



## **Code of Conduct for Directors & Senior Management of R Systems International Limited**

### **Introduction**

R Systems International Limited is committed for conducting its business strictly in accordance with the applicable laws, rules, and regulations and with highest standards of business ethics. With a view to maintain the required high standards the company has framed the following set of rules / Code of Conduct which should be observed in all the activities of the company.

### **Applicability of the Code of Conduct**

The said code is applicable to all Board members and senior management of the R Systems International Limited and its subsidiaries (herein after referred as 'Company' or 'RSIL Group'). Independent Directors of the Company are subject to certain additional duties and Standards of Conduct under the Companies Act, 2013 which are set out in Annexure-1 to the Code.

The term “senior management” shall mean personnel who are members of the core management team of R Systems International Limited and its subsidiaries. Normally, this would comprise all members of management one level below the executive directors, including all functional heads.

This Code of Conduct has been adopted by the Board and is to be strictly observed by the RSIL Group for the governance of Good Corporate Practices. Any issue relating to the interpretation of this Code will be handled by the Board or by any person / committee authorised by the Board in this behalf.

Further the Company Secretary of the company is appointed as the compliance officer for the purposes of this code, he will be available to answer any questions, provide clarification and to help in the compliance with this code.

### **1. Honesty & Integrity**

The Directors and senior management are entrusted with responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence. They are expected to show their undivided loyalty in all activities related to the company.

## **2. Guidelines For Conduct**

The Directors and senior management officials should exercise due care and diligence in the performance of his/her duties, be loyal to the Company and act in good faith and in the best interest of the company. A director should

- Ensure that he attends all Board and committee meetings regularly in case if it is not possible to do so, he/she should inform the board and apply for the grant of leave of absence;
- He should contribute sufficient time, energy and attention to the Company to ensure diligent performance of his/her duties, including preparing for meetings and decision-making by reviewing in advance any materials distributed and making reasonable inquiries;
- Be aware of and seek to fulfill his or her duties and responsibilities as set forth in the Company's Memorandum of Association, Articles of Association and Corporate Governance guidelines; and
- Seek to comply with all applicable laws, regulations, confidentiality obligations and Corporate Policies.
- Act in a cooperative & respectable manner with their colleagues.
- Maintain Order and Decorum at the meetings and obey the directions given by the Chairman.

## **3. Conflict of Interest**

The Directors and senior management shall not engage in any activity, business, or relationship, which may be in conflict with the interest of the Company or prejudicial to Company's interest. They should avoid transacting company business with their relative or with a firm / company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only after proper and fullest disclosure to the board of the company.

## **4. Disclosure of Interest and Directorship in other Body Corporates**

The Directors and Senior Management officials shall fully report / disclose at the time of their appointment and subsequently whenever there is a change within one week or within such time as prescribed by the applicable laws, their relationships with other individuals, firms or other body corporate which in the opinion of the board may affect their independence of judgment to the Board.

## **5. Confidentially of Information**

Any information relating to the Company's business, its vendors, customers, employees etc., which is not in public domain and to which the director and senior management has access or if they possesses such information, it is be considered as confidential information and unless authorised to do so or required by any law they shall not provide any such information to anyone including press or any other publicity media either formally or informally.

## **6. Protection and Proper Use of Company's Assets**

Directors are like the trustees of the Company assets as well as the assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Directors, senior management and other official of the Company shall not use these assets except as specifically authorized and that too only for the purpose of Company business.

## **7. Corporate Opportunities**

Corporate Opportunities here means those opportunities, which are made available to the company and which are known to the Directors and Senior Management official due to the position held by them in the company. The directors and other officials shall not utilize such opportunities for their personal benefit. However once those opportunities are fully and properly disclosed to the board and after consideration rejected by them then it cease to be a corporate opportunity.

## **8. Gifts & Donations**

The Directors, Senior Management and other officers & employees of the company shall not accept or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments or benefits which are intended to obtain or provide business or favours or decisions for the conduct of business from people doing business with the Company (including suppliers, customers, competitors, contractors and consultants). However nominal gifts of commemorative nature, for special events may be accepted or provided, but gifts of cash or cash equivalents (including gift certificates, securities, below-market loans, etc.) in any amount are prohibited

## **9. Gender Friendly Workplace**

**RSIL Group** is committed to providing an environment free from sexual harassment. The company believes that all employees should be afforded the opportunity to work in an environment free of sexual harassment. Sexual harassment is a form of misconduct that undermines the employment relationship. No employee, either male or female, should be subjected verbally or physically to unsolicited and unwelcome sexual overtures or conduct.

Sexual harassment refers to behavior that is not welcome, that is personally offensive that debilitates morale and, therefore, interferes with work effectiveness.

RSIL has constituted an Internal Complaints Committee (ICC) to deal with any complaints or issues that may arise, in the nature of sexual harassment and maintains an open door for reportees and encourages employees to report any harassment concerns directly to Internal Complaints Committee. Any & all complaints or allegations of sexual harassment will be investigated promptly. Appropriate, corrective action will be implemented based upon the results of the investigation.

## **10. Dual Employment**

All Executive directors, senior management personnel & other employee are prohibited from accepting simultaneous employment with a Company supplier, customer, developer or competitor, or from taking part in any activity that enhances or supports a competitor's position.

## **11. Other Situations**

This code is drafted with an attempt to cover various areas which may brings conflicts of interest, however it would be impractical to list all possible situations. If a proposed transaction or situation raises any questions or doubts in your mind you should consult the Secretarial & Legal Department for any further clarification.

## **12. Compliance**

The Directors and Senior Management officials shall comply with all applicable governmental laws, rules, notifications and regulations, both in letter and spirit and must report any possible violation to the Board and to the Company Secretary.

## **13. Insider Trading**

The Directors, Senior Management officials and Insiders as per the SEBI (Prohibition and Regulation of Insider Trading) Regulation 1992 are prohibited from dealing or counseling in the securities of the company while in the possession of material unpublished price sensitive information. They must strictly adhere to the Code of conduct formulated by the company for Prevention of Insider Trading.

## **14. Reporting and Consequence of Non Compliance with this Code**

Suspected violations of this Code must be reported to the Chairman of the Board or of the Audit Committee which should be appropriately investigated and appropriate disciplinary action will be taken on the conclusion of the enquiry by the Board which may even include a request to resign as Director or officer of the company if permitted by applicable laws and is in the best interest of the company.

### **15. No Right Created**

This Code sets forth guidelines for conduct for the Board of Directors and Senior Management official. It is not intended to and does not create any rights in any director, officer, employee, client, supplier, competitor, shareholder or any other person or entity. 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.

### **16. Compliance with the Code**

All Board members and senior management personnel shall affirm compliance with the code on an annual basis and the CEO is required to make a declaration in the Annual Report of the company relating to it.

### **17. Amendments of the Code**

Any amendment or modification to this Code shall be possible only with the prior approval of the Board of Directors.

### **18. Disciplinary Actions**

The Board of Directors shall have the right to take disciplinary actions, which may include immediate termination of employment or business relationship at the Company's sole discretion against any person whose actions are in violation of this Code of Conduct.

---

---

## **ANNEXURE - I**

### **CODE FOR INDEPENDENT DIRECTORS**

The Code is a guide to professional conduct for independent directors of R Systems International Limited (herein after referred as 'The Company'). The Company believes that Adherence to these standards by independent directors and fulfilment 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.

#### **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 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 behaviour, 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.