

Code of conduct for the Board of Directors and the Senior Management Personnel

1. Preface

The Code of conduct for the Board of Directors and the Senior Management Personnel (hereinafter referred to as "the Code") has been framed and adopted by the SBI Global Factors Ltd in compliance with the provisions of the Companies Act, 2013 and the requirement as per listing agreement.

The code is intended to provide guidance to the Board of Directors and Senior Management Personnel to manage- affairs of the Company in an ethical manner. The purpose of this code is to recognize and place emphasis upon the ethical behavior and to develop a culture of honesty and accountability,

This Code of conduct attempts to set forth guiding principles on which the Company and its Board and Senior Management shall operate and conduct themselves with various stakeholders, Government and other regulatory agencies and anyone else with whom it is connected, It recognizes that SBI Global Factors Ltd is a trustee and custodian of public money and in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of its stakeholders and the public at large.

2. DEFINITIONS

"Board" means Board of Directors of the Company. **"Company"** means SBI Global Factors Ltd,

"Director" means Directors of the Company.

"Executive Director" means Managing Director & CEO who IS in whole time employment of the Company.

"Non Executive Directors" means Directors who are not in whole time employment of the Company,

"Independent Director" means Director appointed as per Section 149(6) of the Companies Act 2013.

"Key Managerial Personnel" (KMP) means

- Managing Director & CEO
- Company Secretary & Compliance Officer
- SVP & Chief Financial & Risk Officer

"Senior Management Personnel" means the personnel of the Company who are members of its core management team excluding Board of Directors and they comprise of all members of management one level below the Executive Director.

3.Applicability

This code shall be applicable and binding to the Board of Directors and the Senior Management Personnel of the Company.,

4.Code of Conduct

The Board Members and Senior Management Personnel shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment.

The Board Members and the Senior Management Personnel of the Company:

- Shall maintain and help the Company in maintaining highest degree of Corporate Governance practices.
- Shall act in utmost good faith and exercise due care, diligence and integrity in performing their office duties.
- Shall not involve in taking any decision on a subject matter in which a conflict of interest arises or which, in their opinion, is likely to arise.
- Shall not utilize bribery or corruption in conducting the Company's business. No Director or employee will offer or provide either directly or indirectly any undue pecuniary or other advantages for the purpose of obtaining, retaining, directing or securing any improper business advantage.
- Shall not indulge themselves in Insider Trading and shall comply with the Insider Trading Code and Insider Trading Regulations as laid down by SEBI and the Company.
- Shall ensure that they shall protect the Company's assets and properties including physical assets, information and intellectual rights and not use the same for their personal gain.
- Shall not seek or accept any compensation (in any form), directly or indirectly, for services performed for the Company from any source other than the Company
- Shall not, without the prior approval of the Board or Senior Management, as the case may be, accept employment or a position of responsibility with any other organization for remuneration or otherwise that are prejudicial to the interests of the Company and shall not allow personal interest to conflict with the interest of the Company.

- Shall not receive any gift, payments or favor in whatsoever form from Company's business associates, which can be perceived as being given to gain favor or dealing with the Company and shall ensure that the Company's interests are never compromised.
- Shall maintain confidentiality of information entrusted by the Company or acquired during performance of their duties and shall not use it for personal gain or advantage. No Board Members and Senior Management Personnel shall provide any information either formally or informally, to the press or any other publicity media, unless specifically authorized. However, that Board Members and Senior Management Personnel shall be free to disclose such information as is part of the public domain at the time of disclosure/authorized or required to be disclosed pursuant to a decision of the Board! required to be disclosed in accordance with applicable laws, rules, regulations or guidelines or to any authority.
- Shall avoid any dealings with a Contractor or Supplier that compromises the ability to transact business on a professional,impartial and competitive basis or influence decision to be made by the Company.
- Shall avoid conducting business with (a) a relative (b) a Private Limited Company in which their relative is a Member or a Director (c) a Public Limited Company in which their relative holds 2% or more shares or voting right and (d) with a firm in which the relative is a partner, except with the prior approval of the Board, and shall make proper disclosure of related party transactions to the Board of Directors,' the Chairman and Managing Director or the Competent Authority under the provisions of Accounting Standard 18 issued by the Institute of Chartered Accountants of India.
- Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy resulting in a conviction.

5. Compliance

- The Board of Directors and the Senior Management Personnel shall ensure compliance of various legal/regulatory requirements as applicable to the business of the Company and endeavour that before any directions are given or decisions taken, relevant legal/regulatory requirements are taken into account.
- The Board of Directors and the Senior Management Personnel shall report concerns about unethical behavior, actual or suspected instances of fraud, misconduct or irregularity or failure of internal control systems, likely to impact the business interest of the company or any other information that may be perceived to be violating any legal/regulatory requirements as per the Whistle blower Policy of the Company.

- Any transaction falling under the definition of related party transactions as per the provisions of the Companies Act, 2013 and the Listing Agreements and as detailed in the Related Party Transaction Policy of the Company must be entered into by the Director or the Senior Management Personnel only after obtaining prior approval of the Board or any Committee thereof.

6. Conflict of Interest

- The Board of Directors and the Senior Management Personnel shall not enter into any transaction which is or likely to have a conflict with the interest of the Company and shall not engage any of their relative(s) or any other person or entity, for the purposes of circumventing the personal interest involved.
- The Board of Directors and the Senior management Personnel shall not take up any position or engagement that may be prejudicial to the interest of the Company.
- The Executive Directors and the Senior Management Personnel shall not take up any outside employment during the course of employment with the Company.

7. Duties of Directors of the Company

The Companies Act, 2013 significantly specifies certain duties and responsibilities of the Directors of the Company. While the list of duties as per the provisions of the Act, has been enumerated below, it should however, by no means be considered to be exhaustive:

- The Directors shall devote sufficient time and attention to professional obligations for informed and balanced decision making.
- The Directors shall act in accordance with the Articles of Association of the company and in good faith in order to promote the objectives of the Company for the benefit of its members as whole, and in the best interests of the company, its employees, the shareholders, the Community and for protection of environment.
- The Directors shall have a clear understanding of the aims and objectives, capabilities and capacity and various policies of the Company.
- The Directors shall exercise their duties with due and reasonable care, skill and diligence.
- The Directors shall be required to intimate the change in their directorship within thirty days of such change.

- The Directors shall discharge their duties with due and reasonable care, skill and diligence.
- The Directors shall bring an independent judgment to bear on the Board's deliberations especially on the issue of strategy, performance, risk Management, resources, Key appointments and standard of conduct in the evaluation of the performance of the Board and the Management.
- The Directors shall ensure that the integrity of financial information and financial controls and the systems of risk management are robust and defensible.
- The Directors shall seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice.
- The Directors shall strive to attend and participate constructively & actively, in all general meetings, meetings of the Board and its committees of which they are Chairman or member.
- The Directors shall not assign their office of director of the company to another person.
- The Directors shall ensure that adequate deliberations are held before approving related party transactions.

8. Code for Independent Directors specifying their duties

A guide professional conduct for Independent Directors is separately specified under the Companies Act, 2013, in Schedule IV - "Code for Independent Directors", which lays down the guidelines of professional conduct for Independent Directors, their role & duties, along with appointment/reappointment process, evaluation mechanism and requirement for separate meetings of Independent Directors, which is appended as Annexure I to this Code.

9. Amendment to the Code

The provisions of this Code can be amended or modified by the Board of Directors from time to time and all such amendments/modifications shall take effect from the date stated therein.

10. Compliance Officer

The Company Secretary shall act as a Compliance Officer and shall monitor compliances with the Company.

11. Annual confirmation & Acknowledgement of the receipt of the Code

In terms of the listing agreement all Board Members and the Senior Management Personnel shall affirm compliance with this code within 30 days from the close of every financial year, Report shall be forwarded to the Compliance Officer of the Company. All Board members and Senior management Personnel shall acknowledge the receipt of this Code,

Terms and conditions of appointment of Independent Directors

The broad terms and conditions of their appointment as Independent Directors as per Schedule IV of the Companies Act 2013 are as under:

1. Appointment

The appointment will be for the period of one year from the date of the Extra Ordinary General Meeting.

The Independent Directors will not be liable to retire by rotation.

Reappointment at the end of the term shall be based on the recommendation of the Nomination and Remuneration Committee and subject to the approval of the Board and the Shareholders. The reappointment would be considered by the Board based on the outcome of the performance evaluation process and the Directors continuing to meet the independence criteria.

2. Role and functions:

The independent directors shall:

- help in bringing an independent judgment to bear on the Boards deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- bring an objective view in the evaluation of the performance of board and management;
- scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
- satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
- safeguard the interests of all stakeholders
- balance the conflicting interest of the stakeholders;

- moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholders interest.

3. Duties

The independent directors shall

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the company;
- 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;
- strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
- participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- strive to attend the general meetings of the company;
- 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;
- keep themselves well informed about the company and the external environment in which it operates;
- not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 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;
- 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;
- report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
- acting within his authority, assist in protecting the legitimate interests of the company, shareholders and its employees;
- 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.

4. Professional conduct:

An independent director shall:

- uphold ethical standards of integrity and probity;
- act objectively and constructively while exercising his duties;
- exercise his responsibilities in a bona fide manner in the interest of the company;
- devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- not allow any extraneous considerations that will vitiate his 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;
- not abuse his 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;
- refrain from any action that would lead to loss of his independence;
- where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- assist the company in implementing the best corporate governance practices,

5. Manner of appointment:

- Appointment process of independent Directors shall be independent of the company management; while selecting independent directors the Board shall ensure that there is appropriate balance of skills, experience and knowledge in the Board so as to enable the Board to discharge its functions and duties effectively.
- The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- The explanatory statement attached to the notice of the meeting for approving the appointment of independent director shall include a statement that in the opinion of the Board, the independent director proposed to be

appointed fulfills the conditions specified in the Act and the rules made there under and that the proposed director is independent of the management.

- The appointment of independent directors shall be formalised through a letter of appointment, which shall set out:
 - **(a)** the term of appointment;
 - **(b)** the expectation of the Board from the appointed director; the Board-level Committee(s) in which the director is expected to serve and its tasks;
 - **(c)** the fiduciary duties that come with such an appointment along with accompanying liabilities;
 - **(d)** the Code of Business Ethics that the company expects its directors and employees to follow;
 - **(e)** the list of actions that a director should not do while functioning as such in the company; and
 - **(f)** the sitting fees; reimbursement of expenses for participation in the Boards and other meetings, if any
- The terms and conditions of appointment of independent Directors shall be open for inspection at the registered office of the company by any member during normal business hours.
- The terms and conditions of appointment of independent Directors shall also be posted on the company's website.

6. Resignation or removal:

The Re-appointment or removal of an Independent Director shall be in the same manner as provided in sections 168 and 169 of the Act.