

Code of Conduct for Directors and Senior Management of Quick Heal Technologies Limited

Preamble:

All members of the Board of Directors and Senior Management of Quick Heal Technologies Limited will always act in the interest of the Company and ensure that any other business or personal association which they may have, does not involve any conflict of interest with the operations of the Company and his / her role therein.

All members of the Board of Directors and Senior Management of Quick Heal Technologies Limited will comply with all applicable laws and regulations of all the relevant regulatory and other authorities as may be applicable to them in their individual capacities.

All members of the Board of Directors and Senior Management of Quick Heal Technologies Limited will safeguard the confidentiality of all information received by them by virtue of their position.

Applicability

This Code of Conduct (the “Code”) is applicable to Quick Heal Technologies Limited and its Directors and Senior Management of the Company under regulation 17(5) of SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) and section 166 of the Companies Act, 2013.

This Code is implemented to maintain high standards of ethical business conduct for the Company. This Code is based on the principals of best corporate governance practices, corporate citizenship and dignified personal conduct towards professional matters. Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and enact informed decisions and policies in the best interests of the Company and its shareholders / stakeholders. Directors and Senior Management should ensure that they do not derive any undue personal benefit because of their position in the Company and / or exposure to certain confidential information coming to their knowledge.

This Code of Conduct should be observed by Directors and Senior Management while carrying out business of the Company.

Definitions:

“Board” shall mean the Board of Directors of the Company.

“Company” shall mean Quick Heal Technologies Limited and its subsidiaries and shall also include any new corporate form it assumes in the future.

‘Senior Management’ shall mean the Key Management Personnel (as defined in the Companies Act and the guidelines issued by the Securities and Exchange Board of India from time to time) and any direct reportee of such Key Management Personnel. The Company may without prejudice to the forgoing and with due respect to the aforementioned laws and regulations designate at any point of time, any other individual employee as Key Management Personnel depending on the criticality of such individual employee’s roles and responsibility and the impact of such employee’s functioning on the Company’s day to day operations.

Policy

Integrity and Honesty

Directors and Senior Management shall act on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. Directors and Senior Management shall act in good faith, responsibility, with due care, skill, competence and diligence, without allowing their independent judgment to be subordinated. Directors shall fulfill the fiduciary obligations and act in the best interests of the Company, its stakeholders and for the protection of environment.

Conflict of Interest

Directors and Senior Management shall not engage in any business, relationship or activity, which may be in conflict with interests of the Company. A conflict of interest occurs when personal interest of a Director or Senior Management conflicts in any way, or even appears to conflict, with the interest of the Company as a whole. A conflict of interest also arises when a Director or Senior Management or a member of his or her immediate family is likely to receive undue personal benefit as a result of his or her position as a Director or Senior Management of the Company.

Conflict may arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity.

If any transactions which prima facie appear to be conflicting with the interest of the Company but are unavoidable, the Director or Senior Management involved in such transaction should first obtain approval from the Chairman of the Board of Directors before such transaction is entered into. The application seeking such approval should be routed through Compliance Officer of the Company. The Chairman would consider the application on the basis of the size and nature of transaction, the Director's or Senior Management's ability to influence the Company's decisions, his or her access to confidential information of the Company or of the other company and the nature of relationship between the Company and the other party.

Transparency & Accountability

Directors and Senior Management shall not exploit for their own personal gain, opportunities that that may arrive through the use of Company's property, information or position, unless the opportunity is disclosed fully in writing to the Chairman of the Board and the Chairman approves to pursue such opportunity.

Directors and Senior Management must make disclosures to the Board relating to all material financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large (for example dealing in Company's

shares, commercial dealings with bodies, which have shareholding of management and their relatives etc.)

Compliance with Laws, Rules and Regulations

Directors and Senior Management shall duly comply with all applicable laws, rules and regulations, in all areas and geographies where the Company operates. Company must refuse practices which are unlawful or unethical or which may be damage Company's reputation. In order to assist the Company in promoting lawful and ethical behavior, Directors and Senior Management must report any possible violation of law, rules, regulation or the Code to the Compliance officer. In the event, the implication of any law is not clear; the Compliance Officer shall be consulted for advice.

Directorship in other Companies

Senior Management must obtain the prior approval of the Chairman of the Board of Directors of the Company before accepting a directorship in any other company. Directors must report / disclose their directorships in other companies to the Board on an annual basis. If there is any change in directorships in other companies during the course of the year, Directors must promptly advise the same to the Board which will be noted by the Board at the next meeting. Directors and Senior Management shall not accept the directorship of a direct competitor of the Company.

Senior Management shall act as the director / advisor or hold any other capacity in any other company only after making proper disclosure to the Compliance Officer.

Dealing with the Stakeholders

The Directors and Senior Management shall be approachable and inculcate the openness towards debate and discussions in the Company and shall show respect and humility for all colleagues and co-workers, irrespective of their grade, position, pay, authority, caste, creed, race or sex. Senior Management shall promote everyone in the Company to work with the values of trust, teamwork, and mutuality, collaborate with objectivity and human dignity.

Dealing with the Customers

Each Director and Senior Management should deal fairly with clients, vendors, and competitors. They should not take unfair advantage of anyone through manipulation, concealment, abuse of confidential, proprietary or trade secret information, misrepresentation of material facts, or any other unfair dealing-practices.

Confidentiality of Information

Confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information or any information concerning the

Company's business, its customers, suppliers etc., which is not in public domain and to which the Directors or Senior Management have access, must be held in confidence, unless authorized to do so and when disclosure is required as a requirement of law. Directors or Senior Management shall not provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized by the Chairman of the Board.

Insider Trading

Directors and Senior Management shall not derive benefit or assist others to derive benefit by giving investment advice on the basis of the access to and possession of insider / price sensitive information about the Company which is not in public domain. Directors and Senior Management shall comply with the code of conduct from prevention of insider trading of the Company.

Gifts & Donations

Directors and Senior Management shall not receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are likely to obtain business (or uncompetitive) favors or influence any business decision for the conduct of business. Nominal gifts of commemorative nature, for special events / occasions could, however, be accepted or offered.

Protection of Assets

Protection of the Company's assets is a key responsibility of every person associated with the Company. Directors and Senior Management are not expected to use Company assets for personal gains. Care should be taken to ensure that assets are not misappropriated, loaned to others or sold without appropriate authorization.

Other Obligations

The Directors and Senior Management shall:

- Dedicate sufficient time, energy and attention to uplift and better the Company's performance
- Endeavor to attend all the meetings (including committee meetings, if any), proceedings and occasions as are required of the person in a constructive and active manner for the benefit, growth and development of the Company.
- Not make any statement or any other commitment without proper authority or with full knowledge that it is false
- Never compromise the interest of the Company
- 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.

- Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company and the external environment in which it operates.
- Seek appropriate clarification and amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company.
- 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 meeting.
- Ascertain and ensure that the Company has an adequate 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.
- Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or Ethics Policy.

Compliance officer

The Company Secretary will be the Compliance officer for the purposes of the Code, who will be available to Directors and Senior Management to answer questions arising out of the Code.

Annual Review

Directors and Senior Management shall affirm compliance with the Code annually on or before March 31 of every year or such other date as may be determined in this regard. The Corporate Governance Report of the Company shall contain a declaration to this effect signed by the CEO / Managing Director of the Company.

Amendment to the Code

The Code is subject to modification / amendment from time to time. Any amendment to the provision(s) of the Code must be approved by the Board and communicated to the Directors and Senior Management.

Waivers

Any waiver of any provision of this Code for a Director or Senior Management must be placed for approval before the Company's Board of Directors and the Audit Committee.

Breaches of the Code

It is ethical responsibility of Directors and Senior Management to abide by and enforce the Code. Any perceived violation of the Code by any Director or Senior Management personnel should be reported in writing (by any employee / party affected adversely) to the Member of Audit Committee in a closed cover addressed to the Compliance Officer. The Board shall take

appropriate action against Directors and the Audit Committee shall take appropriate disciplinary action against Senior Management, who is found to have violated the Code. Such action may be taken in various forms, viz. a verbal warning or written reprimand, dismissal or referral for criminal prosecution or such action as may be deemed fit in the circumstances of each case.

Integrity Pledge

Directors and Senior Management shall annually sign a declaration indicating that they have received, read, understood and agree to comply with the Code.

Addendum to Code of Conduct

Code of Conduct for Directors (Section 166 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 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) 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.

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 fulfils 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 formalized 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 and 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 within a period of not more than one hundred and eighty days from the date of such resignation or removal, as the case may be.
- (3) Where the company fulfils 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.