



LAKSHMI MACHINE WORKS LIMITED

CIN: L29269TZ1962PLC000463

BUSINESS ETHICS POLICY

Purpose:

To ensure that LMW's employees have a detailed understanding and meet with the company's expectation on ethics to be followed/observed during conduct of business within and for LMW.

Policy:

LMW does business in a direct, clear and ethical manner. Business Ethics Policy provides the basis upon which LMW's actions and the process of decision making will happen. Business Ethics Policy clearly states our commitment to integrity in whatever we do. Our practices reflect the values which define us as an organisation. This policy will apply to all employees.

Our Value System:

- Excellence
- Integrity
- Learning & Sharing
- Contribution to Industry & Society

Goal

All employees understand the core values and beliefs and live them out every day with all stakeholders.

Why a code is necessary

- ✓ The right thing to do...
- ✓ Employees expect it...
- ✓ The law encourages it...
- ✓ Our business demands it...

Guide to Business Ethics:

Conflict of interest:

In order to maintain high standards of conduct, it is imperative to avoid conflicts of interests – a situation where personal and private interests interfere with job responsibilities. Though it is not possible to list out each and every conflict of interests, few examples could be:

- ✓ Handling transactions on behalf of the company that directly or indirectly benefit staff, a relative or a close friend of a staff member.



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- ✓ Accepting a second job or consultancy assignment in another Organization.
- ✓ Carrying out an independent business, which is similar to the present job or that of company's products and services.

Employees are advised to avoid conflict of interest situation and to report to the Head of the Department or HR Department of any such situation that they may perceive to/will arise.

Acceptance of Gifts

Gifts that create a strong feeling of obligation between staff and the customer, prospective customer or supplier or subcontractor are not to be accepted. If staff members are not sure of the propriety of accepting such gifts, discuss all the relevant facts of the situation with concerned Head of the Department or HR Department.

Employee may not accept

- ✓ Entertainments from a customer or business contact that could be interpreted as lavish such as accommodation or pleasure trips and such other activities.
- ✓ Inheritance from a customer who is not a family member because it may appear to be the result of self-dealing by an employee. If you learn that you are named as a beneficiary in a customer's will, you should obtain permission from the management before the death of the donor if possible.

In general, employees will be governed by the company's Standing Orders.

The following are few of the activities which may result in termination of services and/or criminal penalties

- ✓ Accepting of fee, gifts or commission in exchange of extending help or services
- ✓ Stealing, embezzling of funds or assets of the company
- ✓ Providing false information at any point of time
- ✓ Knowingly making false entries of records, committing other criminal acts related to employment.



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Public Opinion:

Employees' personal opinion whether expressed in speeches or articles must not appear to be in contrast with the Company Policy. If employee is asked to speak publicly as a representative of LMW, he/she have to check with HOD/HRD to make sure statement will reflect corporate policy accurately.

Misleading Remarks:

Employee must not make false, misleading or derogatory comments about LMW, its employees, customers, or suppliers. Such remarks constitute breach of good faith that LMW pledges to its employees and customers.

Official Stationery: Official stationery including envelopes is not to be used for personal correspondence.

Safe work environment:

LMW has a responsibility to its employees, customers and the general public to provide a healthy and safe work environment where its employees are free from the effect of drugs, alcohol or other job impairing substances. Company's policy prohibits the following activities during working hours:

- ✓ Having any measurable amount of alcohol or any illegal drug in your possession.
- ✓ Consuming alcohol or using any illegal drug.
- ✓ Smoking of cigarettes, pipes or cigars is not permitted in the working areas, company's own vehicles or common areas inside the premises.

(Common areas are those areas that are shared by other employees and include rest rooms, conference rooms, lobbies, staircases, lounges and dining areas)

Fire Arms:

Employees are not permitted to possess firearms and other dangerous weapons in the company premises or company vehicle. Violation of this policy will result in immediate termination of employment.

Implementation:



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The policy is communicated to all employees through induction programmes, policy manuals and intranet portals.

The custodian of this policy is the HR-Head who reports directly to Management. For the unionised employees, compliance of the policy is ensured through a robust grievance handling procedure and the presence of a union that brings violations to the notice of the HR-Head.

Monitoring & Audit:

LMW has appropriate systems and checks & balance to ensure compliance with the Policy and relevant statutory provisions. This policy shall be reviewed periodically for its suitability and updated as and when necessary.