

## **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT OF TARANGINI INVESTMENTS LIMITED**

### **1. PREAMBLE**

The Code of Conduct ("Code") sets forth legal and ethical standards of conduct for Directors and Senior Managerial Personnel (it includes all members of core management team one level below the executive Directors and all the functional heads,) of Tarangini Investments Limited (the "Company") and ensures compliance with legal requirements under Clause 49 of the Listing Agreement.

### **2. PHILOSOPHY**

The Company adheres to the highest standards of integrity and business ethics in the operation of its business. We believe that the organisation has been handed to us by the various stakeholders in "trust" and we as professional managers are the "trustees" of those stakeholders. It is therefore our responsibility to ensure that the organisation is managed in a manner that protects and furthers the interests of our stakeholders.

This Code of Conduct helps to ensure compliance with our standards of business conduct & ethics and also with regulatory requirements.

### **3. HONESTY, INTEGRITY & ACCOUNTABILITY**

All Directors and Senior Management Executives shall act in accordance with the highest standards of integrity, honesty, fairness and ethical conduct while working for the Company as well as when representing the Company.

Honest conduct means conduct that is free from fraud, suppression of facts or deception. Integrity & ethical conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

All Directors and Senior Management Executives should promote ethical behaviour and take steps to ensure that the Company promotes ethical behaviour and also encourages employees to freely report violations of laws, rules, regulations or the Company's Code of Conduct to the Managing/Whole time Director or Chief Financial Officer or Compliance Officer.

The Directors and Senior Managerial Personnel should possess highest personal and professional Ethics, Integrity and Values along with accountability. They should be able to balance the legitimate interests and concerns of all Company's stakeholders in arriving at a decision, rather than advancing the interest of a particular constituency.

### **4. CONFIDENTIALITY**

All Directors and Senior Management Executives must maintain the confidentiality of sensitive information (that is not in public domain) relating to the Company which comes to their knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when such disclosure is authorized or legally mandated. The confidentiality shall also continue after such person ceases to hold office as Director or serve the organization.

No Senior Management Executive shall communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorised otherwise.

#### **5. CONFLICT OF INTEREST**

All Directors and Senior Management Executives shall avoid situations in which their personal interest could conflict with that of the Company.

A “conflict of interest” occurs when an individual’s private interest directly or indirectly interferes or appears to interfere with the interests of the Company. The Directors and Senior Management Executives must act at all times in the Company’s best interests and avoid putting themselves in a position where their personal interests conflict or appear to conflict with the interests of the Company. Their personal interests will include those of their relatives.

Any Director or Senior Management Executive, who is aware of a conflict of interest or is concerned that a conflict might develop, is required to disclose the matter promptly to the Board in case of a Director and to the Managing Director or Chief Financial Officer or Compliance Officer in case of a Senior Management Executive.

#### **6. RELATED PARTY TRANSACTIONS**

Any Director or Senior Management Executive or any of their relatives/associates should not derive any undue personal benefit or advantage by virtue of his position or relationship with the Company. As a general rule, Senior Management Executives should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures are made as required by law and this Code.

#### **7. LEGAL COMPLIANCE**

The Company is committed to high standards of corporate governance and believes in compliance with all the laws and regulations both in letter and spirit. The Company is committed to provide in time, accurate and complete information as required, to all concerned including its stakeholders.

All Directors and Senior Management Executives must comply and where applicable, oversee compliance by employees with all the laws, rules and regulations applicable to the Company and its employees. Each Senior Management Executive must acquire appropriate knowledge of the requirements relating to his duties sufficient to enable him to recognize potential non compliance issues and to know when to seek advice from the Legal Department on specific Company policies and procedures.

#### **8. INSIDER TRADING**

All Directors and Senior Management Executives and their immediate family members shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, which is not in the public domain and thus

constitutes insider information. All Directors and Senior Management Executives are required to comply with the Company's Code of Conduct for Prohibition of Insider Trading.

#### **9. TRANSPARENCY AND ACCOUNTABILITY**

The Directors and Senior Management Executives shall be transparent in all their dealings except in cases where the needs of business security dictate otherwise and shall hold themselves accountable to the Board or Managing Director or Chief Financial Officer or Compliance Officer as the case may be.

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

(Pursuant to section 149, section 166 and Schedule IV of the Companies Act, 2013)

##### **(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 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 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) Scrutinize 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 that 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**

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 chairman 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;
- (11) A person who uses such mechanism are not prejudicially affected on account of such use;
- (12) Report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (13) Acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (14) 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.

**(IV) Separate Meetings:**

- (1) 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;
- (2) All the Independent Directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) Review the performance of non-independent directors and the Board as a whole;
  - (b) Review the performance of the Chairman of the company, taking into account the views of executive directors and non-executive directors;
  - (c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**(V) General duties of Directors pursuant to Section 166 of the Companies Act, 2013:**

- (1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the Articles of the company.
- (2) A director of a 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 employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or 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.
- (6) A director of a company shall not assign his office and any assignment so made shall be void

**11. REPORTING**

The Company Secretary shall be the Compliance Officer for the purpose of this Code. Senior Management Executives are required to report observed violations of the Code and illegal or unethical behaviour to the Managing/Whole time Director or Chief Financial Officer or Compliance Officer. All reports will be treated in a confidential manner and it is Company's policy not to allow retaliation for reports made in good faith of misconduct by others. In accordance with an established, documented & approved process, the Company will undertake, review & where appropriate, investigate of alleged violations or misconduct. Senior Management Executives are expected to cooperate in internal investigations of misconduct and violations of this Code.

**12. COMPLIANCE OF THE CODE**

The matters covered in this Code of Conduct are of the utmost importance to the Company, its stockholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. The Company expects all the Directors and Senior Management Executives to adhere to these rules in carrying out their duties for the Company. Directors and Senior Management Executives are accountable for full compliance with this Code. Sanctions for breach of this Code shall be determined by the Board of Directors in case of Directors and the Managing Director in the case of Senior Management Executives.

### **13. ANNUAL COMPLIANCE REPORTING**

The Directors and Senior Management Executives shall affirm compliance with this Code of Conduct on an annual basis as at the end of the each financial year of the Company. (Within 10 days of the close of every financial year).

### **14. WAIVERS & AMENDMENTS**

Any waiver of any provision of this Code for a member of the Company's Board of Directors or a Senior Management Executive must be approved in writing by the Company's Board of Managing Director or Directors and appropriately disclosed. Based on the business requirements and applicable regulations the Code may be amended by the Board of Directors from time to time.

### **15. ACKNOWLEDGEMENT**

The Code shall become applicable to all the existing directors as soon as it is approved by the Board of Directors. In case of a new director the Code shall become applicable from the date of his appointment. All Senior Management Executives shall acknowledge the receipt of this Code in the acknowledgement form appended to this Code indicating that they have received, read and understood, and agreed to comply with the Code and send the same to the Managing Director or Chief Financial Officer or Compliance Officer. A New Senior Management Executive will submit such an acknowledgment at the time when his employment begins/when he assumes a senior management position.