

NUCLEUS SOFTWARE EXPORTS LIMITED CODE OF CONDUCT FOR EMPLOYEES

I. Introduction

This Code of Conduct is applicable to all employees of Nucleus Software Exports Limited and its subsidiaries (incorporated in India and abroad).

The Company is committed to conduct its business in accordance with the applicable laws, rules and regulations, and with highest standards of business practices and ethics. The issues covered in this Code are of utmost importance to the Company, its shareholders, and customers. These are accordingly relevant and important for all employees of the Company.

All employees of the Company have a responsibility to carry out their duties in an honest and business-like manner and within the scope of their authority. They are entrusted with and are responsible for the oversight of assets and business affairs of the Company in an honest, fair, diligent, and ethical manner.

The purpose of this Code of Conduct is to:

- a) Encourage high standards of honesty, integrity and ethics among the employees of the Company.
- b) Encourage observance of standards to protect the interests of employees, customers, suppliers, and creditors.
- c) Guide employees in following the practices considered necessary to maintain confidence in the Company's integrity.
- d) Achieve responsible use of and control over all the assets and resources employed or entrusted.
- e) Set out responsibility of employees to report and investigate any reported violations of this code or unethical or unlawful behavior.

This Code of Conduct will help in creating confidence among the Company's customers, shareholders, suppliers and the society at large with respect to the dependability and sincerity of the Company.

II. Conflict of Interest

A conflict of interest exists where the interest or benefit of one person conflicts with the interests of the Company. A conflict of interest, actual or potential, may arise where, directly or indirectly:

- An employee of the Company engages in a business, relationship, or activity with anyone who is a party to a transaction with the Company.

- An employee is in a position to derive a personal benefit or a benefit to any of his relatives or friends and associates by making or influencing decisions relating to any transaction.

All employees must avoid situations involving actual or potential conflicts of interest.

If due to some unavoidable circumstances, a situation of conflict of interest arises for an employee (as explained above), then it is the duty of the concerned employee to disclose the nature of the transactions to the Chief Financial Officer of the Company, who may take a suitable decision or refer the matter to the Board of Directors or to any committee of the Company.

III. Related Parties

As a general rule, employees shall avoid conducting business with any company or firm, with which their relatives are associated.

Relatives for the purpose shall include the following:

- a) Spouse
- b) Children and their spouses
- c) Parents
- d) Sisters/brothers and their spouses
- e) Any other relative /friend with whom an employee can act in concert.

It is incumbent upon every employee to make a full disclosure to the Company's Chief Financial officer, of any interest, which he or his relative may have in a Company or firm which is a supplier, customer, distributor of or has any other business dealings with the Company.

IV. Corporate Opportunities

All employees of the Company are expected not to use their position to gain from the opportunities that are vested with the Company.

If the Company decides not to pursue an opportunity that is discovered through the use of corporate property, information or position, an employee may pursue such an activity but only after disclosing the same to the Board of Directors or the nominated person/committee, and after obtaining the permission from them.

V. Confidential Information of the Company

The Company's confidential information, among others, includes product architectures, source codes, product plans, business plans names and lists of customers, and financial information. All confidential information must be used by the employees for the Company's business purposes only. It is also the duty of every employee to safeguard it. No information, either formally or informally which is detrimental to the interests of the Company, shall be provided by the employees to the press, other public media, or any other external agency except within the approved policies of the Company.

At the time of joining the Company, every employee shall sign an agreement to protect the confidential information of the Company. Under this agreement, all employees are prohibited to disclose the Company's confidential information to anyone or use it for own advantage or profit. This agreement remains in force for the entire term of his employment with the Company.

To maintain secrecy and desist others from using the name of the Company's products, the Company has filed applications for Registration of Trade Mark for several of its products.

VI. Fair Dealings

Every employee shall deal fairly with the Company's customers, suppliers and competitors and also with the employees of the group companies. The employee shall not take any unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing/practice.

No employee under any circumstances shall accept any offer, payment, promise to pay, or authorization to pay any money, gift from customers, suppliers, consultants etc, that is perceived as intended, directly or indirectly, to influence any business decision, any commitment of fraud, or opportunity for commission of any fraud.

VII. Honest and Ethical Conduct

Every employee shall act in accordance with the highest standards of personal and professional integrity, honesty, and ethical conduct not only on Company's premises and offsite but also at the Company sponsored business and social events. His conduct shall conform to the best-accepted professional standards of conduct.

VIII. Protection and Proper Use of Company's Assets

Every employee shall protect the Company's assets and properties against loss, damage, misuse, or theft and ensure its efficient use. No assets of the Company shall be sold or donated without proper authorization from the Managing Director or Chief Financial Officer.

No employee shall misuse the Company facilities. Company facilities shall also not be used for personal purposes except where such facilities have been provided for personal use either by policy or specific permissions. Even for use for Company's purposes, care shall be exercised to ensure that costs are reasonable and there is no wastage.

IX. Relationship with Suppliers

An honest, fair, and open treatment and opportunity shall be given to all suppliers of the Company to present their products and services to the Company. Competition shall be encouraged amongst suppliers to get best value for money and selection shall be based on the merits of the products and services and not due to any other

loyalties or promises. All employees shall ensure that the Company's interests are never compromised when dealing with its suppliers.

X. Relationship with Competitors

The Company expects and accepts healthy and fair competition. False and misleading statements for competitors are improper, as these will invite disrespect from clients and complaints from competitors.

As a general rule, an employee shall avoid discussing matters like pricing policy, terms and conditions, costs, business plans, survey reports or any other proprietary information of the Company with its competitors.

XI. Relationship with Clients

The Company believes that the welfare of its clients should be given overriding priority and that all employees should take all reasonable steps to ensure it. The Company does not discriminate against clients or potential clients on the basis of beliefs, race, or religion. The employees of the Company shall respect clients' religious, spiritual, political, and social beliefs and shall never seek to impose their beliefs on them.

The relationship between an employee and the client shall be entirely professional. An employee shall behave with courtesy, respect, integrity, and discretion with the clients. Friendly relations with the Company clients are desirable and may be advantageous to the Company. However, any kind of favoritism, preferential treatment, and unethical business practices shall always be avoided.

An employee shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations, or comparable benefits, which are intended to or perceived to obtain business or uncompetitive favours for the conduct of the Company's business. However, the Company and its employees may accept and offer nominal gifts, which are customarily given at special events or which are of a commemorative nature.

XII. General Conduct and Relationships

All employees shall:

- a) At all times make an endeavor to attend meetings/ trainings as are required of the person for the benefit, growth and development of the Company.
- b) Dedicate sufficient time, energy and attention to the Company to ensure diligent performance and be aware of and seek to fulfill his duties and responsibilities as set out.
- c) Not show disrespect to their superior officers or to the authority of the Board.
- d) Uphold values of trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self-respect and human dignity when dealing with other employees of the Company.
- e) If involved with extra-curricular activities such as public service, membership of social clubs and social organizations, political activities or sports, shall ensure that this does not interfere with his performance relating to the Company, or is otherwise in conflict with or prejudicial to the Company. An

employee shall not use the Company infrastructure and facilities to discharge responsibilities towards any such extra-curricular activities.

XIII. Common Contractors for Residential Homes of Decision Makers and of the Company

An employee shall not, for their personal use, employ such contractors or architects who are engaged by the Company, except with the prior written approval of the Managing Director of the Company.

XIV. Accepting Outside Directorships

Accepting any directorship on the board of a company that competes with the Company is strictly prohibited. Even for accepting directorships on the board of any other company, prior approval from the Managing Director shall be required.

XV. Access Control

The Company has installed access control system at its Development Center at NOIDA to safeguard its assets from theft, misuse, and destruction. Every employee of the Company shall comply with the policy of access control.

XVI. Unfair Trade Practices in the Securities Market

The Company's shares are listed at the National Stock Exchange, Mumbai Stock Exchange, and Madras Stock Exchange. The Company is committed to comply with the laws and regulators of SEBI and of the stock exchanges.

The Company prohibits all its employees from Unfair Trade Practices in the securities of the Company.

The Company has implemented a Code of Conduct for prevention of Insider Trading by the employees of the Company, and they are required to comply with the provisions of the same for doing any transaction in the Company's securities exceeding the limits specified in Code of Conduct. The employees are also required to make initial as well as continual disclosure of their shareholding in the Company as per the Code

If any employee trades in the Company's securities in contravention of the Code of Conduct, such employee shall be liable to pay a fine of 10% of the total transaction value in question. The Company may also take other appropriate action, such as salary freeze or suspension, as stated in the Code of Conduct. Such action by the Company shall not preclude SEBI from taking any penal action.

XVII. Workplace free of Harassment

The Company is committed to providing a work environment free of unlawful harassment. Company policy prohibits sexual harassment and harassment based on race, religious creed, color, national origin, physical or mental disability, medical

condition, marital status, age, sexual orientation, or any other basis protected by state or local law or ordinance or regulation. All such harassment is unlawful. The Company's anti-harassment policy applies to all persons involved in the operation of the Company and prohibits unlawful harassment by any employee of the Company towards other employees including supervisors, outside vendors, clients.

If any employee is found guilty of an act of harassment, then the Company may take any appropriate action, which can even include suspension of the employee concerned.

XVIII. Disciplinary Actions

The Company shall take appropriate action against any employee whose actions are found to violate this Code of Conduct. Disciplinary action may include immediate termination of employment or business relationship at the Company's sole discretion. Where the Company has suffered a loss, it may pursue remedies against the individuals or entities responsible for the same.

XIX. Code of Ethics for Senior Financial Officers

Honesty, integrity, and sound judgment of the senior financial officers of a Company are fundamental for the success and reputation of any Company. The senior finance officers of the Company shall be required to:

- Act with honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal, financial and professional relationships.
- Make full, fair, accurate, timely, and understandable disclosure in reports and documents that the Company files, submits, or provides periodically to the board, shareholders, government authorities, and public.
- Comply with the government laws, rules, notifications and regulations applicable to the Company's business.
- Disclose to the Board or any committee/officer designated by the Board for this purpose, any material transaction or relationship that reasonably could be expected to give rise to any violations of the Code including actual or apparent conflicts with the interests of the Company.
- Promote prompt reporting of violations of the Code of Ethics to the Board of Directors or any other person/committee designated for this purpose, as may be necessary.

XX. Waiver of this Code

Any deviation/waiver from this Code can be affected only on the sole and absolute discretionary authority of the Board or any person/committee designated by the Board for this purpose.

XXI. Disclaimer

This Code of Conduct is intended solely as a guide. The Company expressly retains the right to unilaterally modify or amend these rules at its sole discretion, with or without notice to the Company's employees. Any delay in taking preventive action shall not be construed as a waiver of such right by the Company.