

## **POLICY ON CODE OF CONDUCT FOR BOARD OF DIRECTORS AND SENIOR MANAGEMENT PERSONNEL**

### **Introduction:**

This Code of Conduct shall be called “Policy on code of conduct for board of directors and senior management personnel” (“**Policy**”) of Veritas Finance Limited (formerly Known as Veritas Finance Private Limited) (“**Company**”).

Veritas Finance Limited is committed to conducting its business in accordance with applicable laws, rules and regulations and the highest standards of business ethics and ethical conduct. This Code of Conduct (“**Code**”) reflects the business practices and principles of behaviour that support this commitment. The purpose of this Code is to enhance ethical and transparent process in managing the affairs of the Company, and thus to sustain the trust and confidence shown in the management by the shareholders of the Company.

Pursuant to Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI LODR Regulations**”), the Board of Directors of a listed entity is required to lay down a code of conduct for all members of the board of directors and senior management of the listed entity.

In compliance with the SEBI LODR Regulations, the board of directors of the Company (“**Board**”) has laid down this Code for the Board and the senior management personnel of the Company (i.e. officers and personnel of the Company who are members of its core management team, excluding the Board and shall comprise all the members of management one level below the chief executive officer or managing director or whole time Director (including chief executive officer and manager), and shall specifically include any functional heads, by whatever name called and the company secretary and the chief financial officer (“**Senior Management Personnel**”). The Code shall become effective from January 09, 2025.

### **Applicability of this Code**

This Code shall be applicable to all the members of the Board and Senior Management Personnel of the Company.

### **Code Of Conduct**

The Board and Senior Management Personnel of the Company shall abide by the provisions of the Act and SEBI LODR Regulations and such other regulatory provisions, as applicable, and:

- shall conduct himself/herself in a professional manner and treat others with respect, fairness and dignity.
- demonstrate the highest standards of integrity, business ethics, and corporate governance;

- dedicate adequate time, energy and attention to ensure the diligent performance of his/her duties including making all reasonable efforts to attend Board or Committee Meetings and act in accordance with the Articles of Association of the Company.
- 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.
- shall exercise objective independent judgement on corporate affairs.
- guide and motivate the employees of the organization.
- provide expertise and experience in their areas of specialization and share learnings at the meetings of the Board with the best interests of the Company and its stakeholders in mind.
- give careful and independent consideration to the affairs of the Company and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management. They should call for additional information, where necessary, for making such judgements
- not engage in any business, relationship or any activity which detrimentally conflicts with the interest of the Company or bring discredit to the Company. Any situation that creates a conflict of interest between personal interests and the Company and its stakeholders' interests must be avoided at all costs
- not disclose any confidential / privileged information of the Company and should direct any media queries or approaches to the appropriate spokesperson within the Company.
- ensure that facilities/amenities provided by the Company are used with proper care and diligence and to return possession.
- not enter into any agreement for themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company, except without requisite approvals.
- follow all the guidelines put forth in the Policy for prevention of insider trading;
- not employ any of their relatives or deal with them on Company's behalf without proper authorization, obtained after disclosing their relationship.
- inform the changes in their interests that may interfere with their ability to perform their duties, and in the case of Independent Directors, impact their independence as a Board member
- not assign his office and any assignment so made shall be void.
- not compete with the Company.
- comply with every provision of this Code.

## **OTHER DIRECTORSHIP AND DISCLOSURE**

Every Director shall inform the Company about the directorships held in other companies and committee's positions he or she occupies in other companies and notify the changes as and when they take place.

Senior Management Personnel shall make disclosures to the Board relating to all material, financial and commercial transactions, where they have personal interest that may have a potential conflict with the interest of the Company at large.

Conflicts of interest may not always be definitively clear. Any question therefore about a director/Senior Management Personnel's actual or potential conflict of interest with the Company should be brought promptly to the attention of the Board, who will review the question and determine a proper course of action, including whether consideration or action by the Board is necessary. Directors/Senior Management Personnel involved in any conflict or situations of potential conflict shall recuse themselves from any discussion or decision relating thereto.

### **INSIDER TRADING**

The Board Members and Senior Management Personnel shall comply with the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Code of Conduct for Regulating, Monitoring and Reporting of Trading by Insiders of the Company, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and shall abide by rules, regulations made thereunder.

### **DUTIES OF INDEPENDENT DIRECTORS**

An Independent Director 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 and of the committees of the Board, which the independent director(s) is a member of
- 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 meeting of Board;
- 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 the Board or committees 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 Whistle Blower Policy 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 behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy, if any;
- act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees; and
- 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

As enumerated in the Master Direction – Reserve Bank of India (Non-Banking Financial Company – Scale Based Regulation) Directions, 2023 ("**Scale Based Regulations**") issued by Reserve Bank of India, an independent director shall not be on the Board of more than three NBFCs (NBFC-Middle Layer or NBFC-Upper Layer) at the same time.

#### **ANNUAL AFFIRMATION WITH COMPLIANCE OF THIS CODE**

As per Regulation 26(3) of the SEBI LODR Regulations, all members of the Board and Senior Management Personnel of the Company shall affirm compliance with this Code on an annual basis, both in letter and spirit.