

RISHI LASER LIMITED

Code of Conduct for Board Members and Senior Management

(As per Companies Act, 2013 & Clause 49 of the Listing Agreement)

CODE OF CONDUCT

1. INTRODUCTION:

The Board of Directors of the Company has adopted the following Code of Conduct in terms of the provisions of the Companies Act, 2013 and Listing Agreement with Stock Exchange. This Code of Conduct (hereinafter referred to as 'the Code') shall be called as '**Rishi Laser Limited Code of Conduct for Directors and Senior Management**'.

2. APPLICABILITY:

The Code shall be applicable to:

- (i) Directors and
- (ii) Members of the Senior Management of the Company (i.e. one level below the executive directors, including all functional heads).

3. OBJECTIVE:

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, suppliers, society at large and all others with whom the Company is connected.

4. THE CODE:

The Directors and members of the Senior Management of the Company agree to abide by the following Code of Conduct:

a) Honesty & Integrity:

The Directors and Senior Management personnel shall conduct their activities, on behalf of the company and not on their personal behalf, with honesty, integrity, and fairness. They shall act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated. Directors will act in the best interest of the Company and fulfill their fiduciary obligations.

b) Conflict of Interest:

The Directors and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company. They should not engage in any activity/employment that interferes with the performance or responsibility to the company or is otherwise in conflict with or prejudicial to the company.

In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Board of Directors and the approval of the Board is required to be obtained.

c) Other Directorships

The company feels that serving on the Boards of directors of other companies may raise substantial concern about potential conflict of interest, and therefore all Directors must report/disclose such relationships to the Board on an annual basis. It is felt that service on the board of a direct competitor is not in the interest of the Company, and the Directors should desist from such tendencies

d) Confidentiality of information

Any information concerning the company's business, its customers, suppliers etc., which is not in the public domain and to which the Director and Senior Management personnel has access or possesses such information, must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required as a matter of law. No director or employee shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

e) Protection of Assets

The Directors and Senior Management personnel must protect the company's assets and information and may not use these for personal use, unless approved by the Board.

f) Periodic Review

Once every year or upon revision of this code, every directors and Senior Management personnel must acknowledge and execute an understanding of the code and an agreement to comply. New directors will sign such a deed at the time when their directorship begins

5. CODE FOR INDEPENDENT DIRECTORS:

In addition to the compliance with this Code, the Independent Director shall also comply with and adhere to the following as per the provisions of Companies Act, 2013

(i) Guidelines of professional conduct:

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

(ii) Role and functions:

The independent directors shall:

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

(iii) Duties : The independent directors shall:-

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) 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) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) 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) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) 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) 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) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) 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.

(iv) Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

(v) Resignation or removal:

The resignation or removal of an independent director shall be in the same manner as is provided in the Companies Act, 2013

(vi) Separate meetings:

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;

(3) The meeting shall:

- (a) review the performance of non-independent directors and the Board as a whole;
- (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
- (c) Assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

6. EVALUATION MECHANISM:

- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated;
- (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

7. PLACEMENT OF THE CODE ON WEBSITE:

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

8. COMPLIANCE OF THE CODE:

Each Director and Senior Management Personnel shall monitor his or her personal compliance with the code. Also in terms of clause 49 of the listing agreement all Board members and Senior Management Personnel shall annual affirm compliance with the Code. The Annual Compliance Report shall be forwarded to the Compliance Officer of the Company.

9. CONSEQUENCES OF NON – COMPLIANCE OF THIS CODE:

In case of breach of this code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary. In case of breach of this Code by the Senior Management, the Managing Director shall deal the same.

10. ACKNOWLEDGEMENT OF RECEIPT OF THE CODE:

All Board Members and Senior Management Personnel shall acknowledge the receipt of the code in the indicating that they have received, read and understood, and agreed to comply with the code and send the same to the Compliance Officer.

11. 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 the Company's business. It is not intended to and does not create any rights in any employee, customer, client, supplier, competitor, shareholder or any other person or entity.