

Code of Conduct for Directors [Revised on 14th January 2016]

- 1. Purpose:** To lay down the manner in which the Directors conduct themselves in matters relating to the Company and the Society.
- 2. Applicability:** This Code shall be applicable to all members of the Board of Directors including Independent Directors.
- 3. Principles:** The Board of Directors commit themselves to ethical, businesslike, and lawful conduct, including proper use of their authority and appropriate decorum when acting as Directors.
- 4. Reporting on the Directorships and Conflict of Interests, if any:**
 - a. There shall be no dealing or business by a Director with the Company or any of its subsidiary companies except with the approval/ratification by the Board and appropriately disclosed as required by the regulatory authorities.
 - b. Directors will annually disclose about their Directorships with other companies as required under the Companies Act, 2013.
 - c. When the Board has to decide on an issue in which a Director has an interest, the said Director shall abstain from voting and deliberation.
- 5.** Board members excepting the Executive Directors may not attempt to exercise individual authority over the Company. Executive Directors shall act only as per the authority granted to them under the Regulations, by the shareholders and by the Board.
- 6.** All external communications shall be in accordance with the Corporate Disclosure Policy of the Company.
- 7.** Directors will respect the confidentiality appropriate to the issues of a sensitive nature and shall observe the Insider Trading Regulations Code and other regulations of statutory authorities. As Directors, they may possess “Confidential Information” not known to the public. While associated with the Company or any time thereafter, they shall not directly or indirectly disclose to any person or use any confidential information for their benefit and/or for any third party’s benefit.
- 8.** In the trading of the Company's shares while in possession of the confidential information, the Board commits itself and its individual Directors to observance of the requirements of law and regulatory authority regulations. Further, the Directors shall abide by the provisions contained in Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, as amended from time to time and the Company’s Code of Insider Trading Regulations.
- 9. Political contributions:** The Board shall be governed by the provisions contained in Companies Act 2013 and other regulations, if any.
- 10. Human rights & work environment:** Directors must respect human rights and must not discriminate between persons, based on the reasons of race, creed, sex, social status, religion, nationality, age or physical or mental disability.
- 11. Environment:** Directors must comply with all laws and regulations concerning the protection of the environment and make every effort to be informed and aware of environmental issues

concerning the Company and its businesses. All business undertaken by the Company must be conducted in accordance with the laws and regulations concerning the protection of the environment and all reasonable efforts.

12. Society: Directors must make all efforts to establish good relationships with all stakeholders of the Company with whom they interface while carrying out their duties for the Company and must try to make positive contributions to the communities in which they perform such duties.

13. Amendments to this Policy: Any amendment or modification to this Policy shall be with the prior approval of the Board.

14. All the Directors of the Company shall:

- (1) Act in accordance with the Articles of the Company.
- (2) 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, and the community and for the protection of environment.
- (3) Exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- (4) Not involve in a situation in which he/she may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company.
- (5) Not achieve or attempt to achieve any undue gain or advantage either to himself/herself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he/she shall be liable to pay an amount equal to that gain to the Company.
- (6) Not assign his office and any assignment so made shall be void.

15. Code for Independent Directors:

The Code at **Appendix I**, appended herein below, is as prescribed under **Schedule IV of the Companies Act, 2013**, and constitutes an integral part of this code. The said Appendix I is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfillment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

16. The Directors shall take care in ensuring the compliance with the Responsibilities and key functions of the Board of directors as defined in the SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 under clause 4 (f) is appended as Appendix III.

17. All the Directors are required **to sign a confirmation to this policy**, as prescribed herein below as **APPENDIX – II**.

APPENDIX – I CODE FOR INDEPENDENT DIRECTORS

Code of Conduct, Role and functions and duties of Independent Directors (in terms of Section 149,150, 166 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) scrutinise the performance of management in meeting agreed goals and objectives and monitor the 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/she 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) act 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. Manner of Appointment:

- (1) Appointment process of independent directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be appointed fulfills the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - (a) the term of appointment;
 - (b) the expectation of the Board from the appointed director; the Board-level committee(s) in which the director is expected to serve and its tasks;
 - (c) the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - (d) provision for Directors and Officers (D & O) insurance, if any;
 - (e) the Code of Business Ethics that the company expects its directors and employees to follow;
 - (f) the list of actions that a director should not do while functioning as such in the company; and
 - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) The terms and conditions of appointment of independent directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.

V. Re-appointment:

The re-appointment of independent director shall be on the basis of report of performance evaluation.

VI. Resignation or removal:

(1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.

(2) An independent director who resigns or is removed from the Board of the company shall be replaced by a new independent director at the earliest but not later than the immediate next meeting of the Board of Directors or three months from the date of such vacancy, whichever is later.

(3) Where the company fulfills the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.

VII. 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.

VIII. Evaluation mechanism:

(1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.

(2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.

APPENDIX – II

MASTEK LIMITED

ANNUAL COMPLIANCE REPORT CODE OF CONDUCT FOR BOARD MEMBERS

To
The Compliance Officer,
Mastek Limited,
Mumbai – 400 096

I,.....(Name of Director), do hereby
solemnly affirm that to the best of my knowledge and belief, I have fully complied with the
provisions of the Code of Conduct For Board Members during the financial year ending 31st
March,

Signature:

Name:

Designation:

Date:

Place:

(To be submitted on or before 10th of April, every year)

APPENDIX III. --

Responsibilities of the Board of Directors-as defined under SEBI (LO&DR) 2015

The Board of Directors of the listed entity shall have the following responsibilities:

(i) Disclosure of information:

(1) Members of board of directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the listed entity.

(2) The board of directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

(ii) Key functions of the Board of Directors-

(1) Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments.

(2) Monitoring the effectiveness of the listed entity's governance practices and making changes as needed.

(3) Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning.

(4) Aligning key managerial personnel and remuneration of board of directors with the longer term interests of the listed entity and its shareholders.

(5) Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors.

(6) Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions.

(7) Ensuring the integrity of the listed entity's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards.

(8) Overseeing the process of disclosure and communications.

(9) Monitoring and reviewing board of director's evaluation framework.

(iii) Other responsibilities:

(1) The board of directors shall provide strategic guidance to the listed entity, ensure effective monitoring of the management and shall be accountable to the listed entity and the shareholders.

- (2) The board of directors shall set a corporate culture and the values by which executives throughout a group shall behave.
 - (3) Members of the board of directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the listed entity and the shareholders.
 - (4) The board of directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date.
 - (5) Where decisions of the board of directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly.
 - (6) The board of directors shall maintain high ethical standards and shall take into account the interests of stakeholders.
 - (7) The board of directors shall exercise objective independent judgement on corporate affairs.
 - (8) The board of directors shall consider assigning a sufficient number of non-executive members of the board of directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest.
 - (9) The board of directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognised or exposes the listed entity to excessive risk.
 - (10) The board of directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the listed entity's focus.
 - (11) When committees of the board of directors are established, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors.
 - (12) Members of the board of directors shall be able to commit themselves effectively to their responsibilities.
 - (13) In order to fulfil their responsibilities, members of the board of directors shall have access to accurate, relevant and timely information.
 - (14) The Non executive directors and senior management shall facilitate the independent directors to perform their role effectively as a member of the board of directors and also a member of a committee of board of directors.
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