



**HUBTOWN CODE OF CONDUCT AND ETHICS
FOR
DIRECTORS AND SENIOR MANAGEMENT**

(May 2014)



**HUBTOWN CODE OF CONDUCT AND ETHICS
FOR
DIRECTORS AND SENIOR MANAGEMENT**

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HUBTOWN CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

I. PREAMBLE :

An organisation's ethics are the established values and principles it uses to inform and conduct its activities. These describe the moral and ethical climate within which a company wishes to operate. Ethical business conduct provides strong organizational integrity, which should permeate its culture and drive its strategy, business goals, policies and activities.

II. PHILOSOPHY :

HUBTOWN's reputation for honesty, integrity, care and diligence is a precious asset. To promote and safeguard HUBTOWN's reputation, Directors and Senior Management must conduct themselves in accordance with highest ethical standards. They are expected to demonstrate exemplary personal conduct through adherence to this Code.

HUBTOWN Code of Business Conduct and Ethics which was adopted on October 12, 2007 has been re-drafted to further enhance the ethical and transparency process in conducting and managing the affairs of the Company. This Code is based on the twin principles of good corporate governance and exemplary personal conduct.

III. APPLICABILITY OF THE CODE :

Pursuant to Clause 49 (I) (D) (relating to Corporate Governance) of the Listing Agreement with the Stock Exchanges, the Company has framed a revised Code of Conduct and Ethics for :

- a. all Directors – Executive, Non-Executive and Independent Directors (hereinafter referred to as 'Board members'); and
- b. all employees of the Company (including those on deputation) in the Grades of L5, L4, L3, L2, L1 and all consultants falling in any of these Grades (hereinafter referred to as 'Senior Management Personnel' (SMP).

The management reserves the right to expand/amend the extent and coverage of employees under the Code.

This Code of Conduct or the Code defines what HUBTOWN expects from its business and personnel regardless of the location or their background. As the aforesaid persons individually and collectively shape the growth of the Company, they are individually and collectively responsible to ensure that the Company operates with the highest degree of personal and professional integrity, honesty and ethical conduct.

This Code has been formulated so as to promote the highest degree of personal and professional integrity, honesty and values into practice. While it is not possible to develop a detailed set of rules which cover all circumstances, or which serve as a substitute for good judgment and ethical conduct, the provisions of this Code are intended to establish guidelines to which one can refer in situations where the proper course of conduct may not seem clear. This Code shall be in addition to rules, regulations, standards, policies and procedures that may be framed by the Company from time to time.

All Board members and SMP covered by this Code are expected to comply with both the letter and spirit of this Code.

IV. HONEST AND ETHICAL CONDUCT :

HUBTOWN expects all Board members and SMP to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct wherever the Company's business is being conducted or at any place where such Directors and SMP are representing the Company.

Honest conduct implies conduct that is free from fraud or deception. Ethical conduct implies conduct conforming to the accepted professional standards of conduct and include ethical handling of actual or apparent conflicts of interest between personal and professional relationships.

V. COMPLIANCE WITH LAWS, RULES AND REGULATIONS :

HUBTOWN recognises the importance of laws that prohibit restraints of trade, predatory economic activities and unfair, deceptive or unethical business practices.

HUBTOWN expects every Board member and SMP to comply with every local, state, central and international laws, rules and regulations that apply to the Company's business. Many of the Company's operations are subject to complex and changing legislation governing domestic and international trade and commerce. If we are not sure whether a particular legal provision is applicable or how it should be interpreted, we may seek advise of legal counsel. Ignorance of law is generally not considered a valid defense when an infraction is committed, regardless of the jurisdiction where the Company is operating.

VI. CONFLICT OF INTEREST :

HUBTOWN recognizes that we all have our own individual interests and encourages the development of these interests. However, we must always act in the best interests of the Company and we must avoid any situation where our personal interests conflict or could conflict with our obligations towards the Company. All actual or apparent conflicts of interest between personal and professional relationships must be handled honestly and ethically. Never let your business dealings on behalf of any of our businesses be influenced, or appear to be influenced, by personal or family interests.

As Board members and SMP, we must not acquire any financial or other interest in any business or participate in any activity that could deprive the Company of the time or the diligent attention we need to devote to the performance of our duties.

We owe a duty to the Company to advance its business interests to the best of our ability.

We must not, directly or indirectly or in any other manner :

- a. have any financial interests that could have a negative impact on the performance of our duties, or derive any financial benefit from any contract between the Company and a third party where we are in a position to influence the decisions that are taken regarding that contract; or
- b. attempt to influence any decision of the Company concerning any matter with a view to deriving any direct or indirect personal benefit.

VI. CONFLICT OF INTEREST (contd.):

The following are some examples of situations which may constitute conflicts of interest :

- receiving any personal or financial benefit either yourself or through a family member from a company that does or seeks to do business with HUBTOWN;
- having more than a nominal equity interest in a competitor or in a company that does or seeks to do business with HUBTOWN;
- serving on the Board of Directors or providing consulting services to a company that does or seeks to do business with HUBTOWN;
- owning property such as real estate or patent rights that HUBTOWN may be interested in acquiring or leasing; and
- having outside business interests that could affect your job performance because of the amount of time and attention diverted from your responsibilities to HUBTOWN.

Where in a situation, conflict of interest exists, adequate and full disclosure by the interested Board members and SMP should be made to the Board of Directors of the Company.

It is also incumbent upon every Board member and SMP to make a full disclosure of any interest which the Board members and SMP or his/her dependent family members may have in a company or firm which is a supplier, vendor or has other business dealings with the Company. Every such disclosure shall be done in writing and shall be placed before the Board and upon a decision being taken in the matter, the Board member(s) and concerned SMP shall take necessary steps as advised to resolve the conflict.

If any Board member or a SMP is also a director on the Board of a competitor company, there exists a conflict of interest. Such Board member or SMP must obtain prior approval from the Board of Directors before accepting such a directorship.

VII. CORPORATE OPPORTUNITIES :

A corporate business opportunity is an opportunity:

- a. in the Company's line of business or proposed expansion or diversification;
- b. which the Company is financially able to undertake; and
- c. which may be of interest to the Company

A Board member or SMP who learns of such a corporate business opportunity and who wishes to participate in it should disclose the opportunity to the Board of Directors. If the Board determines that the Company does not have an actual or expected interest in the opportunity then and only then, may the concerned Board member or SMP participate in it, provided that such Board member or SMP has not wrongfully utilized the Company's resources in order to acquire the opportunity.

The Board members and SMP owe a duty to the Company to advance the Company's interest when the opportunity to do so arises. A Board member or SMP may not :

- a. take for themselves opportunities that are discovered through the use of Company property or information or through director's position;
- b. use the Company's property or information or the director's position for personal gain; or
- c. compete with the Company, directly or indirectly, for business opportunities that the Company is pursuing.

VIII. INSIDER TRADING :

In order to ensure compliance with laws/regulations against insider trading, the Company has adopted 'HUBTOWN Code of Conduct for prevention of Insider Trading' governing trading in the securities of the Company that is applicable to every Board member and SMP of the Company. Abiding by the aforesaid Code is mandatory.

In particular, Insider Trading Regulations prohibit us from purchasing, selling or otherwise trading in or recommending, for our own account or for others, any securities of the Company where we are in possession of 'unpublished price sensitive information' concerning the Company. Communication of such information to others is also prohibited.

The term unpublished price sensitive information' refers to any information which, if it were made public, would be reasonably likely to influence the price of the securities of the Company or to affect an investor's decision to purchase or sell securities of the Company.

A more detailed discussion of the insider trading laws can be found in the Company's 'Code of Conduct for Prevention of Insider Trading'.

IX. COMPETITION AND FAIR DEALING :

The Company shall strive to outperform competition fairly and honestly. The Company's prosperity is founded on customer satisfaction. HUBTOWN expects us to preserve the quality of our customer relations by maintaining business relationships that are based on integrity, fairness and mutual respect. Only clear, concrete, pertinent and honest information is to be given to customers. We must be careful to avoid making any statement to a customer that could be misinterpreted.

Suppliers and vendors of the Company are to be chosen in consideration of objective criteria, based on quality, reliability, price, utility and performance or service. Suppliers and vendors are to be treated justly, fairly and honestly and no unfair advantage of anyone should be taken through any intentional unfair dealing.

Fees and commissions are to be paid to consultants only in the course of ordinary business relations. Any fees paid must be substantiated by documentation demonstrating that the amount charged is commensurate with the value of the services rendered.

Board members and SMP shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice.

Pilfering proprietary information, possessing trade secret information that was obtained without the owner's consent is prohibited.

X. ACCOUNTING AND PAYMENT PRACTICES :

The transactions records in the Company's books and records must be in compliance with all applicable laws. False or misleading entries, unrecorded funds or assets, or payments without appropriate supporting documentation and approval are strictly prohibited. There shall be no willful omissions of any company transactions from the books and records. All documentation supporting a transaction should fully and accurately describe the nature of the transaction. Transactions must be recorded in a manner that will allow accurate financial statements to be prepared and the utilization of assets to be accounted for.

XI. DISCRIMINATION AND HARASSMENT :

As a good corporate citizen, HUBTOWN is committed to providing a gender friendly work environment that is free from any form of sexual or other harassment. Each employee is expected to conduct himself / herself in a manner that does not cause mental or physical discomfort to others in the organization.

HUBTOWN is also committed to ensuring that each one of us is treated with fairness and dignity; accordingly, any discriminatory practice based on race, colour, sex, age, religion, ethnic or national origin, disability or any other unlawful basis will not be tolerated. The Company seeks to provide each of us with equal opportunity for advancement without discrimination. However, distinguishing between individuals based on the aptitudes and qualifications required for a particular employment does not constitute discrimination.

The Company has adopted a Code of Conduct for Prevention of Sexual Harassment at Work Place and the Directors, senior management and employees shall become familiar with the said policy.

XII. GIFTS AND ENTERTAINMENT :

Gifts or entertainment given to or received from customers, vendors, suppliers or business associates must never influence, or appear to influence, business decisions. If business gifts are permitted under your function, they must be nominal in value and frequency.

We must not profit from our position with HUBTOWN so as to derive personal benefits conferred on us by persons who deal or seek to deal with the Company. Consequently, accepting any personal benefit such as a sum of money, a gift, a loan, services, pleasure trips or vacations, special privileges, with the exception of promotional items of little value, is forbidden.

Any entertainment accepted must also be of modest nature and the real aim of the entertainment must be to facilitate the achievement of business objectives. In general, offers of entertainment may be accepted, provided that they are inexpensive, infrequent and, as much as possible, reciprocal.

As these instructions cannot cover every eventuality, we are all required to exercise good judgment. The saying 'everybody does it' is not a sufficient justification.

HUBTOWN expects Board members and SMP to refrain from offering gifts or granting favours outside the ordinary course of business to current or prospective customers, their employees or agents or any person with whom the Company has a contractual relationship or intends to negotiate any agreements.

SMP who are called upon to do so may incur reasonable expenses for the entertainment of current or prospective customers or other persons who deal with the company, provided that such entertainment is in keeping with the person's position and is related to business discussions and that appropriate accounts are kept.

XIII. HEALTH AND SAFETY :

Safety must be everyone's concern at HUBTOWN.

HUBTOWN makes every effort to provide us with a healthy and safe work environment, to conduct regular inspections so as to eliminate any dangerous conditions or behaviour and their causes, and to develop programmes dedicated to our safety and well being.

In order to create an environment free from threats, violence and intimidation, HUBTOWN is committed to a policy of zero tolerance for violence.

Smoking and use of substances such as alcohol beverages, stimulants, narcotics and other intoxicants is strictly forbidden.

Every SMP also has a personal responsibility to take all reasonable precautions in every activity, not just to ensure their own personal safety, but also to avoid creating danger to others.

XIV. ENVIRONMENT :

Respecting and protecting the environment is an important value to which HUBTOWN subscribes and are committed to minimizing the impact of our businesses on the environment. The Company is also committed to prevent the wasteful use of natural resources. We must comply at all times with the environmental legislation applicable to HUBTOWN. Every SMP is required to discharge his/her duties in an appropriate manner which complies with all environmental obligations of HUBTOWN.

XV. CONFIDENTIALITY :

We are required, for the duration of our employment with the Company and after our employment terminates to keep any proprietary, technical and financial information confidential and to use the utmost discretion when dealing with such sensitive or privileged information.

Data, information and documents pertaining to the Company are to be used strictly for the performance of our respective duties and may be disclosed or communicated to persons outside the Company only to the extent that the information in question is needed by such persons in connection with their business relations with the Company, or where the information is already in the public domain or is required to be disclosed by law or court order.

Confidential information must not be discussed or disclosed to any unauthorized persons, whether Company personnel or persons outside the Company. We must take necessary steps to ensure that the documents containing confidential information, when sent by fax or other electronic media, are not brought to the attention of unauthorized persons, whether Company personnel or persons outside the Company. We must take appropriate security measures when destroying documents that contain confidential information.

We must also keep confidential any similar information relating to the organizations with which the Company has business relationship of any kind.

XVI. PROTECTION AND PROPER USE OF COMPANY ASSETS AND PROPRIETARY INFORMATION :

The protection of the Company's property by each one of us is a matter of integrity and honesty. The loss, theft or inappropriate use of the Company's property is bound, sooner or later, to affect the Company's profitability.

Company property must be used exclusively for the business of the Company and must not be used for personal purposes without prior permission.

Software developed or acquired by the Company may not be reproduced or tampered with, nor may it be used for any purposes other than those intended by the Company. Software that is not owned or licensed by the Company is not to be used on the work premises or in the Company's business.

E-mail and internet systems at workplace must be used primarily for work-related communications. If you have access to HUBTOWN information systems, you are responsible for taking the precautions necessary to prohibit unauthorized access to the system. You should safeguard your passwords or other means of entry.

It is generally not HUBTOWN's intent to monitor internet access and e-mail systems. However, the Company reserves the right, subject to applicable law to access and monitor our use of these systems in appropriate circumstances.

We are strictly prohibited from using the e-mail and internet systems for any improper or illegal purpose. Inappropriate usage of the internet or e-mail may result in legal liabilities and/or negative publicity to HUBTOWN and must be avoided.

Company property also includes corporate information and intellectual property such as copyright and trademarks.

XVII. POLITICAL ACTIVITY :

All SMP who wish to participate in activities of political or public nature must do so in a personal capacity only and during non-working hours. No financial or other resources of the Company shall be used by SMP to support his/her any activity of political or public nature.

XVIII. DISCLOSURE TO STOCK EXCHANGES AND PUBLIC :

It is the policy of the Company to provide full, fair, accurate, timely and understandable disclosure in reports and documents that are to be filed with or submitted to the listed stock exchanges, statutory authorities and regulators and in our other public communications. Accordingly, we must ensure compliance with such disclosure controls and procedures.

XIX. COMPANY FACILITIES :

No Director senior management oand employee shall misuse Company facilities. In the use of Company facilities, care shall be exercised to ensure that costs are reasonable and there is no wastage.

XX. SHAREHOLDERS :

HUBTOWN is committed to enhance shareholder value and comply with all regulations and laws that govern shareholder's rights. The Board of Directors of the Company shall duly and fairly inform its shareholders about all the relevant aspects of the Company's business, and disclose such information in accordance with the respective regulations and agreements.

XXI. A SHARED RESPONSIBILITY :

HUBTOWN is determined to behave, and to be perceived, as an ethical, value based, organization.

Each one of us is responsible for adhering to the values of HUBTOWN in our daily lives as employees of the Company and for making every effort to ensure that our rules of conduct are respected by all. This Code cannot provide definitive answers to all questions. For that, we must rely on each person's judgment and integrity. You are encouraged to seek guidance from your immediate superior when a situation may not be clear.

XXII. REPORTING ANY ILLEGAL OR UNETHICAL BEHAVIOUR :

Integrity is essential to our business success. Any employee who knows or suspects the existence of conflict of interest situation, fraud or theft from HUBTOWN, has a responsibility to report it to the Compliance Officer or his or her immediate superior forthwith or make use of the procedures in the Whistleblower Policy which is available on the Company's website. The Board members and SMP shall co-operate in any internal or external investigations of possible violations.

XXIII. VIOLATIONS :

Violations of this Code of Business Conduct cannot and will not be tolerated. Consequences of such violations may include disciplinary action upto and including termination of employment. Individuals who have willfully failed to report known violations will also be subject to disciplinary action.

All reported incidents will be investigated in a discreet, fair and confidential manner. Where it is proven that the Code of Business Conduct has been violated, HUBTOWN will take decisive and appropriate action to uphold the integrity and values of its business. There will be no retribution against any employee for reporting actual or suspected wrongdoing of others, which he or she knows or believes has occurred if such reporting is made in good faith.

Good faith reporting of violations or possible violations of this Code or applicable law will not result on adverse consequences to the person reporting them even if the perceived violations are ultimately proven not to have occurred.

XXIV. WAIVER OF THE CODE :

A waiver of any provision of this code of conduct will only be given if it is deemed absolutely appropriate under the circumstances. A waiver of the provisions of this Code shall only be granted by the Board of Directors of the Company. As a general policy, the Board shall not grant waivers to the Code.

XXV. ACKNOWLEDGEMENT :

All Board members and SMP shall acknowledge the receipt of this Revised Code in acknowledgement form annexed to this Code (**Annexure – I**) confirming that they have received, read and understood the Revised Code of Business Conduct and agree to abide by its provisions. Failure to read the Code or sign the acknowledgement form does not excuse a director or an employee from compliance with the Code.

XXVI. AFFIRMATION :

In terms of Clause 49 (I) (D) (ii) of the Listing Agreement entered into by the Company with the Stock Exchanges, every Board Member and SMP to whom this Code is applicable shall affirm compliance with Code on an annual basis within 21 days from the close of the financial year and forward the same to the Secretarial Department. A proforma of the Annual Compliance Affirmation is annexed to this Code as **Annexure – II**. The Annual Report of the Company shall carry a declaration to this effect signed by the Chief Executive Officer of the Company.

XXVII. AMENDMENT :

The Company is committed to continuously reviewing and updating the policies and procedures from time to time and accordingly, reserves the right to modify or amend this policy, as it may consider necessary. Any amendment to this Code shall be promptly disclosed on the Company's website and in applicable regulatory filings pursuant to applicable laws and regulations, together with details about the nature of amendment or waiver.

XXVIII. Duties of Independent Directors :

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;

XXVIII. Duties of Independent Directors (contd.) :

- (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; and
- (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.

XXIX. CONCLUSION :

This Code is intended to hold Board members and SMP subject to certain standards of ethical conduct. It is not intended nor can it be, an exhaustive list of approved or non-approved conduct.

Honesty, Prudence and Fairness are the touchstone of good business conduct.

Keeping in view the spirit of the provisions, the Code should be adhered to relentlessly, in letter as well as spirit.

XXX. EFFECTIVE DATE :

The Code which has been reviewed and approved by the Board at its meeting held on May 29, 2014 shall deemed to have come into effect from June 1, 2014.

SWAMI VIVEKANAND ONCE SAID "THE ROAD TO THE GOOD IS THE ROUGHEST AND STEEPEST IN THE UNIVERSE. IT IS A WONDER THAT SO MANY SUCCEED, NO WONDER THAT SO MANY FALL, CHARACTER HAS TO BE ESTABLISHED THROUGH A THOUSAND STUMBLES."

HUBTOWN LIMITED

ANNEXURE - I

HUBTOWN CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

ACKNOWLEDGEMENT

I, declare and confirm to have read and fully understood the contents of the Code of Conduct applicable to all the Directors and Senior Management, and the implications thereof.

I agree to abide by the provisions of the Code and/or policies or legal/regulatory requirement of the Company directly or indirectly applicable to my job or responsibility and follows the principles contained therein in letter and spirit.

Name of the Director / SMP	
Employee Code	
Department	
Signature	
Date	

HUBTOWN LIMITED

ANNEXURE - II

HUBTOWN CODE OF CONDUCT AND ETHICS FOR DIRECTORS AND SENIOR MANAGEMENT

To,

**Secretarial Department
Hubtown Limited**

Dear Sir,

Re: **Annual Compliance Affirmation under Code of Business Conduct & Ethics**

I, Mr. / Mrs. / Ms. _____

(designation) do hereby acknowledge and confirm that during the financial year 201____ - 201____ to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Directors and Senior Management of the Company or any policies or legal / regulatory requirement of the Company, directly or indirectly applicable to my job or responsibility.

Signature : _____

Name : _____

Designation : _____

Place : _____

Date : _____

Note :

1. Please sign and return this affirmation to the Secretarial Department before April 21 every year.
2. This Code shall be applicable and binding on all directors and members of senior management, from the date of their appointment and this affirmation shall be valid for the said financial year only.