEST AND ETHICAL CONDUCT**

All Officers are expected to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company’s premises, at Company sponsored business and social events, or at any other place where Officers represent the Company.

Honest conduct is understood as such conduct that is ethical, free from fraud or deception and conforming to the accepted professional standards. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

### **4. KEY FUNCTIONS OF THE BOARD**

The board should fulfil certain key functions, including:

- i. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans; setting performance objectives; monitoring implementation and corporate performance; and overseeing major capital expenditures, acquisitions and divestments.
- ii. Monitoring the effectiveness of the company’s governance practices and making changes as needed.

- iii. Selecting, compensating, monitoring and, when necessary, replacing key executives and overseeing succession planning.
- iv. Aligning key executive and board remuneration with the longer term interests of the company and its shareholders.
- v. Ensuring a transparent board nomination process with the diversity of thought, experience, knowledge, perspective and gender in the Board.
- vi. Monitoring and managing potential conflicts of interest of management, board members and shareholders, including misuse of corporate assets and abuse in related party transactions.
- vii. Ensuring the integrity of the company's accounting and financial reporting systems, including the independence of audit, and that appropriate systems of control are in place, in particular, financial and operational control, and compliance with the law and relevant standards.
- viii. Systems for risk management
  - ix. Overseeing the process of disclosure and communications.
  - x. Monitoring and reviewing Board Evaluation framework.

## 5. RESPONSIBILITIES OF THE BOARD

The Board should provide strategic guidance to the Company, ensure effective monitoring of the Company's management and should be accountable to the Company and the shareholders.

- i. The Board should set a corporate culture and values by which executives throughout the Company will behave.
- ii. Board members should act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the company and the shareholders.
- iii. The Board should encourage continuing directors' training to ensure that the Board members are kept up to date.
- iv. Where Board decisions may affect different shareholder groups differently, the Board should treat all shareholders fairly.
- v. The Board should apply high ethical standards. It should take into account the interests of stakeholders.
- vi. The Board should be able to exercise objective and independent judgement on corporate affairs.
- vii. The Board should consider assigning a sufficient number of non-executive Board members capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
- viii. The Board should ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the company to excessive risk.
- ix. The Board should have the ability to guide and assist executive management by challenging the assumptions underlying strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the company's focus.

- x. When committees of the board are established, their mandate, composition and working procedures should be well defined and disclosed by the board.
- xi. Board members should be able to commit themselves effectively to their responsibilities.
- xii. The Board and Senior Officers should facilitate the Independent Directors to perform their role effectively as members of the Board and also as members of any committee.
- xiii. The Board of the company shall satisfy itself that plans are in place for orderly succession for appointments to the Board.
- xiv. The Board should ensure that the Company has a system for compliance of laws.
- xv. All Board members and senior management personnel shall affirm compliance with the code on an annual basis. The Annual Report of the company shall contain a declaration to this effect signed by the Managing Director.
- xvi. The Board and senior executive personnel should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision-making.

## 6. DUTIES OF AN INDEPENDENT DIRECTOR

- i. Undertake appropriate induction program(s) and regularly update and refresh their skills, knowledge and familiarity with the company;
- ii. Seek appropriate clarification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- iii. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- iv. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- v. Strive to attend the general meetings of the company;
- vi. 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;
- vii. Keep themselves well informed about the company and the external environment in which it operates;
- viii. Not to unfairly obstruct the functioning of Board or a committee of the Board;
- ix. 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 and are at arms length;

- x. 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;
- xi. Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- xii. Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- xiii. 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.

## 7. DUTIES OF DIRECTORS

- i. Subject to the provisions of the Companies Act, 2013, a director of the Company shall act in accordance with the Articles of Association of the Company.
- ii. A director of the 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 the environment.
- iii. A director of the Company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise his independent judgment.
- iv. A director of the 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.
- v. A director of the 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 equal amount to that gain of the Company.
- vi. A director of a Company shall not assign his office and any assignment so made shall be void.

## 8. CONFLICTS OF INTEREST

A Director's and Senior Officer's duty to the Company demands that he or she avoids and discloses actual and apparent conflicts of interest. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

- A. **Employment / Outside employment**. In consideration of employment with the Company, Directors and Senior Officers are expected to devote their full

attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit Officers from accepting 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. Additionally, Officers must disclose to the Company's CEO/ Audit Committee, any interest that they have that may conflict with the business of the Company.

- B. **Outside directorships and employment.** It is a conflict of interest to serve as a Director / employee/ consultant etc. in any other organization which is doing the similar business in which our Company is engaged. Therefore, without approval of the Board, no Senior Employee / Director of the Company can serve in any other organization as Employee/ Director of that organization which is doing a business similar to which our Company is engaged in.
- C. **Related parties.** As a general rule, Directors & Senior Officers should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws. The Company discourages the employment of relatives of Officers in positions or assignments within the same department. Further, the Company prohibits the employment of such individuals in positions that have a financial dependence or influence (e.g., an auditing or control relationship, or a supervisor / subordinate relationship).
- D. **Payments or gifts from others.** Under no circumstances, Directors & Senior Officers may accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commitment of any fraud. Inexpensive gifts, infrequent business meals, celebratory events and entertainment or customary on main festivals / occasions, provided that they are not excessive or create an appearance of impropriety, do not violate this policy. Before accepting anything which may not qualify as inexpensive or token gift from an employee of any entity, the Head of the HR department or the finance department may be contacted. Questions regarding whether a particular payment or gift violates this policy are to be directed to HR department. Gifts given by the Company to suppliers or customers, or received from suppliers or

customers, should be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in the Company's books and records. The Company will notify a gift policy with the approval of MD.

E. **Corporate opportunities**. Directors and Senior Officers may not exploit for their own personal gain the opportunities that are discovered through the use of corporate property, information or position, unless the opportunity is disclosed fully in writing to the Company.

F. **Other situations**. Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts, Officers must consult the Head of HR/Fin./CS.

## 9. DISCLOSURE

Our policy is to provide full, fair, accurate, timely, and understandable disclosure in reports and documents that are filed with, or submitted to any outside agency and in our other public communications. Accordingly, the Officers must ensure that they and others in the Company comply with the Company's disclosure controls and procedures, and our internal controls for financial reporting.

The Code shall be posted on the website of the Company

## 10. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS/INTERNAL COMPANY POLICIES

Officers must comply with all applicable governmental laws, rules and regulations. Officers must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the finance department. Officers must comply with the company's internal policies. HR Department will arrange training for those employees who are discharging the functions relating to compliance with the rules/ laws/ technical know and research & Development activities for their respective departments.

## 11. VIOLATIONS OF THE CODE

Part of an Officer's job and of his or her ethical responsibility, is to help enforce this Code. Officers should be alert to possible violations and report this to the Head of HR/CS/Finance department. Officers must cooperate in any internal or external investigations of possible violations. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this Code or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Actual violations of law, this Code, or other Company policies or procedures, should be promptly reported to the Head of the HR/Co. Sectt. / Finance department.

The Company will take appropriate action against any Director / Senior Officer whose actions are found to violate the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard. Where laws have been violated, the Company will cooperate fully with the appropriate authorities and regulators.

## 12. ANNUAL COMPLIANCE REPORTING

All Directors and Senior Management shall sign the acknowledgment form and return the form to the Company Secretary indicating that they have received, read and understood the provisions of the Code and agree to comply with the same. All Directors and Senior Management shall also affirm compliance with the Code on an annual basis as at the end of each financial year.

## 13. WAIVERS AND AMENDMENTS OF THE CODE

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code is subject to modification. Any amendment/inclusion or waiver of any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.