



CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT

Applicable to All Directors & Senior Management

Corporate Governance as perceived by Edelweiss Group translates into being fair and civicminded, fulfilling its duties to the entire spectrum of stakeholders and, most importantly, making integrity an article of faith across all its operations.

1. Preamble:

Integrity, transparency and trust form part of the core beliefs of all activities at Edelweiss (hereinafter referred to as 'the Company'), which has been the continuing basis of its growth and all-round development. This Code of Conduct or the Code defines what the Company expects from its business and personnel regardless of the location or their background. This Code is applicable and binding on all Members of the Board of Directors and the Senior Management Team comprising of all officers/personnel of listed entity who are members of its core management team viz., all the members of management one level below the executive directors including all functional heads, the Company Secretary and Chief Financial Officer (hereinafter collectively referred to as the 'Senior Management') of the Company. As the aforesaid persons individually and collectively help shape the growth of the Company they are individually and collectively responsible to ensure that the Company operates with the highest degree of personal and professional integrity, honesty and ethical conduct. As it is not possible to address every possible situation that may arise, the provisions of this Code are intended to provide guidance in making ethical decisions and should therefore be construed and applied to further the said objective. This Code shall be in addition to rules, regulations, standards, policies and procedures that may be laid down by the Company, from time to time.

2. Applicability:

This Code has been divided into two parts. The provisions as set out in Part A of this Code shall be applicable to the Board of Directors and the Senior Management. The provisions as set out in Part B shall be applicable to the Senior Management only, in addition to provisions set out in Part A. In terms of the Listing Regulations, all the Directors and the Senior Management shall affirm compliance with the provisions of this Code on an annual basis.

3. Violation:

A violation of the Code may result in disciplinary action by the Management of the Company. Decision regarding whether or not disciplinary action is to be taken and the nature and extent thereof, shall rest with the Managing Director and the Whole time Director of the Company. An appeal against any such decision shall lie before the Board of the Company, whose decision in this regard shall be final and binding on the concerned member of the Senior Management.

4. Annual Declaration:

As required under Regulation 26(3) of the 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.

PART A

1. Duties

The Directors and the Senior Management shall :

- a) act in accordance with the articles of the company.
- b) 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.
- c) exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment.
- d) 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.
- e) 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.
- f) not assign his office and any assignment so made shall be void.
- g) ensure that all decisions taken are in adherence to legal/regulatory requirement(s) as applicable to the business of the Company.
- h) inform the Company of any information that may be perceived to be a violation by any employee or Director or the Company of any legal/regulatory requirement(s) as applicable to the business of the Company.
- i) adhere to the standards set by the Company from time to time to protect and promote the interests of shareholders and other stakeholders (including employees, customers, suppliers and creditors and the society at large).
- j) attend all Board/Committee/General/Business Meetings and seek leave of absence whenever necessary.

The Independent Directors of the Company shall also abide by the Duties of Independent Directors as prescribed in Annexure – 1 to this Code.

2. Conflict of Interest

A conflict of interest situation would be deemed to have arisen, when an individual's interest is perceived to be inconsistent with or is in conflict with the business interest of the Company. One should avoid such conflict of interest with the Company. However, in case such a situation arises, he shall, on becoming aware of the same, make full and true disclosure of all facts and circumstances thereof to the Company. Some of the situations wherein a conflict of interest may be deemed to have arisen are elucidated below:

- a) **Pecuniary benefit:** Where one's conduct is likely to confer a pecuniary benefit to oneself or in favour of any relative(s) or in favour of any company, body corporate or firm where one or one's relative is an employee, member, director or partner.
- b) **Related Party Transactions:** Where one enters into transaction(s)/arrangement(s) (directly or indirectly through relatives) with companies, bodies corporate or firms, for personal gain, which may conflict with the business interest of the Company.
- c) **Corporate Opportunities:** Where one uses and/or exploits for personal gain, opportunities that rightly belong to the Company or are discovered through the use of one's position or through the Company's image, property or information.
- d) **Outside directorships:** It is a conflict of interest to serve as a director of any company that competes with the Company. Directors/ Senior Management must first obtain approval from the Company's Board/Managing Director before accepting a directorship.

3. Secrecy

Ensure that proprietary information and trade secrets belonging to the Company, (including any information concerning pricing, products and services that are being developed, internal system, designs and such other trade secrets) are held in strict confidence and care is exercised to avoid inadvertent and inappropriate disclosure, except when such disclosure is authorised or legally mandated and is not for personal gain.

4. Securities Law

Not to indulge in Insider Trading or dealing in shares of the Company in violation of the provisions of the Insider Trading Policy of the Company and to strictly abide with all disclosure norms prescribed under the SEBI (Prohibition of Insider Trading) Regulations, 1992, as may be amended, from time to time.

PART B

In addition to Part A, the members of Senior Management shall abide by the provisions as set out in Part B

Every member of the Senior Management 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 his 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 officers of the Company.
- c) To respect the safety and health of all 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 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 regulations, 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 specialised 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 subsidiaries, without obtaining the prior consent of the Chairman of the Company.

Payments or Receipt of Gifts / Favours from others

Under no circumstances shall any Member of the Senior Management receive or offer, directly or indirectly, any gifts, donations or remuneration or illegal payments which are intended to obtain business favours. Nominal gifts during festival occasions and other occasions may be accepted/ given.

Use of Assets and Information

- a) Ensure that equipment/ facilities/ amenities provided to him/her by the Company for discharge of his/her duties in terms of his employment are used with proper care and diligence and return the possession thereof upon his resignation, termination or retirement from the services of the Company, as the case may be.
- b) Ensure that price sensitive information of the Company, which is not in public domain, is not used to derive any personal benefit or to assist any other person(s) from deriving any benefit, by virtue of having access thereto.
- c) Ensure that proprietary information and trade secrets belonging to the Company, including any information concerning pricing, products and services that are being developed, internal system designs and other such trade secrets are held in strict confidence and due care is exercised to avoid inadvertent and inappropriate disclosure. Such information shall be used in the manner as required or mandated and as a part of the duties assigned and not for personal gain.
- d) Ensure that all other personal and financial information relating to the customers, associates and stakeholders of the Company is accessed, used and disclosed in accordance with the policies, systems and controls laid down by the Company, from time to time.
- e) Take steps to use and protect the Company's assets and ensure their efficient use as also use the assets only for the legitimate business purposes of the Company or such other purposes as may be authorised by the Management.

Employment / Outside Employment:

With regard to the employment with the Company, the executives are expected to devote their full attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their employment with the Company. Our policies prohibit them 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.

Transparency

Ensure that the conduct at workplace is transparent, subject, of course, to the sensitivity of the information or the nature of job assigned to him/her. Such transparency shall be brought about by adherence to corporate governance norms, policies, systems and processes laid down by the Company, from time to time.

The above Code shall be read in conjunction with the Business Principles of the Company and the Company expects the Senior Management to abide by them.

REVIEW OF CODE

This Code shall be reviewed by the Board as may be deemed necessary and in accordance with any statutory /regulatory requirements. In case of any change/amendment in applicable statutes/regulations, the Policy shall stand revised to the extend thereto.

ANNEXURE – I

Code of Conduct 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.

II. Role and functions:

The independent directors shall:

- (1) help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (2) bring an objective view in the evaluation of the performance of board and management;
- (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (6) balance the conflicting interest of the stakeholders;

- (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
- (8) moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties :

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) act within their 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.