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**Code of Business Conduct and Ethics**

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**(As approved by the Board of Directors on 27<sup>th</sup> March 2015)**

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## **CODE OF BUSINESS CONDUCT AND ETHICS**

### **PHILOSOPHY OF CODE OF GOVERNANCE**

TVS Credit Services Limited (TVS CS), truly believes in independence, responsibility, transparency, professionalism, accountability and code of ethics, which are the basic tenets of corporate governance.

TVS CS always seeks to achieve optimum performance at all levels in adopting and adhering to best corporate governance practices. TVS CS has always focused on corporate governance as a means to maximize long-term stakeholders' value through disciplined and sustained growth and value creation.

### **CODE**

This code of business conduct and ethics helps to ensure compliance with legal requirements and standards of business conduct.

The board of directors (the board) has adopted a code of business conduct and ethics (the code) for all board members and employees viz., all members of management one level below executive directors, including all functional heads.

Every board member and employees is expected to read and understand this Code and its application to the performance of his or her duties, functions and responsibilities.

### **COMPLIANCE OFFICER**

Company secretary is the compliance officer for the purpose of this code. The compliance officer shall refer to the chairman of the board any complaint received for necessary action.

### **HONESTY, INTEGRITY & PROFESSIONAL CONDUCT**

All board members and employees shall:

- conduct their activities, on behalf of TVS CS and on their personal behalf, with honesty, integrity and fairness and uphold ethical standards of integrity and probity;
- act in good faith, responsibility, with due care, competence and diligence, without allowing their independent judgement to be subordinated and objectively and constructively, while exercising his / her duties ;
- act in the best interest of TVS CS, its various stakeholders including TVS CS shareholders and fulfill the fiduciary obligations and exercise his responsibilities in a *bona fide* manner in the interests of TVS CS;
- devote sufficient time and attention to his / her professional obligations for informed and balanced decision making;

# **TVS TVS CREDIT SERVICES LIMITED**

- Not engage in conduct that is likely to bring discredit upon TVS CS;
- Not use his position to the detriment of TVS CS or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- not allow any extraneous considerations that will vitiate his exercise of objective judgments in the paramount interest of TVS CS as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;
- Comply with every provision of this Code and assist TVS CS in implementing the best corporate governance practices.

## **DUTIES**

All directors and employees shall -

- undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the activities;
- seek appropriate clarification or amplification of information and whenever necessary take and follow appropriate professional advice and opinion of outside experts;
- strive to attend all meetings of the Board and of the Board committees of which he / she is a member;
- participate constructively and actively in all the meetings of the committees of the Board in which they are chairpersons or members;
- strive to attend all general meetings of TVS CS as a member of the Board;
- where they have any concerns of any action 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 TVS CS 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 any related party transactions and assure themselves that the same are in the interest of TVS CS;

- report concerns about unethical behaviour, actual or suspected fraud or violation of this Policy;
- 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.

## **CONFLICT OF INTEREST**

All board members and employees shall not engage in any business, relationship or activity, which may be in conflict of interest of TVS CS or the group companies. Conflict of interest may not always be clear-cut.

Any question therefore about a board member's or employees's actual or potential conflict of interest with TVS CS should be brought promptly to the attention of the Chairman of the board who will review the question and determine a proper course of action including whether consideration or action by the full board is necessary.

Directors or employees involved in any conflict or potential conflict situations shall exclude themselves from any discussion or decision relating thereto.

## **FAIR DEALING**

All board members and employees should deal fairly with TVS CS's customers, suppliers, competitors, officers and employees.

No board member or employees may take unfair advantage of TVS CS's customers, suppliers, competitors or employees through manipulating, concealment, abuse of privileged information, misrepresentation of material facts or any other unfair dealing practice.

Gift or entertainment in any form that is likely to result in a feeling of expectation of personal obligation should not be accepted or extended.

## **CORPORATE OPPORTUNITIES**

All board members and employees shall not exploit for their own personal gain opportunities that are discovered through the use of TVS CS property, information or position unless the opportunity is disclosed fully in writing to the board and the board gives its approval to pursue such opportunity.

## **CONFIDENTIAL INFORMATION**

All board members and employees shall maintain confidentiality of information (price sensitive or otherwise) they receive while being in office of TVS CS and they may also ensure security of information of TVS CS.

They will also ensure that the interests of any employee who uses the vigil mechanism to report genuine concerns about unethical behavior, are not prejudicially affected on account of such use and shall maintain confidentiality of all matters under this Policy.

## **CONFIDENTIAL INFORMATION OF OTHERS**

TVS CS is required to abide by the terms of the relevant non-disclosure agreement and limit its use to the specific purposes for which it was disclosed and to disseminate it only to others with a need to know the information.

All board members and employees shall not attempt to obtain a competitor's confidential information by improper means.

## **PROTECTION OF ASSETS**

The board and employees shall endeavour their best to protect TVS CS's assets and shall not use the same for personal benefit, unless approved by the board.

## **SEXUAL HARASSMENT**

The board and employees shall not indulge in sexual harassment whether directly or by implication which includes such unwelcome behaviour or physical contact and advances, or a demand or request for sexual favours, sexually coloured remarks, display of pornographic material or any other verbal or non-verbal communication of sexual nature is strictly prohibited.

## **REGULATIONS**

All board members and employees shall comply with all applicable laws, rules, regulations and guidelines and shall report actual non-compliances, if any, of law, this code, or other TVS CS policies or procedures to the board.

As a public company, it is of critical importance that TVS CS's filings with the Reserve Bank of India be full, fair, accurate, timely and understandable.

All board members and employees may be requested to provide information necessary to ensure that TVS CS's published reports meet these requirements.

TVS CS expects all board members and employees to provide prompt and accurate answer to enquiries relating to its public disclosure requirements.

**WAIVER**

Waiver of this code in any respect or respects may be made only by the board and will be publicly disclosed if required by any applicable laws or regulation. As a general policy, the board will not grant waivers to the Code.

Having regard to the business practices, or the legal and regulatory framework applicable, the board will review, revise or update the code, as it deems appropriate.

**AFFIRM COMPLIANCE**

All board members and employees shall affirm compliance with the code on an annual basis.

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