

**SOUTHERN FRANCHISE COMPANY LLC**

**CODE OF BUSINESS CONDUCT**

**AND ETHICS**

**Issued on 01/04/2011**

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## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **1. Introduction**

This Code of Business Conduct and Ethics contains general guidelines for conducting the business of **Southern Franchise Company LLC** (the “Company”) consistent with the highest standards of business ethics and is intended to qualify as a “code of ethics”.

The Company is dedicated to maintaining the highest integrity and standards of ethics. We will treat our employees, suppliers, shareholders and the community with honesty, dignity, fairness and respect.

This Code applies to all the employees of the Company and other agents of the Company who provide services to the Company. We expect everyone to act responsibly and in accordance with the highest standards of personal and professional integrity in all aspects of their business activities and to comply with all applicable laws and regulations and our policies.

### **2. Honesty and Ethical Conduct**

The company expects all the employees to act in accordance with highest professional standards, integrity and high morals and ethics.

### **3. National Interest**

The Company is committed to benefit the economic development of the countries in which it operates. The Company shall undertake any project or activity to the detriment of the wider interests of the communities in which it operates.

The Company’s practices and business conduct shall benefit the country, localities and communities in which it operates, to the extent possible and affordable, and shall be in accordance with the laws of the land.

The Company in the course of its business activities shall respect the culture, customs and traditions of each county and region in which it operates. It shall conform to trade procedures, including licensing, documentation and other necessary formalities as applicable.

### **4. Social Commitments to Community**

The Company aims to play a positive role in all the communities in which it operate. On 24<sup>th</sup> March, 2008 the Company has established a trust under the name of Muralya Foundations (refer [www.muralya.com](http://www.muralya.com)) to address all the community related issues (charitable and social activities).

### **5. Conflict of Interest**

The Company expects that the employees of the Company shall not engage in any business relationship or activity which might conflict with the interest of the Company.

A conflict of interest occurs when an employee’s private interest interferes, or appears to interfere, in any way with the interests of the Company as a whole. You should actively avoid any private interest that may influence your ability to act in the interests of the Company or that may make it difficult to perform your work objectively and effectively.

## **6. Accounting and Financial Reporting**

The management shall ensure that all business transactions shall be recorded in true, fair and timely fashion in accordance with the accounting and financial reporting standards, as applicable to the Company. They will ensure the reliability and accuracy of its accounts, records and reports.

All working managers and employees shall ensure that the Company's information furnished to the government departments / authorities, financial institutions and banks are authentic and accurate.

## **7. Confidentiality**

The Directors and employees shall strive to protect confidential information acquired, generated, gathered or which otherwise comes into their possession during the course of business. All such information should be maintained in strict confidence, except when disclosure is expressly authorised by the Company or required by the law.

Confidential information includes all non-public information, intellectual property rights such as trade secrets, business research, new products, new projects and plans, business strategies, customer, employee and suppliers lists and any unpublished financial or price sensitive information.

Unauthorised use or distribution of proprietary and confidential information violates Company policy and could be illegal. Anyone found to be guilty of such unauthorized use may be liable for potential legal and disciplinary action.

The obligation to protect the Company's proprietary and confidential information continues even after Directors and employees leave the Company. The Directors and employees must return all proprietary information in her / his possession upon leaving the Company.

The Directors and employees should respect the rights of other competitors and their confidential information. They should not attempt to obtain a competitor's confidential information by improper means.

## **8. Compliance with Laws, Rules and Regulations**

Each employee has an obligation to comply with the laws of the cities, provinces, regions and countries in which the Company operates. The Director and employees shall keep themselves updated in relation to laws / statutory compliances applicable to their scope of work. The Directors and employees of the Company shall comply with all laws, rules and regulations as may be applicable to their scope of work and shall not commit any illegal or unethical act. Appropriate measures are put in place to assist in complying with applicable laws and regulations in the business.

If anyone gets to know of any non compliance of any of the laws in her or his colleague's area of operation in the Company, the same should be brought to her / his immediate notice as well to the notice of her / his Head of Department.

## **9. Workplace free of Harassment**

The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, colour, national

origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation or any other basis protected by local law or ordinance or regulation. All such harassment is unlawful.

If you have any questions relating to what constitutes discrimination or harassment, or if you have any other questions or concerns pertaining to discrimination or harassment, contact the Human Resources Department.

#### **10. Fair Competition**

The Company is committed to respect the principles and rules of fair competition prohibiting anticompetitive behaviour and abuse of a dominant market position.

#### **11. Bribery and Corruption**

The Directors and employees shall not be involved in bribery and corruption while conducting the Company's business. They are prohibited from offering or providing any undue pecuniary or other advantage for the purpose of obtaining, retaining, directing or securing any improper business advantage or for personal gain.

#### **12. Insider Trading**

Directors and employees shall not derive benefit or assist others to derive benefit by giving price sensitive information likely to result in movements in the price of other financial instruments. Directors and employees shall not use or proliferate information which is not available to the general public and which therefore constitute insider information.

#### **13. Customers, Suppliers and Stakeholders**

The Company is committed to create value for each of its stakeholders. The Director and employees shall treat the Company customers, suppliers and stakeholders with respect and dignity. There should not be any coercive measures used while dealing with any of the stakeholders.

#### **14. Quality of products and services**

The Company shall be committed to supplying goods and services of the highest quality standards, service consistent with the requirements of the customers to ensure their total satisfaction. The quality standards of the company's goods and services should meet the required national and international standards.

#### **15. Corporate Opportunities**

The Directors and employees are prohibited from taking for themselves business opportunities that arise through the use of corporate property, information or position. They shall not use corporate property, information or position for personal gain, or to compete with the Company. Competing with the Company may involve engaging in the same or a similar line of business as the Company, or any situation where the employee or Director takes away from the Company, the opportunities for sale or purchase of property, products, services or interests.

## **16. Expense Claims**

The Directors and employees are prohibited from claiming the expenses that are incurred for personal purpose. The expenses incurred in the course of employment and relating to the business are to be claimed as per the authorisation policy of the Company.

## **17. Gifts, Hospitality and Donations**

The Company will not utilize bribery and corruption in conducting business. The Directors and employees are prohibited from receiving, soliciting or offering any illegal or undue pecuniary or other advantage (e.g. payments, remuneration, gifts, donation, hospitality of any kind or comparable benefits) which are intended to obtain any improper business advantage. Directors and employees however, may honour, accept and offer nominal gifts which are customarily given and are of a commemorative nature for special events.

## **18. Drug and Alcohol Abuse**

To meet our responsibilities to employees, customers and investors the Company must maintain a healthy and productive work environment. Misusing controlled substances, or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

## **19. Dress Code and other personal standards**

Each of us is a representative of the Company in the eyes of the public, we must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of the work performed.

When visiting or working on client site, employee will adhere to the dress standards maintained at that particular client site.

## **20. Protection and Proper Use of Company's Assets**

The Company's assets and services are for the conduct of Company's business only. No assets shall be used for any personal or unauthorized use.

The Directors and employees shall endeavour to protect the Company's assets against loss, theft or other misuse and are responsible for the careful use. Any suspected loss, misuse or theft should be reported to the immediate manager.

The Directors and employees shall return the Company's assets entrusted to them while in office, when they are leaving the service or office of the Company.

## **21. Corporate Social Responsibility, Health, Safety and Environment**

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in. The Company shall be committed to prevent the wasteful use of natural resources and minimise any hazardous impact of the development, production, use and disposal of any of its products and services on the ecological environment. The Company strives to preserve the environment for future generations by striking a balance between economic growth and continuously improving environmental performance and social responsibility.

## **22. Equal Opportunities Employer**

The Company provides equal opportunities to all its employees, without regard to their caste, religion, colour, marital status and gender. The policies and practices shall be administered in a manner that ensures equal opportunity to the eligible candidates and the decisions are merit based.

## **23. Email and Internet**

The Company's email and internet facilities are provided only for the purpose of the business of the Company. Posting and disseminating Company's information and data on internet or voice mail or private networks except for business exigencies are prohibited.

The Company prohibits the use of internet facilities for accessing unauthorised, illegal or immoral websites from the computers provided by the Company at their workplace.

## **24. Use of Licensed Software**

The software used on Company's equipment must be licensed and legal software. The Directors and employees are prohibited from using unauthorised and unlicensed software on the Company's equipment and the laptops provided by the Company.

## **25. Corporate Communications**

The Company commits itself to open, transparent, impartial and timely information to its shareholders, employees and other stakeholders.

All the communications related to the company shall be handled by a person authorised by the Managing Director.

## **26. Responsibility**

Each Director and employee of the Company will be responsible for the observance of this Code of Conduct in both letter and spirit to the extent relevant and applicable to them. Non-compliance may be subject to disciplinary actions including termination.

Any questions about this Code of Conduct should be referred to one's immediate superior.

## **27. Waiver**

As a general practice, the Board of Directors of the Company will not grant waiver to this Code of Conduct. However, in extraordinary situation and for reasons recorded in writing the Board of Directors of the Company may grant waiver to any person from any one or more of the provisions of this Code of Conduct.

## **28. Review, Amendment and Modification**

The Company recognizes that the circumstances in which we operate around the world are constantly changing and because of this we will periodically review this Code to ensure that its content and implementation remain effective.

This Code of Conduct may be reviewed, amended, modified or waived by the Board of Directors as and when required or deemed necessary.

**29. Outsider's Recourse**

No outsiders will have any right or recourse to any action or claim of whatsoever nature against any of the Directors or employees for the non compliance of this Code of Conduct.

**Approved by:**

**K. Muraleedharan  
Managing Director**

**Date: 01 May 2010**