



## **Barbeque-Nation Hospitality Limited**

***CIN: U55101KA2006PLC073031***

***(Registered Office: Sy. No. 62, Site No. 13, 6<sup>th</sup> Cross, NS Palya, BTM Layout, Bengaluru-560076, Karnataka, India)***

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

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

(As per Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations Disclosure Requirements) Regulations, 2015)

SEBI (LODR) Regulations, 2015 requires listed companies to lay down a code of conduct for all Board Members and Senior Management of the Company. This Code of Conduct of Barbeque-Nation Hospitality Limited ('the Company') is being adopted by the Board of Director on 29<sup>th</sup> June 2017 and revised by the IPO Committee on 16<sup>th</sup> March 2021 (hereinafter referred to as "the Code") to comply with the provisions of the Companies Act, 2013 and SEBI (LODR) Regulations, 2015.

## **1. Preamble:**

1.1. All the Directors and Senior Management of the Company must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its Shareholders / Stakeholders.

1.2. With a view to maintain the high standards that the Company requires, following rules/code of conduct should be observed in all activities of the board for the purposes of the code. The Compliance Officer will be available to all Directors on the Board and Senior Management to answer questions and to help them in comply with the code.

## **2. Definitions and Interpretations:**

2.1. The term "Directors" shall mean Directors on the Board of Directors of the Company, including the Chairman and Managing Director.

2.2. The term "Senior management Personnel" 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 members of 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.

2.3. The term 'Relative'/ 'immediate families' shall have the same meaning as the term "relative" defined in Section 2 (77) of the Companies Act, 2013. Definition is provided in Annexure -1.

## **3. Applicability:**

3.1. This code shall be applicable to all the "Directors" and "Senior Management Personnel" as defined in Para 2.1 and 2.2 respectively.

## **4. Code of conduct must be observed by all the "Directors" and the "Senior Management Personnel":**

### **4.1. Honesty & Integrity:**

All "Directors" & "Senior Management Personnel" shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness.

All “Directors” & “Senior Management Personnel” shall act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgments to be subordinated. “Directors” & “Senior Management Personnel” shall act in the best interests of the company and fulfill their fiduciary obligations.

#### **4.2. Conflict of Interest:**

“Directors” and “Senior Management Personnel” of the Company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the group. Conflicts can 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 proper and improper activity. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential:

- a. “Directors” & “Senior Management Personnel” should not engage in any activity / employment that interferes with the performance or responsibility to the Company or is otherwise in conflict with or prejudicial to the Company.
- b. “Directors” & “Senior Management Personnel” and their “immediate families” should not invest in a Company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the company.
- c. “Directors” & “Senior Management Personnel” should avoid conducting Company business with the “relative” or with a firm / Company in which a “relative” / related party is associated in any significant role.

If such related party transaction is unavoidable, it must be fully disclosed to the Board or to the Chairman and Managing Director of the Company.

#### **4.3. Compliance:**

“Directors” and “Senior Management Personnel” are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behavior, “Directors” and “Senior Management Personnel” must report any possible violation of law, rules, regulation or the code of conduct to the Compliance Officer.

#### **4.4. Other Directorships:**

The Company feels that serving on the boards of directors of other companies may raise substantial concerns about potential conflict of interest. And therefore, all “Directors” and “Senior Management Personnel” must report / disclose such relationships to the Board on an annual basis.

#### **4.5. Confidentiality of Information:**

Any information concerning the Company’s business, its customers, suppliers etc., which is not in the public domain and to which the director/ Senior Management Personnel has access or possess such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No Director / Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

#### **4.6. Prevention of Insider Trading:**

No "Director" / "Senior Management Personnel" of the Company shall derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constituting insider information. All "Directors" & "Senior Management Personnel" shall comply with the prevention of insider trading guidelines as issued by SEBI.

#### **4.7. Gifts & Donations:**

No Director/Senior Management Personnel of the Company 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 favours or decisions for the conduct of business. Nominal gifts of commemorative nature, for special events may be accepted and acceptance of such gifts in value exceeding Rs.1,000/- individually, may be reported to the Board.

#### **4.8. Protection of Assets:**

"Directors" & "Senior Management Personnel" must protect the Company's assets and information and may not use these for personal use, unless approved by the Board.

#### **4.9. Periodic Review:**

Once in every year or upon revision of this code, every Director/Senior Management Personnel must acknowledge and execute an understanding of the code and an agreement to comply. New Directors & Senior Management Personnel shall sign such a deed at the time when their directorship begins/when they are appointed to such senior management positions.

#### **4.10. Disclosure of Interest:**

Any Director having financial or other interest by himself or through his relatives in any party contracting with the Company including vendors and customers, or in an Organization which is in competition with the Company shall make such interest known to the Board at the first opportunity and shall abstain from any discussion or decision making on matters related to the Company and to such contracts or to the competitor.

The Director shall make a general disclosure of interest every year in the Form MBP-1 prescribed under Section 184 of the Companies Act, 2013, with the changes, if any, notified to the Board from time to time. The Director shall disclose his investments in the Company and in its holding company or subsidiary, if any, and changes therein, if any, from time to time.

#### **4.11. Reporting of Illegal or Unethical Behaviour (Whistle Blower Mechanism):**

The Company shall promote ethical behaviour in all its business activities. Employees are free to report existing/probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the management. If the employees have reason to believe that the Senior Management Personnel are involved in unethical conduct, they should report these facts to the Audit Committee of the Company's Board of Directors. Such reports received from any employee will be reviewed by the Board from time to time. All Key Personnel shall not attempt to suppress/conceal any such view or reporting. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

## **5. Code for Independent Directors:**

(Pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013)

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment 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.

### **A.) Guidelines of professional conduct:**

An Independent Director shall:

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising his duties;
- (3) Exercise his responsibilities in a bona fide manner in the best interest of the company;
- (4) Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) Not allow any extraneous considerations that will vitiate his 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;
- (6) Not abuse his 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;
- (7) Refrain from any action that would lead to loss of his independence;
- (8) Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the company in implementing the best corporate governance practices.

### **B.) Role and functions:**

The Independent Directors shall:

- (1) 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;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;

(7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;

(8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

### **C.) Duties of Independent Director:**

The Independent Directors shall:

(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 best interest of the company;

(10) Ascertain and ensure that the company has an adequate and functional vigil mechanism and 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 behaviour, 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.

#### **D.) Manner of appointment of Independent Director:**

(1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.

(2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.

(3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfils the conditions specified in the Companies Act, 2013 and the rules made thereunder and that the proposed director is independent of the management.

(4) The appointment of Independent Directors shall be formalized through a letter of appointment, which shall set out:

(a) the term of appointment;

(b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;

(c) the fiduciary duties that come with such an appointment along with accompanying liabilities;

(d) provision for Directors and Officers (D & O) insurance, if any;

(e) the Code of Business Ethics that the company expects its directors and employees to follow;

(f) the list of actions that a director should not do while functioning as such in the company; and

(g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Board and other meetings and profit related commission, if any.

(5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.

(6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

#### **E.) Re-appointment of Independent Director:**

Re-appointment of independent director shall be on the basis of report of performance evaluation.

#### **F.) Resignation or removal of Independent Director:**

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Companies Act, 2013.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.

(3) Where the company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

**G.) Separate meetings of Independent Director:**

(1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;

(2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**H.) Evaluation mechanism for Independent Director:**

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

**6. General duties of Directors pursuant to Section 166 of the Companies Act, 2013:**

1. Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of association of the company.

2. A director of a 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 environment.

3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.

4. A director of a 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.

5. A director of a 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 amount equal to that gain to the company.

6. A director of a company shall not assign his office and any assignment so made shall be void.

**7. Enforcement of Code of Conduct:**

7.1. The Compliance Officer shall forward a copy of the code to the existing "Directors" immediately on its approval by the Board and to the new "Directors" immediately on their



appointment on the Board. Compliance Officer shall also make available to all existing "Senior Management Personnel" a copy of the Code and to new appointees in these cadres a copy of the code immediately on receipt of intimation from Corporate Personnel Department of their appointment as "Senior Management Personnel". All "Directors" and "Senior Management Personnel" shall acknowledge the receipt of this code and on intimation of any revision thereon, in the Form at Annexure -2.

7.2. The "Directors" and "Senior Management Personnel" shall affirm compliance to the Code in respect of the previous financial year, as required under SEBI LODR Regulations, by forwarding an Annual Compliance Report in the Form Annexure -3 within 30 days of the close of each financial year affirm compliance with the Code. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company. A declaration by Managing Director to this effect shall be made in the Annual Report.

7.3. The Compliance Officer shall report to the Board any breach of this code, which comes to his notice, for its information and to decide on the future course of action.

7.4 Publication of the Code of Conduct.

The Code of Conduct as amended from time to time shall be published / posted on the website of the Company .....

7.5. As a Listed Public Limited Company, it is of critical importance that the Company's filings with the Registrar of Companies (ROC), Securities and Exchange Board of India (SEBI), and/or the concerned Stock Exchange(s) on which the securities of the Company are or may be listed be full, fair, accurate, timely and understandable. The Directors and the Senior Management Personnel shall provide information necessary to ensure that the Company's published reports meet these requirements.

The Company expects Directors and the Senior Management Personnel provide prompt and accurate answers to enquiries relating to its public disclosure requirements.

#### **8. Power to remove difficulties:**

For removal of any difficulty that may arise in giving effect to the provisions of this Code of Conduct, the Board of Directors may make such provisions as not inconsistent with the spirit of this Code of Conduct.

#### **9. Amendments, Modification & Waivers:**

This Code may be amended, modified, or varied by the Board, subject to appropriate applicable provisions of law, rules, regulations and guidelines. As a general policy, the Board will not grant waivers to this Code. However, in extraordinary situations and for reasons to be recorded in writing, the Board may waive or grant exemption from any one or more of the provisions of this Code.

#### **10. Acknowledgement of Receipt of the Code:**

All Board Members and Senior Management Personnel shall acknowledge the receipt of the code in the acknowledgement form annexed as Annexure - 2, indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer.

## **Annexure – 1**

Section 2(77) of Companies Act 2013 – “relatives” with reference to any person, means anyone who is related to another, If –

- (i) they are members of a Hindu Undivided Family;
- (ii) they are husband and wife;
- (iii) one person is related to the other in such manner as may be prescribed;

List of Relative in terms of Section 2(77) of the Companies Act, 2013:

1. Father (including step-father)
2. Mother (including step-mother)
3. Son (including step-son)
4. Son's wife
5. Daughter
6. Daughter's husband
7. Brother (including step-brother)
8. Sister (including step sister)

## Annexure – 2

### Acknowledgement Form

To,  
The Compliance Officer,  
Barbeque-Nation Hospitality Limited  
Sy. No. 62, Site No.13, 6th Cross,  
NS Palya, BTM Layout,  
Bengaluru 560076  
Karnataka, India

Sub: Acknowledgement of receipt of Code of Conduct for “Directors” and Senior Management Personnel”.

I hereby acknowledge having received, read and understood the terms and implications of the Code of Conduct for “Directors” and Senior Management Personnel” of the Company framed pursuant to the requirements SEBI (LODR) Regulations, 2015.

Yours truly,

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Annexure – 3  
Annual Compliance Report

To,  
The Compliance Officer,  
Barbeque-Nation Hospitality Limited  
Sy. No. 62, Site No.13, 6th Cross,  
NS Palya, BTM Layout,  
Bengaluru 560076  
Karnataka, India

Sub: Annual Compliance Report of the Code of Conduct for “Directors” and Senior Management Personnel” for the year .....

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I, .....(Name and Designation) of Barbeque-Nation Hospitality Limited, hereby affirm that for the financial year..... I have complied with the Code of Conduct for “Directors” and Senior Management Personnel” of the Company framed pursuant to the requirements under the SEBI (LODR) Regulations, 2015 with Stock Exchange/s.

Yours truly,

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_