

# **PURPLE FINANCE**

## **Code of Conduct for Executive and Non-Executive Directors**

### **Disclaimer**

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**Background:**

This Code of Conduct attempts to set forth the guiding principles on which the Purple Finance Limited ("PFL/the Company") shall operate and conduct its daily business with its multitudinous stakeholders, government and regulatory agencies, media and anyone else with whom it is connected.

The company acknowledges the need to uphold the integrity of every transaction it enters into and believes that honesty and integrity in its internal conduct would be judged by its external behaviour.

**Objective:**

The Code envisages and expects –

- Adherence to the highest standards of honest and ethical conduct, including proper and ethical procedures in dealing with actual or apparent conflicts of interest between personal and professional relationships;
- Full, fair, accurate, sensible, timely and meaningful disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies;
- Compliance with applicable laws, rules and regulations;
- To address misuse or misapplication of the Company's assets and resources;
- The highest level of confidentiality and fair dealing within and outside the company.

**Manner of Appointment:**

The Nomination and Remuneration Committee (NRC) or the Board shall review the fit and proper criteria as per all the statutory provisions applicable to all the Directors and recommend the appointment to the Board/Shareholders for approval subject to prior approval from Reserve Bank of India (RBI). Once the Company receives the prior approval from RBI then it shall proceed for Board and Shareholders approval for the appointment of the Directors.

**Code of Conduct for Executive and Non-Executive Directors:**

- The Directors are expected to uphold high ethical standards while dealing with both internal and external Stakeholders;
- The Directors should display high integrity while performing duties associated with their role;
- The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws. The Directors shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company;
- The Directors shall keep the best interest of the Company and Shareholders in mind while carrying out duties;
- The Directors shall exercise independent judgement on corporate affairs and not be influenced by other Board Members or Stakeholders;

- The Directors should maintain confidentiality of all information obtained related to the Company and its Stakeholders; The Company's confidential and proprietary information shall not be inappropriately disclosed or used for personal gain or advantage of the Director. Confidential information includes any information relating to the Company's business, customers, suppliers, employees, etc., which is not available in the public domain and to which the Director has access or they possesses such information because of their position in the Company;
- The Directors are expected to be role models of the values of the Company and lead by example;
- The Directors should recuse from the decision making process of the Board when there is a conflict of interest involved;
- A Director shall not be a member in more than 10 (ten) committees or act as Chairman of more than 5 (five) committees across all companies in which he is a director;
- The Directors shall disclose all material financial or commercial transactions which might have a potential conflict of interest with the business of the Company; They should avoid transacting company business with their relative or with a firm/ company in which either they themselves or their relative are interested or plays any significant role and in case such related party transaction is unavoidable, it must be made only at arm's length and in the ordinary course of business with the approval of the Board. The Directors shall also not accept gifts from persons or firms who deal with the Company, or are seeking to deal with the Company, where the gift is being made in order to influence the Director's actions as a Member of the Board, or where acceptance of the gift could create the appearance of a conflict of interest.
- The Directors of the Company must comply with applicable laws, regulations, rules and regulatory orders. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities;
- Each member of the Board of Directors has a duty to the Company to inform his legitimate interests while dealing with the Company's assets and resources. The Directors have a fiduciary relationship with the Company and they should act like a trustee for the Company's property/ assets as well as the property/ assets of other organizations that have been entrusted to the Company. They are responsible for its safe custody and accountable for its use. The Members of the Board of Directors are prohibited from:
  - using corporate property, information or position for personal gain;
  - soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Company's assets and resources;
  - acting on behalf of the Company in any transaction in which they or any of their relative(s) have a significant direct or indirect interest.
- Non-Executive Directors should desist from sending any instructions to the individual officers of the Company or give directions to such officers on any matters. Non-Executive Directors should discourage the individual employee or unions approaching them in any matter. Such cases, if any, should be routed through the Vice Chairman, Executive Director or CEO of the Company.

**Communication with Outsiders:**

As a general rule, the Vice Chairman or Executive Director should speak for the Board and the CEO for the Management, especially in communicating with the public, the media, customers, securities analysts, shareholders, and regulatory authorities. However, individual Directors or designated Senior Management may be asked or authorised by the Board to communicate with parties involved with or interested in the company. Any publication or publicly made statement that might be perceived or construed as attributable to the company, made outside the scope of any appropriate authority in the company, should include a disclaimer that the publication or statement represents the views of the specific author and not the company.