

ORETEL COMMUNICATIONS LIMITED

(CIN: U74899DL1995PLC069353)

CODE OF CONDUCT FOR DIRECTORS AND SENIOR EXECUTIVES

Preface:

This Code of Conduct (hereinafter referred to as "the Code") has been framed and adopted by Ortel Communications Limited (hereinafter referred to as "the Company") in compliance with the Schedule-IV of the Companies Act, 2013 and provisions of Clause 49 of the Listing Agreement to be entered into by the Company with the Stock Exchanges.

This Code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage the affairs of the company in an ethical manner. The purpose of this code is to recognize and deal with ethical issues and to provide mechanisms to report unethical conduct of Employees, Board of Directors and Senior Management Personnel and to develop a culture of honesty and accountability.

The provisions of this Code can be amended/ modified by the Board of Directors of the Company from time to time and all such amendments/ modifications shall take effect from the date of said amendment/modification.

1. DEFINITIONS & INTERPRETATION

In this Code, unless repugnant to the meaning or context thereof, the following expressions shall have the meaning given to them below:

“Board Members” shall mean the Directors on the Board of Directors of the Company.

“Whole-time Directors” shall mean the Board Members who are in whole-time employment of the Company.

“Part time Directors” shall mean the Board Members who are not in whole time employment of the Company.

“Relative” shall mean ‘relative’ as defined in Clause 77 of Section 2 and read with Rule 4 of Chapter I Companies (Specification of Definitions Details) Rules, 2014 of the Companies Act, 2013.

“Senior Management Personnel” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and would comprise of all members of management team of the rank of General Manager and above.

“The Company” shall mean Ortel Communications Limited.

2. APPLICABILITY

The Code applies to the following personnel:

Board Members (whether Whole Time Directors or Part Time Directors including Independent and Nominee Directors), Key Managerial Personnel and Senior Management Personnel of the Company.

3. CODE OF CONDUCT

The Board Members and Senior Management Personnel shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The Board Members and the Senior Management Personnel of the Company:

1. Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
2. Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
3. Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in his opinion, is likely to arise.
4. Shall not utilize bribery or corruption in conducting the Company's business. No Director or employee will offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any improper business advantage.
5. Shall not indulge themselves in Insider Trading and shall comply with the Insider Trading Code and Insider Trading Regulations as laid down by SEBI and the Company.
6. Shall ensure that they shall protect the Company's assets and properties including physical assets, information and intellectual rights and not use the same for their personal gain.
7. Shall not seek or accept any compensation (in any form), directly or indirectly, for services performed for the Company from any source other than the Company.
8. Shall not, without the prior approval of the Board or Senior Management, as the case may be, accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.
9. Shall not receive any gift, payments or favor in whatsoever form from Company's business associates, which can be perceived as being given to gain favor or dealing with the Company and shall ensure that the Company's interests are never compromised.
10. Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized. However, that Board Members and Senior Management Personnel shall be free to disclose such information as is part of the public domain at the time of disclosure/ authorized or required to be disclosed pursuant to a decision of the Board/ required to be disclosed in accordance with applicable laws, rules, regulations or guidelines or to any authority.
11. Shall avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company.
12. Shall avoid conducting business with (a) a relative (b) a Private Limited Company in which he or his relative is a Member or a Director (c) a Public Limited Company in which he or his relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board, and shall make proper disclosure of related party transactions to the Board of Directors, the Chairman and Managing Director or the Competent Authority under the provisions of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
13. Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy resulting in a conviction.

4. ROLE AND FUNCTION OF INDEPENDENT DIRECTORS:

The independent directors:

1. 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;
2. Shall bring an objective view in the evaluation of the performance of board and management;
3. Shall scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. Shall satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. Shall safeguard the interests of all stakeholders, particularly the minority shareholders;
6. Shall balance the conflicting interest of the stakeholders;
7. Shall 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. Shall moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

5. DUTIES OF INDEPENDENT DIRECTORS:

The independent directors:

1. Shall undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
2. Shall 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. Shall strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
4. Shall participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. Shall strive to attend the general meetings of the company;
6. Shall 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. Shall keep themselves well informed about the company and the external environment in which it operates;
8. Shall not unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
9. Shall 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. Shall 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;
11. Shall report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;

12. Shall act within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
13. Shall 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.

6. Honest and Ethical Conduct

The Company expects each Director and Senior Executive to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct. This means not just being honest and truthful in dealings with others both within and outside the Group but also putting the organisation's interest above everything else at all times. The Company expects an ***honesty of purpose*** in all actions so that the benefits that flow from such actions are truly well deserved.

7. Conflict of Interest

The Directors and Senior Executives shall not engage in any activity or enter into any pecuniary or financial relationship which might result in a conflict of interest either directly or indirectly with the Company. Any potential conflict of interest must be properly disclosed and prior consent obtained. As such, if there is any doubt as to whether or not there is a conflict of interest then clarification should be sought from the Board of Directors through the Company Secretary.

8. Confidentiality

The Directors and Senior Executives shall not divulge or disclose to any unauthorized person during their tenure or afterwards by word of mouth or otherwise particulars or details of the Company's manufacturing processes, technical know-how, security arrangements, administrative, financial and/or organizational matters which are confidential/secret in nature. However, the Company is committed to provide accurate and complete information as required and on time to all concerned including all stakeholders.

The Company equally respects the rights of others in dealing with the Company in as much as it pertains to their confidential information. Accordingly, if information is received from third parties under conditions of confidentiality the Directors and Senior Executives shall comply with those conditions.

9. Protection and Proper Use of Company assets

The Directors and Senior Executives shall protect the Company's assets and properties including but not limited to tangible assets such as equipment & machinery, facilities, materials, resources, etc and intangible assets such as patents, proprietary information, process, drawings, design, intellectual property (whether patented or not), plans, etc. The Directors & Senior Executives shall not misuse the information which comes into their possession by virtue of the position held by them in the Company and will put such information to proper use for the benefit of the Company.

10. Compliance with Laws, Rules and Regulations

The Directors and Senior Executives shall ensure compliance with all applicable laws, rules, and regulations both in letter & spirit in all the territories in which they operate.

11. Fair Dealings

Each Director and Senior Executive should endeavour to deal fairly with the Company's customers, suppliers, competitors, employees, shareholders, regulators & governmental agencies. No Director or Senior Executive shall attempt to take advantage of any party through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair practice. They shall immediately bring to the notice of the Board of Directors and/or Managing Director any unethical behaviour and actual or suspected fraud by any person connected with the Company's business.

12. Health, Safety and Environment

The Company shall conduct all its activities in harmony with and aimed towards the preservation of the environment. The Company's key objectives are: reducing resource consumption, minimising generation of waste and minimising contamination of the environment.

The Company is committed to set and review appropriate objectives and targets with regard to environmental protection, comply with all applicable environmental legislation and continually improve by creating employee awareness.

13. Implementation

Each Director and Senior Executive shall adhere to this Code of Conduct and affirm compliance with the Code on an annual basis as per the requirements of clause 49 of Listing Agreement with the Stock Exchanges.

The Directors & Senior Executives are accountable for total compliance with this Code of Conduct. Appropriate sanctions for breach of any provision of this Code shall be determined by the Board of Directors in the case of Directors and the Managing Director in the case of Senior Executives. Any significant breaches of the Code by the Directors and Senior Executives must be notified, respectively, to the Board of Directors and Managing Director. The Managing Director shall report to the Board of Director regarding the Code's operation and effectiveness along with any significant breaches of the Code.

The Company will take appropriate action against any officer whose actions are found to violate any provisions of the Code or any other policy of the Company, after giving him a reasonable opportunity of being heard.

14. DISCLOSURE OF INFORMATION:-

Members of the Board and key executives should be required to disclose to the board whether they, directly, indirectly or on behalf of third parties, have a material interest in any transaction or matter directly affecting the company.

15. COMMUNICATION OF VIOLATIONS :-

Directors shall communicate any suspected violations of this Code promptly to the Chairman of the Audit Committee. Senior Management should communicate any suspected violation of this code to the President & CEO who in turn shall communicate it to the Chairman of the Audit Committee. Violations will be investigated by the Board or by persons designated by the Board, and appropriate action will be taken in the event of any violations of the Code.

16. CONSEQUENCES OF NON- COMPLIANCE OF THIS CODE :-

In case of breach of this Code, the same shall be considered by the Board of Directors for initiating appropriate action, as deemed necessary. Any waiver of this Code may be made only by the Board of Directors and must be promptly disclosed to the Company's shareholders.

17. PLACEMENT OF THE CODE ON WEBSITE :-

This Code and any amendments thereto shall be posted on the website of the Company.

18. ANNUAL COMPLIANCE REPORTING :-

In terms of Clause 49 of the Listing Agreement, all Board Members and Senior Management Personnel shall affirm compliance of this Code within 30 days of close of every financial year. Compliance Report shall be forwarded to the Company Secretary, in such form and manner as may be prescribed from time to time.

19. Waivers and Amendments of the Code

This Code is subject to modification as may be necessary to comply with legal/statutory requirements. As such, the Company is committed to periodically reviewing and updating its policies & procedures.

Any amendment/waiver of any provision of this Code shall be approved by the Company's Board of Directors and shall be disclosed in all regulatory filings pertaining to applicable laws & regulations giving details of the nature of amendment or waiver.

20. Clarifications regarding the Code

Any Director and Senior Executive requiring any clarification regarding this Code of Conduct may contact the Company Secretary.