

Upasana Finance Limited

Code of Business Conduct and Ethics

PHILOSOPHY ON CODE OF GOVERNANCE

Upasana Finance Limited (UFL), in line with TVS philosophy, truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic tenets of corporate governance. UFL always believes to achieve optimum performance at all levels in adopting and adhering to best corporate governance practices. UFL has always focused on corporate governance as a means to maximize long-term stakeholders value through disciplined and sustained growth and value creation.

CODE

This Code of Business Conduct and Ethics helps to ensure compliance with legal requirements and standards of business conduct. The Board of Directors ('the Board') has adopted a Code of Business Conduct and Ethics ('the Code') for all Board members and Senior Management personnel viz. all members of management one level below executive directors, including all functional heads. Company Secretary is the Compliance Officer for the purposes of the Code.

HONESTY & INTEGRITY

All Board members and Senior Management personnel shall:

- conduct their activities, on behalf of UFL and on their personal behalf, with honesty, integrity and fairness;
- act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgement to be subordinated;
- act in the best interests of UFL and UFL shareholders and fulfil the fiduciary obligations; and
- not engage in conduct likely to bring discredit upon UFL

CONFLICT OF INTEREST

All Board members and Senior Management personnel shall not engage in any business, relationship or activity, which may be in conflict of interest of UFL or the group companies.

CORPORATE OPPORTUNITIES

All Board members and Senior Management personnel shall not exploit for their own

personal gain opportunities that are discovered through the use of UFL property, information or position unless the opportunity is disclosed fully in writing to the Board and the Board declines to pursue such opportunity.

CONFIDENTIAL INFORMATION

All Board members and Senior Management personnel shall maintain confidentiality of information (price sensitive or otherwise) they receive while being in office of UFL and ensure always Information Security Policy of UFL.

CONFIDENTIAL INFORMATION OF OTHERS

UFL is required to abide by the terms of the relevant non-disclosure agreement and limit its use to the specific purposes for which it was disclosed and to disseminate it only to others with a need to know the information. All Board members and Senior Management personnel shall not attempt to obtain a competitor's confidential information by improper means.

PROTECTION OF ASSETS

All Board members and Senior Management personnel must protect UFL's assets and shall not use the same for personal benefit, unless approved by the Board.

REGULATIONS

All Board members and Senior Management personnel shall comply with all applicable laws, rules, regulations and guidelines, including obligations under Take-over and Insider Trading Regulations and shall report actual non-compliances, if any, of law, this Code, or other UFL policies or procedures to the Board.

WAIVERS

Any waiver of this Code may be made only by the Board and will be promptly disclosed. Having regard to the business practices, or the legal and regulatory framework applicable, the Board will review, revise or update the Code, as it deems appropriate.

AFFIRM COMPLIANCE

All Board members and Senior Management personnel shall affirm compliance with the Code on an annual basis.

DUTIES OF BOARD MEMBERS
(inserted vide Board approval dated 30th May, 2014)

The independent directors shall —

- 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.