

## **TAMILNADU TELECOMMUNICATIONS LIMITED**

### **CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL OF TAMILNADU TELECOMMUNICATIONS LIMITED**

#### **1.0. Preamble**

- 1.1 All Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders/stakeholders.
- 1.2 With a view to maintain the high standards that the Company requires, the following rules/code of conduct should be observed in all activities of the board for the purposes of the code.

#### **2.0 Definitions & Interpretations:**

- 2.1 The term "Directors" shall mean Directors on the Board of Directors of the Company, including the Chairman and Managing Director.
- 2.2 The term "Senior Management Personnel" shall mean all executives of the Company in the rank of General Managers/Deputy General managers and shall include all the Unit heads, the Company Secretary and the head of Materials Management function.
- 2.3 The term "Relative"/"immediate families" shall have the same meaning as the term "relative" defined in Section 6 of the Companies Act, 1956. Definition provided in Appendix-I.
- 2.4 In this code, words importing the masculine shall include feminine and words importing singular shall include the plural or vice versa.

#### **3.0 Applicability:**

- 3.1 This code shall be applicable to all the "Directors" and "Senior Management Personnel" as defined in para 2.1 and 2.2., respectively.

- 4.0 The following code of conduct must be observed by all the Directors and the Senior Management Personnel.

##### **(i) Honesty & Integrity**

All Directors and Senior management personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior management Personnel will act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgment to be subordinated. Directors and Senior Management Personnel will act in the best interests of the Company and fulfil their fiduciary obligations.

**(ii) Conflict of Interest**

Directors and Senior Management Personnel of the Company shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company or the group.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at such times, it will not be easy to distinguish between proper and improper activity. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential.

Directors and Senior management personnel 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.

Directors and Senior Management Personnel and their immediate families should not invest in a Company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the Company.

Directors and Senior Management Personnel should avoid conducting Company business with a relative or with a firm/Company in which relative/related party is associated in any significant role.

If such related party transaction is unavoidable, it must be fully disclosed to the Board or to the Chairman of the Company.

**(iii) Compliance**

Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and in spirit. In order to assist the Company in promoting lawful and ethical behaviour, Directors and Senior Management Personnel must report any possible violation of law, rules, regulation or the code of conduct to the Compliance Officer.

**(iv) Other Directorships**

The Company feels that serving on the boards of directors of other companies may raise substantial concerns about potential conflict of interest. And therefore, all Directors and Senior Management Personnel 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.

**(v) Confidentiality of Information**

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Any information concerning the Company's business, its customers, suppliers etc., which is not in the public domain and to which the director 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/Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.

**(vi) Prevention of Insider Trading**

No Director/Senior Management Personnel of the Company shall derive benefit or assist others to derive benefit by giving investment advice form the access to and possession of information about the Company, not in public domain and therefore constituting insider information. All Directors and Senior Management Personnel will comply with the prevention of trading guidelines as issued by SEBI.

**(vii) Gifts & Donations**

No Director and Senior Management Personnel of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business favours or decisions for the conduct of business. Nominal gifts of commemorative nature, for special events may be accepted and acceptance of such gifts in value exceeding Rs.1000/- individuallu, may be reported to the Board.

**(viii) Protection of Assets**

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.

**(ix) Periodic Review**

Once every year or upon revision of this code, every Director and Senior Management Personnel must acknowledge and execute an understanding of the code and an agreement to comply. New Directors and Senior Management personnel will sign such a deed at the time when their directorship begins/when they are appointed to such senior management positions.

**5.0. Enforcement of Code of Conduct**

5.1. The Compliance Officer shall forward a copy of the Code to the existing Directors immediately on its approval by the Board and to the new Directors immediately on their appointment on the Board. He shall also make available to all existing Senior Management personnel a copy of the Code and to new appointees in these cadres a copy of the Code immediately on receipt of information

from Administration section of their appointment as Senior Management Personnel.

- 5.2. The Directors and Senior Management Personnel shall affirm compliance to the Code in respect of the previous financial year, as required by clause 49 of the Listing Agreement, by forwarding an Annual Compliance Report in the form at Appendix-2 to the Compliance Officer of the Company by 30<sup>th</sup> April of each financial year. A declaration by the Chairman/Managing Director to this effect shall be made in the Annual Report.
- 5.3. The Compliance Officer shall report to the Board any breach of this Code, which comes to his notice, for its information and to decide on the future course of action.

#### **6.0 Power to remove difficulties**

- 6.1. For removal of any difficulty that may arise in giving effect to the provisions of this Code of Conduct, the Board of Directors may make such provisions as not inconsistent with the spirit of this Code of Conduct.