

Code of Conduct

PREAMBLE

Avanse Financial Services Limited (“AFSL” or Company) is committed to conducting its business in accordance with the applicable laws, rules, and regulations and with highest standards of Corporate Governance guided by sound ethical values. This code is intended to provide guidance in recognizing and dealing with ethical issues, provide mechanisms to report unethical conduct, and to help foster a culture of honesty and accountability. It defines the standards of conduct that is expected of all employees in order that the right decisions are taken in performing roles and responsibilities across all functions in the company. The code is intended to be the charter for day-to-day work to enable employees to make the right decisions and, therefore, serves to following:

1. Underline the fundamental commitment to compliance with regulatory guidelines and laws of the land.
2. Set forth basic parameters of ethical behaviour, and
3. Establish a system for detection for reporting of known or suspected or ethical or violations of regulations or code of conduct.

It is every employee’s responsibility to read this code as well as all the other related policies in order to remain aware at all times of the procedures, regulations and other requirements that are relevant or pertaining to their association or function with the Company. This code supersedes all previous policies and documents relating to the company’s ‘Code of Conduct’ and ‘Code of Business Ethics’.

OBJECTIVE:

This Code of Conduct provides guidance for maintaining the ethical standards by AFSL. The code is applicable to all the employees (including off-roll staff, probationers, contract workers, on deputation) of the Company. It will help to create and maintain a culture of high ethical standards and commitment to compliance, and to maintain a work environment that encourages the stakeholders to raise concerns to the attention of the management. The code outlines below key areas which each and every Employee should observe and abide while performing his/her official duties for the Company.

1. Confidentiality

The roles and responsibilities towards the Company are strictly confidential in nature. Confidential information includes all non-public information that might be of use to competitors or harmful to the Company, if disclosed externally. The use of confidential information for one’s own advantage or profit is prohibited. Any information about the interest or business of the Company should not be disclosed to any unauthorized person, either during or after employment with the Company for any reason.

Company information, office files, documents, books, and other property belonging to the Company or relating to company affairs should not be carried outside the office premises. Unless authorized in writing by the Company, no communication with media print or electronic, regulatory bodies, statutory authorities and local police should be carried out or cause to be disclosed at any time by any employee of the Company.

2. Conflicts of Interest

A conflict-of-interest situation arises when a decision-making authority is seen to have a personal stake in the outcome of the decision. It will also include -

- a) When an employee takes action or has interests that may make it difficult to perform his or her work objectively and effectively.
- b) Any outside business activity that detracts an individual's ability to devote appropriate time and attention to his or her responsibilities towards the Company.
- c) Any undisclosed / unauthorized association of an employee outside the Company, from which any kind of economic benefit has been derived either by the employee directly or indirectly.
- d) Accepting of unauthorized benefits by a member of employee's family as result of his/her position in the company.
- e) Representing AFSL in any transaction in which the employee has a personal financial interest.
- f) Accepting non-nominal gifts or excessive entertainment (i.e., value more than Rs. 5,000/-) by any employee from any person with which the Company has past, current, or prospective business dealings.
- g) It shall be noted that.
 - a. Employees must not misuse
 - b. An employee may not use a friend, family member, or other entity for purposes of circumventing this conflict-of-interest policy.

The employee should be scrupulous in avoiding 'conflicts of interest' with the Company. In case there is likely to be a conflict of interest, he/she should make full disclosure of all facts and circumstances thereof to the Company and shall proceed with only after prior written approval is obtained.

3. Personal Integrity

At AFSL, we believe in treating each other with respect and fostering an atmosphere of caring, open communication and sincerity. Each of us has a direct role in keeping the company's records accurate and in protecting whatever Company assets we use or manage. Our employees and those representing us, including agents and intermediaries, shall not, directly, or indirectly, offer or receive any illegal or improper payments or comparable benefits that are intended or perceived to obtain undue favours for the conduct of our business.

We are committed to equal opportunities for all employees. We place great deal of emphasis on personal integrity and believe in long term results. Employees are advised to listen carefully to whatever the customer of AFSL wants and respond with action. This includes your internal customers i.e., colleagues. Further, it is expected that employees will perform duties with diligence, devotion, and discretion, in absence of which the Company may hold them for negligence.

4. Role and Responsibilities

The reputation of our Company, the quality of our work-place experience, and the satisfaction of our obligations to shareholders depend on each employee achieving these levels of conduct. Employees are expected to be sincere and perform their duties towards AFSL in a standard and qualitative manner.

Employees should keep accurate and complete records of company's transaction. Transactions between AFSL and third-party individuals and organizations must be promptly and accurately recorded in accordance with generally accepted accounting principles and practices. No one must ever misrepresent facts or falsify records. All reporting must be accurate, honest, timely, and a fair representation of the facts.

Any equipment, system, and software provided by the Company are for the business purposes only. Permitted exceptions include incidental personal use such as personal email, letters, and phone calls. AFSL may review and disclose all information stored on or in any AFSL equipment or furniture at any given point of time. Any illegal or unauthorized use of the same, will subject the employee to disciplinary action including legal action.

As a Company policy workplaces shall be drug-free. Employees shall not unlawfully manufacture, distribute, possess, use, or be under the influence of prohibited substances at any time on Avanse premises, while on Avanse business, or while driving vehicles owned, rented, or leased by Avanse.

5. Ethical Conduct at Workplace

Employees are responsible for preserving objectivity and independence and for acting with integrity at all times at work-related functions. We respect privacy and do not wish to pass judgment on activities outside of work unless they:

- Are carried out in working hours.
- Use company property or resources.
- Concern company information or experience
- Involve payment from a competitor or organisation that consorts with client.
- Result in personal financial gain resulting indirectly from company information.
- Damage company's reputation in any way.
- Render, you unfit for engagement.

The company expects absolute integrity from its employees and will not compromise on the same in any form. Zero Tolerance to wilful indulgence in unethical practices

- Misuse of company Assets/ Funds.
- Misuse of customers money in any form.
- Misusing / Taking advantages of Functional procedural lapse (If any).
- Company will not hesitate to take strict disciplinary action even criminal proceedings against such employees.

- Hiding information in any form regarding any unethical practices/activities in branch will also constitute unethical practice on the employee's part.
- It is duty of every employee of the branch /Location to bring to the notice of higher authorities if any unethical practices or activities going on in the branch/location.

5.1. Guidelines for Company Events and extended workplace

Extended workplace basically consists of any place visited by the employee arising out of or during the course of employment. This includes office premises, seminars, conferences, business trips, company events, Team/company off-sites, transport services provided by employer (if any), digital platforms and mediums used for official and unofficial communications and meetings. All employees are expected to maintain highest standard of ethical behaviour at such venues and follow the Code of Conduct policy at all times.

5.2. Guidelines on Alcohol, smoking, and substance abuse at workplace

Avanse Financial Services Ltd. has a responsibility to take all practical measures and reasonable care for the health and safety of all employees. Employees are not permitted to be under the influence of alcohol/any other substance during working hours or while visiting customers or clients. The following guidelines apply to all staff and if breached, concerned employee will be subject to disciplinary procedure.

5.2.1. The use of alcohol at work and extended workplace.

- It is regarded as gross misconduct to be under the influence of alcohol at work or extended workplace.
- It is strictly forbidden to come to work under the influence of alcohol.
- It is strictly forbidden for any employee to bring alcohol in company premises for consumption during working hours and/or for consumption on the Avanse Financial Services Ltd. premises at any time.
- Avanse Financial Services Ltd. is committed to the responsible use of alcohol at Avanse Financial
- Services Ltd. sponsored functions or events. Management must approve the consumption of any alcohol if any during such events. Employees are expected to refrain from excessive alcohol consumption while conducting business at company sponsored or work-related functions.
- At Avanse Financial Services Ltd. sponsored events, practical and suitable steps can be taken by Managers to ensure the safety and welfare of employees.

5.2.2. Drugs usage at Workplace

It is a criminal offence to use, possess, or deal in any controlled substances. Anyone caught in Avanse Financial Services Ltd. premises involved in any of these activities will be terminated for gross misconduct.

Avanse Financial Services Ltd. reserve the right to call the Police if necessary. Anyone convicted outside work of any offence in connection with controlled substances may also be dismissed. Matters such as the nature of the conviction and the sentence and how the conviction affects the employee's ability and Companies reputation will be taken into account.

5.2.3. Smoking at Office Premises

Employees are not permitted to smoke in any part of the office at any time during business hours. Smoking on the premises will be a breach of the Health and Safety regulations. However, if you wish to take a smoking break, you may do so reasonably and within the designated smoking areas.

5.3. Management responsibilities

Management is not expected to diagnose alcohol/other substance misuse but do have a responsibility to identify impaired work performance and, where appropriate, encourage the employee to seek assistance.

5.4. Confidentiality

Confidentiality is fundamental to dealing with problems in the workplace that are related to the misuse or abuse of alcohol/ other substance in order to protect the privacy of individuals and to encourage employee's acceptance of prevention and treatment measures.

6. Raising Concerns

We encourage our employees, customers, suppliers, and other stakeholders to raise concerns or make disclosures when they become aware of any actual or potential violation of our Code, policies, or law. We also encourage reporting of any event (actual or potential) of misconduct that is not reflective of our values and principles. The reporting and raising concerns under this Code will be kept strictly confidential. Avenues available for raising concerns or queries or reporting cases could include:

- I. Immediate line manager or the Human Resources department
- II. Function
- III. Chief Risk Officer
- IV. In case a concern/issue raised falls under AFSL's 'Whistle – blower Policy' and/or 'Policy on prevention of sexual harassment at workplace' of the company, it shall be dealt as per respective policy (as may be amended and/or supplemented from time to time).

We do not tolerate any form of retaliation against anyone reporting legitimate concerns. Anyone involved in targeting such a person will be subject to disciplinary action. If you suspect that you or someone you know has been subjected to retaliation for raising a concern or for reporting a case, we encourage you to promptly contact your line manager or the Human Resources department.

Except for matters relating to the concern/issued falling under clause (d) above, in a situation, where an employee feels that raising a concern with his/her line manager or CXO or HR department will lead to partial or biased outcomes, then such employee may also write to compliance@avanse.com for escalating the matter to a relevant higher authority.

Any decisions pertaining to investigation of a concern raised by employee(s) shall be taken by the internal Investigation Committee (IC). Appeals/ escalations on the decision of IC shall lie with MD & CEO. Any concerns related to MD&CEO's office shall be referred to Board of AFSL.

7. Interpretation:

Contravention of the above Code of Conduct by any employee will be viewed seriously and action will be taken as deemed fit by the Company. Any question or interpretation or waiver under this Code will be handled by MD & CEO's office pertaining to concerns raised by any employee, and queries regarding application of this code of the MD & CEO's office will be handled by the Board of Directors. This Code will be reviewed on periodic basis in line with business and regulatory requirements, and changes thereto will be approved by MD & CEO.

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