

## Chapter. 3 (Manual. 2)

### **Powers and Duties of Officers and Employees**

The powers and duties of the Company's Directors are governed by Articles of Association of the Company with appropriate delegation from the Board of Directors to Chairman & Managing Director. Depending on the requirement powers are in turn sub-delegated from Chairman & Managing Director to Plant Heads, Regional Office Heads and to certain functional Heads with Financial Limits. The duties of Senior Officers of the Company are also governed by ITI Code of Business Conduct and Ethics.

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

#### **I. INTRODUCTION**

This Code of Business Conduct and Ethics helps ensure compliance with legal requirements and our standards of business conduct. All Company employees and trainees are expected to read and understand this Code of Business Conduct and Ethics, uphold these standards in day-to-day activities, comply with all applicable policies and procedures, and ensure that all agents and contractors are aware of, understand and adhere to these standards.

Because the principles described in this Code of Business Conduct and Ethics are general in nature, you should also review all applicable Company policies and procedures and the Employee CDA Rules / Standing Orders, when adopted for your location for more specific instruction. You can also contact the Personnel & Administration / Secretarial Department if you have any questions.

Nothing in this Code of Business Conduct and Ethics, in any company policies and procedures or in other related communications (verbal or written) shall constitute and shall not be construed to constitute a contract of employment for a definite term or a guarantee of confirmed employment.

We are committed to continuously reviewing and updating our policies and procedures. Therefore, this Code of Business Conduct and Ethics is subject to modification. This Code of Business Conduct and Ethics supersedes all other such codes, policies, procedures, instructions, practices, rules or written or verbal representations to the extent they are inconsistent. The Company may update the code from time to time.

Please sign the acknowledgment form at the end of this Code of Business Conduct and Ethics and return the form to the Personnel & Administration / Secretarial Department indicating that you have received, read, understand and agree to comply with the Code of Business Conduct and Ethics. The signed acknowledgment form will be located in your personnel file. Each year as part of your annual review you will be asked to sign an acknowledgment indicating your continued understanding of the Code of Business Conduct and Ethics.

#### **II. COMPLIANCE IS EVERYONE'S BUSINESS**

Ethical business conduct is critical to our business. As an employee, your responsibility is to respect and adhere to these practices. Many of these practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant liability for you, the Company, its directors, officers, and other employees.

Part of your job and ethical responsibility is to help enforce this Code of Business Conduct and Ethics. You should be alert to possible violations and report possible violations to the Personnel & Administration / Secretarial Department. You must cooperate in any internal or external investigations of possible violations. Reprisal, threats, retribution or retaliation against any person who has in good faith reported a violation or a suspected violation of law, this Code of Business Conduct or other Company policies, or against any person who is assisting in any investigation or process with respect to such a violation, is prohibited.

Violations of law, this Code of Business Conduct and Ethics, or other Company policies or procedures should be reported to the Personnel & Administration / Secretarial Department.

If you find or have concerns related to questionable accounting, accounting controls, auditing matters, OR reporting of fraudulent financial information to our shareholders, government or the financial markets, OR of serious Misconduct, i.e., conduct which results in a violation of law by the Company or in a substantial mismanagement of company resources and if proven constitutes a criminal offence or reasonable grounds for dismissal of the person engaging in such conduct, OR conduct which is otherwise in violation of any law or the Company's policies, you should promptly contact any of the following:

- \* Corporate Personnel & Administration / Secretarial Department;
- \* Your Immediate Supervisor;

You may also report your concerns anonymously by e-mailing the Company's e-mail id for this purpose at or by sending an anonymous letter to the Corporate Personnel & Administration/ Secretarial Department. If you have reason to believe that both of those individuals are involved in these matters, you should report those facts to the Audit Committee of the Company's Board of Directors.

Violations of law, this Code of Business Conduct and Ethics or other Company policies or procedures by Company employees can lead to disciplinary action up to and including termination.

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting the Corporate Personnel & Administration / Secretarial Department.

### **III. YOUR RESPONSIBILITIES TO THE COMPANY AND ITS STOCKHOLDERS**

#### General Standards of Conduct

The Company expects all employees, agents and contractors to exercise good judgment to ensure the safety and welfare of employees, agents and contractors and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. These standards apply while working on our premises, at offsite locations where our business is being conducted, at Company-sponsored business and social events, or at any other place where you are a representative of the Company. In addition, on client locations, you may be required to adhere to the Clients' code of conduct as well. Employees, agents or contractors who engage in misconduct or whose performance is unsatisfactory may be subject to corrective action, up to and including termination.

#### **A1. Workplace free of Harassment**

The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment based on pregnancy, childbirth or related medical conditions, race, religious creed, color, national origin or ancestry, physical or mental disability, medical condition, marital status, age, sexual orientation, or any other basis protected by any applicable law, rules or ordinance or regulations. All such harassment is unlawful. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company towards other ITI employees including supervisors, outside vendors, clients. It also prohibits unlawful harassment based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics.

If you believe that you have been unlawfully harassed, submit a complaint to your own or any other company supervisor.

If you have any questions relating to what constitutes discrimination or harassment, or if you have any other questions or concerns pertaining to discrimination or harassment, contact the Corporate Personnel & Administration / Secretarial Department.

## **A2. Drug and Alcohol Abuse**

To meet our responsibilities to employees, customers and investors, the Company must maintain a healthy and productive work environment. Misusing controlled substances, or selling, manufacturing, distributing, possessing, using or being under the influence of illegal drugs and alcohol on the job is absolutely prohibited.

## **A3. Safety in Workplace**

The safety of people in the Workplace is a primary concern of the Company. Each of us must comply with all applicable health and safety policies. We maintain compliance with all applicable laws to maintain secure and healthy work surroundings. Questions about these laws and guidelines should be directed to the Personnel & Administration / Secretarial Department.

## **A4. Dress Code and other personal standards**

Because each of us is a representative of the Company in the eyes of the public, we must report to work properly groomed and wearing appropriate clothing. Employees are expected to dress neatly and in a manner consistent with the nature of the work performed.

## **A5. Expense Claims**

All business related expense claims must be authorized by the manager of the employee before the incurrence. The reimbursement of expense incurred must be claimed within 30 days of incurring the expenditure. Expense claims post the expiry of 30 days will be deemed to be unauthorized. Personal expense will not be reimbursed by the company. To know the individual business expenditure limit employees should contact the Personnel & Administration / Secretarial Department.

## **B. Applicable Laws**

All Company employees, agents and contractors must comply with all applicable laws, regulations, rules and regulatory orders. Each employee, agent and contractor must acquire appropriate knowledge of the requirements relating to his or her duties sufficient to enable him or her to recognize potential dangers and to know when to seek advice from the Secretarial Department on specific Company policies and procedures. Violations of laws, regulations, rules and orders may subject the employee, agent or contractor to individual criminal or civil liability, as well as to discipline by the Company. Such individual violations may also subject the Company to civil or criminal liability or the loss of business.

## **C. Conflicts of Interest**

Each of us has a responsibility to the Company, our stockholders and each other. Although this duty does not prevent us from engaging in personal transactions and investments, it does demand that we avoid situations where a conflict of interest might occur or appear to occur. The Company is subject to scrutiny from many different individuals and organizations. We should always strive to avoid even the appearance of impropriety.

All employees must avoid situations involving actual or potential conflict of interest. Personal involvement with a competitor, supplier, or subordinate employee of the company, which impairs an employee's ability to exercise good judgment on behalf of the Company, creates an actual or potential conflict of interest.

An employee involved in any of the types of relationships or situations described in this policy should immediately and fully disclose the relevant circumstances to his or her immediate supervisor, or any other appropriate supervisor, for a determination about whether a potential or actual conflict exists. If an actual or potential conflict is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action.

### **Meaning of conflict of interest**

A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

- (i) **Employment/ Outside Employment.** In consideration of your employment with the Company, you are expected to devote your full attention to the business interests of the Company. You are prohibited from engaging in any activity that interferes with your performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting simultaneous employment with a Company supplier, customer, developer or competitor, or from taking part in any activity that enhances or supports a competitor's position. Additionally, you must disclose to the Company any interest that you have that may conflict with the business of the Company. If you have any questions on this requirement, you should contact your supervisor or the Personnel & Administration / Secretarial Department.
- (ii) **Business Interests.** If you are considering investing in a Company customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise your responsibilities to the Company.

Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; your access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

- (iii) **Related Parties.** As a general rule, you should avoid conducting Company business with a relative, or with a business in which a relative is associated in any significant role. Relatives include spouse, siblings, children, parents, grandparents, grandchildren, aunts, uncles, nieces, nephews, cousins, step relationships, and in-laws.

If such a related party transaction is unavoidable, you must fully disclose the nature of the related party transaction to the Company's Chief Financial Officer / Director (Finance). If determined to be material to the Company by the Chief Financial Officer / Director (Finance), the Company's Audit Committee must review and approve in writing in advance such related party transactions. The most significant related party transactions, particularly those involving the Company's Directors or Executive officers, must be reviewed and approved in writing in advance by the Company's Board of Directors. The Company must report all such material related party transactions under applicable accounting rules, SEBI, Companies Act, 1956. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to this business.

The Company discourages the employment of relatives in positions or assignments within the same department and prohibits the employment of such individuals in positions that have a financial or other dependence or influence (e.g., an auditing or control relationship, or a supervisor/subordinate relationship). The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the Personnel & Administration / Secretarial Department is responsible for determining whether an applicant's or transferee's acknowledged relationship is covered by this policy and the decision. The Personnel & Administration/ Secretarial Department shall advise all affected applicants and transferees of this policy. Willful withholding of information regarding a prohibited relationship/reporting arrangement will be subject to corrective action, up to and including termination. If a prohibited relationship exists or develops between two employees, the employee in the senior position must bring this to the attention of his/her supervisor. The Company retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

- (iv) **Other Situations.** Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Personnel & Administration / Secretarial Department.

## **D. Corporate Opportunities**

Employees, officers and Directors may 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 of Directors declines to pursue such opportunity.

## **E. Protecting the Company's Confidential Information**

The Company's confidential information is a valuable asset. The Company's confidential information includes product architectures; source codes; product plans and road maps; names and lists of customers, dealers, and employees; and financial information. This information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws. All confidential information must be used for Company business purposes only. Every employee, agent and contractor must safeguard it. This responsibility includes not disclosing the Company confidential information such as information regarding the Company's services or business over the internet. You are also responsible for properly labeling any and all documentation shared with or correspondence sent to the Company's other Departments as "Strictly Confidential". This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Company's policy on Maintaining and Managing Records. This obligation extends to confidential information of third parties, which the Company has rightfully received under Non-Disclosure Agreements.

## **F. Obligations Under Securities Laws-"Insider" Trading**

In the normal course of business, officers, directors, employees, agents, contractors and consultants of the Company may come into possession of significant, Price sensitive information. This information is the property of the Company.

You may not profit from it by buying or selling securities yourself. Further you are not to tip others to enable them to profit or for them to profit on your behalf.

The purpose of this policy is both to inform you of your legal responsibilities and to make clear to you that the misuse of sensitive information is contrary to Company policy and applicable laws.

Insider trading is a crime, penalized by fines and imprisonment for individuals. In addition, the regulators [SEBI] may seek the imposition of a civil penalty of up to three times the profits made or losses avoided from the trading. Insider trading rules are strictly enforced, even in instances when the financial transactions seem small.

For more details, you should read the Insider Trading Rules carefully, paying particular attention to the specific policies and the potential criminal and civil liability and/or disciplinary action for insider trading violations. You should comply with the Company's Insider Trading Rules, follow the pre-clearance procedures for trading and trade only during a trading window.

Employees, agents and contractors of the Company who violate this Policy will also be subject to disciplinary action by the Company, which may include termination of employment or of business relationship. All questions regarding the Company's Insider Trading Rules should be directed to the Secretarial Department.

## **G. Use of Company's Assets:**

- (i) General. Protecting the Company's assets is a key responsibility of every employee, agent and contractor. Care should be taken to ensure that assets are not misappropriated, loaned to others, or sold or donated, without appropriate authorization. All Company employees, agents and contractors are responsible for the proper use of Company assets, and must safeguard such assets against loss, damage, misuse or theft. Employees, agents or contractors who violate any

aspect of this policy or who demonstrate poor judgment in the manner in which they use any Company asset may be subject to disciplinary action, up to and including termination of employment or business relationship at the Company's sole discretion. Company equipment and assets are to be used for Company business purposes only. Employees, agents and contractors may not use Company assets for personal use, nor may they allow any other person to use Company assets. Employees who have any questions regarding this policy should bring them to the attention of the Company's Corporate Personnel & Administration / Secretarial Department.

- (ii) Company Brand and Logo. are registered trademarks of the Company in India. They should be conspicuously marked with the designation or with a notation that they are registered trademarks of the Company whenever they are first used in any medium, presentation or other promotional context. For information on correct usage of the company's trademarks contact the Corporate Marketing Department.
- (iii) Company Funds. Every Company employee is personally responsible for all Company funds over which he or she exercises control. Company agents and contractors should not be allowed to exercise control over Company funds. Company funds must be used only for Company business purposes. Every Company employee, agent and contractor must take reasonable steps to ensure that the Company receives good value for Company funds spent, and must maintain accurate and timely records of each and every expenditure. Expense reports must be accurate and submitted in a timely manner. Company employees, agents and contractors must not use Company funds for any personal purpose.
- (iv) Computers and Other Equipment. The Company strives to furnish employees with the equipment necessary to efficiently and effectively do their jobs. You must care for that equipment and to use it responsibly only for Company business purposes. If you use Company equipment at your home or off site, take precautions to protect it from theft or damage, just as if it were your own. If the Company no longer employs you, you must immediately return all Company equipment. While computers and other electronic devices are made accessible to employees to assist them to perform their jobs and to promote Company's interests, all such computers and electronic devices, must remain fully accessible to the Company and, to the maximum extent permitted by law, will remain the sole and exclusive property of the Company. Employees, agents and contractors should not maintain any expectation of privacy with respect to information transmitted over, received by, or stored in any electronic communications device owned, leased, or operated in whole or in part by or on behalf of the Company. To the extent permitted by applicable law, the Company retains the right to gain access to any information received by, transmitted by, or stored in any such electronic communications device, by and through its employees, agents, contractors, or representatives, at any time, either with or without an employee's or third party's knowledge, consent or approval.
- (v). Software. All software used by employees to conduct Company business must be appropriately licensed. Never make or use illegal or unauthorized copies of any software, whether in the office, at home, or on the road, since doing so may constitute copyright infringement and may expose you and the Company to potential civil and criminal liability. In addition, use of illegal or unauthorized copies of software may subject the employee to disciplinary action, up to and including termination.
- (v) Electronic Usage. The purpose of this policy is to make certain that employees utilize electronic communication devices in a legal, ethical, and appropriate manner. This policy addresses the Company's responsibilities and concerns regarding the fair and proper use of all electronic communications devices within the organization, including computers, e-mail, connections to the Internet, intranet and extranet and any other public or private networks, voice mail, video conferencing, facsimiles, and telephones. Posting or discussing information concerning the Company's services or business on the Internet without the prior written consent of the Company's CFO / Director (Finance) is prohibited. Any other form of electronic communication used by employees currently or in the future is also intended to be encompassed under this policy. It is not possible to identify every standard and rule applicable to the use of electronic communications

devices. Employees are therefore encouraged to use sound judgment whenever using any feature of our communications systems.

## **H. Maintaining and Managing Records**

The purpose of this policy is to set forth and convey the Company's business and legal requirements in managing records, including all recorded information regardless of medium or characteristics. Records include paper documents, CDs, computer hard disks, email, floppy disks, microfiche, microfilm or all other media. The Company is required by local, state, federal, foreign and other applicable laws, rules and regulations to retain certain records and to follow specific guidelines in managing its records. Civil and criminal penalties for failure to comply with such guidelines can be severe for employees, agents, contractors and the Company, and failure to comply with such guidelines may subject the employee, agent or contractor to disciplinary action, up to and including termination of employment or business relationship.

## **I. Payment Practices**

- (i) Accounting Practices. The Company's responsibilities to its stockholders and the investing public require that all transactions be fully and accurately recorded in the Company's books and records in compliance with all applicable laws. All required information shall be accessible to the company's auditors and other authorized persons and government agencies. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited and violate Company policy and the law. There shall be no wilful omissions of any company transactions from the books and records, no advance income recognition and no hidden bank accounts and funds. Any wilful material misrepresentation of and/or misinformation of the financial accounts and reports shall be regarded as a violation of the Code apart from inviting appropriate civil or criminal action under the relevant laws. Additionally, all documentation supporting a transaction should fully and accurately describe the nature of the transaction and be processed in a timely fashion.
- (ii) Political Contributions. The Company reserves the right to communicate its position on important issues to elected representatives and other government officials. It is the Company's policy to comply fully with all local, state, federal, foreign and other applicable laws, rules and regulations regarding political contributions. The Company's funds or assets must not be used for, or be contributed to, political campaigns or political practices under any circumstances without the prior written approval of the Company's Board of Directors.
- (iii) Prohibition of Inducements. Under no circumstances may employees, agents or contractors offer to pay, make payment, promise to pay, or issue authorization to pay any money, gift, or anything of value to customers, vendors, consultants, etc. that is perceived as intended, directly or indirectly, to improperly influence any business decision, any act or failure to act, any commitment of fraud, or opportunity for the commission of any fraud.

## **IV. RESPONSIBILITIES TO OUR CUSTOMERS AND OUR SUPPLIERS**

### **A. Customer Relationships**

If your job puts you in contact with any Company customers or potential customers, it is critical for you to remember that you represent the Company to the people with whom you are dealing. Act in a manner that creates value for our customers and helps to build a relationship based upon trust. The Company and its employees have provided services for many years and have built up significant goodwill over that time. This goodwill is one of our most important assets, and the Company employees, agents and contractors must act to preserve and enhance our reputation.

## **B. Payments or Gifts from Others**

Under no circumstances may employees, agents or contractors accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of 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 of fraud, or opportunity for the commission of any fraud.

Gifts given by the Company to suppliers or customers or received from suppliers or customers should always be appropriate to the circumstances and should never be of a kind that could create an appearance of impropriety. The nature and cost must always be accurately recorded in the Company's books and records.

## **C. Publications of Others**

The Company subscribes to many publications that help employees do their jobs better. These include newsletters, reference works, online reference services, magazines, books, and other digital and printed works. Copyright law generally protects these works, and their unauthorized copying and distribution constitute copyright infringement. You must first obtain the consent of the publisher of a publication before copying publications or significant parts of them. When in doubt about whether you may copy a publication, consult the Secretarial Department.

## **D. Handling the Confidential Information of Others**

The Company has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship. At other times, we may request that a third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Whatever the situation, we must take special care to handle the confidential information of others responsibly. We handle such confidential information in accordance with our agreements with such third parties.

## **E. Selecting Suppliers**

The Company's suppliers make significant contributions to our success. To create an environment where our suppliers have an incentive to work with the Company, they must be confident that they will be treated lawfully and in an ethical manner. The Company's policy is to purchase supplies based on need, quality, service, price and terms and conditions. The Company's policy is to select significant suppliers or enter into significant supplier agreements through a competitive bid process where possible. Under no circumstances should any Company employee, agent or contractor attempt to coerce suppliers in any way. The confidential information of a supplier is entitled to the same protection as that of any other third party and must not be received before an appropriate nondisclosure agreement has been signed. In some cases where the products or services have been designed, fabricated, or developed to our specifications the agreement between the parties may contain restrictions on sales.

## **F. Government Relations**

It is the Company's policy to comply fully with all applicable laws and regulations governing contract and dealings with government employees and public officials, and to adhere to high ethical, moral and legal standards of business conduct.

This policy includes strict compliance with all local, state, federal, foreign and other applicable laws, rules and regulations. If you have any questions concerning government relations you should contact the Secretarial Department.

## **G. Free and Fair Competition**

Competition laws generally address the following areas: pricing practices (including price discrimination), discounting, terms of sale, credit terms, promotional allowances, secret rebates, exclusive dealerships or distributorships, product bundling, restrictions on carrying competing products, termination, and many other practices.

Competition laws also govern, usually quite strictly, relationships between the Company and its competitors. As a general rule, contacts with competitors should always avoid subjects such as prices or other terms and conditions of sale, customers, and suppliers. Employees, agents or contractors of the Company may not knowingly make false or misleading statements regarding its competitors or the products of its competitors, customers or suppliers. Participating with competitors in a trade association or in a standards creation body is acceptable when the association has been properly established, has a legitimate purpose, and has limited its activities to that purpose.

No employee, agent or contractor shall at any time or under any circumstances enter into an agreement or understanding, written or oral, express or implied, with any competitor concerning prices, discounts, other terms or conditions of sale, profits or profit margins, costs, allocation of product or geographic markets, allocation of customers, limitations on production, boycotts of customers or suppliers, or bids or the intent to bid or even discuss or exchange information on these subjects. In some cases, legitimate joint ventures with competitors may permit exceptions to these rules as may bona fide purchases from or sales to competitors on non-competitive products, but the Company's Marketing Department must review all such proposed ventures in advance. These prohibitions are absolute and strict observance is required. Collusion among competitors is illegal, and the consequences of a violation are severe.

## **V. WAIVERS**

Any waiver of any provision of this Code of Business Conduct and Ethics for a member of the Company's Board of Directors or an executive officer must be approved in writing by the Company's Board of Directors and promptly disclosed. Any waiver of any provision of this Code of Business Conduct and Ethics with respect to any other employee, agent or contractor must be approved in writing by the Company's Corporate Personnel & Administration / Secretarial Department.

## **VI. DISCIPLINARY ACTIONS**

The matters covered in this Code of Business Conduct and Ethics 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. We expect all of our employees, agents, contractors and consultants to adhere to these rules in carrying out their duties for the Company.

The Company will take appropriate action against any employee, agent, contractor or consultant whose actions are found to violate these policies or any other policies of the Company. Disciplinary actions may include immediate termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible. Where laws have been violated, the Company will co-operate fully with the appropriate authorities.

## **VII. ACKNOWLEDGMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT AND ETHICS**

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Company Code of Business Conduct and Ethics and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Business Conduct and Ethics, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult my manager, the Personnel & Administration / Secretarial Department, knowing that my questions or reports to these sources will be maintained in confidence.

**Director / Employee Name :**

**Staff No.**

**Signature:**

**Date:**

Please sign and return this form to the Personnel & Administration / Secretarial Department.

### ITI LIMITED (INSIDER TRADING) RULES, 2002

1. Short title and commencement:- (1) These rules may be called ITI Limited (Insider Trading) Rules,2002.
2. These rules are applicable to “Designated Employees” and their Dependent Relatives.
3. These Rules shall come into force in the Company w.e.f . . . . .

#### **II. DEFINITIONS:-** In these rules, unless the context otherwise provide:-

“Act” means the Securities and Exchange Board of India Act, 1992.

“Board” means the Board of Directors of ITI Limited.

“Rules” means the ITI LIMITED (INSIDER TRADING) RULES, 2002.

“Committee” means the Company Secretary and two other persons not below the rank of General Manager / Additional General Manager to be appointed by the Board.

“Company” means ITI Limited.

“Compliance Officer” means the Company Secretary or such other person who may be appointed by the Board of Directors as the Compliance Officer.

“Designated Employees” means Auditors, all Directors (Functional, Part time), Executive Directors, General Managers, Additional General Managers, Plant Heads and their secretarial staff and all employees and Officers of the Finance Department, Secretarial, Marketing, Public Relations and Operations at Corporate Office and any other employees and their dependent relatives who are privy to any price sensitive information.

“Dependents” means Spouse, dependent parents, dependent Children, dependent in-laws, dependent brothers and sisters.

“Dealing in Shares” means an act of subscribing, buying, selling or agreeing to buy, sell or deal in any shares of the Company by any person either as principal or agents.

“Insider” means a Designated Employee who is or was connected with the Company or is deemed to have been connected with the Company, and who is reasonably expected to have access to unpublished price sensitive information of the Company, or who has received or has had access to unpublished price sensitive information.

“Price Sensitive Information” means any information, which relates directly or indirectly to the Company and if published, is likely to materially affect the price of shares of the Company and includes but shall not be restricted to:-

1. Periodical Financial results of the Company
2. Intended declaration of dividends (both interim and final)
3. Issues of Shares or buy back of Shares
4. Any major expansion plans or execution of new projects
5. Amalgamation, mergers and takeovers
6. Disposal of whole or substantially the whole of the undertaking.
7. Any significant change in policies, plans or operations of the Company.

“Published Information” means any information officially published by the Company or its authorised officers and including those information sent to the Stock Exchanges.

“Trading Window” means a period to be specified by the Company in which trading of securities can be done by the Designated Employee.

“Unpublished Information” means any information, which is not officially published by the Company or its agent and is not specific in nature. However speculative reports in print or electronic media by an analyst or reporter or by means of rumour shall not be considered as published information.

“Official Communication” means any communication made by an authorised person on behalf of the Company and must be recorded in writing.

### **III. Code of Conduct on matters relating to insider trading.**

No insider shall:-

1. Either on his own behalf or on behalf of any other person, deal in securities of the company on the basis of any unpublished price sensitive information which has not yet been officially communicated to the public or the Stock Exchanges.
2. Communicate any unpublished price sensitive information to any person, with or without his request for such information, except as required in the ordinary course of business or under any law, or
3. Counsel or procure any other person to deal in shares of the Company on the basis of unpublished price sensitive information.

### **IV. Rules and Procedures for ‘Designated Employees’ their Dependent Relatives to Invest in Company’s Shares.**

No designated employee, his dependent relatives shall invest in the Company’s shares unless:-

1. He / she takes prior approval of the Compliance Officer giving his name, estimated number of shares he intend to purchase or sell and details of Depository Participant.
2. He / she files an undertaking with the Compliance Officer as given in Annexure B:-
  - (a) That he / she does not have access to or has not received price sensitive information up to the time of signing the undertaking.
  - (b) That in the event of receiving any price sensitive information after signing the undertaking but before the execution of the transaction, he / she will inform the Compliance officer of the change and will refrain from dealing in the shares of the Company till such information is made public.

- (c) That he / she has not contravened the code of conduct for prevention of Insider Trading.
  - (d) That he / she has made a full and true disclosure in the matter.
3. The Designated Employee must execute the order for purchase / sale of shares within one week of getting approval from the Compliance Officer otherwise fresh approval will be required.
  4. All Designated Employees must hold their shares for at least 30 days if the shares are to be considered to have been made for investment purposes, otherwise there will be a strong presumption that the shares were purchased on price sensitive information. This Rule is also applicable to IPOs (Initial Public Offering).
  5. In case of sale necessitated by personal emergency, holding period of 30 days can be waived by the Compliance Officer, for reasons to be recorded in writing.

#### **IV. (A) Permanent Records and Updation thereof on continuous basis.**

1. Each Designated Person will file a declaration with the Compliance Officer providing the names of Dependents within the meaning of the rule along with their shareholding as on \_\_\_\_\_ in prescribed format ( Annexure A ).
2. On an on-going basis each Designated person will update the above information as on 30<sup>th</sup> September and 31<sup>st</sup> March every year, as per proforma prescribed at Annexure-C.

#### **V. Period of Trading for Designated Employee (Trading Window):-**

The Designated Employee can trade in shares after taking the approval at all times except:-

- (a) Seven days before the Board Meetings in which the Unaudited Quarterly Results / Audited Results are considered and 48 hours thereafter.
- (b) Seven days before any matters relating to Price Sensitive Information is considered and 48 hours thereafter.
- (c) Any other period as notified by the Board of Directors.

#### **VI. Powers of Committee to investigate offences**

In relation to any offences by Designated Employees the committee shall:-

- (a) Serve a notice on the Designated Employee. Provided that, if the Committee is of the opinion that it is necessary in the interest of the Company, it can initiate such proceedings without serving any notice.
- (b) Investigate such records and documents in his / her possession or in the possession of the Company.
- (c) Record reasons of the Designated Employee in writing.

#### **VII. PENALTY FOR CONTRAVENTION**

1. The Company shall have the power to impose the following penalty on the Designated Employees:-
  - (a) Withhold any dividend declared by the Board of the Company.

- (b) Employees / Officers / Directors of the Company who violate the code of conduct shall also be subject to disciplinary action by the company which may include wage freeze, suspension, ineligibility for future participation in employee stock option plans, etc.
- (c) The Company shall also take such steps within its power to recover any profits made in respect of such dealings from the designated employee(s).
- (d) The action by the company shall not preclude SEBI from taking any action in case of violation of SEBI (Prohibition of Insider Trading), Regulations, 1992.
- (e) In case it is observed by the company / compliance officer that there has been a violation of SEBI (Prohibition of Insider Trading), Regulations, 1992, SEBI shall be informed by the Company.

#### **VIII. POWER OF THE BOARD TO EFFECT MODIFICATIONS TO THESE RULES**

The Board shall have the powers to make such changes / modifications in these Rules as may be required from time to time to make these Rules more effective and in line with such notifications / changes / amendments made by SEBI.

#### **IX. CAUTION**

All Designated Employees are hereby requested in their own interest not to purchase any shares in the Company beyond the threshold limit as mentioned in Rule I para 3 of these Rules without the prior clearance of the Compliance Officer. In case of any difficulty in understanding these Rules all Designated Employees should first contact the Company Secretary / Compliance Officer.