

CAPITAL FIRST LIMITED

CODE OF ETHICS AND BUSINESS CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Prepared By: SECRETARIAL DEPARTMENT		Version : 2
Approved By: BOARD OF DIRECTORS		Adopted Date : 27 th September, 2007
		Last Amendment Date: 5 th August, 2014

PREAMBLE

The Code of Ethics and Business Conduct (hereinafter referred to as **“Code”**) has been adopted by Capital First Limited (hereinafter referred to as **“Company / CFL”**) to comply with the applicable rules of the Stock exchanges, where the securities of the Company are listed, including but not limited to Clause 49 of the Listing Agreement.

APPLICABILITY OF THE CODE:

- ❖ This Code is applicable to the Board of Directors and Senior Management employees of the Company (hereinafter referred to as **“Specified Persons”**).
- ❖ The Senior Management employees for the purpose of this Code shall include all CXOs, all Heads of Departments and all National Business/Functional Heads of the Company.
- ❖ This code is applicable to the executive and non-executive directors to the extent of their role and responsibilities in the organization.
- ❖ An independent director shall be held liable, only in respect of such acts of omission or commission by a company which had occurred with his knowledge, attributable through Board processes, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in the Listing Agreement.

Specified Persons help shape the growth of the Company and are individually and collectively responsible to ensure that the Company operates with the highest degree of

legal and ethical standards of conduct, hence this Code.

This Code lays down general principles designed to guide Specified Persons in making ethical decisions. As it is not possible to address every possible situation that may arise, this Code should be construed and applied to further the said objective. Company Secretary shall be designated as the '**Compliance Officer**' for the purpose of this Code.

1. HONESTY, INTEGRITY, DUE CARE AND DILIGENCE:

Specified Persons of CFL shall conduct their activities, on behalf of the Company in the best interests of the Company with honesty, integrity and fairness. Due care and diligence shall be exercised by them in performing their duties of office and powers attached to their office.

2. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

Specified Persons of the Company are required to conduct their business and affairs in full compliance with applicable laws, rules and regulations in letter as well as spirit and shall encourage and promote such behavior for themselves, officers and employees across the organisation.

Specified Persons must comply with all applicable governmental laws, rules and regulations. Specified Persons must acquire appropriate knowledge of the legal requirements relating to their duties and sufficient to enable them to recognize potential dangers, and to know when to seek advice from the relevant department.

CFL will conduct its business as a responsible corporate citizen, and follow the applicable legal framework of the Country/Region in which it operates by the letter of the law and in spirit. The Company expects its employees to function in line with this principle.

3. DUTIES OF DIRECTORS:

All the Directors of the Company shall abide by the duties as provided under Section 166 and other applicable provisions of the Companies Act, 2013 read with Rules therein and also as specified under Clause 49 of the Listing

Agreement. Further, the Independent Directors shall also abide by the duties specified under Schedule IV of the Companies Act, 2013, as amended from time to time.

4. PROTECTION AND PROPER USE OF COMPANY'S ASSETS

Specified Persons must protect the Company's assets and information and may not use these for personal use, unless approved by the appropriate authority.

5. CORPORATE OPPORTUNITIES

Specified Persons may not exploit for their own personal gain opportunities that are discovered through the use of Company's property, information or position unless such opportunity is disclosed to the Board of Directors / Committee of Directors in writing and the Board / Committee of Directors declines to pursue such opportunity.

6. COMPETITION AND FAIR DEALING

Specified Persons should not take unfair advantage of anyone through manipulation, concealment, misrepresentation of material facts or any other unfair trade practices. Specified Persons should ensure dealings with stakeholders are done in a fair manner.

The Company will use its resources, knowledge and expertise to its competitive advantage, but it will avoid undermining the operation of free markets. CFL respect the rights of others to carry on their business. CFL is committed to support the development of laws that promote, encourage or result in fair competition.

7. FRAUDULENT AND UNFAIR PRACTICES IN THE SECURITIES MARKET & INSIDER TRADING

CFL's securities are listed on the major Stock Exchanges. CFL is committed to comply with securities laws in all jurisdictions in which its securities are listed. The Company prohibits its Specified Persons from any fraudulent and unfair trade practices in the securities market, market manipulation, making misleading statements to induce sale or purchase 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. The Specified Persons shall be governed by provisions of Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to the Securities Market) Regulations 2003 (SEBI FUTP Regulation), as amended from time to time.

Specified Persons shall not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of any price sensitive information, not in public domain. Specified Persons will comply with SEBI (Prohibition of Insider Trading) Regulations, 1992 & the Code of Conduct of prevention of Insider Trading of the Company as may be applicable from time to time.

8. INTELLECTUAL PROPERTY RIGHTS

Intellectual Property Rights is an important area for the success of the Company. Specified person should ensure that intellectual property rights of the Company viz trademarks, trade name, copyrights, etc are duly protected through registration of the same with concerned statutory authorities to prevent any misuse of the same by others.

It is advisable to highlight and consult the Head Corporate Centre for determining the appropriate course of action whenever there is lack of clarity and issue of any kind related to IPR.

9. CONFIDENTIALITY OF INFORMATION

Specified Persons should ensure confidentiality of information they receive and is disclosed, only if authorized by the Company or the person from whom the information is provided or required by law.

10. HEALTH & SAFETY

The business of the Company shall be carried on in a congenial environment whereby adequate health and adequate safety measures are taken in the workplace of the employees.

Specified persons shall ensure that due compliance of all laws and regulations

pertaining to health and safety measures are done on a continuous basis.

11. CONDUCT RELATING TO CUSTOMERS, EMPLOYEES, STAKEHOLDERS AND OTHERS.

The Specified Persons should, at all the time, ensure following conduct while dealing with customers, employees, stakeholders and others.

(a) Customers:

CFL's products and services shall be technologically competitive and whilst fulfilling the needs of its customers, shall offer the best possible value to its customers such that CFL become the customers' first choice for quality and service. No false or misleading claims shall be made whilst marketing its products or services. CFL service standards shall be of the highest possible order.

Mutually beneficial relationships of an enduring nature shall be built with customers. CFL's response to the needs and expectations of customers shall be speedy, courteous and effective. CFL shall endeavour to ensure that Customer complaints and warranties are attended to the satisfaction of the customer.

(b) Employees:

The Company wants to attract, develop and motivate the best people. CFL will create a work environment that is open, honest and unprejudiced and which encourages people to achieve their full potential. CFL will value people's individual and team contributions, and offer opportunities to share in the company's commercial success.

CFL will recruit, employ and reward on ability and contribution. It will provide opportunities for personal growth and professional development and engage in appropriate communication and consultation with employees.

CFL is an "equal opportunity" organization that prohibits discrimination or harassment based on race, color, religion, national origin, sex, age, sexual orientation, marital status, citizenship status, or disability.

(c) Partners:

The Company will cultivate a global network of collaborative and mutually beneficial alliances and will be honest and ethical in its dealings.

CFL will work with partners in the creation of successful ventures which have high standards of integrity and business practice. CFL will use its values and principles in dialogue with other organizations and in considering new and existing relationships.

(d) Vendors:

CFL will value the diversity of its Vendors. CFL will work with them in innovative ways that create added value for its customers and trading partners.

CFL will have a fair procurement process, administering tendering and contracting procedures in good faith.

(e) Community:

CFL will contribute to the well being of the societies in which CFL operates through its business activities and the skills of its people.

CFL will maintain the highest level of integrity while respecting local laws, customs and traditions. CFL will work with community and other organizations to support non-profit making activities that benefit wider society. CFL will use its influence to reinforce the liberating and empowering potential of technology.

12. SEXUAL HARASSMENT

The Company strictly prohibits any kind of sexual harassment. Sexual harassment includes making unwelcome advances, sexual flirtations or propositions, continual or repeated verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, humor and jokes about sex or gender specific traits, sexual innuendo, display in the workplace of sexually suggestive objects or pictures, and transmission of sexual messages via voice mail, regular mail, e-mail or the Internet or Intranet. Specified Persons shall abide by the provisions of

Prevention of Sexual Harassment (POSH) of Women Act and also the internal Policy framework adopted by the Company with respect to the same.

13. 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 Specified Persons.

Specified Persons of the Company shall ensure that their personal interest doesn't conflict with the interests of the Company/ the group. A Specified Person involved in any of the types of relationships or situations described in this Code should immediately and fully disclose the relevant circumstances to his or her Supervisor, if any, or any other appropriate supervisor, or the Managing Director and CEO, for a determination about whether a potential or actual conflict exists. If an actual or potential is determined, the Company may take whatever corrective action appears appropriate according to the circumstances. Failure to disclose facts shall constitute grounds for disciplinary action. A conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Examples include:

(i) *Employment/ Outside Employment (applicable to our Senior Management Personnel only)*

In consideration of the employees' employment with the Company, the employees are expected to devote their full attention to the business interests of the Company. Employees are prohibited from engaging in any activity that interferes with the employees performance or responsibilities to the Company or is otherwise in conflict with or prejudicial to the Company. Our policies prohibit any employee from accepting any beneficial or financial relationship a Company supplier, customer, developer or competitor, or from taking part in any activity that enhances or supports a competitor's position.

Additionally, employees must disclose to the Company any interest that they have and may conflict with the business of the Company. All queries on this will be addressed to the Human Resources department.

(ii) *Outside Directorships*

It is a conflict of interest to serve as a director of any company that competes with the Company.

Directors must obtain approval from the Board of Directors before accepting a directorship of Competing Company, wherein the Disclosure with respect to the said Directorship held shall be given to Human Resources Department and Compliance Officer.

Senior Managerial Personnel must obtain approval from the Board of Directors before accepting a directorship of any Company (ies), wherein the Disclosure with respect to the said Directorship held shall be given to Human Resources Department and Compliance Officer.

(iii) *Business Interests*

If a Specified Person is considering investing in a Company customer, supplier, developer or competitor, you must first take great care to ensure that these investments do not compromise their responsibilities to the Company. Many factors should be considered in determining whether a conflict exists, including the size and nature of the investment; your ability to influence the Company's decisions; Access to confidential information of the Company or of the other company; and the nature of the relationship between the Company and the other company.

If any person from Senior Management is considering an investment that will lead to acquiring or holding a controlling stake in another company, they must disclose such facts to and seek the prior approval of the Compliance Officer. For the purpose of this Code, the term "controlling stake" shall be generally understood to mean an investment by virtue of which you acquire 25% or more of the total equity/ common stock of a company OR are reasonably likely to be able to (i) receive a seat on a company's Board Of Directors, (ii) influence the composition of the Board Of Directors of a company, or (iii) control the management or policy decisions of a company.

Specified Persons should also not have a financial interest—including an indirect interest through, for example, a relative or other persons, in any organization if that interest would give Specified Persons or appear to give them a conflict of interest with the Company.

(iv) *Related Parties*

Specified Person are advised to avoid conducting Company 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 / Senior Management, they must report the same to the Compliance Officer. Related party transactions of Specified Persons must be reviewed, approved and reported, as required under applicable accounting rules, SEBI, Indian Companies Act, 2013 read with its Rules as amended from time to time and securities market rules. Any dealings with a related party must be conducted on an arms length basis and in such a way that no preferential treatment is given to this business.

The Company discourages the employment of relatives within the Company and prohibits the employment of such individuals in positions that have a financial or other dependence or influence (e.g., an auditing or control relationship, or a supervisor/ subordinate relationship). In the event of a Relative getting appointed in the Company the relative getting appointed will be required to give a declaration to the HR Department regarding the relationship of the relative with the employee and the HR Department will consider such factors which ensures that there is no conflict of interest in appointing such relative of an employee and will accordingly take necessary decision with regards the same.

The purpose of this policy is to prevent the organizational impairment and conflicts that are a likely outcome of the employment of relatives or significant others, especially in a supervisor/subordinate relationship. If a question arises about whether a relationship is covered by this policy, the Human Resources Department is responsible for determining whether an Employee's acknowledged relationship is covered by this policy and the decision. The Human Resources Department shall advise all affected

Employees of this policy. Willful withholding of information regarding a prohibited relationship/reporting arrangement will be subject to corrective action, up to and including termination. If a prohibited relationship exists or develops between two Employees, the Employee in the senior position must bring this to the attention of his/her supervisor, if any or Managing Director and CEO.

The Company retains the prerogative to separate the individuals at the earliest possible time, either by reassignment or by termination, if necessary.

It is clarified that, wherever the term 'relative' appears in this Code, it shall have the same meaning as provided under Companies Act, 2013 read with its rules.

(v) *Other Situations*

Because other conflicts of interest may arise, it would be impractical to attempt to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Compliance Officer or Human Resources Department.

NOTE: IN THE EVENT OF ANY DOUBT PERTAINING TO CONFLICT, PLEASE DISCUSS IT WITH YOUR REPORTING AUTHORITY, IF ANY, TO AGREE ON THE WAY FORWARD.

14. REPORTING OF ILLEGAL OR UNETHICAL BEHAVIOUR (WHISTLE BLOWER /VIGIL MECHANISM)

The Company shall promote ethical behavior in all its business activities. The company must maintain a culture of integrity, transparency and trust by encouraging Directors, employees or any other person dealing with the Company to whistle blow when they have genuine concerns. The Specified Persons, along with employees and any other Person dealing with the Company shall be governed by the Whistle Blower Policy adopted by the Company as well as the applicable laws and regulations with respect to Whistle Blower/ Vigil Mechanism.

15. AMENDMENT, MODIFICATION & WAIVERS

This Code may be amended, modified, or waived by the Board, subject to appropriate applicable provisions of law, rules, regulations and guidelines.

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

16. ANNUAL CERTIFICATION

Every Director and Member of Senior Management 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.

17. VIOLATION

Specified Persons shall communicate any suspected violations of the Code promptly to the Compliance Officer or the Chairman of the Board. Suspected violations will be investigated by or at the direction of the Board 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 Specified Persons will exercise good judgment in compliance with the principles set out in this Code. Every Specified Person has a duty to avoid any circumstances that would violate the letter or spirit of this Code.

The Compliance Officer is empowered to report to the Chairman of the Board on any matter relating to the implementation of the Code. The Compliance Officer or Head Human Resources, should be consulted if there is any doubt or lack of clarity on any aspect in the Code.

This Code shall be uploaded on the website of Company, in compliance of Clause 49 of the Listing Agreements relating to Corporate Governance.
