

CODE OF CONDUCT FOR BOARD AND SENIOR MANAGEMENT

FSN E-COMMERCE VENTURES LIMITED

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1. INTRODUCTION

At Nykaa we are proud of having built a brand that Indian consumers love and trust. With success comes more responsibility & accountability of being a credible corporate citizen with highest standards of compliance & governance.

Nykaa's code of conduct is reflection of the values cherished and practiced at the organization, namely:

1. Be Bold and Be Good
2. Be Better Everyday
3. Be the Customer's Champion
4. One Nykaa
5. A Culture of Belonging
6. Sustainability in every action.

The Code of Conduct for Board and Senior Management has been framed in compliance with the regulation 17(5) of SEBI (Listing Obligations & Disclosure Requirements) Regulation, 2015 and the Companies Act, 2013 and Rules thereunder.

Independent directors of the Company are subject to certain additional duties and standards of conduct under the Companies Act, 2013 which are set out in Annexure 1 to this Code.

The Compliance Officer will act as the facilitator, who will be available to all the directors and senior management personnel to answer questions and to help them comply with the code. The Compliance Officer and Group CHRO are jointly responsible for administration and compliance of this Code.

2. APPLICABILITY

Code of Conduct for Board and Senior Management would apply to all Directors and Senior Management. "**Senior Management**" shall mean officers/personnel of the Company who are members of its core management team excluding board of directors.

This Code of Conduct shall come into force from the date of listing of equity shares of the Company on the stock exchanges.

3. KEY REQUIREMENTS

The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company and observe the following code of conduct:

3.1 Honesty & Integrity

- I. Conduct their activities, on behalf of the company, with honesty, integrity and fairness.
- II. Act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated.
- III. Act in the best interests of the company and fulfil the fiduciary obligations.

3.2 Conflict Of Interest

If an individual's personal interest interferes with the interests of the Company, a 'conflict of interest' arises. They should not get involved in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.

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 the advantage of any associated person.

3.3 Compliance

Ensure compliance with all applicable laws, rules and regulations, both in letter and spirit. Any possible violation of law, rules, regulations or the code of conduct has to be reported to the Compliance Officer.

3.4 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 Directors and Senior Management personnel have access or possesses 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.

Not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is approved by the Board or required by law.

3.5 Insider Trading

Directors and Senior Management should not derive any benefit or assist others in deriving any benefit it by giving investment advice based on their access to and possession of information about the company, not in public domain and therefore constituting insider information. They shall comply with the insider trading policy which has been framed by the company in compliance to the guidelines issued by SEBI.

3.6 Gifts And Donations

They shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business.

Nominal gifts i.e. sweets/dry fruit etc. on occasions of festival are acceptable, provided such gifts are customarily given, of token value not exceeding INR 5,000/- and are of a commemorative nature.

3.7 Protection Of Assets

Protect the company's assets and should not use the company's assets or manpower or company-related information for their personal purposes, unless approved by the Board of Directors (in the case of Directors) or the Chief Executive Officer (in the case of Senior Management personnel).

3.8 Media Statements

No Director and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized.

They should ensure that:

- a. They comply with the rules of the social media sites they use.
- b. Any information about the company, its financial or business details and its historical or future results should not be discussed on any media or handles or any platforms/websites etc.
- c. Any information on business continuity and changes should be strictly refrained from sharing. Relations with the media and investors are exclusive responsibility of the designated spokesperson in charge. Hence all the statements to the media or responses to inquiries from the media shall be either handled through Public Relation Team or be coordinated by them.

3.9 Periodic Review

Every financial year or whenever this code is revised by the Board of Directors, every director/ senior management personnel must acknowledge understanding of the code and execute an undertaking to continue complying with it. New directors / senior management personnel shall execute such undertaking at the time of their induction.

3.10 Disclosure of Interest

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws.

The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

4. DUTIES OF DIRECTORS

4.1 Executive Directors

- I. A director of the company shall act in accordance with the articles of association.
- 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 They, the shareholders, the community and for the protection of the environment.
- III. 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 of 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.

In addition to the above, the Executive Directors and Senior Management shall also adhere to Nykaa's Code of Conduct for employees.

4.2 Non-Executive Directors

- I. Non-executive directors will 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 his role therein.
- II. Non-executive directors will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to such directors in their individual capacities.

- III. Non-executive directors will safeguard the confidentiality of all information received by them by virtue of their position.

5. POLICY REVIEW \ AMENDMENT

There will be a period review of the code from time to time and the Board of Directors ("Board") may amend, modify or revise any or all clause of this code. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Code.

6. DISCLOSURES

The necessary disclosure about the policy, if any, will also be made as per requirements of SEBI LODR Regulations and the Companies Act 2013.

7. VERSION HISTORY

Sr. No	Version	Created by	Approved by	Effective Date	Amendment Summary
1.	1.1	People & Culture Team	Board of Directors	10/11/2021	Guidelines drafted

Annexure 1

CODE FOR INDEPENDENT DIRECTORS

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.

I. Guidelines of professional conduct:

An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his/her duties;
- 3) exercise his responsibilities in a bona fide manner in the 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 of Directors 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.

II. 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) scrutinise 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 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.

III. Duties:

- 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 they are a member;
- 4) Participate constructively and actively in the Board Committees in which they are chairpersons or members;
- 5) Strive to attend the general meetings of the Company;
- 6) Ensure, where they have concerns about the running of the Company or a proposed action, that these are addressed by the Board of Directors;
- 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 Board Committee;
- 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 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 code of conduct;
- 12) Act within their authority and assist in protecting the legitimate interests of the Company, shareholders and its They;
- 13) Not to disclose confidential information, including commercial secrets, technologies,
- 14) advertising and sales promotion plans and unpublished price sensitive information, unless such disclosure is expressly approved by the Board of Directors or required by law.
