

JMT AUTO LIMITED

CODE OF BUSINESS CONDUCT

AND ETHICS

FOR DIRECTORS

AND

SENIOR MANAGEMENT

JMT AUTO LIMITED

Code of conduct for board Members and Senior Management Personnel

INTRODUCTION

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control system commensurate with the risks involved.

The Company's Board of Directors and Senior Management are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards.

A. Interpretation Clause

- a) "The Company" or "this Company" means **JMT AUTO LIMITED**
- b) "The Act" means the laws applicable to the Company for the time being in force or any statutory modification or re-enactment thereof for the time being in force.
- c) The Board means the Directors for the time being of the Company.
- d) "In writing " and " written" include printing, lithography and other modes of representing or reproducing words in a visible form.
- e) Office means the Registered office for the time being of the Company.
- f) "Senior Management Personnel" means the members of the core management team for the time being.
- g) Code of Conduct means the code of conduct of the company for the time being in force.
- h) Words imparting the masculine gender only include the feminine gender
- i) "Officer means and includes Board of Directors and Senior Management Team

CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

The Board of Directors (“the Board”) of the Company, apart from following actual practice has adopted the following written Code of Conduct and Ethics (“the Code”) for directors and Senior Management personnel of the Company.

Senior Management personnel shall mean all senior members of the management team, one level below the executive Directors such as General Manager, Chief Operating Officer and the functional heads of each Division of the Company. This code is intended to focus on all the board Members and senior management personnel on areas of ethics, integrity and honesty, providing guidance to help them recognize and deal with ethical issues, mechanisms to report unethical/dishonest conducts and help foster a culture of honesty, integrity and accountability.

INTERPRETATION OF CODE

In this code wherever the word “Director” appears it will also include Senior Management personnel to the extent applicable. Any question or interpretation under this Code of Business Conduct and Ethics will be considered and dealt with by the Board or any committee or any person authorized by the board in this behalf. The Board in justifiable cases for reasons to be recorded in writing may waive any condition of the code for compliance such, that it is not prejudicial to the interest of the company.

The reasons for such waiver will be available at the Registered Office of the Company for information.

Each and every director and senior management personnel is expected to comply with the letter and spirit of this Code.

1. CONFLICT OF INTEREST

Directors must promptly disclose to the company potential conflicts of interest regarding any matters concerning the company. A “conflict of interest” can occur when:

- a) A director’s personal interest is adverse to or may appear to be adverse to the interests of the Company as a whole
- b) A director or his/her relative receives improper personal benefits as a result of his/her position as a director of the Company.

Explanation: The expression Relatives in this Code means dependent parents, brothers, sisters, spouse, children, daughters-in-law and sons-in-law, to more or less fall in line with the definition of this term in Accounting Standard 18 prescribed by the Institute of Chartered Accountants of India.

Some of the usual instances of conflicts which the directors should avoid are listed below:

a. Relationship of company with third parties

Directors shall not receive a personal benefit from person or an entity which is seeking to do business or to retain business with the Company. They shall not participate in any decision-making process involving another entity in which they have direct or indirect interest.

b. Compensation from non-Company sources

Directors shall not accept compensation (in any form) for services performed for the company from any source other than the Company.

c. Gifts

Directors shall not offer, give or receive gifts from persons or entities dealing with the Company, where any such gift is perceived as intended directly or indirectly, to influence any business decision. Gifts given to suppliers or customers or received from suppliers or customers should be appropriate to the circumstances and should not be of a kind that can create an appearance of impropriety. It is particularly clarified that gifts given or received on festive occasions consistent with the accepted business practices and which cannot be reasonably construed as payment or consideration for influencing or rewarding a particular decision or action should not violate this code.

- In addition to mandatory disclosures all Non-Executive and Independent Directors shall disclose their association with any other Company which in their judgment, may lead to conflict of interest with the Company.
- Directors/Senior Management are free to make personal investments and enjoy social relations and normal business courtesies. They should however ensure that such interests do not directly or indirectly influence the performance of their responsibilities.
- If there are any transactions proposed with such related parties within the knowledge of Directors/Senior Management, they must report the same to the Compliance Officer. If determined to be material to the Company the transactions shall be placed before the Audit Committee for review. Any dealings with a related party must be conducted on an arms length basis and on commercial terms and no preferential treatment shall be given.

II. CORPORATE OPPORTUNITIES

Directors are prohibited from:

- a) Exploiting for their personal gain opportunities that are discovered through the use of Company property, company information or position as a Director, unless then opportunity is disclosed fully in writing to the Company's Board of Directors and the Board declines to pursue such opportunity.
- b) Using the Company's property or information for persona gain.

c) Competing with the Company

III. CONDUCT OF BUSINESS RELATIONSHIPS

The Company expects all its business to be conducted in a legal and ethical manner . The quality of products and the efficiency of services at competitive prices will be the biggest tool for marketing activities.

Directors /Senior management shall not make any promises or commitments that the Company does not intend or would not be able to honour.

Directors/Senior Management must uphold the highest standards of integrity and ethics in every kind of third party dealings. A contribution or entertainment shall not be offered to anyone in the course of business that might create the appearance of an impropriety. However some modest and acceptable corporate gifts etc. appropriate to give in the normal course of business practice may be acceptable.

IV. PROTECTION AND PROPER USE OF COMPANY'S ASSETS & RESOURCES

Directors/Senior Management shall as far as practicable ,protect the Company's assets from loss,damage,misuse or theft and ensure that the assets are only used for business purposes and other purposes specifically approved by the management. And must never be used for unauthorized purposes.

Directors/ Senior management shall not apply the company's assets /resources and /or proprietary information for personal benefit and/or for the benefit of any other related party.

V. INTELLECTUAL PROPERTY

Intellectual property rights (IPR) covers patented or potentially patentable inventions, trademarks, service marks, trade names, copyrightable subject matter and trade secrets .

Directors/Senior Management shall make all endeavours to protect all such Intellectual Properties related to the Company as it is critical to the company's overall success.

It is advisable to highlight and consult the Chairman/Compliance Officer for determining the appropriate course of action whenever there is lack of clarity and issue of any kind related to IPR.

VI. CONFIDENTIALITY

Directors must maintain the confidentiality of information relating to the Company which comes to their knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when such disclosure is authorized or legally mandated.

For purpose of this code “ confidential information “ includes all unpublished information relating to the Company. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and buy back; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time.

The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. Confidential information shall be disclosed to persons, both internal and external, only on a ‘need to know’ basis and public disclosure shall be made with appropriate approval or as legally mandated.

Directors/Senior management shall ensure that all confidential information available to them by virtue of the office they hold is never directly or indirectly released to any person or entity, or made public, otherwise than as stated above.

VII. INTERACTION WITH MEDIA

To achieve the Company’s vision and business plans, it is necessary to communicate the policies, plans and accomplishments in the most effective manner through the media to our investors, customers, existing and potential ,other stakeholders and to the community at large.

All the statements disclosed to media should be true and fair. Disclosures of any information other than statutory disclosures or those specifically authorized by the Management are prohibited. Disclosure of information on proceedings of board meetings/committee meetings/internal meetings and disclosure of forward-looking statements is prohibited. In case any such disclosure has to be made it has to be approved by the management and shall be combined with cautionary statements, wherever required.

Directors/ Senior Management shall not disclose non-public information selectively to a particular group as it may lead to unfair advantage /discrimination.

For outside publication of books, articles or manuscripts, which relate specifically to Company’s business, policies and processes, Directors/ Senior Management should take the approval of the management prior to its release. All such documents should be supplemented by a statement: “ All views and observations made /expressed in this article /presentation are solely that of the authors and the company is in no way responsible for the substance, veracity or truthfulness if such views and statements.”

VIII. COMPLIANCE WITH LAWS, RULES AND REGULATIONS FAIR DEALING

Directors must comply and oversee compliance by employees, officers, other staff, with laws, rules and regulations applicable to the Company's personnel including insider-trading regulations.

It is desirable that the Directors/Senior Management possess/acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks.

Directors must deal fairly and must ensure fair dealing by employees and officers with the Company's customers, suppliers, competitors and employees.

No payment or transaction should be made, undertaken by a Director or authorized or instructed to be made or undertaken by another person or the Company if the consequence of that transaction or payment would be the violation of any law in force.

Directors will always act to the best of their knowledge, belief and effort in the best interests of the Company and all its stakeholders, including employees , shareholders and others.

IX. ENCOURAGING THE REPORTING OF ANY ILLEGAL OR UNETHICAL BEHAVIOR

Directors should promote ethical behavior and take steps to ensure that the Company:

- a. Encourages employees to talk to supervisors, managers and other appropriate personnel when in doubt about the best course of action in particular situation.
- b. Encourages employees to report violations of laws, rules, regulations or the Company's Code of Conduct to the appropriate personnel.
- c. Inform employees that the company will not allow retaliation for reports made in good faith.

The confidentiality of those reporting violations shall be protected and they shall not be subject to any discriminatory practices.

X. COMPLIANCE STANDARDS

- b) All suspected violations of this Code shall be promptly reported to the board and such violations are subject to investigation by the board or any committee/or any

person(s) so designated by the board . Violations will be investigated by the board or any such designated persons/committee and appropriate action will be taken in the event of any such violations.

- c) Directors should inform the Company immediately about the emergence of any situation which may disqualify him from directorship.
- d) It shall be the endeavor of every Director to attend as far as possible and actively participate in meetings of the Board and Committees thereof of which they are members.

XI. APPLICABILITY OF THE CODE

This is a comprehensive code and applies to all Directors and Senior Management . However, the provisions shall apply to executive and Non-executive Directors including Independent Directors only to such extent as may be applicable depending on their respective roles and responsibilities.

The Code does not specifically address every potential form of unacceptable conduct and it is expected that Directors/Senior Management will exercise good judgment in compliance with the principles set out in this Code. Every Director and Member of Senior Management has a duty to avoid any circumstances that would violate the letter or spirit of this Code.

The Compliance Officer/Company Secretary will be the principal officer for this Code. He/She is empowered to report to the Chairman of the Board on any matter relating to the implementation of the code. The Compliance officer should be consulted if there is any doubt or lack of clarity about any aspect in the Code. The Chairman and the managing Director may also be consulted whenever required.

In case of any doubt, as to the course of action to be taken, the following test may be applied:

IS IT LEGAL?

IS IT ETHICAL ?

COULD IT CAUSE A NEGATIVE PERCEPTION OF THE COMPANY?

XII. AMENDMENT, MODIFICATION & WAIVERS

This code may be amended ,modified or waived by the Board in consultation with the Chairman & Managing Director ,subject to appropriate action and applicable provisions of law, rules, regulations and guidelines .

As a general policy ,the Board will not grant waivers to the Code . However in extraordinary situations and for reasons to be recorded in writing the Board may grant exemption from any one or more of the provisions of this Code.

XIII. ANNUAL CERTIFICATION

Every Director and Member of senior Management of the Company will be required to certify compliance with the code within 15 days of the close of the financial year of the company. Such certification shall be in the form provided in the Annexure to this Code.