

HYBRID FINANCIAL SERVICES LIMITED

CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

As per the requirements of the revised clause 49 of the Listing Agreement, the company is required to lay down a code of conduct for Board of Directors and Senior Management of the company. Accordingly, the same is placed before the Board for approval:

Preamble:

All directors and Senior Management of the company shall be required to take decisions in the best interest of the company and within the limits that has been delegated to them or derived as per the provisions of the Companies Act 1956 or as per the authority vested by the shareholders. It is necessary that the standards that are required to be complied should be not only of a very high ranking but also should not conflict with the interest of the company. The Board of Directors and Senior Management are hence requested to adhere to the highest level of governance in this respect. Though it would be impossible to lay down every item covered in the Code of Conduct, the following are some of the broad parameters which need to be kept in mind in respect of that conduct by the directors and senior management.

1. Honesty and integrity:

While conducting their activities, all directors must exhibit utmost integrity, competence and diligence. They shall perform the various actions in the best interest of the company and fulfil all the fiduciary obligations. They must act with honesty and responsibility and ensure that their actions do not lead to any unmitigatable loss to the company.

2. Conflict of interest:

The directors of the company shall not engage in any business relationship or activity which may be in conflict with the interest of the company except with prior intimation and approval of the company. For the ease of understanding, the following are an indicative but not conclusive list of activities that can be considered in conflict with the interest of the company:

- Carrying on any employment or activities that interferes with the performance and responsibility to the company or otherwise is prejudicial to the company.
- Directors should avoid conducting company's businesses with relative or a firm/company in which a relative / related party is associated in any significant role.

This however does not preclude any dealings with another company if the same is required for the businesses of the company and if in the interest of the company.

3. Full and complete disclosures:

Full and complete disclosures shall be made to the Board or to the CEO of the company wherein such transactions are made or is inevitable.

4. Compliance:

Compliance with all legal legislations and regulations are mandatory and directors must report any infringement or violation in this respect to the company. Similarly, directors are required to ensure high standards of moral and ethical behaviour.

5. Confidentiality:

Any information that is confidential in respect of the company's operations shall be kept confidential and no communication of the same shall be made unless it is conveyed to the public at large. Briefing media should be avoided except to the extent it is necessary by law or otherwise.

6. Other directorship:

Directors must periodically inform the Board of their association with any other company which is potential conflict with the company and shall also disclose their relationship with other companies on an annual basis. In the event the Board desires that association with any company is not in the interest of the company, the said director must decide his association with the company only if he decides to withdraw from the other association.

7. Insider trading:

All directors and senior management of the company must strictly without exception, adhere to the guidelines issued by SEBI and should not indulge in any price sensitive actions.

8. Gifts and Donations:

No director of the company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favours or decision for the conduct of business. Nominal gifts of commemorative nature, for special events may be accepted and reported to the Board.

9. Protection of Assets:

Directors must at all times protect the company's assets and should not desire any personal use of the said assets unless approved by the Board.

10. Dealing with outsiders:

The directors must, while dealing with the outsiders, ensure that no harm is brought out to the company by their remarks whether casual or otherwise. They must be discrete while dealing with any outsider.

They shall also take into account the larger interest of not only of the stakeholders but also others such as lenders, creditors and other clients of the company.

11. Periodic review:

While the above guidelines shall be subject to annual review, the same shall however be amended as and when required bases on the present operating environment. The directors shall also ensure that the code of conduct is complied with any letter and spirit. In the event of any new director who is inducted in the Board, he shall confirm his compliance with the code of conduct by sign and acknowledgement of the same.