

LA TIM METAL & INDUSTRIES LIMITED
(Formerly Known as Drillco Metal Carbides Limited)

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

Introduction:-

This code of conduct shall be called "The Code of Conduct for Board Members and Senior Management Personnel of La Tim Metal & Industries Limited". It ensures compliance with the provisions of revised Clause 49 of the Listing Agreement entered into with the Stock Exchange"

The Code is in alignment with the Company's Vision and Values to achieve the Mission & Objectives of the Company and aims at enhancing ethical and transparent process in managing the affairs of the Company.

Directors:-

FOR DIRECTORS AND SENIOR MANAGEMENT:-

All the Directors and Senior Management of the Company hereinafter referred to as "The Management" 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 interest of the Company and its shareholders.

With a view to maintain high standards that the Company requires, the following rules / code of conduct should be observed in all of the "Management". The Company has appointed the Company Secretary as the compliance officer for the purpose of the code, who will be available to "The Management" questions and to help them comply with the code.

- **Honesty & Integrity :-**

"The Management" shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. "The Management" will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgment to be subordinated. "The Management" will act in the best interests of the Company and fulfill the fiduciary obligations.

- **Conflict of Interest**

"The Management" 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:-

- "The Management" 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.
- "The Management" 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 .
- "The Management" should avoid conducting Company business with a relative 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 of the Company.

- **Compliance**

"The Management" is required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behavior, "The Management" must report any possible violation of Law rules, regulations or the Code of Conduct to the Company Secretary.

- **Other directorships and management positions**

"The Management" must report / disclose their other directorships and/or senior management ship to the Board on an annual basis. It is felt that service on the Board of a direct competitor is not in the interest of the Company.

- **Confidentiality of Information**

Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which "The Management" has 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. "The Management" shall not provide any information either formally or informally to press or any other publicity media, unless specially authorized.

- **Insider Trading**

"The Management" shall not derive benefit or assist others to derive benefit by giving investment advice and information about the Company, not in public domain which therefore constitutes as insider information. "The Management" is subject to additional requirements relating to reporting and effecting transactions in Company securities.

- **Gifts & Donations**

"The Management" of the Company shall not 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 (or uncompetitive) favors or decisions for the

conduct of business. Nominal gifts of commemorative nature, for special events may be accepted and reported to the Board.

- **Protection of Assets**

"The Management" must protect the Company's assets, labor and information and may not use these for personnel use, unless approved by the Board.

- **Code for Independent Directors specifying their Duties**

A guide to professional conduct for independent Directors is separately specified under the Companies Act, 2013, in Schedule IV-"Code for Independent Directors", which lays down the guidelines of professional conduct for independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as Annexure I to this Code.

- **Amendment of the Code**

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

- **Periodic Review**

Once every year or upon revision of this code, each member of the management team must acknowledge and execute an understanding of the code and an agreement to comply. New directors and senior management will sign such a deed at the beginning of their tenure.

"The Management" shall confirm that they have received, read and understood the Code of Conduct. They have agreed to comply with the Code of conduct specified on an annual basis.

CODE FOR INDEPENDENT DIRECTORS

(As per Schedule IV of Companies Act, 2013)

The 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.

GUIDELINES OF PROFESSIONAL CONDUCT:-

An independent director shall:-

- Uphold ethical standards of integrity and probity.
- Act objectively and constructively while exercising his duties
- Exercise his responsibilities in a bona fide manner in the interest of the Company.
- Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 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;
- 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;
- Refrain from any action that would lead to loss of his independence
- Where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- Assist the Company in implementing the best corporate governance practices.

ROLE AND FUNCTIONS:-

The independent directors shall:-

- 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;
- Bring an objective view in the evaluation of the performance of board and management ;
- Scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance ;

- Satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible.
- Safeguard the interests of all stakeholders, particularly the minority shareholders,
- Balance the conflicting interest of the stakeholders, particularly the minority shareholders
- 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.
- Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

DUTIES:-

The independent directors shall:-

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- Seek appropriate clarification or amplification of information and , where necessary , take follow appropriate professional advice and opinion of outside experts at the expense of the Company.
- Strive to attend all meetings of the Board of Directors and of the Board committees of which he /she is a member;
- Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- Strive to attend the general meetings of the Company;
- 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;
- Keep themselves well informed about the Company and the external environment in which it operates;
- Not to unfairly obstruct the functioning of an otherwise proper Board or Committee of the Board;
- 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;
- 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;
- Report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
- Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees;
- 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.

MANNER OF APPOINTMENT:-

- 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.
- The appointment of independent director(s) of the Company shall be approved at the meeting of the shareholders.
- 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 fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- The appointment of independent directors shall be formalized through a letter of appointment, which shall set out :
 - the term of appointment;
 - 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;
 - the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - provision for Directors and Officers (D and O) insurance, if any;
 - the Code of Business Ethics that the Company expects its directors and employees to follow;
 - the list of actions that a director should not do while functioning as such in the Company; and
 - the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- 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.
- The terms and conditions of appointment of independent directors shall also be posted on the Company's website.

RE-APPOINTMENT:-

- The re-appointment of independent director shall be on the basis of report of performance evaluation.
- 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; the requirement of replacement by a new independent director shall not apply.
- 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.

SEPARATE MEETINGS:-

- 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;
- All the independent directors of the Company shall strive to be present at such meeting.
- The meeting shall:-
 - Review the performance of non-independent directors and the Board as a whole;
 - Review the performance of the Chairperson of the Company , taking into account the views of executive directors and non-executive directors;
 - Assess the quality, quantity and timelines of flow of information between the Company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

EVALUATION MECHANISM:-

- The performance evaluation of independent directors shall be done by the entire Board of directors, excluding the director being evaluated.
- 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.