



CITICORP FINANCE (INDIA) LIMITED

CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

OWNER: SECRETARIAL TEAM

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A. Introduction

Regulation 17(5) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”) stipulates that the Board of Directors of every listed company shall lay down a code of conduct for all Board members and Senior Management personnel of the Company.

B. Objective

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the following rules/Code of conduct is required to be observed.

The Company has appointed the Company Secretary as the Compliance Officer (CO) for the purposes of this Code, and the CO will be available to Directors / Senior Management personnel to answer queries / provide clarifications and to help them comply with the Code.

C. Applicability

The Code applies to the Board of Directors and Senior Management (i.e. Company Secretary, Chief Financial Officer, Compliance Officer, Chief Risk Officer, Chief Technology/Information Officer and Head of Operations) of the Company.

The Independent Directors/Directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013 and Annexure – A of this Code. As required under Reg 26(3) of Listing Regulations, every member of the Board of Directors and the Senior Management shall affirm the compliance of the Code of Conduct on an annual basis.

D. The Code

1. Accountability:

The Directors/Senior Management personnel shall discharge their duties in good faith and integrity in business judgment and in the best interests of the Company and its stakeholders. They are expected to use their best endeavors and organize the resources for advancing the Company’s objectives. They shall act ethically, honestly, diligently and in good faith to protect the Company’s properties, brand and image. They shall act in good faith, responsibly, with due care, competence and diligence and without allowing their independent judgment to be subordinated. They shall act in the best interests of the Company and fulfill their fiduciary obligations.



2. Conflict of Interest:

Directors/Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict with the interests of the Company.

3. Compliance:

All applicable laws, rules and regulations shall be complied with. In order to assist the Company in promoting lawful and ethical behaviour, any possible violation of laws, rules, regulations or the Code of conduct shall be reported to the Board of Directors through the Company Secretary.

4. Other Directorship and Employment/ Outside Employment

The Directors must disclose their Directorship, Committee membership on the Board of other companies and substantial shareholding in other companies to the Board on an ongoing basis.

With regards to the employment with the Company, the senior management personnel are expected to devote their full attention to the business interest of the Company. They are prohibited from engaging in any activity that interferes with their employment with the Company. They are also prohibited from accepting simultaneous employment with suppliers, customers, developers or competitors of the Company, or from taking part in any activity that enhances or supports a competitor's position. Additionally, they must disclose to the Company's Board/Managing Director, any interest that they have that may conflict with the business of the Company.

5. Duties:

a. Directors

All the Directors of the company including the Independent Directors shall abide by the duties and responsibility defined in Annexure A prescribed under provisions of the Companies Act, 2013 and rules framed there under; SEBI Listing obligations 2015, and other regulations as applicable.

The Independent Director in addition to the above should also comply with the provisions those specified in schedule IV to the Companies Act, 2013

b. Senior Management Personnel

Every member of Senior Management Personnel plays an important role in achieving the Company's business objectives, which is based on the foundation of ethics, transparency and customer centric actions. Accordingly, it shall be their responsibility to adhere to and inculcate the following practices:



- a. To induce a feeling of loyalty by working selflessly to achieve the stated business objectives of the Company;
- b. To guide and motivate the staff and officer of the Company;
- c. To respect the safety and health of all the employees of the Company and provide working conditions that are conducive to their physical health and general wellbeing;
- d. To conduct oneself in a manner so as to help preserve and protect the environment with due concern for the ecology;
- e. To record and preserve the records of all the financial transactions and not create undisclosed or unrecorded accounts, funds or assets;

Conduct at workplace

- a. Conduct oneself in a professional manner and treat others with respect, fairness and dignity;
- b. Conduct oneself in the letter and spirit of the applicable laws, rules and regulation, comply with the procedures and policies laid down by the Company and encourage other officers and employees to do the same;
- c. Not to discriminate employees based on color, race, religion, caste, creed or sex. The Company is committed to providing a work environment that is fair and non- discriminatory;
- d. Provide and enhance equal opportunities for men and women; to prevent, stop and redress sexual harassment at the workplace and to promote good employment practices;
- e. Demand, demonstrate and promote professional behaviour and encourage employees to acquire skills, knowledge and training to expand/ enhance their skills and specialized knowledge;
- f. Not to use or consume illegal and banned drugs (narcotics) at any time;
- g. Not to have any material association with a firm, company or body corporate engaged in a line of business similar to that of the Company or any of its subsidiary, if any, without obtaining the prior consent of the Board of Director of the Company.

6. Confidentiality of Information

Any information concerning the Company's business, performance, its customers, suppliers, etc., which is not in the public domain and to which the Directors/Senior Management personnel have access or possesses such information must be considered confidential and held in confidence, unless authorized to do so and when disclosure is required under any law. No Director /Senior Management personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specially authorized.



7. Insider Trading

The Director/Senior Management personnel shall not derive benefit or assist others to derive benefit by giving investment advice based on unpublished price sensitive information (defined in SEBI (Prohibition of Insider Trading) Regulations, 2015) about the company and therefore constituting insider information. All Directors/Senior Management Personnel shall comply with SEBI (Prohibition of Insider Trading) Regulations, 2015 and insider trading policy of the Company.

8. Equity

The Directors/Senior Management personnel shall be committed to provide a work environment free from unlawful discrimination, harassment and intimidations of any nature. Any kind of harassment and discrimination based on gender, religion, age, sex, national origin and other such characteristics shall be strictly prohibited.

They shall strive for maintaining a safe workplace by following safety and health rules and practices.

9. Corporate Opportunity

Except as approved by the Board of Directors, the Directors/Senior Management personnel are prohibited from:

- a) taking any personal opportunities directly or indirectly that belong to the Company or are discovered through the use of Company's property, information or position; and
- b) using the Company's property, information or position for personal gain/advantage or to cause detriment to the Company.

10. Safeguarding Company's Assets:

Protecting the Company's assets regardless of whether the same is tangible or intangible is the responsibility of each Director/Senior Management person.

The use of Company's assets for illegal or non-ethical business purposes shall be strictly prohibited



11. Gift and Donations:

All Director/Senior Management Personnel shall be abided by the Gifts and Entertainment Standard of Citi.

12. Reporting

In order to assist the Company in promoting lawful and ethical behaviors, any possible violation of laws, rules, regulations or the Code of conduct shall be reported to the Board of Directors through the Company Secretary.

13. Amendment/ Modification

This Code may be amended and modified by the Board as may be deemed necessary in the interests of the Company and subject to the provisions of applicable laws, regulations or guidelines.



Annexure A

Addendum to the Code of Conduct of Board of Directors

The following duties, roles and responsibility have been imposed on the Directors and Independent Directors of the Company under the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015.

Duties of Directors as per Companies Act, 2013 (“ACT”):

1. A Director 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, the community and for the protection of environment;
2. A Director shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
3. A Director 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;
4. A Director 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;
5. A Director shall not assign his office and any assignment so made to any other person;
6. A Director of the company must act in accordance with Article of Association (AOA);
7. A Director shall comply Section 134 (5) in relation to Director’s Responsibility Statement.

Responsibilities of the Board of Directors as per Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (“SEBI Regulation”)

A. Disclosure of information:

1. The Board of Directors and key managerial personnel shall disclose to the board of directors whether they, directly, indirectly, or on behalf of third parties, have a material interest in any transaction or matter directly affecting the Company;
2. The Board of Directors and senior management shall conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.



B. Key functions of the Board of Directors:

1. Reviewing and guiding corporate strategy, major plans of action, risk policy, annual budgets and business plans, setting performance objectives, monitoring implementation and corporate performance, and overseeing major capital expenditures, acquisitions and divestments;
2. Monitoring the effectiveness of the Company's governance practices and making changes as needed;
3. Selecting, compensating, monitoring and, when necessary, replacing key managerial personnel and overseeing succession planning;
4. Aligning key managerial personnel and remuneration of board of directors with the longer - term interests of the Company and its shareholders;
5. Ensuring a transparent nomination process to the board of directors with the diversity of thought, experience, knowledge, perspective and gender in the board of directors;
6. Monitoring and managing potential conflicts of interest of management, members of the board of directors and shareholders, including misuse of corporate assets and abuse in related party transactions;
7. Ensuring the integrity of the Company's accounting and financial reporting systems, including the independent audit, and that appropriate systems of control are in place, in particular, systems for risk management, financial and operational control, and compliance with the law and relevant standards;
8. Overseeing the process of disclosure and communications;
9. Monitoring and reviewing board of director's evaluation framework.

C. Other responsibilities:

1. The Board of Directors shall provide strategic guidance to the Company, ensure effective monitoring of the management and shall be accountable to the Company and the shareholders;
2. The Board of Directors shall set a corporate culture and the values by which executives throughout a group shall behave;
3. The Board of Directors shall act on a fully informed basis, in good faith, with due diligence and care, and in the best interest of the Company and the shareholders;



4. The Board of Directors shall encourage continuing directors training to ensure that the members of board of directors are kept up to date;
5. Where decisions of the Board of Directors may affect different shareholder groups differently, the board of directors shall treat all shareholders fairly;
6. The Board of Directors shall maintain high ethical standards and shall take into account the interests of stakeholders;
7. The Board of Directors shall exercise objective independent judgement on corporate affairs;
8. The Board of Directors shall consider assigning a sufficient number of non-executive members of the Board of Directors capable of exercising independent judgement to tasks where there is a potential for conflict of interest;
9. The Board of Directors shall ensure that, while rightly encouraging positive thinking, these do not result in over-optimism that either leads to significant risks not being recognized or exposes the Company to excessive risk;
10. The Board of Directors shall have ability to 'step back' to assist executive management by challenging the assumptions underlying: strategy, strategic initiatives (such as acquisitions), risk appetite, exposures and the key areas of the Company's focus;
11. In relation to the committees of the Board of Directors, their mandate, composition and working procedures shall be well defined and disclosed by the board of directors;
12. Members of the Board of Directors shall be able to commit themselves effectively to their responsibilities;
13. In order to fulfil their responsibilities, members of the Board of Directors shall have access to accurate, relevant and timely information;
14. The Board of Directors and senior management shall facilitate the Independent Directors to perform their role effectively as a member of the Board of Directors and also a member of a committee of Board of Directors.



Role, Duties and Responsibilities of Independent Directors

Below are the role, duties and responsibilities of Independent Directors:

1. To continue to meet the “independence” criteria as envisaged in Section 149(6) of the Act;
2. To act in accordance with the Company’s Article of Association;
3. To abide by the guidelines of professional conduct for Independent Directors as set out in Section 149(8) read with Schedule IV to the Act;
4. To abide by the Citi Code of Ethics and Business Principles applicable to Non-Executive Directors and business principles to the extent applicable to an Independent Director of the Company;
5. To comply with the requirements of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulation, 2015 in relation to the role, function and duties as a Director in the Board of the Company;
6. To take necessary action for inclusion of name in data bank of Independent Directors by making online application to “The Institute of Corporate Affairs” at Manesar, India (ICAM), renew it from time to time, as applicable, and pass the online proficiency self-assessment test as applicable;
7. To act in good faith in order to promote the objects of the Company for the benefits of its members as a whole, and in the best interest of the Company, its employees, the members and the community;
8. To comply with the provision of the Company’s Code of Conduct for Prevention of Insider Trading - 2019 in terms of which disclosure or use of unpublished price sensitive information is prohibited;
9. Not to involve in a situation in which you may have direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
10. To take care that you do not achieve or attempt to achieve any undue gain or advantage either to yourself or your relatives, partners, or associates and if found guilty of making any undue gain, you shall be liable to pay an amount equal to that gain to the Company;
11. Not assign your office as a Director and any assignment so made shall be void;
12. To ensure the compliance of Section 134 (5) in relation to Director’s Responsibility Statement.



13. To devote such time as is prudent and necessary for the proper performance of their role, duties and responsibilities as Independent Director;
14. To Guide the Board in monitoring the effectiveness of the Company's governance practices and to recommend changes, required if any;
15. To Guide the Board in monitoring and managing potential conflicts of interest of management, Board Members and stakeholders, including misuse of corporate assets and abuse in related party transactions;

Apart from the abovementioned duties, roles and responsibilities, Directors (including Independent Directors) shall abide by all the duties and responsibilities mentioned in the Companies Act, 2013 and applicable regulations to the Company.