

Code of Conduct for Board Members and Senior Management

1. Introduction

The Code of Conduct for the board members and senior management aims to set standards for behaviour of an organization and to comply with the applicable legal requirements. Regulation 17(5) (a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“LODR”) mandates for laying down a code of conduct. In order to comply with the LODR and for the purpose of good governance, the Board of Directors of the Company (“Board”) Shriram Housing Finance Limited (the “Company”) has formulated Code of Conduct for Board Members and Senior Management of the Company (“CCBS”). Members of Board and Senior Management of the Company together are referred as “Specified Persons” in the CCBS. Senior Management comprises all members of management one level below the Board of Directors and Functional Heads of the Company.

2. Applicability

This code shall be applicable and binding to the Specified persons of the Company. The Specified Persons should continue to comply with other applicable / to be applicable policies, rules and procedures of the Company.

3. Definitions

Act means the Companies Act, 2013.

Independent Directors means An Independent director as defined under the Companies Act, 2013.

Conflict of Interest means a conflict or a difference between the interests or benefits of one person or entity with that of the Company.

4. Principles Of Code

a) Conduct

The Specified persons shall act honestly, ethically, in good faith and in the best interest of the Company and to fulfill their fiduciary obligations, must act within the bounds of the authority conferred upon him/her. While carrying out duties, the Specified persons shall ensure that it is executed in terms of authorization granted and within the limits prescribed under the relevant policies, codes, guidelines and other directives issued by the Board of Directors or the Committee of the Company, from to time.

In addition to the above, the duties of Independent Directors is separately specified under the Companies Act 2013, Schedule IV 5 (a) - “Code for Independent Director” which is appended as Annexure II.

b) Mutual Respect

The skills and commitment of the employees are the greatest asset for the Company. The employees are expected to conduct business in an entrepreneurial way and accept individual responsibility for ethical conduct. The Specified Persons shall involve colleagues in decision making in order to achieve common goal of the Company. The Specified Persons shall encourage employees at all levels to be guided by mutual respect, openness, co-operation and trust, in giving feedback and receiving feedback, fair and open debate and integrity.

Employees at all levels shall be open to express ideas and concerns. Specified Persons shall conduct in a professional, courteous and respectful manner. The Specified Persons shall facilitate an environment of openness to expression of ideas and concerns. Specified Persons shall conduct themselves in a professional, courteous and respectful manner.

c) Equal and Fair Treatment

The Company is an equal opportunity employer. The employment decisions are based on individual merit and business needs without any discrimination based on creed, cast, colour, sex, nationality, ancestry, physical or mental disability, medical condition, marital status, age. The Specified Persons shall create an environment free from any harassment (physical, verbal, psychological, sexual).

d) Health Safety and Environment Protection

The safety of people at the workplace is primary concern of the Company. Safety at work place shall be provided by the Company. Periodical safety training shall also be imparted to the employees. All applicable health and safety requirements and regulations shall be complied with. The Specified Persons shall take complete and proper care of external environment and shall conserve the resources for a proper ecological balance. The Specified Person shall ensure training of employees on conservation of energy, environment and shall implement measures for protection of environment and energy wherever possible.

e) Integrity and Transparency

Specified Persons shall act with highest standards of personal and professional integrity, fairness, diligence while discharging his/her duties. He/she shall not accept any gift, donations, hospitality beyond customary level from persons having direct or indirect business relation with the Company. He /she shall act in good faith, care, competence and diligence, without allowing independent judgment to be subordinated. Specified Persons shall be fair, transparent and truthful and shall be perceived as such by third parties. He/ She shall maintain it in all his/her dealings and communications.

Specified Persons shall disclose, make available to and share with fellow Specified Persons the information as may be appropriate with authorization to ensure proper conduct and sound operation of the Company.

f) Conflict of Interest

Decisions and actions in the course of working with the Company shall be based on the best interests of the Company and shall not be based on personal relationships or benefits. Each Specified Person has a responsibility to the Company and its stakeholders. This duty of Specified Person does not prevent him/her from engaging in personal transactions/investments. Conflict of interest that may occur or appear to occur or will affect independent judgment in the Company's best interest shall be avoided. A conflict of interest shall be said to exist, where the interest or benefit of one person or entity conflicts with the interest or benefit of another person or entity. Specified Persons shall avoid and shall guide the employees of the Company to avoid conflict of interest in transacting with the Company.

Specified Person shall disclose his/her potential conflicts of interest regarding any matters immediately on being aware of such conflict to the Board and shall abstain from discussions and decisions on such matter.

g) Protection of Assets

Protecting the assets of the Company is a key fiduciary responsibility of the Specified Persons. Specified Person shall ensure proper use of Company's Assets and shall safeguard it against loss, damage, misuse, misappropriation and theft by evolving proper internal control system and procedures.

h) Financial Reporting

The integrity in financial transactions and records is critical to the operation of the Company and is a key factor in maintaining the confidence and trust of stakeholders. The financial information shall be in compliance with the laws, regulations, principles and standards. The Company shall have internal controls and procedures to ensure compliance with applicable laws for accounting and financial reporting.

i) Regulatory Compliance

The Specified Persons shall adhere to and ensure adherence to applicable laws, rules, regulations and policies of the Company. Specified person shall ensure the periodical update to employees on changes in applicable law, regulation, policy etc.

j) Confidentiality

Confidential information are essential to the Company. Confidential information include any unpublished price sensitive, financial, business, customer, employee, legal, commercial, technological and scientific information of the Company. Specified Persons must maintain confidentiality of information relating to the affairs of the Company acquired in the course of their service/working and shall not disclose it except under circumstances mentioned in clause no-11 below Specified Persons shall not use confidential information acquired in the course of their service/working with the Company for personal advantage.

k) Disclosure To Regulators And Public

The Specified Persons will make full, fair, accurate and timely disclosures of required information in reports and documents filed with/submitted to regulatory authorities.

l) Compliance and Reporting

The CCBS will be posted on the website of the Company. Specified Persons shall affirm compliance with the CCBS on an annual basis by 30th of April each year in form-A as attached, for which a declaration signed by the CEO of the Company shall be contained in the Annual Report. Specified Persons shall report and shall facilitate reporting of concerns about unethical behavior, actual or suspected fraud, violation of CCBS to the Chairman of the Board, who will investigate or appoint appropriate person to investigate into the matter and determine the action to be taken.

m) Effect and Implementation

This CCBS shall be implemented with effect from April 1, 2021 or such other date as may be decided by the Board. The CCBS shall remain in force till amended, changed, dropped or becoming ineffective by operation of law. In case of any conflict between this Code and any law, the law shall prevail over this CCBS. It be reviewed/amended from time to time depending on requirements by the Board. The CCBS shall be monitored by the person as decided by the Board.

ANNEXURE – A

(Date)

To,
The Board of Directors
Shriram Housing Finance Limited
123, Angappa Naicken Street,
Chennai - 600 001

Sub.: Acknowledgement and confirmation to the Code of Conduct of the Board Members and Senior Management of Shriram Housing Finance Limited (“CCBS”)

I confirm that I have received and read the CCBS. I understand the norms, standards and policies contained in the CCBS. I also understand that there may additional policies and laws specific to my responsibilities and there may be changes in the CCBS from time to time.

I confirm to comply with and ensure compliance with the CCBS at all the time throughout my employment / working / engagement with Shriram Housing Finance Limited.

(Name)

(Signature)

ANNEXURE – B

Code of Conduct of 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. The following are the duties of Independent Directors

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.