

Poonawalla Fincorp Limited

To establish the standards of business ethics and conduct expected of everyone who carries out work for or on behalf of the Company

Code of Business Ethics

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Introduction

Our Code of Business Ethics (“Code”) reinforces our core values and drives our culture of compliance, ethical conduct and accountability. Our core values shape the culture and define the character of our Company. They serve as a foundation on what and how we act based on the certain principles. Acting with integrity in compliance with laws is not just about doing the right thing and protecting the Company, it has a tangible impact on our performance and reflects on our character as a business to our clients, our business partners and the public at large. It provides us the freedom to expand our operations and generate new business opportunities, differentiating us from our competitors and strengthening our brand and reputation. Our Company’s commitment to our core values and ethical conduct is important. We are all expected to follow the Code and, if we are ever uncertain about the proper course, we must raise our concerns with our supervisor, our career counsellor, any member of the Company Leadership, Human Resources, or Legal as appropriate.

Objective

The purpose of this Code is to establish a standard of business ethics and conduct expected of everyone who carries out work for or on behalf of Poonawalla Fincorp Limited (hereinafter “PFL”/”Company”). The Code defines how to conduct ourselves as representatives of the Company. The Code addresses our responsibilities to the Company, to each other, and to customers, suppliers, consumers and governments.

Scope & Applicability

The Code applies to all Directors, officers and all employees of PFL across functions, geographies and grades. The Company also encourages employees of those entities in which PFL has an interest but does not have control, to adopt and follow the Code. In addition, third parties, such as consultants and agents are required to comply with the Code of Business Ethics when acting on PFL’s behalf. Therefore, wherever the terms “PFL” or “Company” and the like are used in this Code, they include all Directors, officers and employees of PFL, employees of those entities in which PFL has an interest but does not have control and third parties such as consultants and agents who acts on behalf of the Company.

Employee shall mean all individuals on full-time or part-time employment with the Company, with permanent, probationary, trainee, retainer, temporary or contractual appointment except those in casual employment or outsourced or paid from contingencies.

Definitions:

- i. **Associate:** means and includes all Directors including Executives and Non-Executive Directors, officers, Senior Management Personnel and employees of PFL (full-time or part-time employment with the Company). It also includes employees of those entities in which PFL has an interest but does not have control as well as consultants and agents acting on PFL’s behalf.
- ii. **Applicable Law:** includes any statute, law, listing regulations, other regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other governmental instructions and/or mandatory standards as may be applicable to the Company from time to time.

- iii. **Board of Directors or Board:** shall mean the collective body of the directors of the Company. Board of Directors or Board shall also mean and include various Committee constituted by the Board.
- iv. **Compliance Officer:** An employee/officer appointed by the Board of Directors to provide written approvals for actions under the Code or to do such other acts as the Board may decide. For the purpose of this Code, Chief of Staff of the Company is designated as the Compliance Officer.
- v. **Customer:** Any business or entity to which the Company sells any product bearing a trademark of the Company.
- vi. **Director:** means a director(s) appointed to the Board of the Company as defined in Section 2(34) of the Companies Act, 2013 and as defined under Regulation 2(1)(d) of SEBI Listing Regulations. .
- vii. **Identified Advisors:** means the senior management of the Company or such other person(s) as may be identified by the Board or any Committee thereof or the Company's Compliance Officer(s).
- viii. **Key Managerial Personnel:** in relation to the Company means: the Chief Executive Officer or the managing director or the manager;
the Company Secretary;
Whole-time Director;
the Chief Financial Officer
such other officer, not more than one level below the Directors who is in Whole-time employment, designated as key managerial personnel by the Board; and such other officer as may be prescribed.
- ix. **Senior Management Personnel:** shall mean the officers and personnel of the Company who are members of its core management team, excluding the Board of Directors, and shall also comprise all the members of the management one level below the Chief Executive Officer or Managing Director or Whole Time Director or Manager (including Chief Executive Officer and Manager, in case they are not part of the Board of Directors) and shall specifically include the functional heads, by whatever name called and the Company Secretary and the Chief Financial Officer.

All other words and phrases not defined herein shall have the same meaning and definition as specified under the Act or the Rules as may be amended from time to time.

Our Vision and Mission

Vision:

To be the Most **Trusted Financial Services** Brand

Trust: Denotes legacy and brand promise

Financial Services: Holistic term that broadly defines the current and future business expansion

Mission:

To help Individuals & Businesses- Achieve More by offering the “Best-in-class customer-centric products and solutions” most conveniently.

In fulfilling our commitment, we uphold the following values and believe to reflect it in all our functions and activities:

Collaborative:

We will work together towards a collective goal by engaging and evolving together, helping and supporting each other. Collaborative efforts and unconditional reciprocity will lead us towards common organizational goals.

Responsible:

We will be responsible i.e. we will be rational and moral in our actions. We will be trustworthy and our sense of responsibility will be reflected in our behaviour towards employees, customers, vendors, the environment and everyone else with whom we come in contact. Being responsible also means ensuring Quality, Respect and Professionalism in all our actions.

Entrepreneurial:

We will foster an entrepreneurial mindset in our teams to build a culture of high performance and bring in adaptability as a key trait in the organization, as we believe this will make us more successful and resilient in future.

Direct:

We will connect with our customers, employees and other stakeholders by being in direct touch with them. This will help us understand their current as well as future needs first-hand. Additionally, we will always have direct and clear communication and policies that have no hidden implications.

Innovative:

We will always strive to re-define the Standard of Excellence in everything we do by being open to ideas that challenge conventional ways and drive innovation. The only constant is change and we believe that in order to stay relevant we must constantly innovate to address the needs of all stakeholders.

Transparent:

We will be transparent in all our interactions with stakeholders. This means being open in communication, participative in discussions and inclusive in decision-making, resulting in greater trust among all the stakeholders.

Compliance with applicable Laws & Regulations

PFL shall comply and where applicable, oversee compliance by Associates with the Code and all Applicable Laws, rules and regulations on the Company and its Associates. Each Associate is encouraged to acquire appropriate knowledge of the requirements relating to his duties sufficient to enable him to recognize the potential non-compliance issues and to know when to seek advice from the Identified Advisors on specific Company policies and procedures. No transaction should be made or undertaken, by an Associate or authorized or instructed to be made or undertaken by any other person or the Company if the consequence of that transaction would be the violation of this Code or any Applicable Law in force.

Honesty, Integrity & Ethical Conduct

Every employee is expected to act in accordance with the highest standards of integrity, honesty, fairness and ethical conduct while working for the Company as well as when representing the Company. Honest conduct means conduct that is free from fraud or deception. Integrity and ethical conduct includes ethical handling of actual or apparent conflicts of interest between personal and professional relationships. Associates are encouraged to promote ethical behaviour and take steps to ensure that the Company promotes ethical behaviour and also encourages employees of the Company to promptly report violation of the Code or any Applicable Law, rules, regulations under the Breach of Integrity and Whistle Blower/ Vigil Mechanism Policy¹ or the Company's Code of Conduct and Disciplinary Rules². Doing so will allow the Company an opportunity to deal with the issue and correct it, ideally before it becomes a violation of law or a risk to health, security or the Company's reputation and financial impurities.

Conflict of Interest

Company shall endeavour to avoid situations in which there is or may seem to be, a conflict between the personal interests of the Associate and the interests of the Company. The term "conflict of interest" describes any circumstance that could cast doubt upon an Associate's ability to act with total objectivity and in the best interest of the Company. The guiding principles with regard to conflict of interest has been defined.

Any person involved in any situation that could be, or may reasonably be perceived as a conflict of interest must disclose the potential conflict of interest to their department head, or human resources representative or to other identified department(s). If there is any doubt, the supervisor, department head, or human resources representative should contact the Company's Compliance Officer for assistance. The Company will determine whether the situation constitutes a conflict of interest and, if so, the Company would strive to work with the Associate to promptly resolve the matter.

¹ The Policy is available on the Company's website at its weblink i.e. [Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf \(poonawallafincorp.com\)](https://poonawallafincorp.com/pdf/secretarial_report/Breach-of-Integrity-and-Whistle-Blower-Vigil-Mechanism-Policy.pdf)

² The Policy is available on the Company's website at its weblink i.e. https://poonawallafincorp.com/pdf/secretarial_report/Code of Conduct Discipline Rules

Customer relations

PFL would endeavour to serve its Customers well. PFL recognises the fact that we should treat our Customers in the same manner we expect to be treated. The Company strives to treat its Customers in a friendly, courteous and fair manner. We further recognize that our Customers should have adequate information with respect to all our services.

Business Interest

If any Associate is considering investment in any Customer, supplier, developer or competitor of the Company, he or she must first ensure that these investments do not result in compromise of their responsibilities to the Company. Directors, Senior Management Personnel and Key managerial Personnel (as defined in the said Code) are expected to take the consent of the Board of Directors of the Company and other Associates shall take consent of the Chief of Staff before entering into such transactions which may cause a conflict of interest with the Company. Several factors are involved in

determining whether a conflict exists, including the size and nature of the investment; the Associate's ability to influence the Company's decisions; his access to confidential and price sensitive information of the Company and the nature of the relationship between the Company and the other Company or person.

Code for Independent Directors

The Code is a guide to professional conduct for independent directors. Adherence to these standards by independent directors and fulfilment of their responsibilities in a professional and faithful manner will promote confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of independent directors.

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.

This should be read in conjunction with the Code of Independent Directors³ adopted by the Board.

Directors and Senior Management Personnel shall affirm compliance with this Code on an annual basis.

Related Party Transactions

An Associate or any of his relatives should not derive any undue personal benefit or advantage by virtue of his position or relationship with the Company. As a general rule, Associates should avoid conducting Company business with a relative, or carry on a business with the Company in which a relative is associated in any significant role. Any dealings with a related party must be conducted in such a way that no preferential treatment is given and adequate disclosures and/or permissions are made/ sought as required by law and as per the applicable policies of the Company.

For the purpose of this Policy, following person shall be treated as "relatives" as also defined under section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of definitions details) Rules, 2014 -

- Spouse
- Father (including step-father)
- Mother (including step-mother)
- Son (including step-son)

- Son's wife
- Daughter (including step-daughter)
- Daughter's husband
- Brother (including step-brother)
- Sister (including step-sister)
- Members of Hindu Undivided Family

Gifts

Associates shall not offer, give or receive gifts directly or indirectly (eg. through an agent) of any value, whether cash or in kind from persons or entities dealing with the Company, to influence any business decision and also shall not make any improper payments to any person dealing with the Company directly or indirectly or make payments to political parties. Associates of the Company shall not accept or permit any related party or any other person acting on his behalf to accept any gift from any vendor, dealer, contractor, Customer, suppliers or anyone having business dealings with the Company. Gifts shall also include free boarding, transport, lodging or other services or any other pecuniary advantage when provided by any person other than a near relative or a personal friend having no official dealings with the Associate or otherwise as provided in the Company's travel policy. Associates should also avoid acceptance of lavish or frequent hospitality from any individual or firm having official dealings with the Company.

³ This policy available on the Company's website at its weblink i.e. [Code for Independent Directors \(poonawallafincorp.com\)](http://poonawallafincorp.com)

In any event, gifts, meals and entertainment for Customers and suppliers must support the legitimate business interests of the Company and should be reasonable and appropriate under the circumstances.

Always be sensitive to our Customers' and suppliers' own rules on receiving gifts, meals and entertainment. If you are offered a gift, meal or entertainment that exceeds a modest value (within the limit of Rs.500/-), politely decline and explain the Company's rules.

Business Opportunities

Associate should not exploit for their own benefit, opportunities that are discovered through the use of Corporate property, information or position unless the opportunity is disclosed fully in writing to the Company's Board of Directors or Chief of Staff, as may be applicable.

Confidentiality

Associate must maintain the confidentiality of sensitive information relating to the Company which comes to their knowledge in the course of the discharge of their functions and any other confidential information about the Company that comes to them, from whatever source, except when such disclosure is authorized or legally mandated. No Associate shall provide any confidential or sensitive information either formally or informally, to the press or any other publicity media, unless specifically authorized to do so. Confidential / sensitive information includes all information not in public domain and that might be of use to competitors or harmful to the Company or its Customers if disclosed. It also includes information that suppliers and customers have entrusted to the Company. The obligation to preserve confidential information continues even after employment ends. Further, the Associate

should ensure that any information which is price sensitive and unpublished should not be disclosed to outsiders.

Insider Trading

Associates and his immediate family shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company, which is not in the public domain and thus constitutes insider information. All Associates limited to Designated Persons {as defined in the POONAWALLA FINCORP LIMITED- Code of Conduct for Prevention of Insider Trading ("Code of Insider trading")} are required to comply with the Company's Code of Insider Trading and other Applicable Laws dealing in insider trading. If in doubt, seek help of your supervisors, managers or the Company's Compliance Officer & Company Secretary appointed under SEBI (Prohibition of Insider Trading) Regulations, 2015".

Equal Employment Opportunity & Anti-Harassment

PFL is committed to a policy of equal employment opportunity so as to assure that there shall be no discrimination or harassment against any employee or applicant on the grounds of race, colour, religion, sex, age, marital status, disability, national origin, political opinion, sexual orientation and HIV status, or any other factor made unlawful by applicable laws and regulations. This policy relates to all phases of employment including recruitment, hiring, placement, promotion, transfer, compensation, benefits, training, educational, social and recreational programs and the use of Company facilities. Sexual harassment or exploitation is specifically prohibited. Associates are encouraged to follow the Company's Policy on Prevention and Redressal of Sexual Harassment³ .

Environment, Health and Safety

The Company is committed to conducting its business in compliance with all applicable environmental and workplace health and safety laws and regulations. The Company strives to provide a safe and healthy work environment for our employees and to avoid adverse impact and injury to the environment and communities in which we conduct our business. Achieving this goal is the responsibility of all officers, directors and employees.

Reporting

Associates are required to report observed violations of the Code and illegal or unethical behaviour to the Compliance Officer of the Company. All reports will be treated in a confidential manner and it is Company's policy to not allow retaliation for reports made in good faith of misconduct by others. In accordance with an established, documented & approved process, the Company will undertake review & where appropriate, investigations of alleged violations or misconduct. Associates are expected to co-operate in internal investigations of misconduct and violations of this ethics.

Disciplinary Actions

The matters covered in this Code is of the utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its stated values. We expect all of our Associates to adhere to these rules in carrying out their duties for the Company. The Company will take appropriate action against any Associates whose actions are found to violate these Codes or any other policy of the Company.

Disciplinary actions may include immediate termination employment or business relationship at the Company's sole discretion or vacation of office of the director in terms of applicable provisions of the Act.

No retaliation

The Company ensures that no adverse action is taken against any Associate in retaliation for the proper and lawful reporting of improprieties.

Amendments

This Code shall be reviewed by the Audit Committee or the Board of Directors of the Company as may be required periodically or as and when required and any changes made in the Code shall be recorded in the change control record sheet attached with the Code.

Resources

The Compliance Officer is available to answer any questions about the Code or Company compliance policies, or to discuss any concerns you may have about potential Code violations.