

CODE OF CONDUCT FOR THE COMPANY'S BOARD OF
DIRECTORS AND SENIOR MANAGEMENT TEAM



SBI CARDS AND PAYMENT SERVICES LTD

**CODE OF CONDUCT FOR THE COMPANY'S BOARD OF DIRECTORS AND
SENIOR MANAGEMENT TEAM**

I. Need and objective of the Code

The Company has laid down this Code for its Directors on the Board and its Senior Management (“senior management” shall mean officers/personnel of the listed entity who are members of its core management team excluding board of directors and normally this shall comprise all members of management one level below the managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer and functional heads.).

The Code is framed under Regulation 17(5) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“the Listing Regulations”). The Code is in alignment with the Company’s objectives, and Corporate Governance Policy and aims at enhancing ethical transparent process in managing the affairs of the Company.

II. Company’s belief system

This Code of Conduct attempts to set forth the guiding principles on which the Company shall operate and conduct its daily business with its stakeholders, government and regulatory agencies, media, and anyone else with whom it is connected. It recognises that the Company is a trustee and custodian of its Shareholders money and in order to fulfill its fiduciary obligations and responsibilities, it has to maintain and continue to enjoy the trust and confidence of shareholders.

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. The Company shall be committed in all its actions to the interest of the countries in which it operates. The Company is conscious of the reputation it carries amongst its customers and public at large and shall endeavour to do all it can to sustain and improve upon the same in its discharge of obligations. The Company shall continue to initiate policies, which are customer- centric and which promote financial prudence.

III. APPLICABILITY

The Code is applicable to the Directors and Senior Management Team of the Company

IV. Philosophy of the Code

The Code envisages and expects -

1. 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.
2. full, fair and accurate disclosures in the periodic reports required to be filed by the Company with government and regulatory agencies.

3. Compliance with applicable laws, rules and regulations.
4. To address misuse or misapplication of the Company's assets and resources.
5. The highest level of confidentiality and fair dealing within and outside the Company.
6. All Directors and Senior Management Team shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Team shall act on a fully informed basis, in good faith, responsibility, due diligence and care, competence and diligence, without allowing their independent judgment to be subordinated and in the best interest of the Company.
7. All Directors and Senior Management Team shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.

I. General Standards of conduct

The Company expects all Directors and members of the Senior Management to exercise good judgment, to ensure the interests, safety and welfare of customers, employees, and other stakeholders and to maintain a cooperative, efficient, positive, harmonious and productive work environment and business organization. The Directors and members of the Senior Management while discharging duties and obligations, must act honestly and with due diligence. They are expected to act with that amount of utmost care and prudence, which an ordinary person is expected to take in his/her own business. These standards need to be applied while working in the premises of the Company, at offsite locations where the business is being conducted whether in India or abroad, at Company-sponsored business and social events, or at any other place where they act as representatives of the Company.

II. A. "Conflict of Interest"

Conflict of Interest occurs when personal interest of any member of the Board of Directors and of the Senior Management interferes or appears to interfere in any way with the interests of the Company. Every member of the Board of Directors and Senior Management has a responsibility to the Company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company's interest such as-

a. Employment / Outside Employment - The members of the Senior Management are expected to devote their total attention to the business interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company.

b. Business Interests - If any member of the Board of Directors and Senior Management considers investing in securities issued by the Company's customer,

supplier or competitor, they should ensure that these investments do not compromise their responsibilities to the Company. Many factors including the size and nature of the investment; their ability to influence the Company's decisions, their access to confidential information of the Company, or of the other entity, and the nature of the relationship between the Company and the customer, supplier or competitor should be considered in determining whether a conflict exists. Additionally, they should disclose to the Company any interest that they have which may conflict with the business of the Company.

c. Related Parties - As a general rule, the Directors and members of the Senior Management should avoid conducting Company's business with a related party as defined under section 2(76) of the Companies Act, 2013 and the Rules made there under and the Listing Regulations. Relatives shall be as defined under section 2(77) of the Companies Act, 2013 and Rules made there under:

- Spouse
 - Father (including step-father)
 - Mother (including step-mother)
 - Son (including step-son)
 - Son's wife
 - Daughter
 - Daughter's husband
 - Brother (including step-brother)
 - Sister (including step-sister)
 - Members of HUF
- i.** If such a related party transaction is unavoidable, they must fully disclose the nature of the related party transaction to the Board and/or to the Compliance Leader and/or to the Company Secretary. Any dealings with a related party must be done in a manner as if the parties are unrelated, so that there is no conflict of interest.
- ii.** In the case of any other transaction or situation giving rise to conflicts of interests, the appropriate authority should after due deliberations decide on its impact.
- iii.** The necessary compliances under Companies Act 2013 and the Listing Regulations must be undertaken before entering into such transactions.

B. Disclosure Standards

The Company shall make full, fair and accurate disclosures in the periodic reports required to be filed with Government and Regulatory agencies. The members of Senior Management of the Company shall initiate all actions deemed necessary for proper dissemination of relevant information to the Board of Directors, Auditors, Regulators and other Statutory Agencies, as may be required by applicable laws, rules and regulations.

C. Applicable Laws

The Directors of the Company and Senior Management must comply with applicable laws, regulations, rules and regulatory orders both in letter and spirit. They should report any inadvertent non-compliance, if detected subsequently, to the concerned authorities.

D. Use of Company's Assets and Resources

Each member of the Board of Directors and the Senior Management has a duty to the Company to disclose its legitimate interests while dealing with the Company's assets and resources. Members of the Board of Directors and Senior Management are prohibited from:

- i.** using corporate property, information or position for personal gain;
- ii.** soliciting, demanding, accepting or agreeing to accept anything of value from any person while dealing with the Company's assets and resources;
- iii.** 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.

E. Confidentiality and Fair Dealings

Company's Confidential Information

- i.** The Company's confidential information is a valuable asset. It includes all trade related information, trade secrets, confidential and privileged information, customer information, employee related information, strategies, administration, research in connection with the Company and commercial, legal, scientific, technical data that are either provided to or made available to each member of the Board of Directors and the Senior Management by the Company either in paper form or electronic media to facilitate their work or that they are able to know or obtain access by virtue of their position with the Company. All confidential information must be used for Company's business purposes only.
- ii.** This responsibility includes the safeguarding, securing and proper disposal of confidential information in accordance with the Company's policy on maintaining and managing records. This obligation extends to confidential information of third parties, which the Company has rightfully received under non-disclosure agreements.
- iii.** To further the Company's business, confidential information may have to be disclosed to potential business partners. Such disclosure should be made after considering its potential benefits and risks. Care should be taken to divulge the most sensitive information, only after the said potential business partner has signed a confidentiality agreement with the Company.
- iv.** 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.

Other Confidential Information

The Company has many kinds of business relationships with many companies and individuals. Sometimes, they will volunteer confidential information about their products or business plans to induce the Company to enter into a business relationship. At other times, the Company may request that a third party provide confidential information to permit the Company to evaluate a potential business relationship with that party. Therefore, special care must be taken by the Board of Directors and members of the Senior Management to handle the confidential information of others responsibly. Such confidential information should be handled in accordance with the agreements with such third parties.

The Company requires that every Director and the member of Senior Management, General Managers should be fully compliant with the laws, statutes, rules and regulations that have the objective of preventing unlawful gains of any nature whatsoever.

Directors and the members of Senior Management shall not accept any offer, payment, promise to pay, or authorization to pay any money, gift, or anything of value from customers, suppliers, shareholders/ stakeholders, etc., that is perceived as intended, directly or indirectly, to influence any business decision, any act or failure to act, any commission of fraud, or opportunity for the commission of any fraud.

ADDITIONAL GUIDELINES FOR INDEPENDENT DIRECTORS

- (a) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
- (b) 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.
- (c) Strive to attend all meetings of the Board and the committees thereof of which they are members.
- (d) Participate constructively and actively in the committees of the Board.
- (e) Strive to attend the general meetings of the Company.
- (f) 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.
- (g) Keep themselves well informed about the Company and the external environment in which it operates.
- (h) Not to unfairly obstruct the functioning of an otherwise proper Board or committee thereof.
- (i) 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.

- (j) 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.
- (k) Report concerns about unethical behavior, actual or suspected fraud or violation of the company's code of conduct or ethics policy.
- (l) Act within their authority, assist in protecting the legitimate interests of the Company, shareholders and its employees.
- (m) 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.
- (n) Subject to the provisions of the Act to act in accordance with the Articles of Association of the Company.
- (o) To 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.
- (p) To exercise their duties with due and reasonable care, skill and diligence and exercise independent judgment.
- (q) Not to involve themselves 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.
- (r) Not to achieve or attempt to achieve any undue gain or advantage either to themselves or to their relatives, partners, or associates.
- (s) Not to assign their office.

CORPORATE DISCLOSURE POLICY:

It is the Company's policy to ensure continuous, timely and adequate disclosure of Company's information. The Company is committed to full, fair, accurate, timely and understandable disclosure in reports and documents it files with or submits to the regulatory authorities and in other public communications. The Directors and Senior Management Team shall follow the Company's Code of Conduct for regulating monitoring and reporting of trading by insiders and for fair disclosure of unpublished price sensitive information.

The Directors and the Senior Management team shall provide annual affirmation to the Company that they comply with the code of conduct of board of directors and senior management every year by 7th April.

Declaration signed by the chief executive officer stating that the members of board of directors and senior management personnel have affirmed compliance with the code of conduct of board of directors and senior management shall form part of the Directors' Report.

IV. Good corporate governance practices

Each member of the Board of Directors and Senior Management of the Company should adhere to the following so as to ensure compliance with good Corporate Governance practices.

Do's

Attend Board meetings regularly and participate in the deliberations and discussions effectively.

Study the Board papers thoroughly and enquire about follow up reports on definite time schedule.

Involve actively in the matter of formulation of general policies.

Be familiar with the broad objectives of the Company and the policies laid down by the Government and the various laws and legislations.

Ensure confidentiality of the Company's agenda papers, notes and Minutes.

Don'ts

Do not participate in the day to day functioning of the Company. (This stipulation does not apply to the Chief Executive Officer, the Managing Directors / Whole time Directors / Managers and the Senior Management.) Do not reveal any information relating to any constituent of the Company to anyone.

Do not display the logo / distinctive design of the Company on their personal visiting cards / letter heads. Do not sponsor any proposal relating to loans, investments, buildings or sites for Company's premises, enlistment or empanelment of contractors, architects, auditors, doctors, lawyers and other professionals etc.

Do not do anything, which will interfere with and / or be subversive of maintenance of discipline, good conduct and integrity of the staff.

Do not buy or sell or suggest to anyone else buy or sell the securities of any company, either directly or through family members or other persons or entities, while you are aware of inside information about the company.

V. Waivers

Any waiver of any provision of this Code of Conduct for a member of the Company's Board of

Directors or a member of the Senior Management must be approved in writing by the Board of Directors of the Company.

The matters covered in this Code of Conduct are of the utmost importance to the Company, its stakeholders and its business partners, and are essential to the Company's ability to conduct its business in accordance with its value system.

VI. Review of Code

The Code shall be reviewed annually or at earlier intervals, if necessary. Consequent upon any changes in regulatory guidelines, such change shall be deemed to be a part of the Code until the Code is reviewed and approved next time.