

**CODE OF CONDUCT**  
**FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

**Definition**

“The Company” shall mean Megasoft Limited.

“Board” shall mean the Board of Directors of the Company.

“Board Members” shall mean the Members on the Board of Directors of the Company.

“Executive Director” shall mean the Board Member who is in whole-time employment of the Company.

“Relative” shall mean ‘relative’ as defined in Section 2(41) and Section 6 read with Schedule-IA (reproduced below) of the Companies Act, 1956.

- (i) Father
- (ii) Mother (including step-mother)
- (iii) Son (including step-son)
- (iv) Son’s wife
- (v) Daughter (including step-daughter)
- (vi) Father’s father
- (vii) Father’s mother
- (viii) Mother’s mother
- (ix) Mother’s father
- (x) Son’s son
- (xi) Son’s son’s wife
- (xii) Son’s daughter
- (xiii) Son’s daughter’s husband
- (xiv) Daughter’s husband
- (xv) Daughter’s son
- (xvi) Daughter’s son’s wife
- (xvii) Daughter’s daughter
- (xviii) Daughter’s daughter’s husband
- (xix) Brother (including step-brother)
- (xx) Brother’s wife
- (xxi) Sister (including step-sister)
- (xxii) Sister’s husband

“Senior Management” shall mean:

- (a) Executives who are in the grade of General Manager and above,
- (b) All Executives directly reporting to the Chief Executive,
- (c) Chief Financial Officer, and
- (d) Company Secretary

### **Purpose**

This Code is intended for all the Board Members and Senior Management personnel and includes areas of ethics, integrity and honesty, providing guidance to help them recognise and deal with ethical issues; mechanisms to report unethical / dishonest conduct; and help foster a culture of honesty, integrity and accountability. The matters covered in this Code are of the utmost importance to the Company, our shareholders and our business partners. The main aim of this Code is to ensure Corporate Governance and accountability. The Code of Conduct as approved by the Board and subsequent amendments, if any, thereto by the Board shall be posted on the Website of the Company.

### **Applicability**

Ethical business conduct is critical to the Company's business. This Code does not specifically address every potential form of unacceptable conduct, and it is expected that the Board Member and Senior Management of the Company will exercise good judgment in compliance with the principles of Corporate Governance. The Board Members & Senior Management of the Company have a duty to avoid any circumstance that would violate the letter or spirit of this Code. They may contact the Chief Financial Officer or the Company Secretary to seek clarifications in this regard.

The Board Member and Senior Management personnel should sign the acknowledgment form at the end of this Code and return the forms to the Company Secretary indicating that they have received, read and understood and agree to comply with the Code. Board members and senior management should affirm compliance with the Code annually.

### **Fair Dealing**

The Board Members and Senior Management should deal fairly with customers, suppliers, competitors, and employees. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

### **Honesty & Integrity**

The Board Members and Senior Management of the Company are expected to act with utmost probity and professional integrity, honesty and ethical conduct, while working in the Company's premises, at offsite locations where the Company's business is being conducted, at Company sponsored business and social events, or at any other place where they are representing the Company.

All the Board Members and Senior Management of the Company will act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated. Further, they will act in the best interests of the Company and fulfil their fiduciary obligations.

An honest conduct is free from fraud or deception and in conformity with all the accepted professional standards of conduct. Ethical conduct includes the ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

### **Conflict of Interest**

The Board Members and Senior Management shall not engage in any business, relationship or activity, which may be in conflict of interest of the Company. A conflict situation can arise:

- (a) When the Board Member or Senior Management personnel takes action or has interests that may make it difficult to perform his / her work objectively and effectively,
- (b) The receipt of improper personal benefits by a member of his / her family as a result of one's position in the Company,
- (c) Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his / her responsibilities with the Company,
- (d) The receipt of non-nominal gifts or excessive entertainment from any person / company with which the Company has current or prospective business dealings,
- (e) Any significant ownership interest in any supplier, customer, development partner or competitor of the Company,
- (f) Any consulting or employment relationship with any supplier, customer, business associate or competitor of the Company.

The Board Members and Senior Management personnel should be scrupulous in avoiding 'conflicts of interest' with 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 or any Committee / Officer nominated for this purpose by the Board and a prior written approval should be obtained.

### **Other Organisations**

Senior Management of the Company is expected to devote their full time and efforts during normal working hours to the service of the Company. They shall not engage in any business or secondary employment that interferes with their obligations and responsibilities to the Company.

Officers in the Senior Management of the Company will not serve on the Board of Directors of any corporation not owned or controlled by the Company, other than a non-profit, charitable, religious, civic or educational organisation, without the prior written approval of the Board of the Company.

### **Discrimination and Harassment**

The Company is committed to providing a workplace free of discrimination and harassment based on race, colour, religion, age, gender, national origin, disability, or any other biases. It would be the endeavour of every Board Member and Senior Management of the Company to see that work place is free from such environment. If any employee is discriminated, he /she may lodge a complaint of discrimination or harassment to the Board of the Company.

### **Compliance with Laws, Rules and Regulations**

Board Members must comply, and oversee compliance by employees and officers, with laws, rules and regulations applicable to the Company / its personnel, including insider trading regulations.

Board Members must deal fairly, and must ensure fair dealing by employees and officers, with the Company's customers, suppliers, competitors and employees.

No payment or transaction should be made or undertaken by a Director or authorised or instructed to be made or undertaken by any other person or the Company if the consequence of that transaction or payment would be the violation of any law in force.

Board Members will always act to the best of their knowledge, belief and effort in the best interests of the Company and all its stakeholders, including employees, shareholders and others.

All suspected violations of this Code shall be promptly reported to the Board and such violations are subject to investigation by the Board. Violations will be investigated by the Board or any such designated persons / Committee and appropriate action will be taken in the event of any such violation.

Board Members should inform the Company immediately about the emergence of any situation which may disqualify them from directorship.

It shall be the endeavour of every Director to attend as far as possible and actively participate in meetings of the Board and Committee thereof on which they are members.

### **Confidential Information**

The Board Members and Senior Management shall maintain the confidentiality of 'Confidential Information' of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality, except when disclosure is authorised or legally mandated. The 'Confidential Information' includes all non-public information (including private, proprietary and others) that might be of use to competitors or harmful to the Company or its associates. The use of 'Confidential Information' for his / her own advantage or profit is also prohibited.

### **Prevention of Insider Trading**

Employees and Board Members should observe all applicable laws and regulations including the Company's policies and codes as applicable to them with respect to the purchase and sale of the Company's securities.

All non public information about the Company should be considered confidential information. To use non public information for personal financial benefit or to "tip" others who might make an investment decision on the basis of this information is not only unethical but also illegal. A more detailed discussion of the insider trading laws can be found in the Company's Code of Conduct for prevention of Insider Trading.

It is the responsibility of each employee and director to become familiar with and understand these laws, regulations, policies and codes, and to seek further explanations and advice concerning their interpretation, if required.

### **Use of Company's assets**

In carrying out their duties and responsibilities, all employees and Board Members should endeavour to protect the Company's assets and proprietary information, and ensure that the same are being used by the Company and its employees only for legitimate business purposes of the Company. Any suspected incident of fraud, mismanagement of Company's assets or theft should be immediately reported for investigation to the Board or such other person as designated in this regard.

### **Waiver and amendment to the Code**

Any amendment to this Code must be approved by the Board and publicly disclosed as required by any applicable law or regulation. Any waiver of this Code for the benefit of any employees, officer or director of the Company may be made only by the Company's Board and shall be disclosed promptly as required by applicable laws and regulations including the rules of any exchange on which the Company's securities are listed or traded.

### **General**

The Code should be viewed more as a code of ethics for better transparent Corporate Governance and accountability to stakeholders. The Code is not intended to be all comprehensive and compliance should be both in spirit and in law, regulations and guidelines and should be in harmony with the corporate mission and objectives.

### **Acknowledgment of receipt of code of conduct**

I have received and read the Company's Code of Business Conduct and Ethics. I understand the standards and policies contained in the Company Code of Business Conduct and Ethics



and understand that there may be additional policies or laws specific to my job. I further agree to comply with the Company Code of Business Conduct and Ethics.

If I have questions concerning the meaning or application of the Company Code of Business Conduct and Ethics, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult the Chief Financial Officer or the Company Secretary, knowing that my questions or reports to these sources will be maintained in confidence.

\_\_\_\_\_  
(Employee Name)

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

*Please sign and return this form to the Company Secretary.*