



CODE OF BUSINESS CONDUCT AND ETHICS

1. PREAMBLE

Sterling Tools Limited ("Company") intends to formulate this code of conduct for the members of the Board of Directors of the Company (Whole-time Executive directors and Non-Executive Directors (including Independent Directors)) ("Board" or "Board of Directors" and the members of the Senior Management team ("Senior Management") pursuant to Section 149 of the Companies Act, 2013, as amended, and Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("SEBI Listing Regulations") (and such code of conduct, the "Code").

(i) Objective

This Code of Business Conduct and Ethics helps to ensure compliance with legal requirements and standards of business conduct. The Board of Directors ('the Board') has adopted a Code of Business Conduct and Ethics ('the Code') for all Board members and Senior Management personnel viz. all members of Management one level below Executive directors, including all functional heads. Company Secretary is the Compliance Officer for the purposes of the Code.

(ii) Applicability and approval of the Board

Accordingly, the Board has adopted this revised Code at its meeting held on 9th August, 2022 which can be amended from time to time.

This Code is applicable to the Board and the Senior Management. The rules and principles set forth in this Code are general in nature and the compliance with this Code shall be ensured read with other applicable policies and procedures of the Company.

2. GENERAL STANDARDS OF CONDUCT

(i) The Company expects

1. Adherence to the highest standards of honest conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships.
2. act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated.
3. Compliance with applicable laws, rules and regulations.
4. To address misuse or misapplication of the Company's assets and resources.
5. The highest level of confidentiality and fair dealing within and outside the Company.
6. All Directors and Senior Management shall conduct their activities and fulfill their fiduciary obligations, on behalf of the Company and on their personal behalf, with



honesty, integrity and fairness and in the best interest of the Company.

7. act in the best interests of STL and STL' shareholders and fulfil the fiduciary obligations;
and

(ii) **“Conflict of Interest”**

Board members and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict of interest of STL or the group companies.

(iii) **Disclosure Standards & Compliance with applicable Laws**

The Company shall make full, fair and accurate disclosures in the periodic reports required to be filed with government and regulatory agencies. The members of Senior Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board, auditors, regulators and other statutory agencies, as may be required by applicable laws, rules and regulations.

The Directors of the Company and Senior Management must comply with applicable laws, regulations, rules and regulatory orders both in letter and spirit.

(iv) **Use of Company's Assets and Resources**

Each member of the Board of Directors and the Senior Management has a duty to the Company to disclose its legitimate interests while dealing with the Company's assets and resources.

(v) **Confidentiality and Fair Dealings**

- i. The Company's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors and the Senior Management by the Company either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for Company's business purposes only.
- ii. Any publication or publicly made statement that might be perceived or construed as attributable to the Company, made outside the scope of any appropriate authority in the Company, should include a disclaimer that the publication or statement represents the views of the specific author and not the Company.

(vi) **Insider trading**

All Directors and members of the Senior Management shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy(ies) framed by the Company under said SEBI regulations.

(vii) **Acceptance of gifts and payments**

The Company requires that every Director and the member of Senior Management should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

3. CODE FOR INDEPENDENT DIRECTORS

The independent Directors shall –

1. keep themselves well informed about the Company and the external environment in which it operates;
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. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board
4. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
5. 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;
6. scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
7. safeguard the interests of all stakeholders, particularly the minority shareholders;
8. 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'
9. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
10. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;

Subject to the provisions contained in the Companies Act, 2013, an independent director or a non-executive director (not being promoter or key managerial personnel), shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable to him and with his consent or connivance or where he had not acted diligently.

4. WAIVERS

Any waiver of any provision of this Code for a member of the Company's Board of Directors or a member of the Senior Management must be approved in writing by the Board of Directors of



the Company.

The matters covered in this Code are of the utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its value system.

5. REPORTING:

While every Director and member of Senior Management has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director or member of Senior Management or by any other Director member of Senior Management person shall be immediately reported to the Board through the compliance officer.

6. REVIEW OF CODE

The Code shall be reviewed at such intervals, as is deemed necessary by the Board. Consequent upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Code until the Code is reviewed and approved next time.
