



Ujjivan Financial Services Limited
Code of Conduct

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1. Introduction

Ujjivan Financial Services Limited (the Company) expects all its employees, directors (including independent directors) and senior management ‘to act in accordance with high professional and ethical standards and conduct’ while working at the Company’s premises and at any other Company’s sponsored business and social events, and/or at any other place where the employees represent the Company. The employees¹ of the Company shall at all times, display the values and principles as set down by this code in all its dealings with customers or any other stakeholders.

The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires listed entities to adopt a formal code of conduct for directors on the Board and senior management. The material wholly owned subsidiary of the Company ‘Ujjivan Small Finance Bank Limited’ has adopted its own ‘Code of Conduct’ for the Directors and the employees.

This Code of Conduct attempts to set forth the guiding principles and values on which the Company’s employees shall operate and conduct its business with its various stakeholders, government and regulatory agencies, media, and anyone else with whom it is connected. The Company recognizes that maintaining the trust and confidence of all its stakeholders is crucial to its continued growth and success. The Code sets the standards to be adopted by all employees and outlines the duties of the directors of the Board and independent directors in “**Annexure 1**”.

The Company shall function or perform its activities in accordance with the below mentioned values and shall emphasize on inculcating them among its stakeholders:

- a) The customer comes first
- b) Integrity
- c) Be Responsible – Be Honest
- d) Transparency
- e) Fair dealings with all
- f) Comply with laws & regulations
- g) Teamwork
- h) Professionalism
- i) Secularism
- j) Walk the talk

The principles based on which the above values have been derived is outlined as below:

- **Ethical Conduct**

All the employees, directors (including independent directors) and senior management of the Company should act in accordance with high professional and ethical standards and conduct while working at the Company’s premises and at any other Company’s sponsored business and social events, and/or at any other place where the employees represent the Company.

- **Honesty and Integrity**

Honesty and integrity is the prime principle based on which the employees’ dealings with stakeholders shall take place. The Company expects that all its employees, senior management and directors have honest and transparent dealings with all the stakeholders. The Company insists on honesty, integrity and fairness in all aspects of its business and expects the same in its relationships

¹ Employees refers to all employees, directors (including independent directors) & senior management in this document

with all those with whom it does business. Reward and promotion systems are aligned with a clear vision and picture of integrity throughout the Company.

- **Respect and Non-Discrimination**

The Company is committed to treat everyone fairly and with respect and dignity. The Company recognizes and values the different skills, strengths, and perspectives of its diverse workforce. The Company believes that each employee makes a meaningful contribution in its success. The Company shall not discriminate or restrict any applicants in the process of recruitment or employment or any employees on the basis of caste / creed / religion /national origin/political affiliation/ gender / race or ethnicity.

- **Fairness**

The Company is firmly committed to fairness and objectivity in all its action and interactions with all its stakeholders including customers and employees. Justice and fairness is imbibed in the Company's fabric to ensure procedural fairness, impartiality and consistency in its operations. The Company believes in providing facilities to customers in a fair and transparent manner. The Company shall treat its employees fairly and ensure that its rewards and recognition policies are administered fairly. The rules of the Company related to the code of conduct shall apply uniformly to all employees of the Company.

- **Responsibility and Professionalism**

The Company employees are expected to demonstrate highest levels of personal responsibility and professionalism in all dealings with stakeholders. The accountability is at individual level rather than collective. The Company employees shall remain committed and enthusiastic to assume responsibility for actions for the organisation. The staff shall maintain healthy competition within the Company and shall also focus on teamwork.

- **Compliance**

The Company employees shall remain compliant to all the applicable laws, rules, regulations, policies and this code of conduct. The Company shall strive to inculcate a compliance conscious culture within its staff to ensure compliance in all dealings with stakeholders.

- **Compassion**

Compassion, sharing and kindness are values that the Company tries to inculcate in its decision making. The Company shall inculcate compassion within its staff so as to empathize with its customers. The Company shall also remain compassionate towards its employees and shall remain committed to help its employees to tide over crises to the extent possible. The Company shall continue to maintain a highly ethical work environment.

2. Objectives of the Policy

The key objectives of the Code of Conduct are:

1. To establish professional business standards and ensure adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships;
2. To provide full, fair and accurate disclosures in the periodic reports required to be filed by the Company with its stakeholders

3. To ensure compliance with applicable laws, rules and regulations;
4. To address misuse or misappropriation of the Company's assets and resources
5. To retain the highest level of confidentiality of customer information and promote fair dealing within and outside the Company
6. To prescribe procedures to be followed in case of conflicts of interest or in case of receipt of gifts or insider trading
7. To prohibit bribery and corruption at all times and in any form, whether direct or indirect, including through agents, partners and other intermediaries
8. To discourage the employees from receiving any gifts of material value from any third parties.
9. To define the disciplinary procedures and reporting in case of violations or deviations from the policy

3. Applicability

The Code of Conduct is applicable to all its employees, officers and Directors (including independent directors) of the Company and also documents the responsibilities of independent directors as per the requirements of the Companies' Act, 2013. This Code shall be applicable in all dealings/ transactions of the Company's staff inter se or with customers, regulators, investors or other Governmental agencies.

4. Employee Behaviour

In official as well as personal capacity, employees at no times should indulge in any action/ behaviour that are:

- violative of any law, illegal or immoral; or
- indicative of personal indiscretion; or
- socially unacceptable; or
- not in line with the organization's objectives.

Employees are expected to ensure that their conduct at all times is such that the Company's reputation is upheld and not compromised.

The Company is committed to providing a work environment that fosters cooperation, professionalism and teamwork among co-workers. The Company requires that every employee will respect the rights and dignity of all employees without any prejudice to any race, colour, religion, national origin, sex, disability or other characteristics protected by law.

5. Privacy/Confidentiality

Employees are required to maintain the confidentiality of all confidential information that they receive or become privy to in connection with the Company's business, except when disclosure is authorized or legally mandated. Confidential information includes all non-public information that might prejudice the ability of the Company to pursue certain objectives, be of use to competitors, or harm the Company, its suppliers or its advertisers, if disclosed

Confidential information also includes any information relating to the Company's business and affairs that results in or would reasonably be expected to result in a significant change in the market value of the Company's securities, or any information a reasonable investor would consider important in making an investment decision. Directors/SMPs must not use confidential information for their own advantage or profit directly or indirectly.

6. Securities Transactions and Confidential Information

The Employees shall comply with the provisions of Code of Conduct for Prevention of Insider Trading framed by the Company.

The Employees and their affected relatives shall not derive any benefit or assist others to derive any benefit from the access to and possession of information about the Company or the group, which is not in the public domain/generally available and thus constitutes insider information.

The Employees shall not use or proliferate information which is not available to the investing public and which therefore constitutes insider information for making or giving advice on investment decisions on the securities of the Company on which such insider information has been obtained.

7. Conflict of Interest

The Company expects its employees to maintain the highest levels of professional and personal integrity to avoid situations in which an individual's personal interest may conflict or appear to conflict with either the interest of the Company or its stakeholders. A conflict of interest may exist when an employee is involved in an activity or has a personal (direct or indirect, by himself or through any relative) interest that in the opinion of the company can interfere with the employee's objectivity in performing company duties and responsibilities.

As per rule 4 of the Companies (specification of definitions details) Rules, 2014, a person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

- Spouse
- Father (including step-father)
- Mother (including step-mother)
- Son (including step-son)
- Son's wife
- Daughter (including step-daughter)
- Father's father
- Father's mother
- Mother's father
- Mother's mother
- Son's son
- Son's son's wife
- Son's daughter
- Son's daughter's husband
- Daughter's husband
- Daughter's son
- Daughter's son's wife
- Daughter's daughter
- Daughter's daughter husband
- Brother (including step-brother)
- Brother's wife
- Sister (including step-sister)
- Sister's husband
- First Cousin

A direct loss or disadvantage to the Company need not be present / evident. Activities that create the appearance of a conflict of interest also are automatically deemed to be covered by this policy in order not to reflect negatively on the reputation of the Company or its employees. Conflict of interest may arise due to the following reasons:

- Out of personal investments
- Through outside activities
- Related party transactions

(A) Conflicts of interest arising out of personal Investments

Any 'indirect' interest, held by an employee, in any property, proprietorship, concern, partnership, investment, arrangement, agreement or transaction that creates or can create direct or indirect personal advantage or gains can lead to a conflict of interest.

While undertaking personal investments, it should be borne in mind that such investments should not:

- a. Affect or appear to affect employees' ability to make unbiased business decisions for the Company;
- b. Be contrary to the Company's interests (e.g. using proprietary knowledge obtained through the course of employment to make investments that are not in the best interest of the Company);
- c. Be in conflicting businesses which is also undertaken by the Company that could cause divided loyalty, or even the appearance of divided loyalty.

(B) Conflicts of interest through outside business activities

A conflict of interest can arise when an employee is involved in a transaction or arrangement with any person acting on his or her behalf or at his or her behest for the employee's direct or indirect personal advantage or gains. Such activities, arrangements, transactions, agreements are not allowed and must be discontinued by the employees immediately, failing which the company will commence the contract termination process and disciplinary action.

- Working with professional organisations/ associations does not typically create a conflict of interest where:
 - a. The work is related to the legitimate professional interest and development of the employee and does not interfere with the employee's regular duties;
 - b. Does not use official resources inappropriately (either physical resources or time);
 - c. Does not compete with the work of the Company;
 - d. Does not violate national, international or local law
- The Company's employees shall not misrepresent while undertaking outside activities, that the activity is being carried on by the Company by using the Company's name, facilities, or relationships for personal benefit. Further any employee accepting an appointment, as director of an unaffiliated for-profit company/ organisation must ensure proper treatment of confidential information received from such entity in connection with being a director.

(C) Conflicts of interest arising out of transactions with related parties

- The Directors and senior management members should avoid conducting Company's business with a relative or any other person or any firm, company, association in which the relative or other person is associated in any significant role.

- If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the Board of Directors of the Company. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.
- The Company shall ensure that no relative of the directors is provided loans or awarded contracts unless it is in line with the provisions of the RBI guidelines. The Company shall ensure that loans granted/ contracts awarded to relatives of senior management or their concerns shall be approved by the Board of Directors.

8. Reporting Requirement

As per Securities and Exchange Board of India (SEBI) Notification Listing Obligations and Disclosure Requirements) Regulations, 2015 –

All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis as per format given in “**Annexure 2**”.

Declaration signed by the Chief Executive Officer and Managing Director stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management.

The compliance certificate shall be furnished by Chief Executive Officer and Managing Director and Chief Financial Officer stating that the Company has not entered in any transactions during the year which are fraudulent, illegal or violate the listed entity’s code of conduct.

The listed entity shall disseminate the code of conduct of board of directors and senior management personnel on its website.

9. The Whistle Blower Policy (Vigil Mechanism)

The whistle blower policy as adopted by the Company and available on its website www.ujjivan.com shall be applicable to all the employees of the Company. The whistle blower mechanism enables the stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices, if any prevailing in the Company and provides adequate safeguards against any victimization.

10. Policy Review and Updates

The Board approved policy shall be reviewed as and when required or at least annually for incorporating regulatory updates and changes, if any.

11. Regulatory References

- Securities and Exchange Board of India (SEBI) Listing Obligations and Disclosure Requirements) Regulations, 2015.
- The Companies Act, 2013.

12. Annexures

Annexure 1 – Duties of directors

The duties of whole-time directors as per Section 166 of the Companies Act, 2013:

1. Subject to the provisions of this Act, a director of a company shall act in accordance with the articles of the company.
2. A director of a company shall act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, and the community and for the protection of environment.
3. A director of a company shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
4. A director of a company shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.
5. A director of a company shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the company.
6. A director of a company shall not assign his office and any assignment so made shall be void.
7. If a director of the company contravenes the provisions of this section such director shall be punishable with fine which shall not be less than one lakh rupees but which may extend to five lakh rupees.

The duties of independent directors as per Schedule IV of the Companies Act, 2013:

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 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;
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.



Annexure 2

The Board of Directors

Ujjivan Financial Services Limited
Grape Garden, No. 27, 3rd A Cross,
18th Main, Koramangala 6th Block,
Bengaluru 560 095

Dear Sirs/Madam,

CODE OF CONDUCT

I(name)(designation), having read and understood the Code of Conduct for Board of Directors & Senior Management Personnel, hereby solemnly affirm that I have complied with and has not violated any of the provisions of the Code during the year ended 31st March

Signature.....

Name.....

Designation

Employee Number (if any).....

Email ID.....

Mobile No.....

Place.....

Date.....

Note: Please sign and return this form to the Compliance Officer