

# **SOFTPRO SYSTEMS LIMITED**

## **CODE OF CONDUCT & ETHICS FOR DIRECTORS & SENIOR MANAGEMENT**

### **I. Preface:**

Over the years, the Company conducted its business adhering to high ethical and moral standards. As the Company grows and expands, it is extremely important to continue the same level of ethical standards and professional behavior.

The purpose of this code is to deter wrongdoing and promote ethical conduct. The matters covered in this code are of the utmost importance to the company, shareholders and our business partners. This model Code of Conduct for directors and senior management personnel is a guide to help senior management team and directors on the Board of Softpro and its subsidiaries live up to Softpro's high ethical standards.

Though the rules and principles set forth in this Code are general in nature and their compliance along with other applicable policies and procedures of the Company shall be ensured. The directors and senior management personnel may contact the Compliance desk in case of any doubt on interpretation.

The code is also expected to serve as a testimony of commitment of Softpro family to the standards of loyalty, honesty, integrity and the avoidance of conflicts of interest.

This model code of conduct shall be reviewed by the Board from time to time to keep in pace with the regulatory requirement.

### **II. Applicability:**

The directors both executive and non executive, are obliged to carry out their duties in an honest, fair, diligent and ethical manner, within the scope of the authority conferred upon them and in accordance with the laws, rules, regulations, agreements, guidelines, standards and internal policies and procedures. The Board of Directors of the Company is entrusted with the fiduciary responsibility of overseeing the affairs of the Company. As directors of the Company, they have a duty to make decisions and implement policies in the best interests of the Company and its stakeholders.

This code of conduct is applicable to following persons referred to as Directors and Senior Management Personnel's:

The Directors, both executive and non-executive Directors.

Senior Management team comprising of members of Management one level below the Executive Directors, including all functional heads

### **III. Honest & Ethical Conduct:**

Honest & Ethical conduct is crucial to business. Accordingly, all directors and senior management personnel's are expected to act in accordance with the highest standards of personal and professional integrity, honestly, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company's business between personal and professional relationships. All directors and senior management personnels are expected to

- Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, courteous and respectful manner;
- Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfill their fiduciary duties to the stakeholders of the Company;
- Act in good faith, with responsibility, due care, competence, diligence and independence;
- Treat their colleagues and other associates of the Company with dignity and shall not harass any of them in any manner.

### **IV. Conflict of Interest:**

#### **General Guidance**

The directors and senior management personnels are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests.

Directors and senior management personnels are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest.

#### **a. Outside Employment**

Whole time/Executive directors and senior management personnels are expected to devote their full time and attention to the business interests of the company and are prohibited from engaging in any activity that interferes with their performance or responsibilities of the company or is otherwise in conflict with or prejudicial to the company, engage in work or receive payments for services from any competitor, customer, distributor or supplier of Softpro and shall not accept any other work or assignment (part-time or otherwise).

#### **b. Board Memberships**

Acceptance of Directorship on the Boards of other Companies, which compete with Softpro amounts to conflict of interest and requires approval of Board. Helping the community by serving on Boards of non-profit or welfare organizations is encouraged, and does not require prior approval.

### **c. Related Parties**

Directors and senior management personnels shall not use personal influence to make the Company do business with a company/institution in which his or her relatives are interested. As a general rule, the directors and senior management personnel shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, disclosure shall be made to the Board of Directors and a prior approval shall be obtained.

### **d. Gifts** (Gifts are not always physical objects – they might also be services, favors or other items of value.)

Directors and senior management personnels shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings as panelist / speaker and other customary gifts are allowed.

### **Gifts on behalf of the Company**

Some business situations call for giving gifts. These gifts shall be legal, reasonable. Directors and senior Management personnel shall not pay bribes. It is understood that gift-giving practices vary among cultures and countries. Directors and Senior management personnel shall not provide any gift if law or the policy of the recipient's organization prohibits it. For example, the associates of many government entities around the world are prohibited from accepting gifts.

### **e. Investments**

Directors and senior management personnels may not allow their investments to influence, or appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if any directors and senior management personnel has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on the outside party. The directors and senior management Personnel seek prior consent of the Board before making any investments more than 15% of the paid up capital of the other entity.

#### **f. Diversion of Business**

Directors and senior management personnel's shall not divert business opportunities of the Company, by exploiting for their own personal gain, business opportunities that are discovered through the use of corporate property information or position. However such business opportunities can be pursued once they are fully disclosed to the Board in writing.

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

The assets of the Company shall be used for legitimate business purposes and shall not be used for personal purposes. Incidental personal use, if reasonable does not amount to violation of the code.

#### **h. Others**

It would be impracticable to attempt to list all possible conflict of interest's situations and it is possible that other such situations may arise, which are not enumerated above. In all such situations, which rise any questions or doubts, may be brought to the notice of the Board for appropriate decision.

### **V. Legal Compliance:**

It is the general obligation of the directors to conduct the business and operations of the Company in accordance with the laws, rules regulations, agreements, guidelines; standards including accounting standards governing its operations. The directors and senior management personnel shall acquire appropriate knowledge of the legal requirements relating to the their duties sufficient to enable them to perform their obligations diligently. The directors and senior management personnel shall also comply with the internal policies and procedures of the Company to the extent applicable to them including but not limited to compliance with prohibition of Insider Trading policy of the Company.

### **VI. Corporate Disclosure Policy:**

It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents and its files. The directors and senior management personnel shall provide only public information to the analyst/research person/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest. The directors and senior management personnel must maintain the confidentiality of information relating to the affairs of the Company until and unless authorized or legally required to disclose such information; and shall not use confidential information for their personal advantage.

**VII. Competition and Fair Dealing:**

The Directors and Senior Management personnel are obligated to deal fairly and honestly with each other, the Company’s associates, competitors and other third parties. Directors and senior management personnel shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. The Company is committed to free and open competition in the marketplace. Directors and senior management personnel shall avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor’s confidential information or making false statements about the competitor’s business and business practices.

**VIII. Compliance of Code of Conduct:**

It is the duty and obligation of every Director and Senior Management person to comply with this code of conduct and he/she shall acknowledge and affirm ongoing compliance with the code on an annual basis. Any violation of the code shall be reported to the Chairman of the Board and to the Compliance Directors and Senior Management Personnel of the Company.

**IX. Acknowledgement:**

The Directors and senior management personnel shall read and fully understand this code of conduct and comply with the policies procedures and principles contained therein.

**ACKNOWLEDGMENT OF RECEIPT OF CODE.**

I have received and read the Company’s Code for the Board of Directors and Senior Management Personal. I understand the standards and policies contained in the code and understand that there may be additional policies or laws specific to my job. I agree to comply with code.

Directors/Senior Management Personnel’s Name -----

Signature -----

Date: -----

Please sign and return this form to the Manager- HR.