



CAMBRIDGE TECHNOLOGY ENTERPRISES LIMITED

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Code of Conduct for Board of Directors and Senior Management

Cambridge Technology Enterprises Limited (“the Company” or “CTE”) is committed to maintain sound standards of Business Conduct and Corporate Governance. The Board of Directors of the Company (“the Board”) and the Senior Management of CTE undertake to abide by the following Code of Conduct adopted by the Board and affirm compliance with this Code on an Annual basis.

The Code is named as “Code of Conduct for the Board of Directors and Senior Management of CTE”. This Code of Conduct was approved by the Board of Directors of the Company in their meeting held on 24th July 2006 and amended by the Board in their meeting held on 24th July, 2015 and 29th March, 2019. CTE Board has adopted this Code of Conduct as a guide to the high ethical and legal standards expected of its members.

Applicability

The Code of Conduct is applicable to all the members of the Board and Senior Management of the Company.

1. “Independent Director” shall have the same meaning assigned to it in section 149(6) of the Companies Act, 2013, Companies (Appointment and Qualification of Directors) Rules, 2014 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015.

2. “Senior Management” shall mean officers/personnel of the company who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the *[“chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.]

Scope

The Board of Directors and the senior management of the Company agree to abide by the following code of conduct:

Conflicts of Interest

The Directors and senior management should be scrupulous in avoiding “conflicts of interests” with the Company. This is an area in which it is impossible to provide comprehensive guidance but the guiding principle is that any event, activity or situation involving conflict or potential conflict of interest must be disclosed to the Board for guidance and appropriate action.

Senior management shall make disclosures to the board of directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the listed entity at large.

Honest and Ethical Conduct

The Directors and senior management shall act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct and use their office, in good faith and in the best interests of the Company as a whole.

Corporate Opportunities

The Directors and senior management owe a duty to the Company to advance its legitimate interests when the opportunity to do so arises and are expressly prohibited from improper use of information / property or taking improper advantage of their position.

Confidentiality

The Directors and senior management shall maintain secrecy of confidential information of the Company or that of any customer, supplier or business associate of the Company to which Company has a duty to maintain confidentiality except when disclosure is authorized or legally mandated. The confidential information includes all non-public information (including private, proprietary and other) that might be of use of competitors or disclosure of which might be harmful to the Company or its associates. The use of confidential information for his / her own advantage or profit is also prohibited.

Proper use of Company’s Assets

The Directors and senior management should protect the Company’s assets and property. The Company’s assets should be used only for legitimate business purposes.

****[Other Obligations**

No employee including key managerial personnel or director or promoter of a listed entity shall enter into any agreement for himself or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of such listed entity, unless prior approval for the same has been obtained from the Board of Directors as well as public shareholders by way of an ordinary resolution.]

Obligations with respect to Directors

(1) A director shall not be a member in more than ten committees or act as chairperson of more than five committees across all listed entities in which he is a director.

[(a) the limit of the committees on which a director may serve in all public limited companies, whether listed or not, shall be included and all other companies including private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013 shall be excluded;

(b) for the purpose of determination of limit, chairpersonship and membership of the audit committee and the Stakeholders' Relationship Committee alone shall be considered.]

(2) Every director shall inform the listed entity about the committee positions he or she occupies in other listed entities and notify changes as and when they take place.

(3) Non-executive directors shall disclose their shareholding, held either by them or on a beneficial basis for any other persons in the listed entity in which they are proposed to be appointed as directors, in the notice to the general meeting called for appointment of such director.

Duties of Independent Directors:

The independent directors of the Company 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.

Compliance with Laws, Rules and Regulations

The Directors and senior management shall endeavor to ensure compliance with all applicable laws, rules and regulations applicable to the Company. Transactions, directly or indirectly involving securities of the Company should not be undertaken without complying with Code of Conduct to regulate, monitor and report trading by its designated persons and immediate relatives of designated persons, if applicable.

Compliance with Code of Conduct

Every Director and senior management personnel shall adhere to this Code of Conduct and affirm compliance with the code on an annual basis as per the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

* Substituted for the words "executive directors, including all functional heads" by the SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018, w.e.f. 1.4.2019.

** Inserted w.e.f. 1.4.2019.