



DYNAMATIC TECHNOLOGIES LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONS

[PURSUANT TO REGULATION 17(5) OF SECURITIES AND EXCHANGE BOARD
OF INDIA (LISTING OBLIGATIONS AND DISCLOSURES REQUIREMENTS)
REGULATIONS, 2015]



I. INTRODUCTION

Dynamatic Technologies Limited ('the Company') is committed to conducting its business operations in accordance with the applicable laws, rules and regulations of the Countries it operates in, and, with the highest standards of business ethics, transparency and ethical conduct.

This Code of Conduct shall be called The Dynamatic Code of Conduct for Board of Directors and Senior Management Personnel ('Dynamatic Code').

Dynamatic Code, framed in compliance with the provisions of SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 (hereinafter referred to as 'Listing Regulations'), is prescribed to achieve the aims and objectives at enhancing the ethical and transparent process in managing the affairs of the Company. It exemplifies the business practices and code of behaviour which form the foundation of the Company's business philosophy and operations.

II. DEFINITIONS AND INTERPRETATION

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

- A. 'Board / Board of Directors / Members of the Board' shall mean the Board of Directors of the Company.
- B. 'Senior Management Personnel' **shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer in the grade of General Manager.**
- C. 'Relative' shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013.
- D. 'Confidential information' includes, but is not restricted to, non-public information that might be of use to competitors of the Company or harmful to the Company or its customers, if disclosed.

Words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

III. APPLICABILITY

Dynamatic Code shall be applicable to the following persons:

- Board/Board of Directors as defined in Clause II.A of Dynamatic Code
- Senior Management Personnel as defined in Clause II.B of Dynamatic Code and
- Such other persons as may be specified by the Board from time to time.

It is expected that every Director and Senior Management Personnel will assimilate the principles embodied in the Dynamatic Code and uphold the spirit of the Dynamatic Code in the performance of his responsibilities as a Director / Senior Management Personnel of the Company.



IV. AS PER DYNAMATIC CODE EVERY DIRECTOR SHALL:

- a) Adopt highest standards of personal and professional integrity and ethical conduct;
- b) Act diligently, openly, honestly and in good faith;
- c) Provide leadership in advancing the Company's vision, values and guiding principles;
- d) Dedicate time, energy and attention for the diligent performance of his duties, including making reasonable efforts to attend Board and Board Committee meetings in the case of Directors and being prepared for the decision-making process at meetings by reviewing, in advance, the materials distributed and raising reasonable inquiries;
- e) Maintain the confidentiality of all details about the Company and **adherence to the Code of Conduct for Prevention of Insider Trading**
- f) Understand the Company's principal business plans, strategies and objectives, operational results, financial condition and relative market place position;
- g) Declare/disclose any change in their employment, other board position immediately for the date of change;
- h) Disclose relationship with other business, charitable and conflicts of interest, which may interfere with their ability to perform their function as Director;
- i) Disclose shareholding in the Company and the changes thereof immediately;
- j) Devote their full attention to the business interest of the Company;
- k) Not engage/associate with any activity, which is prejudicial to the interest of the Company;
- l) Represent the interests of the Company's shareholders and fulfill their fiduciary obligations to them and
- m) Adhere to the duties prescribed for Director / Independent Directors separately.

V. AS PER DYNAMATIC CODE EVERY SENIOR MANAGEMENT PERSON SHALL:

- 1. Demonstrate high standards of integrity, commitment and diligence.
- 2. Act in utmost good faith without allowing their independence of judgment to be compromised.
- 3. Represent the interests of the Company and fulfill their obligations assigned to them.
- 4. Dedicate time, energy and attention for the diligent performance of his/her duties, including to be present at the meetings when required, to make presentations, update the Management Board on issues pertaining to his Department.
- 5. Comply with and apply the provisions of Dynamatic Code in the performance of his duties, functions and responsibilities.
- 6. Conduct themselves in a manner which enhances and maintains the reputation of the Company.



It falls to the Members of the Board of Directors to define, detail and preserve the relevance of Dynamatic Code through periodic revisions, which reflect the legal and regulatory developments.

VI. COMPLIANCE OFFICER

Mr. Shivaram V., Chief Legal Officer & Company Secretary of the Company, has been designated to administer Dynamatic Code. The Directors and Senior Management Personnel may exercise their discretion in submitting any report or complaint pertaining to Dynamatic Code to the Chairman of the Board of Directors, either directly or through the Compliance officer.

VII. COMPLIANCE WITH APPLICABLE LAWS

The Directors and Senior Management Personnel must comply with all applicable laws, rules and regulations in the discharge of their duties and responsibilities, including but not limited to the Securities Laws, Insider Trading Laws, the Company's Insider Trading Compliance Policies, and such other rules and regulations relating to the business of the Company.

VIII. CONFLICT OF INTEREST

The most important precept in Dynamatic Code is that every Board Member and Senior Management Personnel must be free from conflicts of interest that can adversely influence their judgment, objectivity or loyalty to the Company in the discharge of their responsibilities, duties and functions. It is essential that the Directors and Senior Management Personnel be highly sensitive to potential conflicts of interest, and, assume complete responsibility for safe-guarding themselves from any situation or conduct which might create an appearance of a conflict of interest.

The Company recognizes that the Board Members and Senior Management Personnel may be involved in legitimate financial, business and social activities that fall outside the purview of their roles and responsibilities as Directors and Senior Management Personnel of the Company. However, every Director and Senior Management Personnel must exercise utmost care in ensuring that any situation of actual or potential conflict of interest is identified and avoided.

The most common situations which lead to conflicts of interest are when a Director or Senior Management Personnel or a member of his immediate family accepts improper personal benefits which is a consequence of his position as the Director or Senior Management Personnel of the Company or when a particular action or personal interest of a Director or Senior Management Personnel impedes the performance of his duties, functions and responsibilities in an impartial, independent manner.

Few circumstances that can reasonably be construed as conflicts of interest include:

1. Working in any capacity for a competitor, customer, supplier or other third party, while being a director and/ or employee of the Company
2. Competing with the Company for the purchase or sale of property, products, services or any other interests
3. Directing business to a supplier organization which is either owned, managed by, or which employs a relative or friend of the Director or Senior Management Personnel



4. Receiving loans or guarantees of obligations as a consequence of one's position as Director or Senior Management Personnel
5. Accepting bribes, kickbacks or any other improper payments in exchange for services relating to the conduct of the business of the Company
6. Accepting gifts from associates of the Company directly, or through a family member where the gift is being given with the intention of influencing the actions of the Director or Senior Management Personnel, or where the acceptance of a gift could otherwise reasonably create the appearance of a conflict of interest.

These are but a few examples of instances that can result in a conflict in interests, and, not the entire spectrum of likely situations, which can cause or be interpreted as conflicts of interest. It is not possible to clearly define all potential situations of conflicts of interest and Dynamatic Code does not make any attempt to do so. It is possible that the Board Members and Senior Management Personnel may face conflicts of interest from time to time in the performance of their duties and responsibilities, and therefore, it remains the responsibility of the Board Members and Senior Management Personnel to identify and openly acknowledge any potential or actual conflict of interest.

The Directors and Senior Management Personnel are urged to approach the Chairman of the Board for any clarifications or advice they may require regarding actual or potential conflicts of interest. Actual or potential conflict of interest with the Company should be brought to the immediate notice of the Chairman of the Board, who will review the situation to determine the appropriate course of action, including whether deliberation or action by the entire Board is necessary. Directors or Senior Management Personnel involved in any situation of conflict or potential conflict with the interest with the Company shall reclude themselves from any discussion or decision relating thereto.

IX. CORPORATE OPPORTUNITY

Every Director or Senior Management Personnel is expected to use his powers responsibly and act in good faith in the best interests of the organization.

Dynamatic Code explicitly prohibits any Member of the Board or Senior Management Personnel from threatening the business interests of the Company in any manner.

A director or senior management personnel should not compete against the Company or take for himself the business opportunities that either, rightfully belong to the Company or are identified either through the use of the Company's resources or by the use of the his position in the Company.

Under no circumstances should a Director or Senior Management Personnel use corporate property, privileged information or his position for personal gain.

X. CONFIDENTIALITY

Dynamatic Technology Limited, being a Company driven by technology, that may be indigenous or belonging to customers / authorities around the globe, places utmost importance on the preservation of confidentiality of information – both, corporate as well as information that is entrusted to it by its stakeholders especially customers and suppliers.

Upholding the confidentiality of information is fundamental to the Company's business. Every Board Member or Senior Management Personnel has the duty to preserve and protect the



confidentiality of information that they are privy to during the performance of their duties and responsibilities. Their responsibility towards maintaining confidentiality continues even after the expiry of their tenure on the Board or with the Company, as the case may be.

Any information entrusted to, disclosed or acquired by any Director or Senior Management Personnel of the Company must be treated as confidential, except when a disclosure is authorized by the Company or is deemed necessary by law, regulations or legal proceedings. The Directors and Senior Management Personnel are encouraged to consult the Chairman of the Board of Directors or the Compliance Officer when faced with a legal obligation to disclose confidential information.

XI. FAIR DEALING

Every Director and Senior Management Personnel must endeavor to deal fairly with all stake holders of the Company, avoiding bias, discrimination, caprice or self-interest. He shall not abuse the privileges of his position by utilizing classified information to exploit any stakeholder of the Company, be it customers, suppliers, competitors or employees at any level. Information must not be manipulated, withheld, misrepresented in any way or abused for unfair advantages or unethical gain. Gifts, material benefits, personal favours, or entertainment in any form, which can affect independent judgment or result in a personal obligation, should neither be offered nor accepted.

XII. PROPER USE & PROTECTION OF COMPANY'S ASSETS

The Directors and Senior Management Personnel are expected to discharge their responsibilities and duties in a manner that protects the Company's assets and ensures its efficient and rightful use for legitimate business purposes.

XIII. REPORTING ILLEGAL OR UNETHICAL BEHAVIOUR

If any Director or Senior Management Personnel believes he has observed illegal or unethical conduct by an employee, manager, director or any person purporting to act on behalf of the Company or a violation or possible infringement of Dynamatic Code, he is strongly urged to bring the matter to the notice of the Chairman of the Board or the Compliance Officer so as to enable the Company to adopt the best course of action suitable to the situation. The Company will make every effort to maintain confidentiality to the extent permissible under the law.

XIV. PUBLIC COMPANY REPORTING

Dynamatic Technologies Limited, as a public company, is legally required to ensure that the information it files with the Securities and Exchange Board of India (SEBI) and the concerned Stock Exchanges where the securities of the Company are listed, is complete, accurate, comprehensible and timely. Every Director and Senior Management Personnel is expected to co-operate proactively in furnishing the Company with the relevant, accurate information and documents to meet its public disclosure requirements.

XV. AMENDMENT, MODIFICATION AND WAIVER OF DYNAMATIC CODE

Dynamatic Code may be amended, modified or waived only by the Company's Board of Directors and must be publicly disclosed if required by any applicable law or regulation. As a general policy, the Board will not grant waivers to the Code.



XVI. ANNUAL COMPLIANCE REPORTING

Pursuant to the provisions of Regulation 26 of the Listing Regulations, Board of Directors and Senior Management Personnel shall affirm compliance of Dynamatic Code within 30 days of close of every financial year.

Annual Compliance Report shall be as per proforma in **Annexure-I**. The Annual Compliance Report shall be forwarded to the CEO & Managing Director. If any Senior Management Personnel ceases to be in the employment of the Company any time during a financial year, he shall send a communication to the CEO & Managing Director affirming compliance of Dynamatic Code till the date of his association with the Company.

The CEO & CFO shall certify to the Board that there are, to the best of their knowledge and belief, no transactions entered into by the Company during the year are fraudulent, illegal or in violation of Dynamatic Code.

XVII. DUTIES OF INDEPENDENT DIRECTOR

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. scrutinise 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 controls 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 behaviour, 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. 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.

V. General duties of Directors pursuant to Section 166 of the Companies Act, 2013:

1. Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.



2. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.



ANNEXURE – I

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 DYNAMATIC CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL during the financial year ending 31st March 20__.