

**Code of Conduct for the  
Members of the Audit Committee  
Of  
Information Services Network Limited**

**1. Constitution of Audit Committee**

- 1.1 The Audit Committee will be constituted having at least 3 (three) Board of Directors of which at least 1 (one) will be Independent Director.
- 1.2 The Audit Committee will work as a Sub-committee of the Board of Directors which will work independently.
- 1.3 The Audit Committee shall assist the Board of Directors in ensuring that the financial statements reflect true and fair view of the state of affairs of the company and in ensuring a good monitoring system within the business.
- 1.4 The Audit Committee shall be responsible to the Board of Directors.
- 1.5 The Quorum of the Audit Committee shall be at least 1 (one) Independent Director and another Director.

**2. Role of Audit Committee**

**Role of Audit Committee is mentioned below:**

- (i) Oversee the financial reporting process.
- (ii) Monitor choice of accounting policies and principles.
- (iii) Monitor Internal Control Risk management process.
- (iv) Oversee hiring and performance of external auditors.
- (v) Review along with the management, the annual financial statements before submission to the board for approval.
- (vi) Review along with the management, the quarterly and half yearly financial statements before submission to the board of approval.
- (vii) Review the adequacy of internal audit function.
- (viii) Review statement of significant related party transactions submitted by the management.
- (ix) Review Management Letters/ Letter of Internal Control weakness issued by statutory auditor.
- (x) Review the determination of audit fees.

**3. Reporting of the Audit Committee**

**3.1 Reporting to the Board of Directors**

- (i) The Audit Committee shall report on its activities to the Board of Directors.

(ii) The Audit Committee shall immediately report to the Board of Directors on the following findings, if there is any:

- a) Report on conflicts of interests;
- b) Suspected or presumed fraud or irregularity or material defect in the internal control system;
- c) Suspected infringement of laws, including securities related laws, rules and regulations;
- d) Any other matter which shall be disclosed to the Board of Directors immediately.

### **3.2 Reporting to the Authorities**

If the Audit Committee has reported to the Board of Directors about anything which has material impact on the financial condition and results of operation and has discussed with the Board of Directors and the management that any rectification is necessary and if the Audit Committee finds that such rectification has been unreasonably ignored, the Audit Committee shall report such finding to Securities and Exchange Commission (SEC) as per SEC notification No. SEC/CMRRCD/2006-158/134/Admin/44, dated 07<sup>th</sup> August 2012, upon reporting of such matters to the Board of Directors for three times or completion of a period of 6 (six) months from the date of first reporting to the Board of Directors, whichever is earlier.

### **3.3 Reporting to the Shareholders and General Investors**

Report on activities carried out by the Audit Committee, including any report made to the Board of Directors under conditions 3.1 (ii) above during the year, shall be signed by the Chairman of the Audit Committee and disclosed in the annual report of the issuer company.

### **3.4 Meeting of the Audit Committee with Chairman of the Board of Directors of the Company.**

In case of any finding, any discrepancy and if needed, the Audit Committee will sit separately with Chairman of the Board of Directors to resolve the issues.

(Chairman)