

Code of Conduct for Directors and Senior Management

Kalpataru Power Transmission Ltd has been practicing the principles of good corporate governance over the years which include respect for human values, individual dignity and adherence to honest, ethical and professional conduct.

This Code of Conduct ensures compliance with the provisions of revised Clause 49 of the Listing Agreement entered into with the Stock Exchanges.

This Code of Conduct is applicable to the

- Directors on the Board of the Company and
- Senior Management of the Company.

For this purpose, the term “Senior Management” shall mean personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management one level below the executive directors, including all functional head.

The Directors and Senior Managerial Personnel shall confirm that they have received, read and understood the Code of Conduct. They further agree to comply with the Code in the format specified on an annual basis.

1. Honest & Ethical Conduct:

- a. The Directors and Senior Managerial Personnel shall act honestly, fairly, ethically with loyalty and conduct themselves in a professional, courteous and respectful manner.
- b. The Directors and Senior Managerial Personnel act in the best interest of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the stakeholders of the Company.
- c. The Directors and Senior Managerial Personnel expected to act in good faith, with responsibility, due care, competence, diligence and independence.
- d. The Directors and Senior Managerial Personnel should treat their colleagues and other associates of the Company with dignity and shall not misbehave with any of them in any manner.

2. Confidentiality of Information:

Every Director and Senior Managerial Personnel has to secure, preserve, safeguard and use discreetly, confidential information in the best interest of the Company. He should not divulge or communicate such information to third parties except when authorized for the business reasons.

3. Conflict of Interest:

- a. The Senior Managerial Personnel should avoid any relationship, influence or activity that may impair the ability to make objective and fair decisions.
- b. The Senior Managerial Personnel are expected not to accept any position of influence or of pecuniary interest in any other organization, whose business is in direct competition with that of the Company, shall be avoided.
- c. The Senior Managerial Personnel are responsible for effective control and appropriate use of all Company's resources entrusted to them in the official discharge of their duty.

4. Compliance with Laws and Regulations:

- a. The Directors and Senior Managerial Personnel are expected to comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company.
- b. The Directors and Senior Managerial Personnel should also abide by the SEBI (Prohibition of Insider Trading) Regulations, 1992, as adopted by the Board of Directors.

5. Clean Environment, Safety & Health:

In all aspects of company's operations, its employees, customers and society, safe, healthy and clean environment shall be given prime importance.

6. The Independent Directors shall fulfill the following duties

- 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 and 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 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;
- 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;
- 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.

7. Amendment to the code of Conduct of the Company:

Any amendment or waiver of any provision of this Code should be approved by the Company's Board of Directors and disclosed on the Company's website.