



A handwritten signature in black ink, appearing to be 'S. S.', located to the left of the company name.

**MUTHOOT HOUSING FINANCE COMPANY LIMITED  
(MHFCL)**

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT**

Prepared by: Secretarial Department

Recommended by:  
WTD

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## INTRODUCTION

MHFCL is following the RBI's mandated Code of Conduct and Ethics Policy for our Board Members and Senior Management. Our Board leads in establishing a robust risk management culture, with Senior Management ensuring its implementation. This policy promotes professional and responsible behaviour, provides necessary risk management and ethics training, and ensures structured operations free from unethical disruptions.

## SCOPE OF THE POLICY

1. **Mandate:** The Code of Conduct or Ethics Policy for Board Members and Senior Management is mandated by the RBI under Clause 4.2 of the Guidance Note on Operational Risk Management and Operational Resilience, dated April 30, 2024.
2. **Leadership in Risk Management:** According to Principle 1 of the guideline, the RBI emphasizes that the Board of Directors should lead in establishing a strong risk management culture, implemented by Senior Management. This involves creating a corporate culture guided by robust risk management, setting standards and incentives for professional and responsible behaviour, and ensuring that staff receives appropriate risk management and ethics training.
3. **Objective:** The RBI underscores the importance of this Code to ensure proper and structured operations within the company, avoiding any behavioural or unethical disruptions.

## DEFINITIONS & INTERPRETATIONS

1. **Board Members:** Directors on the Board of Directors of the Company.
2. **Company:** Muthoot Housing Finance Company Limited.
3. **Directors:** Include Whole-Time Directors, Part-Time Directors, Nominee Directors, and Independent Directors.
4. **Senior Management Personnel:** Members of the Company's core management team, excluding the Board of Directors. This includes all management members one level below the Whole-Time Directors, and all functional heads who report directly to a Whole-Time Director and or Chief Executive Officer.

## APPLICABILITY

This Code establishes a robust framework for the ethical conduct of Board Members and Senior Management. It ensures that these standards are implemented effectively under the supervisory authority of MHFCL, in accordance with the guidelines issued by the RBI.

## PURPOSE OF THE POLICY

1. **Strengthening Governance:** The purpose of this Code is to enhance integrity, ethics, and transparency in MHFCL's governance, boosting the trust and confidence that shareholders and stakeholders place in our Management.
2. **Business Practices:** This Code outlines acceptable business practices and prohibits conflicts of interest or improper financial services provision, whether intentional or negligent, ensuring all actions align with the highest standards of integrity and ethical conduct.
3. **Commitment to Compliance:** Directors and Senior Management Personnel of MHFCL must thoroughly familiarize themselves with this Code, understanding, upholding, and complying with its provisions and standards in their daily operations.

## GUIDELINES FOR CODE OF CONDUCT

1. **Act in Good Faith:** Directors and Senior Management Personnel act in good faith, prioritizing the Company's interests in their decision-making processes.
2. **Compliance of Regulations:** They comply with all applicable laws, regulations, and corporate policies, always acting with honesty and integrity, significantly influencing the company's culture.
3. **Professional Integrity:** Their conduct reflects the highest standards of integrity, honesty, fairness, and accountability, both professionally and personally, avoiding unfair advantages.
4. **Accountability:** They are accountable for their decisions and actions, ensuring decisions are made with thorough consideration in the Company's and stakeholders' best interests.
5. **Company's Property:** They use the Company's assets and resources solely for legitimate business purposes, acting as trustees for the Company's property/assets.
6. **Fair Treatment:** They ensure fair and equitable treatment for all employees, stakeholders, and business partners, avoiding favouritism.
7. **Confidentiality:** They maintain the confidentiality of entrusted information, only disclosing it within authorized circles and not using it for personal gain.
8. **Corporate Business Opportunities:** They do not exploit corporate business opportunities for personal gain unless fully disclosed and rejected by the Board.

9. Diligent Performance: They devote adequate time and energy to their duties, acting cooperatively and respectfully towards colleagues.
10. Gifts, Donations, and Payments: They do not accept or offer illegal payments or gifts intended to secure business advantages but may accept nominal gifts for special occasions.
11. Safety: They prioritize the safety and health of all employees, ensuring safe working conditions.
12. Avoidance of Insider Trading: They do not benefit from non-public or insider information about the Company.
13. Reporting Misconduct: They are encouraged to report misconduct, unethical behaviour, or policy violations, with the Company providing confidential reporting channels.
14. Anti-Bribery and Corruption: They avoid any form of bribery or corruption, not offering or accepting improper benefits.
15. Training and Awareness: They participate in regular training on the Code of Conduct and stay informed about updates or changes.
16. Enforcement and Disciplinary Actions: Violations may result in disciplinary actions, including termination, and they are expected to cooperate with investigations.

### CONFLICT OF INTEREST

1. Avoiding Conflicts: Directors and Senior Management must avoid activities, businesses, or relationships that conflict with the Company's interests. Transactions with relatives or firms where they or their relatives play significant roles should be avoided. If unavoidable, such transactions must be fully disclosed to the Board.
2. Disclosure of Interests: Directors must promptly disclose any interests in other companies or bodies corporate at the time of their appointment and whenever there is a change, in compliance with applicable laws.
3. Disclosure of Relationships: Personnel must disclose relationships with individuals, firms, or bodies corporate that could affect their independent judgment while performing their duties and responsibilities.
4. No Conflicts or Incompatibilities: Personnel must ensure that their personal interests, whether financial or otherwise, do not conflict with their impartial fulfilment of duties. Specific situations to avoid include:
  - Accepting gifts or hospitality with the expectation of return favours.
  - Additional employment that hinders their role performance.

- Decisions regarding the employment or promotion of relatives or friends.
- Promoting or soliciting clients for their private business.

### SUPERVISORY AUTHORITY

The implementation of this policy is under the supervision of the Senior Ethics Committee or Board Level Committee, as determined by the Board of MHFCL.

### DISCLOSURE

This Code shall be disclosed publicly on the MHFCL website .

### DECLARATION

1. Annual Affirmation: Members of the Board and Senior Management shall affirm their compliance with the Code annually. They will sign a confirmation as per the format in **Annexure I**.
2. Additional Declaration: Additionally, Board Members and Senior Management Personnel will affirm or declare their compliance with the Code annually using the form in **Annexure II**.

## Annexure - I

### **Affirmation by Director/ Senior Management with Code of Conduct**

As a Director/Senior Management, I, \_\_\_\_\_, hereby acknowledge that I have received and read the Code of Conduct for Directors and Senior Management Personnel. I have understood the provisions contained in this Code and I agree to comply with this Code in true spirit.

I understand and agree that as a Director/ Senior Management, it is my responsibility to promote the applicability of the Code of Conduct.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Date: \_\_\_\_\_

## Annexure – II

### DECLARATION

Dear Sir/ madam

As a Director/Senior Management, I, \_\_\_\_\_, do hereby solemnly affirm that to the best of my knowledge and belief, I have fully complied with the provisions of the Code of Conduct for Directors and Senior Management Personnel during the financial year ending 31st March \_\_\_\_\_.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Designation: \_\_\_\_\_

Place: \_\_\_\_\_

Date: \_\_\_\_\_

1. Kindly sign and return this declaration on or before April 15, \_\_\_\_\_.
2. This declaration shall be valid for the financial year \_\_\_\_\_.



## ABBREVIATION

Sr. No.	Abbreviation	Full form.
1	MHFCL	Muthoot Housing Finance Company Limited
2	RBI	Reserve Bank of India
3	RE	Regulated Entity
4	HR	Human resources

## REVIEW OF THE POLICY

The Policy is subjected to review at least once a year, by the management and modifications, if any warranted, will be taken up for the approval of the Board. If there are any amendments in the regulations, revision in the policy will be staged for Board's approval immediately, after the amendments are notified by the regulator.

REVISION / CHANGE HISTORY		
Author	Version	Date of approval by the Board
Secretarial Department	1.0	