

**CODE OF CONDUCT FOR
MEMBERS OF THE BOARD AND
SENIOR MANAGEMENT
OF
FINO PAYMENTS BANK
LIMITED**

**CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR
MANAGEMENT (Version 1.0)
Document Review and Approval
Revision history**

	Summary of Change	Prepared By	Reviewed by	Recommended by (Mgt. Com)	Approved by	Ver No.	Effective Date
1	First Release	Basavraj Loni, Company Secretary	Ketan Merchant, Chief Financial Officer	N.A.	Board of Directors	1.0	

CODE OF CONDUCT FOR MEMBERS OF THE BOARD AND SENIOR MANAGEMENT

INTRODUCTION:

This Code has been framed in order to serve as a guide to the Directors and Senior Management of FINO Payments Bank Limited ('Bank') on principles of integrity, transparency and business ethics.

The Code has been adopted as per the requirements of Reg. 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) ('Listing Regulations') and shall be effective from the date of listing of the securities of the Bank on the stock exchange. Further, as laid down in Schedule IV of the Companies Act, 2013, it also provides for the duties of independent directors.

The term "Senior Management" shall mean the officers or personnel of the Bank who are members of its core management team excluding Board of Directors and includes members of the management one level below the executive directors including all functional heads and 'key managerial personnel' as defined under the Companies Act, 2013 or any other person whom the Bank may declare as a key managerial personnel.

OBJECTIVE:

With a view to maintain high standards of governance, to induce and recognize the virtues of honesty and accountability and to serve as a guideline for addressing situations involving ethical issues in all spheres of activities of the organization, the following rules/code of conduct is required to be observed.

The Directors and Senior Management Personnel are expected to act in good faith and in such manner as they reasonably believe to be in the best interest of the Bank. The Directors and Senior Management Personnel are also expected to:

- a) Comply with all applicable laws, regulations, confidentiality, obligations and other corporate policies of the Bank;
- b) Follow all policies, procedure and internal controls system of the Bank.

- c) Discharge their duties in good faith and integrity in business judgment and in the best interests of the Bank and its stakeholders. They are expected to use their best endeavors and organize the resources for advancing the Bank's objectives. They shall act ethically, honestly, diligently and in good faith to protect the Bank's properties, brand equity and image. They shall act in good faith, responsibly, with due care, competence and diligence and without allowing their independent judgment to be subordinated. They shall act in the best interests of the Bank and fulfill their fiduciary obligations.

SCOPE:

All the Directors and Senior Management Personnel of the Bank shall conduct their activities on behalf of the Bank and on their own behalf with honesty, integrity and fairness. The Directors and Senior Management Personnel of the Bank shall act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated, in accordance with applicable laws. The Directors and Senior Management Personnel of the Bank will act in the best interest of the Bank, and fulfil the fiduciary obligations. They are also required to affirm compliance on an annual basis.

Further, this Code will at all times be read together with the Code of Conduct for the employees. In case of any conflict between this Code and Code of Conduct for the employees, the provisions of this Code shall prevail for the directors and senior management personnel (SMP).

CONFLICT OF INTEREST:

All the Directors and Senior Management Personnel of the Bank should not enter into any transaction or engage in any practice, directly or indirectly, that may influence him/her to act in any manner other than in best interest of the Bank. Every Director and Senior Management Personnel should make a full disclosure to the Board of any transaction that they reasonable expect, could give rise to an actual conflict of interest with the Bank, and seek the Board's authorization to pursue such transactions. Under this Policy all transactions having conflict of interest should be carried out in accordance with law and be fully disclosed to the Board and, upon a decision being taken in the matter, the person concerned will be required to take necessary action as advised to resolve/avoid the conflict; further if the Director or SMP fails to make a

disclosure as required herein, and the Board of its own accord becomes aware of an instance of conflict of interest that ought to have been disclosed by the concerned person, the Board would take a serious view of the matter and consider suitable disciplinary action against the person concerned; and if a proposed transaction or situation raises any question or doubts to any Director/ SMP, such Director/ SMP should consult the Compliance Officer of the Bank.

BANK PROPERTY:

Every Director and Senior Management Personnel should endeavour to ensure that they use the Bank's assets, proprietary information and resource only for the legitimate business purposes of the Bank and not for their personal gains.

CONFIDENTIAL INFORMATION:

The Directors and Senior Management Personnel should maintain confidentiality of information entrusted to them in carrying out their duties and responsibilities. The Bank's confidential and proprietary information shall not be inappropriately disclosed or used for the personal gain or advantage of any Director or Senior Management Personnel. These obligations apply not only during Director's term or term of Senior Management Personnel's engagement but thereafter as well unless the said information becomes public.

The Directors and Senior Management Personnel should return all Confidential Information to the Bank forthwith upon request by the Bank or upon cessation of directorship/ employment with the Bank, whichever is later. If Bank permits the destruction of such Confidential Information, the Directors and Senior Management Personnel shall destroy the Confidential Information and shall provide to the Bank written declaration letter that such destruction has been carried out.

FAIR DEALING:

The Directors and Senior Management Personnel should endeavour to deal fairly with all stakeholders and not seek to take unfair advantage of the Bank through manipulation, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing.

COMPLIANCE WITH LAWS AND REGULATIONS:

The Directors and Senior Management Personnel should comply with all the applicable laws, rules and regulations for the time being in force. In addition, if any Director becomes aware of any information that he believes constitutes evidence of a material violation of any securities or other laws, rules or regulations applicable to the Bank or the operation of its business, by the Bank any Employee or another Director, then such Director should bring such information to the attention of the Chairman of the Audit Committee. The Directors and Senior Management Personnel shall not make any payment or enter into any transaction either directly or indirectly, which may result in violation of any law in force. Further, neither the Directors nor the SMP and any person acting on their behalf should make or accept facilitation payments or kickbacks of any kind otherwise not permissible under law.

INSIDER TRADING:

None of the Directors or Senior Management Personnel shall derive any benefit, not assist other to deriving benefit by giving investment advice from access to and possession of information about the Bank, which is not in public domain and constitutes insider information. All Directors and Senior Management Personnel will comply with all the applicable policies of the Bank pertaining to prevention of insider trading.

DUTIES OF DIRECTORS:

Every Director of the Bank shall endeavour to comply with the provisions of Section 166 of the Companies Act, 2013 and such other provisions of applicable laws/regulations, relating to the duties of the Directors.

In addition, Independent Directors shall also perform the duties as prescribed in Schedule IV of the Companies Act, 2013 as per the Code attached hereto.

NON COMPLIANCE:

Suspected Violations of this Code may be reported to the Chairman of the Board or the Chairman of the Audit Committee. Any waiver or amendment of this Code must be approved by the Board of Directors and publicly disclosed, if required, by any applicable law or regulation.

In addition to the compliance of Code of Conduct applicable to the Board of Directors and Senior Management of the Bank, each Independent Director

shall also comply with the following Code in terms of Section 149(8) of the Companies Act, 2013, read with Schedule IV thereto.

CODE FOR INDEPENDENT DIRECTORS

- (1) Uphold ethical standards of integrity and probity;
- (2) Act objectively and constructively while exercising duties;
- (3) Exercise responsibilities in a bona fide manner in the interest of the Bank;
- (4) Devote sufficient time and attention to professional obligations for informed and balanced decision making;
- (5) Not allow any extraneous considerations that will vitiate exercise of objective independent judgment in the paramount interest of the Bank as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- (6) Not abuse his/her position to the detriment of the Bank 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 independence;
- (8) Where circumstances arise which make an independent director lose independence, the independent director must immediately inform the Board accordingly;
- (9) Assist the Bank in implementing the best corporate governance practices.
- (10) Help in bringing an independent judgment on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
- (11) Bring objective view in the evaluation of the performance of the Board and the management;
- (12) Scrutinise performance of the management in meeting agreed goals and objectives and monitor the reporting of performance;
- (13) Satisfy stakeholders on the integrity of financial information and that financial controls & the systems of risk management are robust and defensible;
- (14) Safeguard the interests of all stakeholders, particularly the minority shareholders;
- (15) Balance the conflicting interest of the stakeholders;
- (16) 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;
- (17) Moderate and arbitrate in the interest of the Bank as a whole, in situations of conflict between the management and shareholders' interest.
- (18) Undertake appropriate induction and regularly update and refresh skills, knowledge and familiarity with the Bank;

- (19) 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 Bank;
- (20) Strive to attend all meetings of the Board of Directors and of the Board committees of which she/he is a member;
- (21) Participate constructively and actively in the committees of the Board in which she/he is chairperson or member;
- (22) Strive to attend the general meetings of the Bank;
- (23) Where they have concerns about the operations of the Bank 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;
- (24) Keep themselves well informed about the Bank and the external environment in which it operates;
- (25) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- (26) 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 Bank;
- (27) Ascertain and ensure that the Bank 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;
- (28) Report concerns about unethical behaviour, actual or suspected fraud or violation of the Bank's code of conduct or ethics policy;
- (29) Act within the authority and assist in protecting the legitimate interests of the Bank, shareholders and its employees;
- (30) Not to 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.
