

LEE AND NEE SOFTWARES (EXPORTS) LTD

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

GENESIS

The revised Clause 49 of the Listing Agreement pertaining to Corporate Governance prescribes that the Board of Directors shall lay down a Code of Conduct for all Board Members and Senior Management of the Company. This Code of Conduct shall be posted on the website of the Company.

The Company's philosophy on corporate governance is built on a rich legacy of fair and transparent governance and disclosure practices. This includes respect for human values, individual dignity, and adherence to honest, ethical and professional conduct. This Code of Conduct ensures compliance with the provisions of Clause 49 of the Listing Agreement with Stock Exchanges.

All Board members and senior management personnel shall confirm that they have received, read and understood the code of conduct and affirm compliance with the Code on an annual basis in the form given in Annexure 1. The Annual Report of the Company shall contain a declaration to this effect.

APPLICABILITY

This code shall be applicable to all the Board Members and senior Management of the Company and the Principles prescribed in the code are general in nature and lay down broad standards of Compliance and ethics, as required by clause 49 of the Listing Agreement with Stock Exchanges.

INTRODUCTION

The Board of Directors is vested with all powers of management of the affairs of the Company. The Board thus becomes the working organ of the Company. The Directors alone are exclusively empowered to manage the affairs of the Company. Even the shareholders, who appoint them, cannot interfere in their domain of power.

The contribution of directors on the Board of a Company in providing leadership, vision, strategy, monitoring, supervision and accountability towards the various stakeholders of the Company, with a view to achieving greater levels of performance on a sustained basis as well as adherence to the best practices of Corporate Governance, has been phenomenal.

The Senior Management constantly interacts with the Board of directors and is primarily responsible for executing the plans, policies and programmes laid down by the Board and for achieving the targeted objectives.

Therefore, this Code is intended to provide guidance and help in recognizing and dealing with ethical issues and to help foster a culture of honesty and accountability. Every employee is expected to comply with this Code in letter and spirit. One must not only comply with applicable laws, rules and regulations but should also promote honest and ethical conduct of the business. They must abide by the policies and procedures that govern the conduct of the Company's business.

This Code of Conduct or the Code defines what the Company expects from its business and personnel regardless of the location or their background. We recognize society as an important stakeholder in this enterprise and therefore it is part of our responsibility to practice good corporate citizenship.

THE CODE:

Acknowledgement of receipt and Affirmation of compliance with the Code

All the board members and the senior management team shall furnish to the Compliance Officer, within 30 days of close of every financial year their affirmation regarding compliance with the Code in the format prescribed under Appendix I to this code.

Compliance of Law

The Board members and the Senior Management personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to recognize potential dangers and to know when to seek advice from the Finance and Secretarial and Legal department and shall comply with all laws, rules and regulations applicable to the business of the company.

Ethical Conduct

The Board Members and Senior Management personnel shall act with utmost honesty and integrity following high moral and ethical standards. They shall adopt fair and transparent means while dealing on behalf of the Company.

Conflict of Interest

A conflict of interest situation would be deemed to have arisen, when an individual's interest is perceived to be inconsistent with or is in conflict with the business interest of the Company. One should avoid such conflict of interest with the Company. However, in case such a situation arises, he shall, on becoming aware of the same, make full and true disclosure of all facts and circumstances thereof to the Company. One shall not in his official capacity, enter into business with a) relative or b) a private limited company in which he or his relative holds 2% or more paid up share capital and (d) with a firm in which the relative is a partner, except with the prior approval of the Chairman and Managing Director of the Company unless otherwise permitted by law.

Compliance Officer

Compliance officer means the officer appointed by the board of directors under the listing Agreement.

Employment/Outside Employment:

Unless specifically permitted by the chairman and managing Director of the Company, not to hold any positions or jobs or directorship or engage in other businesses or interests that are prejudicial to the interest of the company.

Insertion of the Code in website

As required by clause 49 of the Listing Agreement this code and any amendments thereto shall be posted on the website of the Company.

Protection & Proper use of Company's Assets & Resources:

The Officers shall protect the company's assets including physical assets, intangible assets, information and intellectual rights and shall not use the same for personal gain.

Prevention of Insider Trading

The Board Members and the Senior Management team shall comply with the Code of Internal Procedures and conduct for prevention of Insider Trading in dealing with securities of the Company

Secrecy

Ensure that proprietary information and trade secrets belonging to the Company, (including any information concerning pricing, products and services that are being developed, internal system, designs and such other trade secrets) are held in strict confidence and care is exercised to avoid inadvertent and inappropriate disclosure, except when such disclosure is authorised or legally mandated and is not for personal gain. Any price sensitive information/unpublished price sensitive information that may affect performance of the company shall not be disclosed.

Whistle Blower – Reporting of illegal or unethical behavior

The Company shall promote ethical behavior in all the spheres of its business operations. The Employees are free to report existing / probable violations of laws, rules and regulations or unethical conduct to their immediate supervisors or such other person as may be notified by the management to the workgroups.

The Directors and the Senior Management shall not attempt to suppress / conceal any such view or reporting. The confidentiality of those reporting violations shall be protected and they shall not be subjected to any discriminatory practice.

General:

The Board Members and the Senior Management team:

- 1) Use due care and diligence in performing their duties of office and in exercising their powers attached to that office.
- 2) shall not use abusive or offensive language at the workplace or any such location connected to official business.
- 3) shall not knowingly suppress a material fact, which can be detrimental to the interest of the Company, from the appropriate authority/body.
- 4) shall not give any directions, which exposes to risk, the health and safety of any person
- 5) shall not make any statement, verify any return or form, containing any particulars, knowing them to be false.
- 6) shall not fail to invite the attention of the appropriate authority/body in respect of matters affecting the Company or arising out of professions, any material departure from the generally accepted principles of propriety.

- 7) Shall maintain the confidentiality of information they receive whilst being in office and is only disclosed if authorized by the company, or the person from whom the information is provided, or as required by law.

Violations of the code

Violation of code or company's rules and regulations or procedure should be reported immediately to the chairman and Managing Director/ Compliance officer of the company in writing.

Amendment to the code

This Code is subject to continuous review and updation in line with any change in law, the Company's policy, vision & plans or otherwise the Board may deem as necessary.

Annexure 1
CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR
MANAGEMENT
ANNUAL COMPLIANCE REPORT*

To,
The Compliance Officer
Lee and Nee Softwares (Exports) Ltd.
14B, Nandi Commercial, Camac Street
Kolkata-700017

Dear Sir/Madam,

I, 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 AND SENIOR MANAGEMENT during the financial year ended 20..... and I am not aware of nor I a party to any non-compliance with the said Code.

Signature:.....

Name:

Designation:

Date:

Place:

* To be submitted by 30th April each year.