

**POLICY
ON

CODE OF
BUSINESS CONDUCT
& ETHICS**

OCTOBER 2005

DYNAMATIC TECHNOLOGIES LIMITED
DYNAMATIC PARK PEENYA, BANGALORE 560 058

COMPANY CONFIDENTIAL

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DYNAMATIC TECHNOLOGIES LIMITED
POLICY ON CODE OF BUSINESS CONDUCT & ETHICS

PREAMBLE

The Code of Business conduct and Ethics helps to ensure compliance with legal requirements and our standards of business conduct as approved by the Board from time to time. All the applicable employees and members of management are expected to read and understand this Code of Business conduct and Ethics, uphold these standards in day to day activities, comply with all applicable policies and procedures and ensure that all officers of the Company are aware of, understand and adhere to these standards.

OUR PROMISE

We firmly believe that sustained growth can only be fostered through developing a work ethic founded upon the core values of integrity, transparency, professionalism, empowerment and accountability. We endeavor to uphold and nurture these core values in all facets of operations.

We committed to provide improved value to our customers, improving the quality of life of our employees, providing a secure environment for our financiers and suppliers and contributing to our Society, Environment and the Nation.

The five implied values encapsulated in this promise represent our Company Values are:

Integrity

Transparency

Professionalism

Empowerment

Accountability

APPLICABILITY

Pursuant to Clause 49 of the listing agreement with stock exchange/s it is obligatory for the board to lay down the Code of Business Conduct & Ethics (herein after referred to as Code of Conduct) for:

- Board members of Dynamatic
- Senior management and employees of the Company and
- Employees of Subsidiaries

This Code of Conduct shall be posted on our website of the Company.

We are committed to continuously review and update our existing policies and procedures from time to time as may be necessary:

1. Code of Ethics
2. General policy regarding Laws and Business Conduct
3. Conflicts of Interest
4. Internal accounting control procedures and records
5. Policy on Insider trading
6. Policy on Intellectual Property/ies
7. Commercial Bribery/ Avoidance of offerings or monetary receipts or other inducements
8. Information of a confidential or proprietary nature
9. Environment, Health and Safety Policy
10. Harassment
11. Violations of the Code

1. Code of Ethics

The purpose of this policy is to promote

I. Principle of Professional & Personal integrity

- Act with Honesty and integrity, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
- Confidential information acquired in the course of ones' work will not be used for personal advantage;
- Responsible use of and control over all assets and resources employed or entrusted.

II. Principle of Propriety & Relevance of information

- Provide all stakeholders with information that is accurate, complete, objective, relevant, timely and understandable;
- Abide by confidentiality of information acquired in the course of one's work except when authorized or otherwise legally obligated to disclose.

III. Principle of Compliance

- Full, fair, accurate, timely and understandable disclosure in periodic reports required to be filed by the Company in the Company's public communications; and
- Compliance with applicable laws of land and in all geographies in which Dynamic operates.

IV. Principle of following highest standards of Corporate Governance

- Act in good faith, responsibly, with due care, competence and diligence, without misrepresenting material facts or allowing one's independent judgment to be subordinated;
- Share knowledge and maintain skills important and relevant to stakeholders' needs;
- Promote an ethical behavior as a responsible partner among peers, in the work environment.

We expect all officers to act in accordance with the highest standards of personal and professional integrity, honesty and ethical conduct, while working on the Company's premises, at off site locations where the company's business is being conducted, at Company sponsored business and social events or at any other place where officers are representing the Company.

2. General policy regarding Laws and Business Conduct

The Purpose of this policy is to provide a general statement regarding the Company's expectations as to legal and ethical nature of conduct of the Company's code of business conduct.

Compliance is Everyone's business. As an officer, our responsibility is to respect and adhere to these practices. Many of these practices reflect legal or regulatory requirements. Violations of these laws and regulations can create significant liability on employee, the Company, its Directors, officers and other employees of the Company.

I. General Standard of Conduct

The Company expects all employees to exercise good judgement to ensure safety and welfare of employees and to maintain a co-operative, efficient, positive, harmonious, and productive work environment and business organization. These standards apply while working on our premises, at offsite locations where our business is being conducted, at Company sponsored business and social events or at any other place where officers are representing the Company.

II. Compliance with Governmental Laws, Rules and Regulations

Officers must comply with all applicable laws, rules and regulations. Officers must 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 required departments. Such individual violations of applicable laws, rules and regulations may subject Company to civil or criminal liability or the loss of business.

3. Conflicts of Interest

The Company has always been concerned with outside business interests of its employees. This might possibly conflict with the interest of the Company. An adequate definition of what constitutes conflict of interest is most difficult.

These occur if the employee or any other person having close personal relationship with the employee.

Every employee has a responsibility to the Company, our stakeholders and each other. All employees must avoid situations involving conflict of interest. A few examples for conflict of interest or benefits include:

Viz: Employment / Outside employment
 Outsider directorships
 Business interest
 Related parties .

4. Internal accounting control procedures and records

The purpose of this policy is to require Company to keep books and records in reasonable detail in accurately which fairly reflect its transactions and dispositions of its assets. In addition the Company should maintain a system of internal accounting controls that will ensure reliability and adequacy of its books and records and proper recording of all transactions including dispositions of its assets.

All accounting entries entered into by the Company will be recorded in the accounts of the company in accordance with normal, standard procedures as required to be complied under the law.

Compliance with the provisions and requirements of this policy will be tested and evaluated by the Company Audit Committee charter as approved the Board from time to time.

5. Policy on Insider trading

The purpose of this policy is to have fairness in dealing with all stakeholders by providing guidelines to assist in avoiding in personal liability and for aiding the Company in avoiding liability of insider trading.

The Company follows Disclosures & Internal procedure for prevention of Insider trading as approved by the Board from time to time.

6. Policy on Intellectual Property

The purpose of this policy is to have an utmost obligation to ourselves to identify and protect the intellectual properties, trade secrets and other confidential information owned by the Company and it's clients or associates as the information is the key in business success. By Intellectual Property Rights (IPR) we mean patented or potentially patentable inventions, trademarks, service marks, trade marks, copyrightable subject matter and trade secrets.

We have an obligation to protect Dynamatic IPR and Client IPR at all times. The officials can consult legal counsel of the concerned business department whenever an IPR issue is involved and there is need for clarity where one is not clear on the course of action to be taken. All confidential information has to be used for Company business purposes only.

7. Commercial Bribery

The purpose of this policy is to prohibit the payment or transfer of Company funds or assets to suppliers, customers in the form of bribes or other payoffs and prohibiting employees from participating in such schemes.

8. Information of a confidential or proprietary nature

The purpose of this policy is to establish consistent guidelines for contacts with investors/ customers as a Corporate policy of public disclosure of inside information.

The Company's confidential information is a valuable asset. This information is the property of the Company and may be protected by patent, trademark, copyright and trade secret laws. Dynamic ensures that the Proprietary information and Invention agreement be signed by the employee at the time of joining the Company. This agreement remains in effect for as long as the employee work for the Company and after he/she leaves the Company.

9. Environment, Health and Safety Policy

The purpose of this policy is to protect our environment and provide environment principles for the Company in the conduct of business.

We make our continuous efforts to make operations compatible with protecting the environment and responsible stewardship of the global environment, heritage, while supplying high quality products or services to our customers nationally & internationally. The company is committed on global basis, to the goal of safe, efficient and environmentally sound business practices and operations. Its goal to achieve environment excellence. We ensure to maintain the Sustainability growth by paying equal attention to all elements of Traid of Sustainability, namely – Economic growth, Environment friendliness and Social Equity as a responsible corporate citizen.

10. Harassment

The purpose of this policy is to establish and communicate the Company's policy prohibiting unlawful harassment and the procedures for the disposition of any such conduct for the Company's operations.

Dynamic ensures that every employee and officer of the Company is responsible to maintain a workplace free of harassment.

11. Violations of the Code

The Company will take appropriate action against any officer whose actions are found to violate the Code or any other policies of the Company. Disciplinary actions may include immediate termination of employment at the Company's sole discretion. Where the Company has suffered a loss, it may pursue its remedies against the individuals or entities responsible.

12. Help Desk

In all cases, if you are unsure about the appropriateness of an event or action, please seek assistance in interpreting the requirements of these practices by contacting respective Departmental heads of the Company.

ACKNOWLEDGEMENT OF RECEIPT OF CODE OF BUSINESS CONDUCT & ETHICS

I have received and read the Company's code of Business Conduct and Ethics (M/s Dynamic Technologies Limited). I understand the standards and policies contained in the Code and understand that there may be additional policies or laws specific to my job. I agree to comply with the Code.

If I have questions concerning the meaning or application of the Code, any Company policies, or the legal and regulatory requirements applicable to my job, I know I can consult my Departmental Head and that my questions or reports to these sources will be maintained in confidence.

Officer Name :

Signature :

Date :

Please sign and return this form to the HR Department

