

## CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT

**VERSION CONTROL:**

VERSION	DATE OF ADOPTION	CHANGE REFERENCE	OWNER	CUSTODIAN	APPROVING AUTHORITY
1.0	26-Mar-2015	Adoption of the Code of Independent Directors as per Schedule IV – Companies Act, 2013	Compliance Team	Compliance Team	Board of Directors
1.1	09-Feb-2022	Adoption of the Code of Independent Directors as per various amendments in Schedule IV – Companies Act, 2013	Compliance Team	Compliance Team	Board of Directors
1.2	29-May-2023	Code of Independent Directors reviewed and updated w.r.t review period of the code	Compliance Team	Compliance Team	Board of Directors
1.3	30-May-2024	Annual Review. No change	Compliance Team	Compliance Team	Board of Directors
1.4	14-Feb-2025	Amendment in code of conduct for inclusion of non independent Directors and Senior Management, Change of document name	Compliance Team	Compliance Team	Board of Directors

## **Applicability**

The Board of Directors of Ashv Finance Limited (the “Company”) has laid down this Code of Conduct in accordance with and to comply with the provisions of the Companies Act, 2013 including any amendments thereof.

The Code applies to all the Members of the Board of Directors (“Board Members”) and Senior Management Personnel of the Company. The Expression “Senior Management” shall mean personnel of the [Company](#) who are [members](#) of its core management team excluding [Board of Directors](#) comprising all [members](#) of management one level below the executive Directors, including the functional heads.

### **CODE OF CONDUCT**

A] The Non-Independent Directors and the Senior Management of the Company shall:

1. Maintain high ethical standards and Corporate Governance practices.
2. Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
3. Exercise duties with due and reasonable care, integrity, skill and diligence and shall exercise independent judgment.
4. Use the Company’s assets, properties, information and intellectual rights for official purpose only or as per the terms of their appointment.
5. Not involve in a situation in which they may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company or achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
6. Not seek, accept or receive, directly or indirectly, any gift, payments or favour in whatsoever form from Company’s business associates, which can be perceived as being given to gain favour or dealing with the Company and shall ensure that the Company’s interests are never compromised.
7. Not commit any offences involving moral turpitude or any act contrary to law or opposed to the public policy.
8. Not communicate with any member of press or publicity media or any other outside agency on matters concerning the Company, except through the designated spokespersons or authorized otherwise.
9. In conformity with applicable legal provisions, including those relating to Related Party Transactions, disclose personal and/ or financial interest in any business dealings concerning the Company and shall declare information about their relatives (spouse, dependent children and dependent parents) including transactions, if any, entered into with them so as to enable the Board Members to take an informed decision.
10. 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.
11. Conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture of good decision-making.

B] The Independent Directors of the Company shall abide by the Code for Independent Directors pursuant to Section 149 of the Companies Act, 2013 as given in Annexure-I.

**DISCLOSURE, INTERPRETATION AND AMENDMENT**

This document shall be disclosed on the website of the Company <https://www.ashvfinance.com>.

In case of any conflict between the provisions of this document and Statutory Provisions, the Statutory Provisions shall prevail.

Any subsequent amendment/ modification in the Statutory Provisions shall automatically apply to this document and the document shall be updated accordingly.

## Annexure I

### Code for Independent Directors

The Code is a guide to professional conduct for Independent Directors of the Company as per Schedule IV of the Companies Act, 2013 (hereinafter referred to as “the Act”). 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 Code will be reviewed on an annual basis by the Management. If there is any change to the code, then the Management will seek Board approval.

- I. Guidelines of Professional Conduct: An independent director shall:
  - (1) uphold ethical standards of integrity and probity;
  - (2) act objectively and constructively while exercising his duties;
  - (3) exercise his responsibilities in a bona fide manner in the interest of the Company;
  - (4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
  - (5) 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;
  - (6) 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;
  - (7) refrain from any action that would lead to loss of his independence;
  - (8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
  - (9) assist the company in implementing the best corporate governance practices.
- II. Role and Functions: The independent directors shall:
  - (1) 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;
  - (2) bring an objective view in the evaluation of the performance of board and management;
  - (3) scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
  - (4) satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
  - (5) safeguard the interests of all stakeholders, particularly the minority shareholders;
  - (6) balance the conflicting interest of the stakeholders;
  - (7) determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
  - (8) moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder’s interest.
- III. Duties: 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 their 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.

**IV. Manner of appointment:**

- (1) 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.
- (2) The appointment of independent director(s) of the company shall be approved at the meeting of the shareholders.
- (3) 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 fulfils the conditions specified in the Act and the rules made thereunder and that the proposed director is independent of the management.
- (4) 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) provision for Directors and Officers (D&O) insurance, if any;
  - (e) the Code of Business Ethics that the Company expects its directors and employees to follow;
  - (f) the list of actions that a director should not do while functioning as such in the company; and
  - (g) the remuneration, mentioning periodic fees, reimbursement of expenses for participation in the Boards and other meetings and profit related commission, if any.
- (5) 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.
- (6) The terms and conditions of appointment of independent directors shall also be posted on the company's website.
- V. Re-appointment: The re-appointment of independent director shall be on the basis of report of performance evaluation.
- VI. Resignation or Removal:
- (1) The resignation or removal of an independent director shall be in the same manner as is provided in sections 168 and 169 of the Act.
  - (2) An independent director who resigns or is removed from the Board of the Company shall be replaced by a new independent director within three months from the date of such resignation or removal, as the case may be.
  - (3) Where the Company fulfils the requirement of independent directors in its Board even without filling the vacancy created by such resignation or removal, as the case may be, the requirement of replacement by a new independent director shall not apply.
- VII. Separate Meetings:
- (1) The independent directors of the Company shall hold at least one meeting in a financial year, without the attendance of non-independent directors and members of management;
  - (2) All the independent directors of the company shall strive to be present at such meeting;
  - (3) The meeting shall:
    - (a) review the performance of non-independent directors and the Board as a whole;
    - (b) review the performance of the Chairperson of the Company, taking into account the views of executive directors and non-executive directors;
    - (c) assess the quality, quantity and timeliness of flow of information between the company management and the Board that is necessary for the Board to effectively and reasonably perform their duties.
- VIII. Evaluation Mechanism:
- (1) The performance evaluation of independent directors shall be done by the entire Board of Directors, excluding the director being evaluated.
  - (2) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the independent director.