



CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

(Last reviewed on April 16, 2024)

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL

1 INTRODUCTION:

The matters covered in this Code of Conduct (“**Code**”) are of the utmost importance to HDB Financial Services Limited (“**Company**”), its shareholders and stakeholders and are essential so that the Company can conduct business in accordance with legal and ethical values to which the Company is strongly committed.

A code of conduct for the Board of Directors of the Company (“**Board**”) and the Senior Management Personnel of the Company (i.e. officers and personnel of the Company who are members of its core management team, excluding the Board, and shall also comprise all members of management one level below the Chief Executive Officer or Managing Director or Whole Time Director and shall specifically include the functional heads, by whatever name called and Company Secretary and Chief Financial Officer (“**Senior Management Personnel**”) enables the Company to publicly state to its external stakeholders (suppliers, customers, consumers and shareholders), the way in which they intend to do business. The Code shall be posted under a separate section on the website of the Company at www.hdbfs.com.

2 APPLICABILITY OF THE CODE:

This Code applies to Board of Directors (“Board”) and the Senior Management Personnel.

3 CODE OF CONDUCT

The Board and Senior Management Personnel of the Company shall abide by the provisions of the Act and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and such other regulatory provisions, as applicable, and:

- (a) shall conduct himself/herself in a professional manner and treat others with respect, fairness and dignity.
- (b) demonstrate the highest standards of integrity, business ethics, and corporate governance;
- (c) perform their roles with competence, diligence, in good faith and in the best interests of the Company;
- (d) guide and motivate the employees of the organisation;
- (e) provide expertise and experience in their areas of specialization and share learnings at the meetings of the Board with best interests of the Company and its stakeholders in mind.
- (f) give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management. They should call for additional information, where necessary, for making such judgements;
- (g) not engage in any business, relationship or any activity which detrimentally conflicts with the interest of the Company or bring discredit to the Company. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs;
- (h) respect the confidentiality of any information that may be acquired or accessed during the course of work and ensure that such confidential information is not used for personal gain.

- (i) not disclose any confidential / privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company.
- (j) ensure that facilities/amenities provided by the Company are used with proper care and diligence and to return possession

4 COMPLIANCE OF LAW

The Board Members and Senior Management Personnel shall comply with all applicable statutory laws, rules and regulations.

5 OTHER DIRECTORSHIP AND DISCLOSURE

Every Director shall inform the Company about the directorships held in other companies and committee's positions he or she occupies in other companies and notify the changes as and when they take place.

Senior Management Personnel shall make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

6 INSIDER TRADING

The Board Members and Senior Management Personnel shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of the Company, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and shall abide by rules, regulations made thereunder.

7 ROLE, DUTIES AND FUNCTIONS OF INDEPENDENT DIRECTORS:

1. Guidelines of professional conduct:

An Independent Director shall:

- (a) uphold ethical standards of integrity and probity;
- (b) act objectively and constructively while exercising his/her duties;
- (c) exercise his/her responsibilities in a bona fide manner in the interest of the Company;
- (d) devote sufficient time and attention to his/her professional obligations for informed and balanced decision making;
- (e) not allow any extraneous considerations that will vitiate his/her 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;
- (f) not abuse his/her 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;
- (g) refrain from any action that would lead to loss of his/her independence;

- (h) where circumstances arise which make an independent director lose his/her independence, the independent director must immediately inform the board of directors of the Company accordingly; and
- (i) assist the company in implementing the best corporate governance practices.

2. Role and functions:

An Independent Director shall:

- (a) 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;
- (b) bring an objective view in the evaluation of the performance of Board and management;
- (c) scrutinize the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- (d) satisfy themselves on the integrity of financial information and that of financial controls and the systems of risk management are robust and defensible;
- (e) safeguard the interests of all stakeholders, particularly the minority shareholders;
- (f) balance the conflicting interest of the stakeholders;
- (g) determine appropriate levels of remuneration of executive Directors and Senior Management Personnel and have a prime role in appointing and where necessary, recommend removal of executive Directors and the Senior Management Personnel; and
- (h) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.

3. Duties

The Independent Directors shall:

- (a) undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
- (b) 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;
- (c) strive to attend all meetings of the Board and of the committees of the Board, which the independent director(s) is a member of;
- (d) participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- (e) strive to attend the general meetings of the Company;

- (f) 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 meeting of Board;
- (g) keep themselves well informed about the Company and the external environment in which it operates;
- (h) not to unfairly obstruct the functioning of an otherwise proper the Board or committees of the Board;
- (i) 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;
- (j) ascertain and ensure that the Company has an adequate and functional Whistle Blower Policy and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
- (k) report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- (l) act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- (m) 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.

8 ANNUAL AFFIRMATION WITH COMPLIANCE OF THIS CODE:

All members of the Board and Senior Management Personnel of the Company shall affirm compliance with this Code on an annual basis as per Regulation 26(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The format of annual affirmation is enclosed as Annexure I. Any violation on the compliance of the code shall be reported to the Chairman of the Board and would invite disciplinary action.

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Annexure I

**Annual Affirmation under Code of Conduct of Board of Directors and Senior Management
Personnel**

To,
The Board of Directors
HDB Financial Services Limited
Radhika, 2nd Floor,
Law Garden Road,
Navrangpura, Ahmedabad – 380009

I, Mr./Ms. <**Name**> <**Designation**> do hereby affirm that I have read and complied with the Code of Conduct of Board of Directors and Senior Management Personnel of HDB Financial Services Limited ('the Company') during the financial year ended on March 31, 20**XX**.

Further, I affirm that I do not have any material, financial & commercial transaction with the Company, which may have potential conflict of interest with the Company.

Name:
Designation:

Date: March 31, 20**XX**

Place: