

# **POLICY ON CODE OF CONDUCT OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

**SAWACA BUSINESS MACHINES LIMITED**  
**(CIN: L74110GJ1994PLC023926)**

**Regd. Office: 45, Chinubhai Towers, Ashram Road, Ahmedabad – 380  
009.**

**Phone: 079-26587363. Email : sawaca.business@yahoo.com**

**Website : [www.sawacabusiness.com](http://www.sawacabusiness.com)**

## **CODE OF CONDUCT OF BOARD OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Sawaca Business Machines Limited is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct.

This Code of Conduct ("Code") reflects the business practice and principles of behaviour that support this commitment. The Board of Directors ("the Board") is responsible for setting the standards of conduct contained in the Code and for updating these standards as appropriate to reflect legal and regulatory developments. The Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every Director is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

All Directors of the Company shall –

- i. act in accordance with the Articles of the Company.
- ii. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- iii. 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;
- iv. Strives to attend the general meetings of the company;
- v. 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.
- vi. exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- vii. 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.
- viii. 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.
- ix. not assign his office and any assignment so made shall be void.

### **Code of Conduct for Compliance Officer**

The Company has designated, Company Secretary as its Compliance Officer to administer this Code. Directors, at their discretion, may make any report or complaint provided for in this Code to the Chairman of the Board of the Company or to the Compliance Officer. The Compliance Officer will refer complaints submitted to the Chairman of the Board.

**Code of Conduct for Non-Executive Directors:**

Non-Executive Directors of the Company shall –

- i. always act in the interest of the Company and ensure that any other business or personal association, which they may have, does not involve any conflict of interest with the operations of the Company and their role therein.
- ii. comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to them in their individual capacities.
- iii. safeguard the confidentiality of all information received by them by virtue of their position.

**Code of Conduct for Directors and the Senior Management:**

The Board of Directors & Senior Management Members shall:

- i. Act honestly, fairly, ethically and with integrity
- ii. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated.
- iii. Disclose potential conflicts of interest that they may have regarding any matters relating to the Company.
- iv. Comply with all applicable laws, rules and regulations.
- v. Maintain the confidentiality of information relating to the affairs of the Company acquired in the course of their service as Directors, except when authorized or legally required to disclose such information.
- vi. Disclose potential conflicts of interest that they may have regarding any matters that may come before the Board, and abstain from discussion and voting on any matter in which the Director has or may have a conflict of interest.
- vii. Not use Company's property, information, position or opportunities for personal gain.
- viii. Act in a manner to enhance and maintain the reputation of the Company.
- ix. The Code is to be affirmed by members of the Board upon their appointment / re-appointment to the Board and is to be reaffirmed by all members of the Board at the beginning of each financial year. Likewise, all designated Senior Management members shall reaffirm their adherence to the above Code of Conduct annually.

## **Code for Independent Directors**

This code is a guide to professional conduct for independent directors. Adherence to these standards by Independent Directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

### **I. Guidelines of Professional Conduct:**

The Independent Directors shall:

- i. uphold ethical standards of integrity and probity;
- ii. act objectively and constructively while exercising their duties;
- iii. exercise their responsibilities in a bona fide manner in the interest of the company;
- iv. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
- v. not allow any extraneous considerations that will vitiate their exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- vi. not abuse their position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- vii. refrain from any action that would lead to loss of their independence;
- viii. where circumstances arise which make an independent director lose their independence, the independent director must immediately inform the Board accordingly;
- ix. assist the company in implementing the best corporate governance practices.

## **II. Role and functions:**

The Independent Directors shall:

- i. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct.
- ii. bring an objective view in the evaluation of the performance of Board and management.
- iii. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.
- iv. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- v. safeguard the interests of all stakeholders, particularly the minority shareholders.
- vi. balance the conflicting interest of the stakeholders.
- vii. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

**Further the additional responsibility of the Board and Management are as follows:**

- i. Creating an environment that is respectful and inclusive
- ii. Listening and responding to concerns when they are raised.
- iii. Help your team members understand the requirements of our Code and applicable laws.
- iv. Be consistent when enforcing our requirements and holding people accountable for their behaviour at work.
- v. Act in a manner that is safe, ethical and consistent with applicable laws.
- vi. Raise questions and concerns if you become aware of possible violations of our Code of Conduct.

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