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**CODE OF BUSINESS CONDUCT AND ETHICS FOR THE BOARD  
OF DIRECTORS**

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## **CODE OF BUSINESS CONDUCT AND ETHICS FOR THE MEMBERS OF THE BOARD OF DIRECTORS**

### **INTRODUCTION:-**

This Code of Business Conduct and Ethics envisages to ensure maintenance of standard of Business Conduct and Ethics of HTL Limited (“the Company”) and due compliance with legal requirements.

This Code is to act as a deterrent from wrong and unethical doings and act as a catalyst to promote ethical values. This Code is the manifestation of the Company’s commitment to lawful and ethical business conduct which is critical to the successful operation of the Company and is of utmost importance to the Company’s Shareholder, Creditors and other Business Associates.

### **1. APPLICABILITY**

This Code is applicable to the Members of the Board of Directors of the Company.

### **2. GUIDING PRINCIPLES**

The following are the guiding principles enshrined in this Code:-

- a. Act diligently, transparently, honestly and in good faith upholding the highest ethical standard of integrity, confidentiality, accountability and independence.
- b. Provide leadership in advancing the Company’s Vision, Values and Guiding Principles.
- c. Discharge duties in the best interests of the Company, its Shareholders and Stakeholders.
- d. Become and remain familiar with Company’s business and the economic and competitive environment in which the Company operates and understand the Company’s business plans, strategies and objectives, operation results, financial conditions and relative marketplace position.
- e. Commit the time necessary to hold, attend and actively participate in regular and special meetings of the Board and of the Board Committee Meetings, Meeting of Shareholders and other office functions, from time to time.
- f. Not enter into, without the prior approval of the Board, any transaction or relationship with the Company which the Directors / Executives will have a financial or personal interest (either directly or indirectly, such as through a family member or other person or organization with which they are associated), or any transaction or situation which otherwise involves a conflict of interest.
- g. Maintain the confidentiality of all material non-public information about the Company, its business affairs.

## **CODE OF BUSINESS CONDUCT AND ETHICS FOR THE BOARD OF DIRECTORS (“THE DIRECTORS”)**

### **1. FIDUCIARY RELATIONSHIP**

Directors stand in fiduciary relationship to the Company. They act in dual Capacity – as Trustees and Agents of the Company which call for exercise of utmost care, skill and diligence while dealing with the Company. They are trustees of the Company’s funds and properties; they are agents in their transactions on behalf of the Company. Their fiduciary relationship prohibits them from making any secret profits, from entering into any contract for personal gain and demands complete disclosure of information regarding the Company’s affairs to the Shareholders.

## **2. ATTENDANCE IN MEETINGS**

This Code of Conduct expects the Directors of the Company to strive to attend all the Meetings of the Board/Committees. Absence from the Meetings shall be with the approval of the Chairman. Absence from attending the meetings shall be communicated to the Chairman / Company Secretary, the communication can be either written or oral over the phone.

Continuance absence from the Meetings for a long period without concrete and convincing reason shall be treated as a breach of this Code.

The office of the director shall become vacant in case he absents himself from all the meetings of the Board of Directors held during a period of twelve months with or without seeking leave of absence, as stipulated under the provisions of the Companies Act, 2013.

## **3. AGENDA FOR BOARD/COMMITTEE MEETINGS**

All important matters affecting the business of the Company shall be placed before the Board/Committee formed by the Board for discussions. Various Reports, Compliance Certificates and other documents placed before the Board/ Committee shall be reviewed and discussed in the Meeting.

## **4. BOARD ROOM/COMMITTEE ROOM DELIBERATIONS**

Directors should keep themselves abreast with the business to be transacted in the Board/Committee Meetings. The Agenda papers should be read thoroughly and come prepared to take active part in the discussions. The deliberations should be lively and informative and constructive. The discussions should be free, frank and fearless and stick to the subject matter.

Committee Meetings shall be viewed as important tools for effective management. The Directors shall be conversant with the Constitution, Powers and functions of the various Committees as constituted by the Board of Directors.

## **5. ACTIVE PARTICIPATION IN THE COMPANY'S BUSINESS**

The Directors are expected to participate actively in the business policies / reviews of the Company. They should make positive contributions with their exemplary leadership qualities and unflinching devotion to the duties. On all occasions, the Company's interest as well as the interest of the Shareholders shall be uppermost in their mind.

## **6. HONEST AND ETHICAL CONDUCT**

This Code expects all Directors to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, or at any other place where they represent the Company. Honest conduct should be conduct that is free from fraud or deception. Ethical conduct should be conduct conforming to the accepted professional standards of conduct. Ethical conduct includes personal and professional relationships.

## **7. AVOIDANCE OF CONFLICTS OF INTEREST**

All actions of the Directors should be free from the conflicts of interest. The Directors should ensure to avoid any situation where a conflict of interest may arise or appear to arise. Even if there exists any such conflict, the same should be fully disclosed to the Board.

**Conflict of Interest arises in the case of:-****a) Employment/Outside Employment**

Whole-time Directors are expected to devote their full attention to the business of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Whole-time Directors shall not accept simultaneous employment with suppliers, customers, competitors of the Company, or take part in any activity that enhances or supports a competitor's position. Directors must disclose to the Company's Audit Committee, any interest that they have which may conflict with the business of the Company.

**b) Outside Directorships**

This Code prohibits Directors of the Company to accept any assignment with any Company or Agency that competes with the Company. Directors must first obtain approval from the Company's Audit Committee before accepting such assignment.

**c) Business Interests**

If a Director contemplates to enter into any business relation with any customer, supplier or competitor of the Company, he must ensure that the proposed business relation shall not compromise with his responsibilities to the Company. This Code requires that the Directors shall obtain approval from the Company's Audit Committee before entering into such business relations.

**d) Related Party Transactions**

As far as possible, the Directors should avoid conducting Company's business with a relative, or with a business in which a relative is associated in any significant role. The term "relatives" denotes the same relationships given in Section 2(77) of the Companies Act, 2013 or any amendments made thereto. In any unavoidable circumstances, if a Director has to enter into any such related party transactions, he should comply with the provisions of Section 188 of the Companies Act, 2013, wherever required. The related party transactions should be reported under applicable accounting rules, Indian Companies Act and rules and regulation of the regulatory authorities. It shall be a good Board practice if the Directors disclose, at every meeting, their interest, if any, in any of the agenda items listed for discussion.

**e) Payments or Gifts from Others**

Under no circumstances may Directors accept any offer, payment, promise to pay, or authorization to pay any money, costly gift, or anything of great value from customers, vendors, consultants, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commitment or fraud, or opportunity for the commitment of any fraud except inexpensive gifts, infrequent business meals, celebratory events and entertainment, provided that they are not excessive or create an appearance of impropriety, do not violate this policy.

**f) Corporate Opportunities**

Directors shall not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board accord its

approval to pursue such opportunity. The above list of situations which bring about conflict within is not exhaustive, but only indicative.

## **8. COMPLIANCE WITH GOVERNMENTAL LAWS, RULES AND REGULATIONS**

Directors must comply with all applicable Governmental Laws, Rules and Regulations. They must acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers, and to know when to seek advice from the finance/ legal department. Violations of applicable Governmental Laws, Rules and Regulations may subject the Directors to individual criminal or civil liability. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

## **9. DISCLOSURES**

The Statutory duties of the Directors include making certain disclosures to the Board at periodical intervals, this include:-

- (i) Disclosures of Directorship/Change in Directorships in other Companies.
- (ii) Disclosure of Committee Positions/Change in Committee Positions in other Companies.
- (iii) Disclosure of Partnerships in any Partnership firms.
- (iv) Disclosure of Shareholdings in the Company and in other Companies.
- (v) Disclosure of contracts/arrangements with parties/Companies/firms in which the Directors were interested.
- (vi) Disclosure of details and violations committed by the Company in which the Director is a Director.

## **10. DUTIES OF INDEPENDENT DIRECTORS**

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 interest of the Company;

- 10) 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;
- 11) report concerns about unethical behavior, 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.

#### **11. VIOLATION OF THE CODE**

This is the ethical responsibility of all Directors to help enforce this Code. They should be alert to possible violations and report this to the management. Reprisal, threat, retribution or retaliation against any person who has, in good faith, reported a violation or a suspected violation of law, this code or other Company policies, or against any person who is assisting any investigation or process with respect to such a violation, is prohibited.

#### **12. WAIVERS AND AMENDMENTS OF THE CODE**

The Company reserves the right to continuously review and update this Code. Any amendment or waiver or any provision of this Code must be approved by the Company's Board of Directors and promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of the amendment or waiver.

#### **13. AVAILABILITY OF CODE OF CONDUCT ON THE WEBSITE**

This Code of Conduct is available on the Company's Website [www.htllimited.com](http://www.htllimited.com).

#### **14. ACKNOWLEDGEMENT**

The Directors are requested to sign this document as a token of their acknowledgment of the Code of Business Conduct and Ethics of the Company for the Board of Directors. Further, the same may be sent to the Secretarial Department of the Company.

Place:

Signature:

Date:

Name:

DIN: