

# HINDUSTAN TIN WORKS LIMITED

## Terms and condition of appointment of Independent directors

### Introduction

- This code of Conduct ("This Code") shall be called "The Code of Conduct for Board Members and Senior Management Personnel" of Hindustan Tin Works Limited (herein after referred to as "the Company").
- The Subject code has been framed specifically in compliance with the provisions of Clause 49 of the listing agreement with Stock Exchanges and the Companies Act, 2013.
- The purpose of this Code is to enhance further an ethical and transparent process in managing the affairs of the Company.
- It shall come into force with effect from 28th May, 2014 (as amended from time to time).

### Definitions & Interpretations:

- The term "Board of Directors" shall mean Directors on the Board of Directors of the Company.
- The term "Whole-time Director" shall be the Directors on the Board of Directors of the Company who are in whole time employment of the Company.
- The term "Non-Executive Director" shall mean Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
- The term "Relative" shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 (Refer appendix-I)
- 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 heads.

### Philosophy

It has been long pursued policy and commitment of Hindustan Tin Works Limited to adhere to highest standards of integrity-professional and financial and business ethics in the operation of its business. This Code sets forth the guiding principles on which the Directors and members of the Senior Management of the Company shall conduct themselves and discharge their responsibilities towards the stakeholders, government and regulatory agencies, customers, supplies, society at large and all others with whom the Company is connected. The Directors and members of the senior Management recognize that they are the trustees and custodian of public money and in order to fulfill their fiduciary obligations and responsibilities, they shall maintain and continue to enjoy the trust and confidence of public at large by rendering their duties in an efficient and transparent manner.

### Applicability

The code of Conduct shall apply to:

- All directors of the Company, whether executive or non-executive including Independent and nominee directors whether in whole time employment or part time employment
- Senior Management personnel.

Accordingly, the Directors and Senior Management Personnel are expected to read and understand this Code of Conduct and uphold these standards in their business dealings and activities.

### Honest and Ethical

We expect all the Directors and Senior Management Personnel to act in accordance with the highest

standards of personnel and professional integrity, honesty and ethical conduct, while working at the Company's premises, at offsite locations, at Company's sponsored business and social events, and/or at any other place where the Directors and Senior Management Personnel represent the Company. We consider honest conduct to be conduct that is free from fraud and/or deception. We consider ethical to be conduct confirming to the accepted professional norms of Conduct. Ethical conduct includes ethical handling of actual or apparent conflicts of interest as specified in list mentioned below.

**Conflict of Interest:**

Duty of the Directors and Senior Management Personnel of the company demands that he or she avoids and discloses actual and apparent conflicts of Interest. A conflict of interest exists where the interest or benefits of one person or entity conflict with the interest or benefits of the Company.

**(a) Employment:**

In consideration of employment with the company, officers are expected to devote their full attention to the business interests of the Company. Officers are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company, or otherwise in conflict with or prejudicial to the Company. Each officer shall inform the Board of any change in events/circumstances /conditions that may interfere with their ability to perform their duties. Additionally, officers must disclose to the Company's Board of Directors, any interest that they have that may conflict with the business of the Company.

**(b) Outside Directorships:**

it is a conflict of interest to serve as a Director of any Company that competes directly with the Company. Directors and Senior Management Personnel must first obtain approval from the Company's Board of Directors before accepting such Directorship. Further each Directors and Senior Management Personnel shall inform the Board of any change in their board positions.

**(c) Business Interests:**

The Directors and Senior Management Personnel shall take permission from the Board of Directors of the company before making Substantial Investment in the business of the competitors. Substantial investment shall mean any investment over Rs 50.00 Lacs for Directors and Rs 5.00 Lacs for Senior Management Personnel.

**(d) Payments or gifts from others:**

Under no Circumstances any Directors and Senior Management Personnel shall accept any offer, payment, promise to pay, or authorization to pay any gift, money or anything of value from customers, vendors, consultants, etc of the company, that is perceived and/or intended, directly or indirectly, to influence any business decision, of the company.

**(e) Corporate opportunities:**

Directors and Senior Management Personnel shall not exploit for their own personnel gain, opportunities that are discovered through the use of Company property, information or position, unless the opportunity is first disclosed in writing to the Board of Directors.

**Compliance with Government Laws, Rules and Regulations:**

Directors and Senior Management Personnel must comply with all applicable governmental laws, rules and regulations.

**Confidential Information:**

Directors and Senior Management Personnel are required to maintain the confidentiality of all confidential information that they receive or become privy during the course of conducting the Co's business, except when disclosure is authorized or legally updated.

**Insider Trading:**

Directors and Senior Management Personnel should observe all applicable laws and regulations including the company's policies and codes as applicable to them with respect to the purchase and sale of the company's securities.

**Encouraging the reporting of illegal or unethical behaviour:**

Directors and Senior Management Personnel should endeavor to ensure that management is causing the Company to promote ethical behavior and to encourage employees to report evidence of illegal or unethical behavior to appropriate company personnel. Directors should endeavour to ensure that the company will not allow retaliation against any employee who makes a good faith report about a possible violation of the Company's Code of Conduct.

**Duties of Directors provided under section 166 of the Companies Act, 2013**

- Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
- 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.
- A director of a company shall exercise his/her duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- A director of a company shall not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possible may conflict, with the interest of the Company.
- A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his/her relatives, partners, or associates and if such director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the company.
- A director of a company shall not assign his/her office and any assignment so made shall be void.

**Role of Independent Directors:**

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;
- scrutinize the performance of management in meeting agreed goals and objectives and monitor

- the reporting of performance;
- satisfy themselves in the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard interests of all stakeholders, particularly the minority shareholders;
- balance the conflicting interest of the stakeholders;
- 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; and
- moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

**Duties of Independent Directors:**

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 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/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 behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- Acting within his/her 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.

**Insertion of the Code in website:**

As required by clause 49 of the listing agreement this code and any amendments thereto shall be posted on the website of the Company.

**Affirmation of compliance of the Code:**

In terms of clause 49 of the listing agreement all Directors and Senior Management Personnel shall affirm compliance with the code in every financial year.

**No rights created:**

This code of conduct is a statement of certain fundamental principles, ethics, values, policies and procedures that govern the Directors and Senior Management Personnel of the company in the conduct of Company's business. It is not intended to and does not create any rights in any employee, shareholder or any other person or entity.

**Acknowledgment of receipt of Code of Conduct:**

All Directors and Senior Management Personnel shall acknowledge the receipt of this code, indicating that they have received, read and understood and agreed to comply with the code and send the same to the compliance officer.

**Non-Compliance:**

Suspected violations of this code may be reported to the chairman of the Board or the Chairman of the Audit Committee.

## Appendix - I

**Meaning of relative:**

"Relative" with reference to any person, means anyone who is related to another, if-

- they are members of a Hindu undivided family,
- they are husband and wife, or
- one person is related to the other in the such manner as given below:-

**List of relative**

A Person shall be deemed to be the relative of another, if he or she is related to another in the following manner namely :-

- Father  
Provided that the term "Father" includes step-father.
- Mother  
Provided that the term "Mother" includes step-mother.
- Son  
Provided that the term "Son" includes Step-son
- Son's wife
- Daughter
- Daughter's husband
- Brother  
Provided that the term " Brother" includes Step brother;
- Sister

Provided that the term " Sister" includes step sister