

## BITS LIMITED

### Code of Conduct for the Board of Directors and Senior Management

#### Preface

This Model Code of Conduct for Directors & Senior Management personnel is a guide to help Directors on the Board & Senior Management team of the Company to live up to Company's ethical standards.

This model code of conduct may be reviewed by the Board from time to time to keep in pace with the regulatory environment and any amendments to this Code, shall be approved by the Board of Directors.

#### Applicability

This code of conduct applies to;

- i. Board of Directors of BITS LIMITED (the Company)
- ii. Members of senior management of the Company i.e. one level below the Board of Directors.

#### Objective

The Code has been drafted in accordance with the provisions of Clause 49 of the Listing Agreement to be entered into by the Company with the BSE to:

- a) set standards of corporate governance by complying with laws, rules and regulations applicable to the Company and applicable policies and procedures adopted by the Company and to fulfill the responsibilities to stakeholders.
- b) set and implement high standards of transparency, integrity, accountability and corporate social responsibility in all dealings.

#### The Code

The Board of Directors (the Board) and the senior management of the Company agree to abide by the following code of conduct:

1. Attend Board/ Shareholders/Committee/ Senior Management meetings and/ or seek prior leave for absence from such meeting/s.
2. Must act honestly, fairly, ethically, with integrity and in the interest of the Company and its stakeholders; conduct themselves in a professional, courteous and respectful manner and not to take improper advantage of the position of Director;
3. Conduct business operations in compliance with competition laws and principles of fair market competitions and abide by business conduct policies of the Company.
4. Exercise authority and power with due care and diligence whilst discharging the fiduciary responsibility of office in the best interest of the Company and all the stakeholders.
5. Comply with all laws, rules and regulations applicable to the Company;
6. Ensure that Company's assets are well protected and used for genuine business purposes only and not for their personal benefit;
7. Deal fairly and honestly with all customers, suppliers, employees, bankers, other business partners and shareholders of the Company;
8. Not to use any information received by them in their capacity as Directors or senior management in a manner that would be detrimental to the Company's interests and observe strict confidentiality of the information acquired in the course of discharge of duties of office and not to use the same for any personal purpose or advantage;
9. Not to divulge any price sensitive information not in the public domain and to comply with SEBI Insider Trading Regulations;
10. Not to compete with the business of the Company or its Subsidiaries;
11. Not to acquire any personal or financial interest in any business dealings Concerning the Company which is prejudicial to the interests of the Company;
12. Have an obligation to be independent in judgment and actions and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board;
13. Make disclosures to the Company and Board of Directors in relation to all material financial and commercial transactions where they have a personal interest that could conflict with the interest of the Company;
14. Not to Vote or otherwise influence a decision;
15. Abstain from committing any offence involving moral turpitude on any matter in which they have or may have such an interest;
16. Act with the utmost good faith and fulfill his/her fiduciary obligations without allowing his independence of judgment to be compromised;
17. Act in a manner to enhance and maintain the reputation of the Company and maintain high ethical and professional standards in all dealings;
18. Disclose directorships and/ or committee memberships of the other Companies.
19. Make proper record of all financial transactions and not to create undisclosed or unrecorded account/fund or asset.

20. Not to deal in the securities of the Company whether on their own account or on account of any of their relative(s), associates acquaintances if they are in possession of price sensitive information relating to the Company;
21. Use Company property only for official purposes and for not for personal gain. Not to accept any personal gratification from suppliers/ service providers/business partners, etc. (personal gratification will not include normal entertainment and gifts of no significant value.)
22. Not to make any statement or disclose false information which is misleading or likely to have the effect of influencing market price of securities of the Company;
23. Give equal opportunities to all employees and aspirants for employment in the Company irrespective of gender, caste, religion, race or colour, merit being the sole differentiating factor.
24. Respect safety and health of all the employees and provide working conditions, which are not harmful to their health.
25. Co-operate with Government, Trade and Industry Associations for and in the development of economic legislations concerning the business of the Company.
26. Regularly assess their performance and effectiveness as a Board and that of individual directors and committees.
27. The senior management shall not, without the prior approval of the Managing Director, accept part time employment or a position of responsibility (such as a consultant or a director) with any other organization, for remuneration or otherwise.
28. Establish processes and systems for storage, retrieval and dissemination of documents both in physical and electronic form, so that the obligations of this code are fulfilled.
29. Report any violation of this code of conduct to either Company or any of the Whole-Time Director(s) of the Company.

### **Amendment of Code of Conduct**

The Company is committed to continuously reviewing and updating the policies and procedures according to changes made in the laws applicable to the Company. Hence, this code is subject to modification. Any amendment of a provision of this code of conduct shall be approved by the Board of Directors of the company, unless otherwise agreed, and shall be disclosed on the Company's website.

### **Violation of Code of Conduct**

Each Director and each member of the Senior Management shall be accountable for fully complying with this Code. If there is a violation of provision of this code or Company policies it should be promptly reported to HR Department or Board of Directors. The Company will take appropriate disciplinary action against the person whose actions are found to violate this code of conduct. The Board of Director shall take disciplinary action against the person who violates this code.

## Annual Compliance Reporting

Pursuant to Clause 49 of the Listing Agreement, all Directors and Senior Management Personnel shall affirm compliance with this Code within 30 days of close of every financial year. The Annual Report of the Company shall contain a declaration to this effect signed by the CEO of the Company. A format of the Annual Compliance Report is as stated below.

### ANNUAL COMPLIANCE REPORT

I, \_\_\_\_\_ do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the 'Code of Conduct for Directors and Senior Management' during the financial year ending 31st March 20\_\_

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Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Date: \_\_\_\_\_

Place: \_\_\_\_\_

Note: To be submitted by 30<sup>th</sup> April each year.