



**NEWGEN SOFTWARE TECHNOLOGIES LIMITED**

**CODE OF CONDUCT  
FOR  
BOARD OF DIRECTORS  
AND  
SENIOR MANAGEMENT PERSONNEL**

Revision No.: - 1.1

Policy Reference Number: - Finance/ CCBS – 02/24.01.2019

Newgen Software Technologies Ltd.

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<b>Revision History</b>			
<b>Release Date (DD-MM-YYYY)</b>	<b>Revision No.</b>	<b>Changes Summary (Mention Sections Affected)</b>	<b>Approved By (Designation)</b>
18-09-2017	1.0	Adoption of Code of Conduct for Board of Directors and Senior Management Personnel.	Board of Directors.
01-04-2019	1.1	Revision in the Policy due to amendments in the SEBI Listing Regulations.	Board of Directors.



## 1. PREFACE

This Code of Conduct for Board of Directors and Senior Management Personnel (hereinafter called as “**Code**”) has been framed in compliance with the provisions of the Companies Act, 2013, and Regulation 17 (5) & of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter called as “**Listing Regulations**”), in accordance with which it is mandatory that a separate legal and ethical standard of conduct is laid and be made applicable to the Board of Directors and all Senior Management Personnel of Newgen Software Technologies Limited (“**Newgen Software**” or “**the Company**”).

## 2. OBJECTIVE

The purpose of this Code is to lay down the principles of integrity, ethics & transparency in governance of the Company, and thereby reinforce the trust and confidence reposed in the Management of the Company by the shareholders and other stakeholders. The Board of Directors and Senior Management Personnel are expected to familiarize themselves with this Code and to understand, adhere to, comply with and uphold the provisions of this Code and the standards laid down hereunder in their day-to-day functioning.

This Code broadly lays down the general principles to be followed by the Board of Directors and the Senior Management Personnel as a guide for ethical conduct in their day today functioning and decision making. This Code envisages that The Board Members and Senior Management Personnel must act within the authority conferred upon them and in the best interests of the Company.

## 3. DEFINITIONS

“**Board**” shall mean the Board of Directors of Newgen Software Technologies Limited as constituted from time to time.

“**HRD**” means Human Resources Department of the Company.

“**Independent Director**” shall mean an Independent Director as defined in section 2(47) and Section 149(6) of the Companies Act 2013 and Regulation 16(1)(b) of the listing regulation.

“**Senior Management Personnel**” shall mean employees of the Company who are members of its core management team excluding Board of Directors and would 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.”.

“**Relative**” shall mean ‘relative’ as defined in Section 2 (77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014.



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“**Related Party**” means an entity which is a related party under Section 2(76) of the Act or under the applicable accounting standards.

List of relatives in terms of section 2(77) of the Companies Act 2013:- A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:-

- (1) Father: Provided that the term “Father” includes step-father.
- (2) Mother: Provided that the term “Mother” includes the step-mother.
- (3) Son: Provided that the term “Son” includes the step-son.
- (4) Son’s wife.
- (5) Daughter.
- (6) Daughter’s husband.
- (7) Brother: Provided that the term “Brother” includes the step-brother;
- (8) Sister: Provided that the term “Sister” includes the step-sister

“**Conflict of Interest**” means where the interests or benefits of one person or entity interferes with the interests or benefits of the company.

#### **4. APPLICABILITY**

This Code shall be applicable to the following persons:

- a. Directors of the Company unless specifically exempted from provisions of this Code.
- b. All Senior Management Personnel.

#### **5. DUTIES OF SENIOR MANAGEMENT PERSONNEL**

Senior Management Personnel shall act within the authority conferred upon them, keeping the best interests of the Company in view and observe the following:

- i. Shall act with utmost care, skill and diligence in relation to all dealings for the company;
- ii. Shall act in utmost good faith and adopt highest standards of personal and professional integrity, fairness, honesty, probity and ethical conduct and fulfil the fiduciary obligations without allowing their independence of judgment to be subordinated or compromised;
- iii. Shall not enter into any contract or arrangement with any related party without obtaining the approval of the Audit Committee and/ or the Board, if required, as per the applicable provision of law and where required, approval by a special resolution in the general meeting.
- iv. Shall avoid having any personal and/or financial interest in any business dealings concerning the Company;
- v. Shall avoid any dealing/relationship with a Contractor or Supplier (either directly or indirectly) that could compromise the ability to transact business on a professional, impartial and competitive basis or that may influence discretionary decision required to be made by the Board Members/ Senior Management Personnel/the Company;



- vi. Shall not commit any offence involving moral turpitude;
- vii. Shall not use IT system of the Company for purposes that may be regarded as derogatory, defamatory or obscene or otherwise considered irresponsible and/or compromise the protection and security of IT systems;
- viii. Shall not contribute (whether directly or indirectly) any funds, credit, property or services of the Company to any Political Party;
- ix. Shall act in a socially responsible manner, within the applicable laws, rules and regulations, customs and traditions of the countries in which the Company operates;
- x. Shall act in accordance with and keeping in mind the Vision, Mission and Values of the Company;
- xi. Shall not abuse their position to the detriment of the Company or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- xii. Shall assist the Company in implementing the best corporate governance practices.
- xiii. To abide with the Policy on Newgen's Code of Ethics & Business Conduct, as duly amended from time to time.

## **6. DUTIES OF DIRECTORS**

The Companies Act, 2013 specifies certain duties and responsibilities of the Directors of a Company. The duties of the Directors including as provided under the provisions of the Companies Act, 2013 has been enumerated below, it should however, by no means be considered to be exhaustive:

- i. The Director shall act in accordance with the Articles of Association of the Company, subject to the provisions of the Companies Act, 2013 as amended from time to time;
- ii. The Director shall devote sufficient time and attention to professional obligations for Informed and balanced decision making;
- iii. The Director 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, and the community and for the protection of environment;
- iv. The Director shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- v. The Directors shall intimate the change in the directorships/ other interest in other interested Company, in next Board meeting of the Company held on after such change



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and also inform the Company about the committee positions he or she occupies in other listed entities and notify changes as and when they take place;

- vi. The Directors shall ensure that the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- vii. The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice;
- viii. The Directors shall strive to attend and participate constructively & actively, in all General Meetings, Meetings of the Board and its committees of which they are Chairman or member;
- ix. The Directors shall not assign his office of director of the company to another person;
- x. The Directors shall ensure that adequate deliberations are held before approving related party transactions and shall assure themselves that the same are in the best interest of the company;
- xi. The Directors 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.
- xiv. To abide with the policy on Newgen's Code of Ethics & Business Conduct as duly amended from time to time.
- xii. 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 which shall be determined as follows:
  - 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.

### **7. SPECIFIC DUTIES OF INDEPENDENT DIRECTORS**

The independent directors shall—

- i. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;



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- ii. participate constructively and actively in the meeting of the Board and its committees in which he/she is the member;
- iii. strive to attend the general meetings of the company;
- iv. keep themselves well informed about the company and the external environment in which it operates;
- v. 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;
- vi. ascertain and ensure that the company has an adequate and functional Vigil Mechanism and Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- vii. report concerns about unethical behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- viii. acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- ix. 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;
- x. shall not serve as an independent director in more than seven listed entities, provided that any person who is serving as a whole time director in any listed entity shall serve as an independent director in not more than three listed entities;
- xi. the maximum tenure of independent directors shall be in accordance with the Companies Act, 2013 and rules made thereunder, in this regard, from time to time;
- xii. Independent Directors of the Company shall hold at least one meeting in a year, without the presence of non-independent directors and members of the management and all the independent directors shall strive to be present at such meeting;
- xiii. Independent Director shall be held liable, only in respect of such acts of omission or commission by the Company which had occurred with his knowledge, attributable through processes of board of directors, and with his consent or connivance or where he had not acted diligently with respect to the provisions contained in these regulations;
- xv. To abide with the policy on Newgen's Code of Ethics & Business Conduct-as duly amended from time to time.
- xiv. The Company shall familiarise the independent directors through various programmes about the Company, including the following:



- (a) nature of the industry in which the Company operates;
- (b) business model of the Company;
- (c) roles, rights, responsibilities of independent directors; and
- (d) any other relevant information.

## **8. CONFLICT OF INTEREST**

The Board Members and Senior Management Personnel of the Company shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which in his/her opinion is likely to arise and shall make disclosures to the competent authority relating to all material financial and commercial transactions, if any, where they or any of their relatives have personal interest that may have a potential conflict with the interest of the company at large. Reference may also be made to the provisions laid down in the policy on Newgen's Code of Ethics & Business Conduct.

## **9. CONFIDENTIALITY OF INFORMATION:**

Any information concerning the Company's business, performance, its customers, suppliers, etc., which is not in the public domain and to which the Directors/Senior Management personnel have access or possesses such information must be considered confidential and held in confidence, unless authorized to disclose by the Board or under any law. The Company will handle all unpublished price sensitive information on a need-to-know basis for legitimate purposes only.

No Director /Senior Management personnel shall provide any information either formally or informally, to the press or any other publicity, social media, unless specially authorized. Confidential information includes but are not restricted to:

- Information not yet released to the public;
- Unpublished company strategy;
- Current or future R&D programs, technical breakthroughs and/or inventions;
- Investments, planned mergers or acquisitions;
- Information received from customers or partners;
- Unpublished financial data either actual or forecasted;
- Employee information

## **10. INSIDER TRADING:**

Director/Senior Management personnel shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the company and therefore constituting insider information. All Directors/Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy of the Company

## **11. GIFT & DONATIONS:**

No Director/Senior Management Personnel of the Company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended to obtain business favors. Subject to this clause, nominal gifts of





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commemorative nature, for special events/ achievements or in the course of social relations and normal business courtesies may be accepted/ given, as provided Newgen's Policy on Anti- bribery and Anti – Corruption.

### **12. HEALTH, SAFETY AND ENVIRONMENT:**

Newgen is committed to maintain high standards of health and safety at the workplace and to be sensitive to protection of the environment. Newgen will endeavour to provide safe and healthy work places and to ensure that its operations do not cause any adverse impact or injury to the environment or to the communities in and around its workplace. This is an important responsibility of all the Directors and Senior Management Personnel.

### **13. HARASSMENT FREE WORK ENVIRONMENT:**

Newgen is committed to provide a harassment free work environment to all its associates, irrespective of being associated with it, directly or indirectly through Newgen's Code of Ethics and Business Conduct, amended from time to time. Director/Senior Management Personnel are prohibited from indulging in any kind of harassment, direct, indirect, verbal, non-verbal or physical, which may arise based on age, race, origin, caste, sexual orientation, disability, gender identity, religion or any other protected characteristics.

### **14. SEXUAL HARASSMENT AT WORKPLACE:**

Newgen is committed to creating a healthy working environment that enables employees to work without fear of prejudice, gender bias and sexual harassment. The Company strives to create an environment where women are being treated with dignity. Sexual harassment at the work place or other than work place involving employees is a grave offence and is, therefore, punishable.

All the Directors and Senior Management Personnel shall abide with Newgen's policy on Prevention of Sexual Harassment at Workplace as amended from time to time.

### **15. ENFORCEMENT**

Any violation to this Code, except matters relating to Sexual harassment at work place, must be reported at [whistle-blower.newgen@arthaarbitrage.com](mailto:whistle-blower.newgen@arthaarbitrage.com). This will be dealt with as per the provisions as mentioned in the Newgen's Policy on Whistle-blower Mechanism. The Ethics Committee / Audit Committee, as empowered vide Policy on Whistle-blower Mechanism, will deal with all such complaints.

Complaints under Sexual harassment shall be dealt in accordance with the Newgen's Policy on Prevention of Sexual Harassment at Workplace.

### **16. PERIODIC REVIEW**



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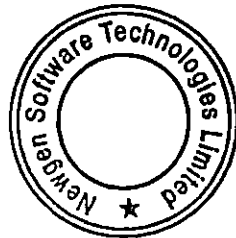
Every Director and Senior Management personnel All Senior Management Personnel shall be required to affirm compliance with this Code on an annual basis also. They shall submit an Annual Compliance Report within 30 days of closure of every financial year to the Managing Director, in the form enclosed at Annexure-I.

While every Director/Senior Management person has to himself ensure compliance with this code, any instance of violation or possible violation of this code by the concerned Director/ Senior Management person or by any other Director/ Senior Management person shall be immediately reported to the Board through the compliance officer. In case of any doubt as to the best course of action, the concerned Director/ Senior Management person should promptly contact the compliance office.

### **17. GENERAL**

- i. This code can be amended, modified or revised anytime with the approval of Board of Directors.
- ii. All the words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under the SEBI Regulation/(s) and in the absence of its definition or explanation therein, as per the Companies Act, 2013 ("Act") and the Rules, Notifications and Circulars made/issued thereunder, as amended, from time to time.
- iii. In the event of any conflict between the provisions of this Code and of the Act or SEBI Regulation or any other statutory enactments, rules, the provisions of such Act or Listing Regulation or statutory enactments, rules shall prevail over this Code.

**Date: 24.01.2019**  
**Place: New Delhi**



**Diwakar Nigam**  
**Chairman & Managing Director**



**CODE OF BUSINESS CONDUCT AND ETHICS FOR BOARD MEMBERS AND SENIOR  
MANAGEMENT PERSONNEL ANNUAL COMPLIANCE REPORT**

(to be submitted by 30th April each year)

I,.....(name), \_\_\_\_\_  
(designation) do hereby solemnly affirm to the best of my knowledge and belief that I have fully complied with the provisions of the Code of Business Conduct and Ethics for Board Members and Senior Management Personnel during the financial year ending 31st March .....

Signature :.....

Name :.....

Designation :.....

Date:.....

Place:.....