

## **ADC INDIA COMMUNICATIONS LIMITED**

### **CODE OF BUSINESS CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANGEMENT OF THE COMPANY**

#### **A. Overview**

This code of Business Conduct provides an easy reference for proper conduct in our business and is designed to promote honest and ethical conduct and deter wrongdoing.

The Company is committed to the ethical and legal conduct of its business affairs and in full compliance with all laws, rules, regulations and policies applicable to the Company and its business. It is the personal responsibility of all directors and senior executives of the company to be aware of the laws, regulations and requirements relating to their job and they must avoid any activities, which would involve the Company in any unlawful practice. In situations where the activities of the Company are not the subject of laws and regulations, principles of fairness and honesty will govern our conduct at all times.

This Code of conduct was approved by the Board of Directors of the Company at their meeting held on December 02, 2005 and amended in the meeting of the Board of Directors held on November 28, 2014.

#### **B. Applicability of the Code**

This code of Conduct applies to all the Directors and Senior Management of the company. Senior Management shall mean personnel of the company who are members of Senior Management (i.e. one level below the Board of Directors, including all functional heads). The word "Person" used in this document includes the aforementioned class of individuals.

#### **C. Honest and Ethical Conduct**

The Directors and Senior Management of the Company shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, including ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Such a conduct shall be free from any fraud or deception.

The Directors and Senior Management shall treat in an honest and fair manner the Company's customer, business partners and the employees of the Company. No director or senior management member shall take advantage of anyone through misrepresentation or dishonest or misleading statements or any other unfair dealing practice. The Directors and Senior Executives shall immediately bring to the notice of the Board and/or Managing Director, respectively, any unethical behavior and actual or suspected fraud.

#### **D. Financial Code of Ethics**

The Company being a publicly traded company, it is extremely important that it prepares accurate financial reports and that its filings made with The Bombay Stock Exchange Limited and other public disclosures be timely and contain accurate and complete disclosure of required matters. This Financial Code of Ethics is designed to assure that the Company acts with honesty and integrity in all financial dealings and provides full, complete and accurate disclosures to its stockholders in its public filings and disclosures as required by law.

The Directors and Senior Management shall adhere to the following principles when performing their duties for the Company:

- Act with honesty and integrity and ensure that any actual or apparent conflicts of interest in personal and professional relationships are ethically resolved in compliance with applicable laws.
- As applicable to their work for the Company, provide information that is accurate, complete, objective, relevant, timely and understandable so as to ensure full, fair, accurate, timely and understandable disclosure in internal reports as well as in reports and documents that the Company files with, or submits to, government agencies and in other public disclosures.
- Comply with all applicable governmental laws, rules and regulations.
- Act responsibly, with due care, competence and diligence in good faith without misrepresenting or failing to disclose material facts that relate to the Company's financial reporting and public disclosures.
- Adhere to the confidentiality policies of the Company with respect to information acquired during the course of serving the Company except when authorized or legally required to make a disclosure.
- Actively promote and serve as an example of ethical business behavior to other Company employees.
- Maintain, develop and share with co-workers' skills that are important and relevant to advancing the Company's responsibility to assure the integrity of the Company's financial reporting and public disclosures.
- Promptly report any conduct that the individual in good faith believes to be a violation of law.

#### **E. Conflicts of Interest**

The Directors, Senior Management and their families should avoid activities, interests and associations in which their personal interests' conflict with or are inconsistent with the Company's activities or business interests or could cause their judgment, loyalty to the Company or objectivity in the conduct of their Company business activities and assignments to be adversely influenced. The purpose is to prevent conflicts of interest from interfering with their ability to make decisions solely in the best interests of the Company and to ensure that the Company's business opportunities are not diverted from the Company.

A conflict of interest occurs when an individual's personal interests, or their interests in favor of another person dealing with the Company, conflict with the interests of the Company. Each person shall make prompt and full disclosure in writing to management of any proposed activity or circumstance involving such person that may involve a conflict of interest or an appearance of a conflict of interest. Whether a conflict exists, any decision to approve a proposed activity or whether a potential conflict can be ethically resolved is to be decided by the Board of Directors, if a Director is involved or, with respect to other Senior Executives, if the potential conflict involves a transaction, relationship or other circumstances that are material to the Company. The Managing Director will address potential conflict situations in all other instances. All such decisions by the Board of Directors or the Managing Director shall be determinative.

## **F. Protection and Control of Company Assets**

Information, ideas and intellectual property are all valuable Company assets. Proprietary information (e.g., projected earnings, business plans and any other information not generally known to the public) must not be shared with others outside the Company or used for personal gain. Also, acceptance of proprietary information from a competitor or outside source should not be made unless done through a written agreement involving the party to whom the information pertains. In any event, all proprietary information of third parties that is received by the individuals should be maintained as confidential.

Company funds and property must also be safeguarded and protected. All persons are responsible for making proper and efficient use of company funds and property so as to prevent loss, theft or unauthorized use. Do not borrow or loan company property without permission. Software may not be copied or used unless authorized by the license agreement.

All persons must protect these resources from misuse, theft, fraud, loss, unauthorized use, disclosure or disposal. No person should use Company Property for their personal benefit or for any use other than Company business. Loss, damage, misuse, theft, embezzlement or destruction of the Company's funds or property should be reported immediately to the Managing Director.

## **G. Protection of Confidential Information**

Confidential Information is usually the product of the ideas and work of many Company employees. Confidential Information of the Company is valuable and must be protected from disclosure. Except for certain legal requirements such as those related to the publication of reports, the Company alone is entitled to determine who may obtain these information assets and how these assets can be used.

The persons will have access to Confidential Information and perhaps Intellectual Property owned by the Company. Because it is also possible that the persons will have contact with someone who would be interested in getting this information, it is important for employees to know that they must not use or disclose Confidential Information or Intellectual Property except when specifically authorized to do so. Disclose information only to those representatives of the Company who have a need to know the information for legitimate business purposes.

Confidential Information of the Company is to be used solely for the benefit of the Company. Each person is responsible for assuring that Confidential Information is used only for valid Company purposes. Persons may not use any non-public information which they have access to in the course of their work for the Company for any personal gain or advantage. This includes sharing information with individuals outside the Company for their personal use as well as sharing with fellow employees whose duties do not require that they have that information. This restriction applies even if the employee developed the information at the Company.

## **H. Electronic and Voice Communications**

The Company's electronic and voice communications systems and equipment are valuable business assets, which are to be used primarily for business purposes. The company may monitor use to ensure compliance with this purpose. Users of Company's systems and equipment should not expect privacy in any use of these systems or equipment. The Company's property, including systems and equipment, must not be used for inappropriate purposes, excessive personal use or to disclose confidential information without proper authority.

## **I. Insider Trading**

The Directors and Senior Management who have information which may affect investment decisions in the Company's stock (such as information concerning projected earnings, financial status etc.) must comply with the Securities and Exchange Board of India

(Prohibition of Insider Trading) Regulations, 2015 and other applicable regulations, if any, on this matter. The persons should not disclose such information to people who do not have a "need to know." This includes spouses, relatives, other employees and the public. Communication of "inside" information is prohibited by the Company and by the law. This is information, which an investor would consider relevant in making a decision to buy or sell the Company's stock. Misuses of such information could subject the involved person, as well as the Company, to severe penalties.

#### **J. Business Courtesies**

No Directors or the Senior Management of the Company may offer, give, solicit or accept any type of business courtesy, including, but not limited to, payments, tips, commissions, loans, kickbacks, special privileges or services from anyone by reason of, or for the purpose of, influencing Company business. Certain gifts may be accepted if they are unsolicited, inexpensive and not given to influence the judgment of the person. Directors or the Senior Executive of the Company may not offer or accept money under any circumstances.

#### **K. Work Environment**

It is the Company's intent that all human resource practices be free from unlawful discrimination. The Company is pledged to the letter and spirit of this policy for the achievement of equal opportunity throughout its operations. The Company at all times strives to maintain a work environment free of harassment based on an employee's protected personal characteristics such as race, color, creed, religion, age, disability, sex, or sexual orientation. The Company shall not tolerate racial, sexual or any other kind of harassment.

#### **L. Role and Duties of Independent Directors (section 149 and Schedule IV of the Companies Act, 2013.)**

##### **(I) Guidelines of professional conduct:**

An independent director shall:

- (1) uphold ethical standards of integrity and probity;
- (2) act objectively and constructively while exercising his duties;
- (3) exercise his responsibilities in a *bona fide* manner in the interest of the company;
- (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- (5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- (7) refrain from any action that would lead to loss of his independence;
- (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- (9) assist the company in implementing the best corporate governance practices.

## **(II) Role and functions:**

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinize the performance of management in meeting agreed goals and objectives and monitor their reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;
- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

## **(III) Duties:**

The independent directors shall:

- (1) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- (2) seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the company;
- (3) strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- (4) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (5) strive to attend the general meetings of the company;
- (6) where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;
- (7) keep themselves well informed about the company and the external environment in which it operates;
- (8) not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (9) pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the company;
- (10) ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;

- (11) report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- (12) acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- (13) not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

#### **IV. Separate Meetings:**

- (1) The independent directors of the company shall hold at least one meeting in a year, without the attendance of non-independent directors and members of management;
- (2) All the independent directors of the company shall strive to be present at such meeting;
- (3) The meeting shall:
  - (a) review the performance of non-independent directors and the Board as a whole;
  - (b) review the performance of the Chairperson of the company, taking into account the views of executive directors and non-executive directors;
  - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **V. General duties of Directors (pursuant to Section 166 of the Companies Act, 2013):**

- (1) Subject to the provisions of the Companies Act, 2013, a director of a company shall act in accordance with the articles of the company.
- (2) A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- (3) A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
- (5) A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
- (6) A director of a company shall not assign his office and any assignment so made shall be void.