



Code of Business Conduct & Ethics For Directors / Management Personnel

1.0 Code of Business Conduct & Ethics for Directors' / Management Personnel

1.1 Introduction

The Company is committed to conducting business in accordance with the highest standards of business ethics and complying with applicable laws, rules and regulations.

The Company believes that a good corporate governance structure would not only encourage value creation but also provide accountability and control systems commensurate with the risks involved.

“The Company’s Board of Directors / Management Personnel are responsible for and are committed to setting the standards of conduct contained in this Code and for updating these standards, as appropriate, to ensure their continuing relevance, effectiveness and responsiveness to the needs of local and international investors and all other stakeholders as also to reflect corporate, legal and regulatory developments. This Code should be adhered to in letter and in spirit.”

1.2 Compliance with Applicable Laws

The Company is committed to comply with all applicable laws, rules, regulations and guidelines in every jurisdiction where it operates.

It is therefore desirable that Directors / Management Personnel possess / acquire appropriate knowledge of the legal requirements relating to their roles and duties to enable them to be in compliance thereof and to recognize potential risks.

Directors / Management Personnel shall ensure due compliance for every activity undertaken under their supervision and authority.

Directors / Management Personnel shall extend full co-operation to regulatory authorities, and disclose information as may be required.

1.3 Conflict of Interest

The term "conflict of interest" pertains to situations in which personal financial or other consideration(s) may compromise, or have the appearance of compromising the professional judgement of Directors / Management Personnel. A conflict of interest exists where the interests or benefits of Directors / Management Personnel or of people or entities related to them conflicts with the interests or benefits of the Company.

Directors / Management Personnel are precluded from engaging in any activity that interferes with the performance or discharge of responsibilities towards the Company or is otherwise in conflict with the interest or prejudicial to the Company.

In addition to mandatory disclosures all Non-Executive and Independent Directors shall disclose their association with any other company which, in their judgement, may lead to conflict of interest with the Company. All other Directors / Management Personnel are required to obtain approval from the Company's Corporate Governance and Stakeholders' Interface Committee before accepting any other directorship / assignment in any company other than Volent Software, its Subsidiaries, and Associates etc.

Directors / Management Personnel are free to make personal investments and enjoy social relations and normal business courtesies. They should however ensure that such interests do not directly or indirectly influence the performance of their responsibilities.

Directors / Management Personnel are advised to avoid conducting the Company's business with a relative, or with a business in which a relative is associated in any significant role.

If there are any transactions proposed with such related parties within the knowledge of Directors / Management Personnel, they must report the same to the Compliance Officer. If determined to be material to the company, the transactions shall be placed before the Audit Committee for review. Any dealings with a related party must be conducted on an arms length basis and on commercial terms and no preferential treatment shall be given.

If a proposed transaction or situation raises any question or doubts, the Compliance Officer should be consulted.

Holding or contesting an election for any political post by Executive Directors /Management Personnel is discouraged as it could interfere with the performance and discharge of responsibilities towards the Company. If any Executive Director / Management Personnel's decide to consider a political

post, the same shall be disclosed to the Corporate Governance and Stakeholders' Interface Committee. The Committee shall consider whether the acceptance of such a post would be in any manner prejudicial to the interests of the Company and make appropriate recommendations to the Board.

1.4 Conduct of Business Relationships

The Company expects all its business to be conducted in a legal and ethical manner. The quality of products and the efficiency of services at competitive prices will be the biggest tool for marketing activities. Profits by no means justify use of unfair / unethical business practices.

Directors / Management Personnel shall not make any promises or commitments that the Company does not intend or would not be able to honour. Also, they should not be engaged, directly or indirectly, in any act, dealing or conduct likely to bring discredit to the Company.

Directors / Management Personnel must uphold the highest standards of integrity and ethics in every kind of third party dealings. They shall not give, offer, or authorize the offer, directly or indirectly, of anything of value (tangible or intangible) to any third party to obtain any improper advantage.

A contribution or entertainment shall not be offered to anyone in the course of business that might create the appearance of an impropriety. However, some modest and acceptable corporate gifts etc. appropriate to give in the normal course of business practice may be acceptable.

1.5 Protection & Proper Use of Company's Assets & Resources

Directors / Management Personnel shall as far as practicable, protect the Company's assets from loss, damage, misuse or theft and ensure that the assets are only used for business purposes and other purposes specifically approved by Management and must never be used for unauthorized purposes.

Directors / Management Personnel shall not apply the Company's assets / resources and/or proprietary information for personal benefit and/or for the benefit of any other related party.

1.6 Intellectual Property

Intellectual Property Rights (IPR) broadly covers patented or potentially patentable inventions, trademarks, service marks, trade names, copyrightable subject matter, and trade secrets.

Directors / Management Personnel shall make their best efforts to protect all such Intellectual Properties related to the Company, as it is critical to the Company's overall success.

It is advisable to highlight and consult the Chairman / Compliance Officer for determining the appropriate course of action whenever there is lack of clarity and issue of any kind related to IPR.

1.7 Privacy & Confidentiality

“Confidential information” includes all information of the Company not authorized by the management for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestitures; non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meetings or otherwise, and will include all such information which is not available in the public domain at that point of time.

The Company believes that protection of all confidential information is essential and is committed to protecting business and personal information of confidential nature obtained from clients, associates and employees. Directors / Management Personnel shall ensure that no confidential information is disclosed inadvertently or otherwise.

Confidential information shall be disclosed to persons, both internal and external, only on a ‘need to know’ basis and public disclosure shall be made with appropriate approval or as legally mandated.

Directors / Management Personnel shall ensure that all confidential information available to them by virtue of the office they hold is never directly or indirectly released to any person or entity, or made public, otherwise than as stated above.

1.8 Corporate Opportunities

Except as may be approved by the Board of Directors or a Committee thereof, Directors / Management Personnel are precluded from:

- taking for themselves personally, opportunities that belong to either the Company or are discovered through the use of Company's property, information or position;
- using the Company's property, information, or position for personal gain and competing with the Company

1.9 Interaction with Media

To facilitate the achievement of the Company's vision and business plans, it is necessary to communicate the policies, plans and accomplishments in the most effective manner through the media to our investors, customers, existing and potential, other stakeholders and to the community at large.

All statements made to the media on behalf of the Company should be true and fair. Only persons duly authorized by the Management are allowed to interact with media on specified subjects. Disclosures of any information other than statutory disclosures or those specifically authorized by the Management is prohibited.

Disclosure of information on proceedings of board meetings / committee meetings / internal meetings, and disclosure of forward-looking statements is prohibited. In case any such disclosure has to be made it has to be approved by the Management and shall be combined with cautionary statements, wherever required.

Directors / Management Personnel shall not disclose non public information selectively to any particular group as it may lead to unfair advantage / discrimination.

For any outside publication of books, articles or manuscripts which relate specifically to the Company's business, policies and processes, Directors / Management Personnel should take the approval of the Management prior to its release. All such documents should be supplemented by a statement: "All views & observations made/expressed in this article/presentation are solely that of the authors and the Company is in no way responsible for the substance, veracity or truthfulness of such views and statements."

1.10 Fraudulent and Unfair Practices in the Securities Market

The Company prohibits its Directors / Management Personnel from any fraudulent and unfair trade practices in the securities market, with regard to the securities of the Company or of any other company with whom the Company has business dealings to the best of their knowledge.

1.11 Fair Dealing

Director / Management Personnel shall not take a discriminatory stance towards or give unfair advantage to the Company's employees, customers, suppliers, or competitors through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other unfair-dealing practice.

No discrimination shall be done on the basis of caste, religion, sex, nationality or disability of any kind towards any employees, customers, suppliers, or any business partner.

1.12 Health, Safety & Environment

The Company believes in sustainable development and is committed to be a responsible corporate citizen.

To uphold the Company's interest and preserve the quality of life of all concerned, the business and operations of the Company shall be conducted in an environmentally friendly manner and provide a safe and healthy working environment to its employees.

Directors / Management Personnel shall ensure compliance with all applicable environmental, safety and health laws and regulations and internal policies.

1.13 Free & Fair Competition / Antitrust

Most countries have well-developed bodies of law designed to encourage and protect free and fair competition. The Company is committed to obeying both the letter and spirit of these laws.

As a general rule, contacts with competitors should be limited to formal forums and should always avoid casual / careless mention on subjects such as business plans, prices or other terms and conditions of sale, customers, and suppliers.

1.14 Reporting of illegal or Unethical Behaviour

The Company shall promote ethical behaviour in all its business activities. Employees are free to report existing/probable violations of laws, rules, regulations or unethical conduct to their immediate supervisor or such other person as may be notified by the Management to the workgroups. Such reports received from any employee will be reviewed by the Corporate Governance and Stakeholders' Interface Committee from time to time.

In accordance with the Company's Whistleblower Policy the Directors / Management Personnel shall not attempt to suppress/conceal any such view or reporting.

The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practices.

1.15 Applicability of the Code

This is a comprehensive code and applies to all Directors /Management Personnel. However, the provisions shall apply to Executive and Non-Executive Directors including Independent Directors only to such extent as may be applicable depending on their respective roles and responsibilities.

Directors / Management Personnel shall communicate any suspected violations of the Code promptly to the Corporate Governance and Stakeholders' Interface Committee or the Chairman of the Board. Suspected violations will be investigated by or at the direction of the Board or the Corporate Governance and Stakeholders' Interface Committee and appropriate action will be taken in the event that violation is confirmed.

The Code does not specifically address every potential form of unacceptable conduct, and it is expected that Directors / Management Personnel will exercise good judgment in compliance with the principles set out in this Code. Every Director / Management Personnel has a duty to avoid any circumstances that would violate the letter or spirit of this Code.

The Compliance Officer, as designated by the Chairman, will be the principal officer for this Code. He is empowered to report to the Chairman of the Board or the Corporate Governance and Stakeholders' Interface Committee on any matter relating to the implementation of the Code. The Compliance Officer should be consulted if there is any doubt or lack of clarity about any aspect in the Code. The Corporate Governance and Stakeholders' Interface Committee or the Chairman of the Board may also be consulted wherever required.

In case of any doubt, as to the course of action to be taken, the following test may be applied:

- Is it legal?
- Is it ethical?
- Could it cause a negative perception of the Company?

1.16 Annual Certification

Every Director / Management Personnel of the Company will be required to certify compliance with the Code within 15 days of the close of the financial year of the Company. Such certification shall be in the form provided in the format as follows:

To,
The Compliance Officer,
Volent Software Services Private Limited.

Sub: Compliance Certificate

I, being a member of the Board of Directors / Management Personnel of (“the Company”) hereby acknowledge, confirm and certify that:

I have received, read and understood the Code of Business Conduct and Ethics for Directors / Management Personnel of the Company;

I am bound by the said Code to the extent applicable to my functions as a member of the Board of Directors / Management Personnel of the Company;

During the financial year _____, I have complied with the provisions of the said Code;

I am not aware of nor am I a party to any non-compliance with the said Code.

Signed:
Name:
Designation:
Date:

1.17 Directors' and Offices' Liability Insurance (D&O Insurance)

D&O Insurance policy is an insurance policy bought by companies for the benefit of their directors and officers insuring them in respect of their potential liabilities as directors and officers. The policy may also reimburse the companies themselves to the extent they have lawfully indemnified the directors and officers and may provide separate cover to the company in respect of the costs of their attending investigations by regulators.

This policy is necessary for directors and officers of every company if they wish to avoid potential litigation owing to

- Failure of supervision
- Inaccuracy in statements of financial accounts
- Mismanagement of funds
- Allotment of shares
- Unauthorized loans or investments
- Failure to obtain competitive bids
- Imprudent expansion resulting in a loss
- Using inside information.
- Unwarranted dividend payment, salaries or compensation
- Misleading statements filed with the stock exchange.
- Misrepresentation in acquisition agreement for the purchase of another company
- Wrongful dismissal of an employee

1.18 Amendment, Modification & Waivers

This Code may be amended, modified, or varied by the Board in consultation with the Corporate Governance and Stakeholders' Interface Committee, subject to appropriate applicable provisions of law, rules, regulations and guidelines.

As a general policy, the Board will not grant waivers to this Code. However, in extraordinary situations and for reasons to be recorded in writing, the Board may waive or grant exemption from any one or more of the provisions of this Code.