

PCS TECHNOLOGY LIMITED

CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS, SENIOR MANAGEMENT AND EMPLOYEES

1 Introduction

- 1.1 This Code of Conduct (hereinafter referred to as “**Code**”) has been adopted by PCS Technology Limited (hereinafter referred to as “**the Company**”) to comply with applicable law and the rules and regulations of the Stock Exchanges on which the securities of the Company are listed. The principles prescribed in this Code are general in nature and lay down broad standards of compliance to Clause 49 of the Listing Agreement with the Stock Exchanges.
- 1.2 This Code is applicable to the Board Members (hereinafter referred to as “**Directors**”) and the Senior Management Personnel (hereinafter referred to as “**Senior Management**”) and employees of the Company.
- 1.3 The principal duty of the Board of Directors, along with the Senior Management, is to ensure that the Company is well managed in the interests of its shareholders.
- 1.4 The purpose of this Code is to demonstrate the ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence reposed in the Management by the stakeholders and business partners. It represents the underlying core ethical values and commitment to lay standards of integrity, transparency, fairness, accountability and pursuit for excellence. All Directors and Senior Management and employees, must adhere to, comply with and uphold the provisions of this Code and the standards laid down under the provisions of this Code and the standards laid down hereunder in their in their day-to-day functioning.
- 1.5 The Code comes into force with effect from **1st day January, 2006 and as amended w.e.f. 21st May, 2014.**
- 1.6 All Directors and Senior Management shall sign the acknowledgement form annexed as **Appendix I** hereto and return the form to the Company Secretary indicating that they have received, read and understood the provisions of this Code, and agree to comply with the same. All Directors and Senior Management shall be required to affirm compliance with this Code on an annual basis, within 30 days of the close of every financial year to the Company Secretary, in the form annexed hereto as **Appendix II.**

2 Definitions

2.1 In this Code, unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

“Directors” means all the members of the Board of Directors of the Company including the Non-Whole-time Directors.

“Chairman” means the person occupying the position of the Chairman of the Board of Directors of the Company.

“Whole-time Directors” means the Board Members who are in whole-time employment of the Company.

“Non-Whole-time Directors” means the Board Members who are not “Whole-time Directors” of the Company.

“Senior Management” means “Key Executives” of the Company in the level of Vice President and above including persons on contract employment occupying similar positions.

“Employees” means the persons includes permanent employees as well as those on probation in the Company.

“Relative” means “relative” as defined in Section 2(77) and to read with Clause 4 of the Companies (Specification of Definitions details) Rules 2014 of the Companies Act, 2013.

2.2 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or vice versa.

3 Guidelines for Conduct of Directors

The Directors and Senior Management shall take due care in performance of his/her duties, act in good faith and within the authority conferred upon them in the best interests of the Company and will:

3.1 make reasonable efforts to attend Board and committee meetings;

3.2 dedicate time and attention to the Company to the extent appropriate;

3.3 seek to comply with all applicable laws, regulations, confidentiality obligations and corporate policies of the Company; and

3.4 conduct themselves in a professional, courteous and respectful manner with due competence and diligence without allowing their independence, judgment to be subordinated.

4 Corporate Business Opportunities

A corporate business opportunity is an opportunity which is in the Company's line of business or proposed expansion or diversification based on the Company's business plan, which the Company is financially able to undertake and which may be of interest to the Company. In carrying out their duties and responsibilities, the Directors, Senior Management and Employees are prohibited from:

- 4.1 appropriating corporate business opportunities for themselves that are discovered through the use of Company resources or information or their position as Directors or employees
- 4.2 using Company resources or information, or their position as the Directors or Senior Management Personnel, for personal gain; and
- 4.3 competing with the Company, directly or indirectly.

Notwithstanding what is stated in **4.3** of this Code:

- (i) A Director or Senior Management Personnel who learns of such a corporate business opportunity and who wishes to avail of it should first disclose such opportunity to the Company's Board of Directors. If the Board of Directors determines that the Company does not have an actual or expected interest in such opportunity, then, and only then, may the Director or Senior Management Personnel avail of it, provided that the Director or Senior Management Personnel has not wrongfully utilized the Company's resources in order to acquire such opportunity.
- (ii) Directors of the Company who learn of a corporate business opportunity (other than from the use of the Company's resources or information or their position as a Director of the Company), will not be obliged to disclose such a corporate business opportunity to the Board of the Company and can avail of such corporate business opportunity.

5 Conflicts Of Interest

5.1 A 'conflict of interest' occurs when the private interest of an employee, officer, senior management personnel or Director interferes in any way with the interests of the Company. A conflict situation may arise when an employee, officer, senior management personnel or Director takes action or has any interest that may make it difficult for him to perform his or her work objectively and effectively. Conflicts of interest may also arise when an employee, officer, senior management personnel or Director, or a member of his or her family, receives improper personal benefits as a result of his or her position in the Company. To avoid conflict of interest the Directors and Senior Management shall:

- (i) avoid all situations, decisions or relationships which give or could give rise to conflict of interest or make it difficult for them to perform their work objectively and effectively;
- (ii) avoid dealings with a Contractor or Supplier that compromises the ability to transact business on a professional, impartial and competitive basis or influence decision to be made by the Company;
- (iii) avoid receiving, or permitting members of their immediate family to receive, improper personal benefits from the Company, including loans from or guarantees of obligations by the Company.
- (iv) inform the Board, at the earliest opportunity, any existing or potential conflict of interest situation.

6 Company Property

6.1 In carrying out their duties and responsibilities, all employees and Directors should endeavor to protect the Company's assets and proprietary information, and ensure that the same are not being misused by the Directors, Senior Management and the employees of the Company. Any suspected incident of fraud, mismanagement of Company assets or theft should be immediately reported for investigation to the Chairman of the Board or such other person as designated in this regard.

7 Confidential Information

7.1 Directors and Senior Management should maintain the confidentiality of confidential information entrusted to them in carrying out their duties and responsibilities, except where disclosure is approved by the Company or legally mandated or if such information is already in the public domain. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Company or its customers, if disclosed. The Company's confidential information shall not be inappropriately disclosed or used for the personal gain or advantage of anyone other than the Company. These obligations apply while employed or serving as a Director of the Company even after employment or the Director's term with the Company ends.

7.2 In all its public appearances with respect to the disclosing information in relation to the Company's activities to the public, media, financial community etc., the Company shall be represented only by specifically authorised Directors and Senior Management personnel.

8 Compliance with Laws and Regulations

8.1 Every Director and Senior Management shall, in his or her business conduct, comply with all applicable laws and regulations, both in letter and in spirit, in all the territories in which he or she operates.

8.2 In addition, if any Director or Senior Management of the Company becomes aware of any information that he or she believes constitutes evidence of a violation of laws, rules or regulations applicable to the Company or the operation of its business, he/she

should bring such information to the attention of the Chairman of the Board or such other person as designated in this regard.

9 Insider Trading

9.1 The Directors and Senior Management shall comply with the Code of Conduct for Prevention of Insider Trading of the Company in dealing with the securities of the Company as applicable from time to time.

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

10 Encouraging the Reporting Of Illegal Or Unethical Behavior (Whistle Blower Policy)

Directors should endeavor to promote ethical behavior and to encourage employees to report evidence of illegal or unethical behavior to appropriate Company personnel. It is the policy of the Company to not allow retaliation against any employee who makes a good faith report about a possible violation of this Code.

Suspected violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. All reported violations will be appropriately investigated. When in doubt of the best course of action in a particular situation, Directors are encouraged to talk promptly to the Chairman of the Board or the Chairman of the Audit Committee. Directors are expected to fully cooperate in internal investigations of misconduct.

A director charged with a violation of this Code should not participate in a vote of a Committee or the Board concerning his/her alleged violation, but may be present at a meeting of the Board or of a Committee convened for that purpose.

11 No Rights Created

11.1 This Code sets forth guidelines for conduct of the Directors and Senior Management of the Company. This Code is not an expressed or implied contract of employment and does not create any contractual rights of any kind between the Company and its employees. In addition, all employees should understand that the Code does not modify their employment relationship, whether at will or governed by contract.

12 Waiver and Amendments

12.1 Any amendment to this Code must be approved by the Board of Directors and publicly disclosed as required by any applicable law or regulation.

- 12.2 Any waiver of this Code for the benefit of any executive officer or Director of the Company may be made only by the Company's Board of Directors 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 then listed or traded.

13 Placement of the Code on Website

- 13.1 Pursuant to Clause 49 of the Listing Agreement, this Code and any information and any amendments thereto shall be posted on the Website of the Company.

14 Enforcement of Code of Conduct

- 14.1 All Director and Senior Management shall be accountable for fully complying with this Code.

15 Consequences of Non-compliance of this Code

- 15.1 In case of Breach of this Code by the Directors, the same shall be dealt with by the Board of Directors for initiating appropriate action, as deemed necessary.
- 15.2 In case of breach of this Code by the Senior Management, the same shall be dealt with by Chairman / Managing Director for initiating appropriate action, as deemed necessary.

APPENDIX I

**CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS AND
SENIOR MANAGEMENT AND EMPLOYEES**

ACKNOWLEDGEMENT FORM

I, have received and read the Company's **CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT AND EMPLOYEES** ("this Code"). I have understood the provisions and policies contained in this Code and I agree to comply with this Code.

Signature :

Name :

Designation :

Date :

Place :

APPENDIX II

**CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS AND
SENIOR MANAGEMENT AND EMPLOYEES**

ANNUAL COMPLIANCE REPORT*

I, do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the **CODE OF BUSINESS CONDUCT & ETHICS FOR BOARD MEMBERS AND SENIOR MANAGEMENT AND EMPLOYEES** during the financial year ending 31st March,

Signature :

Name :

Designation :

Date :

Place :

* To be submitted by 30th April each year.