

## **OMFURN INDIA LIMITED**

### ***CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGERIAL PERSONNEL***

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What is code of Conduct?

A code of conduct is a written document that outlines the Company values, principles, and guidelines in a variety of areas, and enables the Company to publicly state to its suppliers, customers, consumers and stakeholders the way in which it intends to do business.

### ***Introduction***

Omfurn India Limited (**the “Company”**) is committed to conduct business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations. The Company believes that a good Corporate Governance Structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

This Code of Conduct (the “Code”) has been framed under the Regulation 46 (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time by the prescribed authorities of India.

The Code shall come into effect from the date of its adoption by the Board of Directors at their duly convened and constituted meeting.

### ***PREAMBLE***

This Code sets forth legal and ethical standards of conduct for Directors and Senior Managerial Personnel (it includes all members of core management team one level below the executive Directors and all the functional heads) of the Company and ensures compliance with legal requirements under Regulation 46 of SEBI (LODR) Regulations, 2015.

The Company seeks:

- (a) Honest, fair and ethical conduct;
- (b) Confidentiality of Information;
- (c) Ethical handling of conflicts of interest between personal and professional relationships;
- (d) Legal Compliances;
- (e) Protection and Proper Use of Corporate Assets and resources;
- (f) The prompt Internal Reporting to an appropriate person or persons identified for violations of this Code;
- (g) Accountability for Adherence to this Code.

Directors and Senior Managerial Personnel must conduct themselves accordingly and not to indulge in improper behavior or moral turpitude.

## ***1. HONESTY, INTEGRITY AND ACCOUNTABILITY:***

All Directors and Senior Management shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors will act in good faith, responsibly with due care, competence and diligence without allowing their independent judgment to be subordinated. Directors and Senior Management will act in the best interest of the Company and shall endeavour to fulfill their obligations towards the Company and to fulfill their duties.

## ***2. CONFIDENTIALITY OF INFORMATION:***

“Confidential Information” refers to any material information which is non – public in nature or unpublished price sensitive information which may force others to change the mind set. Any information concerning the Company’s business, its customers, suppliers etc., which is not in the public domain and to which the Director and Senior Managerial Personnel has access or possesses such information, must be considered confidential.

Such information shall include but is not limited to:

- A. Any improvements and innovations, whether patentable or copyrightable or otherwise;
- B. Methods, processes and techniques;
- C. Personnel data (Management or otherwise);
- D. Financial, pricing and accounting data;
- E. Client’s data or any material information related to proposed or past clients;
- F. Results of regulatory inspections/audits;
- G. Business plans and updates to business plans;
- H. Potential acquisitions, licenses or other business deals;
- I. Potential equity interests;
- J. Regulatory filings and approval data;
- K. Marketing and sales information. Apart from Statutory disclosures and other disclosure with Board consent any disclosure of confidential information about the company’s business, whether intentional or accidental, can adversely affect the financial stability and competitive position of the Company. Hence, disclosure of any such information is prohibited. Disclosure of any information on proceedings of Board Meetings/Committee Meetings Internal Meetings, and disclosures of forward-looking statements is prohibited. No Director or member of Senior Management shall provide any information either formally or informally to the press or any other publicity media unless specifically authorized by the Managing Director.

### ***3. LEGAL COMPLIANCE:***

The Directors and Senior Managerial Personnel are responsible for Company's adherence to statutory and legal/regulatory requirement(s) as applicable to the business of the Company and also monitor company's compliance with the Corporate Governance Regulations. They must, from time to time, recommend to the Board any suggestions for all such matters and on any corrective measures to be taken. The Directors and Senior Managerial Personnel should also ensure company's compliance with the Listing and other legal requirements relating to financial statements.

The Company cannot accept practices which are unlawful or may be damaging to its reputation. The Directors and Senior Managerial Personnel shall extend full cooperation to regulatory authorities, and disclose information as may be required.

In the event the implication of any law is not clear, the Company's Legal Head or compliance officer shall be consulted for advice.

### ***4. CONFLICTS OF INTEREST:***

A conflict of interest exists where the interests or benefits of one person or entity contradict or litigate with the interests or benefits of the Company. The following pertains to all conflicts of interest other than those relating to transactions between the Company and its affiliates/subsidiaries. Conflicts of interest is said to arise in the following circumstances:

- A. Personal or family financial interest has an influence on the work for the company;
- B. There exist possibilities where the personnel's decisions or work may be based on influential factors like gifts, loans or unusual hospitality which confines him/her from fulfilling his/her duties and responsibilities towards the company objectively and effectively. Duties and responsibilities of the Directors and Senior Managerial Personnel with regards to conflicts of interest;
- C. It is the duty of a Director and Senior Management, while dealing on behalf or with the Company, to avoid any influences that interfere in abiding with their responsibilities towards the company and to disclose actual or any apparent conflicts of interest immediately.
- D. They shall always put the interest of the Company before their personal interests.
- E. They are prohibited from accepting simultaneous employment or any favors from any of the suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position.
- F. Creating or selling any product or services that compete with the company shall be considered to be against the policy of the Company.

G. They shall be abstained from discussion and voting on any matter in which they have or may have a conflict of interest

H. It is responsibility of the individual to disclose any material transaction or relationship that gives rise to or reasonably could be expected to give rise to a conflict of interest to the Compliance Officer.

The Board of Directors or any authorized Director shall be responsible for determining whether such transaction or relationship constitutes a conflict of interest.

To list and clearly define all the circumstances/situations giving rise to conflicts of interest is not possible as it varies from situation to situation, so if one has any question or doubt for that matter, one shall consult with the Compliance Officer.

#### ***5. DECLARATIONS TO THE BOARD:***

A Board Member does not take membership of more than such number of committees or act as Chairman of more than such number of committees across all companies as is prescribed under applicable law or provisions of Listing Agreement with Stock Exchanges. Every Board Member informs the Board of all such membership at the beginning of each financial year and also of every change as and when they take place. The Board Members and the Senior Management team informs their equity holding in the company and any changes that may take place and do not indulge in any trading of the securities of the company which would come within the purview of the Company's Insider Trading Regulations. In case of any agreement or contract which is or shall be entered into by and between two corporate entities, in which a Director is interested, the Director forthwith draws the attention of the Board about the fact and does not participate in the deliberations nor vote on the resolution relating to the same.

#### ***6. PROTECTION OF COMPANY'S ASSETS AND NAME:***

Protecting Company Assets is a key fiduciary responsibility of Directors and Senior Management. Care should be taken that assets are not misappropriated, loaned to others, sold or donated without appropriate authorization. Directors and Senior management are responsible for proper use of Company assets and must safeguard such assets loss, damage, misuse or theft. Directors and Senior Management shall not employ Company assets for personal use, nor shall they allow any other person to misuse Company assets.

## ***7. GIFTS AND DONATIONS:***

Any form of gifts or personal favors from the suppliers and to the customers should not be entertained or be offered as the case may be, as the same shall be considered to be violating the policies of the Company. Acceptance or Offering of any such gifts and donations leads to unfair trade practices and will be considered to be highly unethical.

The Company shall cooperate with governmental authorities in efforts to eliminate all forms of bribery, fraud and corruption. The Company shall not be liable to any obligations arising as a result of any such serious breach of discipline and the recipient or provider of any gifts shall be held personally liable for such act. Information about any such acts should be immediately reported to the senior managerial personnel or the Compliance Officer or Company secretary.

It shall be noted that this does not restrain from acceptance of gifts of items which are customary in nature or associated with festivals provided full disclosure of the same is made.

Also, accepting or offering courtesies or invitations to social or sports events which are considered customary and are in keeping good business ethics so long as no obligation is involved shall not be considered to be against the policy.

## ***8. REPORTING OF ILLEGAL ACT OR MISCONDUCT:***

The Directors & Senior Managerial Personnel are considered to be the first line of defense against civil or criminal liability and unethical business practice. They should observe or become aware of any illegal, unethical or otherwise improper conduct. Any act which could have an impact on the reputation of the Company, whether by an employee, supervisor, client, consultant, agent, supplier or other third party, they must promptly notify the same to the senior managerial personnel.

Every employee of the Company shall, without fear of retaliation, make a protected disclosure under the whistle blower policy of the Company, when she / he becomes aware of any actual or possible non-adherence or violation of laws, rules, regulations or unethical conduct or an event of misconduct, act of misdemeanor or act not in the Company's interest.

## ***9. SUSTAINABLE DEVELOPMENT:***

The Company believes in sustainable development and is committed to be a responsible corporate citizen for the development of society; Moreover Omfurn India Limited is creating awareness in the society at large.

To achieve this objective, the business and operations of the Company shall be conducted in an environmentally friendly manner and provide a safe and healthy working environment to its employees.

Particular attention should be paid to training of the employees to increase safety awareness and adoption of safe working methods, particularly designed to prevent serious accidents. It is the responsibility of all Directors and Senior Managerial Personnel to ensure compliance with all applicable environmental, safety and health laws and regulations and internal policies.

## ***10. INSIDER TRADING:***

No Director or member of the Senior management if the Company shall derive benefit or assist others to derive benefit by giving investment advice through access to Company information not in the public domain whereby such information constitutes insider information. All Directors and Senior Management shall comply with insider trading guidelines issued by SEBI and Company's Code of Conduct for prevention of Insider Trading in the shares of the Company as amended from time to time. To use non-public information for personal financial benefit or to tip others who might make any investment decision on the basis of this information is not only unethical but also illegal.

## ***11. ADHERENCE WITH THE CODE OF CONDUCT:***

The Directors and Senior Managerial Personnel should abide by the duties and responsibilities as mentioned in this code and the code must be taken seriously by all the concerned persons as it is important to the Company. The Code does not specifically address every potential form of unacceptable conduct, and it is expected that Directors / Management Personnel will exercise good judgment in compliance with the principles set out in this Code.

The directors and Senior Managerial Personnel must ensure that there are no violations of this code and if any violations do take place, disciplinary action, as deemed suitable by the Company, shall be taken.

The Directors and Senior Managerial Personnel shall affirm compliance with this Code on an annual basis.

## ***12. WAIVER OF THE CODE, AMENDMENTS AND MODIFICATIONS:***

This code is subject to changes as per the applicable legal amendments and requirement as per the stock exchange's regulations. The company has the right to amend, alter, modify and terminate this code without giving any reason or in some particular exceptional case along with notice. The Company shall make public disclosure as and to the extent required by applicable laws, rules and regulations, of amendments of this Code.

The Board shall not grant waivers to this Code. However, the Company may waive any one or more of the provisions of the code for any Key managerial personnel subject to approval of board of directors of company.

## ***13. DUTIES OF INDEPENDENT DIRECTORS:***

Pursuant to section 149(6) & (7) read with Companies (Appointment and Qualification of Directors) Rules 2014 along with Schedule IV for Code of Independent Directors and the recent amendments made by SEBI in Listing Regulation, the Independent Directors shall adhere to the duties as follows –

- (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.

#### ***14. LIABILITY OF INDEPENDENT DIRECTOR:***

An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect of the provisions contained in the Listing Regulation & Companies Act, 2013.

#### ***15. ANNUAL COMPLIANCE REPORTING:***

In terms of Listing Regulation, All board members and senior management personnel shall affirm the compliance of this code on an annual basis. The Annual Report of the company shall also contain a declaration to this effect duly signed by senior management of the company.

#### ***16. AMENDMENTS & MODIFICATION TO THE CODE:***

The provisions of this code can be modified /amended by the Board of Directors of the company from time to time and all such amendments / modifications shall take effect from the date stated therein.

#### ***17. PLACEMENT OF THE CODE ON THE WEBSITE:***

This Code and any amendments thereto shall be hosted on the website of the company.