

## **LGB FORGE LIMITED**

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

It is LGBFL stated policy to conduct its business in line with the highest standards of business ethics, human values, compliance with law, personal integrity and professional conduct. The objective of this “code of conduct” document is to formulate guidelines for expected employee behavior that will fulfill the expectations of the company. Every director, officer and employee of the company is expected to comply with the tenets of this Code.

#### **A. Conflict of Interest**

1. Every employee, officer or director of LGBFL shall not –
  - a. engage in any business, relationship or activity that might detrimentally conflict, either directly or indirectly with the interest of the company.
  - b. receive improper personal benefits to himself / herself or his / her family as a result of one's position in the Company,
  - c. misuse the position associated with his / her office or coerce or induce a benefit for himself / herself or others.
  - d. receive and retain any gift beyond what is spelt out in the company’s gift policy or excessive entertainment from any person/company with which the company has current or prospective business dealings,
  - e. have any significant ownership interest in any supplier, customer, development partner or competitor of the company, without disclosing the same to the board.
  - f. have any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.
  - g. involve or engage in any other activity that could create the appearance of a conflict of interest and thereby impair the company’s reputation.
  - h. appoint any related party as consultant, advisor, agent, intermediary, broker, or representative.
2. In case there is likely to be a conflict of interest, the employee shall make full disclosure of all facts and circumstances thereof to the board of directors and a prior written approval shall be obtained from the board.

#### **B. Ethical Conduct**

LGBFL expects all its directors, officers and employees to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, at the company’s premises, offsite locations, company sponsored business and social

events, or at any other place where they are representing on behalf of the company. They shall also act and conduct free from fraud and deception.

**C. Corporate Opportunities**

Directors, officers and employees owe a duty to the company to advance its legitimate interests when the opportunity to do so arises. Directors, officers, and employees are expressly prohibited from:

- a. Taking for themselves personally, opportunities that are discovered through the use of company's property, information, or position,
- b. Competing directly with the business of the company or with any business that the Company is considering.
- c. Using company's property, information, or position for personal gain.
- d. To gain an unfair competitive advantage by improperly influencing any employee's discretionary decisions.

**D. Related Parties**

As a general rule, though related party transactions are to be avoided, yet if it is unavoidable, the Audit Committee shall PERIODICALLY review such related party transactions. The most significant related party transactions, particularly those involving the company's directors or executive officers, shall be reviewed and approved by the company's board of directors. The company shall report all such material related party transactions under applicable accounting rules. Any dealings with a related party must be conducted in a commercially prudent manner without any preferential treatment.

**E. Confidentiality**

The company's confidential information is a valuable asset. The directors, officers and employees shall maintain the confidentiality of confidential information of the company or that of any customer, supplier or business associate they receive whilst being in office and is only disclosed if authorized by the company, or the person from whom the information is provided, or as required by law.

"Confidential information" includes all non-public information (including private, proprietary, and other) that might be of use to competitors or harmful to the Company or

its associates. All confidential information must be used for company's business purposes only.

F. **Fair Dealing**

Every director, officer, and employee dealing with customers, suppliers, contractors, competitors or any person doing or seeking to do business with the company are to act in a manner that is fair and reasonable and in the best interests of the company to exclusion of considerations of direct or indirect personal preference or advantage.

G. **Protection and Proper Use of LGBFL Assets**

All directors, officers and employees shall ensure that assets, are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. They are responsible for the proper use of LGBFL assets, and must safeguard such assets against loss, damage, misuse or theft. LGBFL assets, both tangible and intangible are to be used for its business purposes only and shall not be used for personal aggrandizement / empowerment of any person.

H. **Compliance with Laws, Rules, and Regulations**

Every director, officer and employee of LGBFL shall comply with all applicable laws and regulations, both in letter and in spirit in all the transactions and in all the territories that the company operates.

I. **Prohibition of insider trading**

The company has imposed a trading blackout period on members of the Board, executive officers and all employees who, as a consequence of their position with the company, are more likely to be exposed to material non-public information about the company. These directors, executive officers and employees generally may not trade in company's securities during the blackout period. Every director, officer and employee should comply with the company's Insider Trading Rules, (which is available in the intranet) follow the pre-clearance procedures for trading and trade only during a trading window. All questions regarding the Company's Insider Trading Rules should be directed to the Secretarial Department.

J. **Compliance with Code of Conduct**

1. Every employee of LGBFL shall report promptly any actual or possible violations of the code to the board of directors or the HR Department.

2. Violations of this code shall result in disciplinary action, which may even include termination of services of the employee. LGBFL Board or any Committee/person designated by the Board for this purpose shall determine appropriate action in response to violations of this code.

**K. Financial reporting and records**

1. The company shall prepare and maintain its accounts fairly and accurately in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards, laws and regulations of the country in which the company conducts its business affairs.
2. Internal control and audit procedures should comprehensively cover all the company's material business transactions and disposition of assets. All required information shall be accessible to company auditors and other authorized parties and government agencies.

**L. Shareholders**

Company shall be committed to enhance shareholder value and comply with all regulations and laws that govern shareholders' rights. The board of directors of the company shall duly and fairly inform its shareholders about all relevant aspects of the company's business and disclose such information in accordance with the respective regulations and agreements.

**M. Interpretation of Code**

1. Any question on the interpretation or otherwise of this code, shall be decided upon by LGBFL board of directors, whose decision shall be final in this regard.
2. Any waiver of any provision of this code for a member of LGBFL board of directors must be approved in writing by board and promptly disclosed. Any waiver of any provision of this code with respect to any other employee, agent or contractor must be approved in writing by the Managing Director of LGBFL.

**N. Additional code of ethics for employees of the accounts, finance, and secretarial department**

1. Honesty, integrity and sound judgment of the financial officers is fundamental for the success and reputation of LGBFL. The professional and ethical conduct of the

financial officers is essential to the proper functioning of the company. They shall be bound by the following code of ethics, in addition to those stated supra. They shall –

- a. act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships,
  - b. make full, fair, accurate, timely, and understandable disclosure in reports and documents that the company files with, or submits or makes periodically, to the shareholders, government authorities, and to the public,
  - c. comply with governmental laws, rules, notifications and regulations applicable to the company's business,
  - d. disclose to the board or any committee/officer designated by the board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the code including actual or apparent conflicts with the interests of the company,
  - e. promote prompt reporting of violations of this code to the board of directors or any person/committee designated for this purpose, as may be necessary,
  - f. respect the confidentiality of information acquired in the course of employment unless legally obliged to disclose and ensure that no such confidential information is used for personal advantage/benefit,
  - g. act in good faith, responsibility, with due care, competence and diligence without misrepresenting material facts,
  - h. refrain from any inappropriate or undue influence of any kind in all dealings with independent auditors, and avoid any actual or apparent conflicts with analysts,
  - i. not omit / neglect discharge of any duties which ought to be discharged by them
  - j. promptly disclose the details as required by various acts, rules to the board of directors.
2. All employees in the accounts, finance and secretarial department shall adhere to these principles, violation of which, will lead to appropriate disciplinary action including dismissal from the services of LGBFL.

3. Any deviation/waiver from this code can only be effected on the sole and absolute discretionary authority of the board or any person/committee designated by the Board for this purpose.

O. **Miscellaneous**

1. **Equal opportunities**

- i. It is LGBFL principle to provide equal opportunities to all its employees irrespective of race, religion, caste, colour, sex, age, etc., and decisions shall be based only on merit;
- ii. Employees of LGBFL shall be treated with dignity and respect and the environment shall be free from discrimination and abusive behavior, including gender based ones, in any form or manner whatsoever;

2. **Safe and green company**

LGBFL strives to create a greener, safer and healthier working environment, minimizing wastage of natural resources and conducts its business affairs in accordance with the regulations pertaining to environmental protection. It also protects the health, safety and welfare of its employees by complying with the relevant regulations.

**CODE OF CONDUCT FOR THE SENIOR MANAGEMENT**

The Senior Management employees of the company shall follow the following Code of Conduct adopted by the company.

**Compliance and Ethical conduct:** To comply with applicable laws, rules and regulations and promote honest and ethical conduct of the business. They should help to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stake holders to raise concerns for the attention of the management.

**Business opportunities:** Shall perform their roles with competence, diligence, in good faith and in the best interest of the company and advance the company's legitimate interest whenever the opportunity to do so arises. They are expressly prohibited from taking for themselves personally, opportunities that are discovered through the use of company's property, information or position.

Fair dealing: Should endeavor to deal fairly and promote fair dealing by the company, its employees, agents, with customers, suppliers and employees.

Integrity of data furnished: Dedicate time and attention to the company drawing upon their experience and provide expertise in their areas of specialization in the best interests of the company and give careful independent consideration to the affairs of the company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management.

Conflict of interest: Avoid having any private interests interfere with the interests of the company or their ability to perform their duties and responsibilities objectively and effectively. There should be a full disclosure of any transaction or relationship that could give rise to an actual conflict of interest with the company and seek the necessary authorization to pursue such transactions.

Insider trading: To become familiar with and understand the laws, regulations, policies and codes as set out by the Government and ensure that they and their immediate family do not derive any benefit or assist others to derive any benefit from the access to and possession of information about the company or the group which is not in the public domain and thus constitutes insider information.

Confidentiality: Maintain the confidentiality of information entrusted for them in carrying out their duties and responsibilities, except where disclosure is approved by the company or legally mandated or if such information is in the public domain.

Such confidential information includes, but is not limited to, the following examples:

* Compensation data	* Pending projects and proposals
* Computer processes	* Proprietary production process
* Computer programs and codes	* Research and development strategies
* Customer lists	* Scientific data
* Customer preferences	* Scientific formulae
* Financial information	* Scientific prototypes
* Labor relation strategies	* Technological data
* Marketing strategies	* Technological prototypes
* New materials research	

All executives are required to sign a non-disclosure agreement as a condition of employment. Executives who impromptly use or disclose trade secrets or confidential business information

will be subject to disciplinary action, up to and including termination of employment and legal action.

Work environment : Provide a fair and just environment wherein all are treated equally without regard to their race, caste, religion, sex, colour, ancestry, marital status, age and maintain a work environment free of harassment whether physical, verbal or psychological.

Upon Resignation : Executives shall not join any Competitor's Company for a minimum period of three years after they leave this organization.

**Safety.** The Company provides information to Employees about workplace safety and health issues through regular internal communication such as: (a) Training sessions (b) Team meetings (c) Bulletin board postings (d) Memorandums (e) Other written communications. Each employee is expected to obey safety rules and is exercise caution and common sense in all work activities. Employees must report any unsafe conditions to their superior. Employees must also take due care of the instruments and equipment provided to them and any alteration in the working parameters of the equipment suggestive of malfunction of the equipment should be brought to immediate notice of their superiors. Each employee is responsible for safe keeping and daily maintenance of the equipment provided to them and in case of equipment malfunction it is the employee's responsibility to follow up with the respective equipment service and maintenance provider for suitable corrective action at the earliest.

**Declaration by the recipient:**

I, \_\_\_\_\_ (give your name), S/o. \_\_\_\_\_, and employed as \_\_\_\_\_ in LGBFL, (father's name and designation at LGBFL), acknowledge receipt of the code of conduct, having read the same, I'm aware of its implications and undertake to abide by the same.

If I have any questions or concerns on the application / otherwise, I know that I'm at liberty to consult the Secretarial Department / HR department and that my questions/ concerns would be maintained in confidence.

Date:

Place:

sd/-

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