



BELSTAR MICROFINANCE LIMITED

Code-of-Conduct for Board-of-Directors and Senior Management

@Reviewed by The Board of Director On 28th January 2020

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1. PREFACE

Directors on the Board & Senior Management team of the Company need to live up to the Company's ethical standards. Though it summarizes many of the laws that Belstar Investment and Finance Private limited (BIFPL) as a Company is required to follow, it also goes beyond the legal minimums by describing the ethical values that have all along been shared by the Directors and Senior Management Personnel. The rules and principles set forth in this Code are general in nature and the compliance with the Code shall be ensured read with other applicable policies and procedures of the Company. This model code of conduct may be reviewed by the Board from time to time to keep in pace with the regulatory environment and any amendments to this Code, shall be approved by the Board of Directors. In compliance with the SEBI Regulations, this 'Belstar Investment and Finance Private Limited (BIFPL) - Code of Conduct for Directors and Senior Management' has been formulated, approved and adopted by the Board of Directors of BIFPL (the "Company").

2. DEFINITION

For the purpose of the Code the following terms shall have the meanings assigned to them hereunder:

- i. "Board" means the Board of Directors of the Company;
- ii. "Code" shall mean Belstar Investment and Finance Private limited - Code of Conduct for Directors and Senior Management as amended from time to time;
- iii. "Compliance Officer" means the Company Secretary of the Company and in his absence any senior officer, so designated by the Board for the purpose of compliance with the Code;
- iv. "Director" means a member of the Board;
- v. "BIFPL" or the "Company" means Belstar Investment and Finance Private Limited
- vi. "SEBI Listing Regulations" means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
- vii. "Senior Management" shall mean officers/personnel of the Company who are members of the core management team excluding board of directors and shall comprise of all members of management one level below the executive directors, including all functional heads.

3. APPLICABILITY OF THE CODE

The Code applies to Directors and Senior Management of the Company.

The Independent Directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board. The Company Secretary of the Company is the Compliance Officer under the Code and will be available to answer any questions, provide clarification and to help in ensuring compliance with the Code.

4. HONEST & ETHICAL CONDUCT:

The Directors & Senior Management personnel are required to act in accordance with the highest standards of personal and professional integrity, honesty, ethical and legal conduct, when acting on behalf of the Company or in connection with the Company's business or operations and at social events. An honest conduct is considered as such when a conduct is free from fraud or deception. We consider ethical conduct to be conduct conforming to the accepted professional standards of conduct and include ethical handling of actual or apparent conflicts of interests between personal and professional relationships. The Directors and the Senior Management personnel shall

- Act honestly, fairly, ethically, with integrity and loyalty and conduct themselves in a professional, & courteous and respectful manner;
- Act in the best interests of the Company and in a manner to enhance and maintain the reputation of the Company, and fulfil their fiduciary duties to the stakeholders of the Company;
- Act in good faith, with responsibility, due care, competence, diligence and independence;
- Treat their colleagues and other associates of the Company with dignity and shall not harass any of them in any manner.
- Should not be part member of any unregistered/ Illegal Body Corporate

5. CONFLICT OF INTEREST

The Directors and senior management personnel are expected to avoid and disclose any activity or association that creates or appears to create a conflict between the personal interests and the Company's business interests. A Conflict of interest exists where the interests or benefits of one person or entity conflict with the interests or benefits of the Company. Relationships with prospective or existing suppliers, contractors, customers, competitors or regulators must not affect the independent and sound judgment on behalf of the Company. General guidelines to better understand several of the most common examples of situations that may cause a conflict of interest are listed below. Directors & the senior management personnel are required to disclose to the Board any situation that may be, or appear to be, a conflict of interest. When in doubt, disclosure is the best way out.

(a). Outside Employment

Executives Directors and Senior Management personnel shall not work for or receive payments for services from any competitor, customer, distributor or supplier of the Company without approval of the Board. Any outside activity must be strictly separated from the company's employment and should not harm job performance at the company. The Executive Directors and the Senior Management personnel shall devote themselves exclusively to the business of the Company and shall not accept any other work or assignment (part-time or otherwise).

(b). Board Memberships

Acceptance of Directorship on the Boards of other Companies, which compete, with the Company amounts to conflict of interest. Helping the community by serving on Boards of non-profit or welfare organizations is encouraged, and does not require prior approval.

(c). Family Members and Close Personal Relationships

Directors and Senior Management personnel shall not use personal influence to make the Company do business with a company/institution in which his or her relatives are interested. As a general rule, Directors and Senior Management personnel shall avoid conducting Company's business with a relative or with an entity in which a relative is associated in any significant role. In case of conflicts, disclosure shall be made to the Board of Directors and a prior approval shall be obtained.

(d). Gifts (Gifts are not always physical objects—they might also be services, favors or other items of value.)

The Directors and Senior Management personnel shall not accept lavish gifts or gratuities or any offer, payment, promise to pay, or authorization to pay any money, or anything of value that could be interpreted to adversely affect business decisions or likely to compromise their personal or professional integrity. Gift items of nominal value, such as small promotional items bearing another company's name, business meals, gifts received because of personal relationships and not because of official position, mementos received because of attending a widely held gatherings as panelist /speaker and other customary gifts are allowed. Gifts on behalf of the Company -Some business situations call for giving gifts. These gifts shall be legal, reasonable. Directors and senior Management personnel shall not pay bribes. It is understood that gift giving practices vary among cultures and countries. Directors and Senior Management personnel shall not provide any gift if law or the policy of the recipient's organization prohibits it. For example, the associates of many government entities around the world are prohibited from accepting gifts.

(e). Investments

Directors and Senior Management personnel may not allow their investments to influence, or appear to influence, their independent judgment on behalf of the Company. This could happen in many ways, but it is most likely to create the appearance of a conflict of interest if a Director or Senior Manager has a significant investment in a competitor, supplier, customer, or distributor and his decisions may have a business impact on this outside party. (f). Diversion of Business: Directors and Senior Management personnel shall not divert business opportunities of the Company, by exploiting for their own personal gain. However, the Directors and Senior Management personnel can pursue such business opportunities once they are fully disclosed to the company and the company declines to pursue such opportunities.

(f). Use of Company's assets:

The assets of the Company shall be used for legitimate business purposes and shall not be used for personal purposes. Incidental personal use, if reasonable, does not amount to violation of the code.

(g). Corporate business opportunities

Corporate Business Opportunities here means those opportunities, which are made available to the Company and which are known to the Directors / Senior Management due to the position held by them in the Company. The Directors / Senior Management shall not utilise such opportunities for their personal benefit. However, once an opportunity is fully and properly disclosed to the Board and after consideration rejected by them then it ceases to be a Corporate Business Opportunity

(h) Others:

It would be impracticable to attempt to list all possible conflict of interest situations and it is possible that other such situations, which are not enumerated above, may arise. All such situations, which arise any questions or doubts, may please be brought to the notice of the Board for appropriate decision.

6. LEGAL COMPLIANCE:

It is the general obligation of the Directors to conduct the business and operations of the Company in accordance with the laws, rules, regulations, agreements, guidelines; standards including accounting standards governing its operations in the geographies the Company operate. The Directors and Senior Management personnel shall acquire appropriate knowledge of the legal requirements relating to their duties sufficient to enable them to perform their obligations diligently. The Directors and Senior Management personnel shall also comply with the internal policies and procedures of the Company to the extent applicable to them including but not limited to compliance with Prohibition of Insider Trading policy of the Company.

7. CORPORATE DISCLOSURE POLICY:

It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents it files with or submits to the regulatory authorities and in other public communications. The Directors and Senior Management personnel shall provide only public information to the analyst/research person/large investors like institutions. Alternatively, the information given to the analyst should be simultaneously made public at the earliest. The Directors and Senior Management personnel must maintain the confidentiality of information relating to the affairs of the Company until and unless authorized or legally required to disclose such information; and shall not use confidential information for their personal advantage.

8. COMPETITION AND FAIR DEALING:

The Directors and Senior Management personnel are obligated to deal fairly and honestly with each other, the Company's associates and with the Company's customers, suppliers, competitors and other third parties. Directors and Senior Management personnel shall not take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation or any other unfair dealing or practice. The Company is committed to free and open competition in the marketplace. Directors and Senior Management personnel shall avoid actions that could reasonably be construed as being anti-competitive, monopolistic or otherwise contrary to laws governing competitive practices in the marketplace, including antitrust laws. Such actions include misappropriation and/or misuse of a competitor's confidential information or making false statements about the competitor's business and business practices.

9. VIOLATION OF THE CODE

It is the duty and obligation of every Director and Senior Management person to comply with this code of conduct and he/she shall acknowledge and affirm ongoing compliance with the code on an annual basis. Any violation of the code shall be reported to the Chairman of the Board and to the Compliance Officer of the Company.

10. WAIVER AND AMENDMENT OF THE CODE

The Company is committed to continually reviewing and updating its policies and procedures. Therefore the code is subject to modification. Any amendment or waiver of any provisions of this Code must be approved in writing by the Company's Board of Directors and senior management and the same should promptly disclosed on the website of the Company and other regulatory disclosures as may be required as per applicable rules and regulation.

11. ACKNOWLEDGEMENT

The Directors and Senior Management personnel shall read and fully understand this model code of conduct and comply with the policies procedures and principles contained therein.

AFFIRMATION BY DIRECTOR / SENIOR MANAGEMENT WITH CODE OF CONDUCT

As a Director / Senior Management, I hereby acknowledge that I have received and read the document. I understand that it is my responsibility to consult the Compliance Officer if I have any questions regarding the provisions of the Code and I shall comply with the Code in true

spirit. I understand and agree that as a Director / Senior Management it is my responsibility to promote the application of the Code

(Name)

(Designation)

(Signature)

Date

