



Motilal Oswal Financial Services Limited Code of Conduct for Directors and Senior Management (“Code”)

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VERSION DETAILS

Sr. No.	Details of Changes	Date of Creation/Change	Department	Author	Version Number	Approved By
1.	Original Document	17/02/2007	Corporate Secretarial	Samrat Sanyal	Ver. 1.0	Board of Directors
2.	Changes due to amendments in the regulatory provisions.	19/07/2014	Corporate Secretarial	Samrat Sanyal	Ver. 1.1	Board of Directors
3.	Changes due to amendments in the regulatory provisions.	16/01/2019	Corporate Secretarial	Kailash Purohit	Ver. 1.2	Board of Directors
4	Change in Definition of Senior Management	31/03/2019	Corporate Secretarial	Kailash Purohit	Ver. 1.3	Board of Directors

1. INTRODUCTION

A Code of Conduct guides us with a set of principles that reflect the Company's values and established standards governing the employees' ethical behavior. It clearly conveys to each of us that the manner in which we achieve our business results matter, just as much as achieving them.

As per the provisions of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time) (hereinafter referred to as Listing Regulations), all listed companies have to evolve and implement a 'Code of Conduct' for all members of the Board and Senior Management to ensure best board practices, transparent disclosures and shareholder empowerment which are necessary for creating shareholder value.

The Company has accordingly laid down this Code of Conduct for Directors and Senior Management ("Code").

This Code is framed to comply with provisions of Listing Regulations. Wherever there is any variation between the provisions of the Code and the provisions of the Listing Regulations, as amended, the provisions of the Listing Regulations would prevail over the provisions of the Code.

The purpose of this Code is to ensure better Corporate Governance, effective control and ensure transparency in Company's management, in the best interests of the shareholders of the Company. As a member of the Company, it is important that you read, understand and fully comply with our Code. It is your responsibility to bring to the attention of your manager any situation you have reason to believe is in conflict with our Code. MOFSL's reputation is entrusted to each of us.

2. DEFINITIONS

1. "Company" denotes Motilal Oswal Financial Services Limited.
2. "Board Member" denotes every Director of the Company as may be appointed from time to time.
3. "Senior Management" includes officers/personnel of the Company who are members of its core management team excluding Board of Directors and shall comprise of all members of management one level below the Chief Executive Officer/Managing Director/Whole time Director and shall specifically include Company Secretary and Chief Financial Officer.

Note for the above definition: Members of management one level below shall mean Business Head(s) and Functional Heads reporting to Managing Director(s).

4. The term "Relative" wherever appears, shall have the same meaning as defined in Section 2(77) of the Companies Act, 2013 and rules made thereunder.
5. The term "Whole Time Director" shall be the Directors on the Board of Directors of the Company who are in whole time employment of the Company.

6. The term “Non-Executive Director” shall be the Directors on the Board of Directors of the Company who are not in whole time employment of the Company.
7. The term “Conflict of Interest” means where the interests or benefits of one person or entity conflict with the interests or benefits of the Company.
8. The term “Independent Directors” wherever appears, shall have the same meaning as defined in Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the Listing Regulations.

3. SCOPE

The Code shall be applicable to all Executive, Non-Executive and Independent Directors, and Senior Management as defined in the code.

The Code shall be posted on the website of the Company.

The Code for Board Members and Senior Management of the Company includes the following:

HONEST AND ETHICAL CONDUCT:

Each Board Member and Senior Management shall observe the highest standards of personnel and professional integrity, honesty and ethical conduct which is free from fraud and deception and which he or she is expected to reflect while working on the Company’s premises or working for company’s business anywhere else including company’s sponsored business and social events and/or other place(s) where the Board Member or Senior Management is representing the Company.

In addition to above, Board members should also ensure the following:

- i) Make reasonable efforts to attend Board and Committee meetings regularly.
- ii) Dedicate time, energy and attention to the business affairs of the Company and decisions relating thereto, to ensure diligent performance of his duties.
- iii) Seek to comply with all applicable laws, regulations, confidentiality, and obligations in the best interest of the company.
- iv) Shall not commit any offences involving moral turpitude or any act contrary to law or opposed to public policy.

CONFLICT OF INTEREST:

Each Board Member and/or Senior Management is expected to avoid clash of his or her personal interest with the interest of the Company or his or her ability to perform his or her duties and responsibilities for the well-being of the Company.

DISCLOSURES:

- To inform the Company immediately about emergence of any situation that may disqualify him/her from Directorship.
- Not to hold any office or place of profit in the Company by himself or by his/her relatives without full disclosure of information in connection therewith.
- Not to make investment in any customer, supplier or competitor of the Company such that it may compromise on his/her responsibilities to the Company and any such investment would be with prior and full disclosure of the Company.
- To make full disclosures regarding all related party transactions.

CONFIDENTIAL INFORMATION:

Any information concerning the Company's business, its customers, suppliers, etc. which is not in the public domain and to which the directors or officers has access or possesses such information must be considered confidential and held in confidence unless authorized to do so and when disclosure is required, as a matter of law and shall not be used by him or her for his or her personal gain or advantage.

STATUTORY COMPLIANCE:

While carrying out the duties and responsibilities, the Board Member and/or Senior Management of the Company should endeavour to ensure that all the applicable rules and regulations are complied with so as to avoid any harm to the interest of the Company. In addition, if any Board Member or Senior Management of the Company becomes aware of any information that he or she believes and constitutes evidence of any material violation of any law, rules and regulations applicable to the Company for the operation of its business, then such Board Member or Senior Management should immediately bring such information to the attention of the Managing Director of the Company.

CORPORATE OPPORTUNITY:

Directors and officers should not exploit for their own personal gain, opportunities that are discovered through the use of corporate property, information or possession unless the opportunity is disclosed fully in writing to the Company's Board of Directors and the Board of Directors decline to pursue such opportunities.

PROTECTION OF ASSETS:

Protecting the Company's assets is the key responsibility of every employee. Care should be taken to ensure that assets are not misused, misappropriated, loaned to others, or sold or donated, without appropriate authorization.

HEALTH, SAFETY AND ENVIRONMENT:

The Company shall strive to provide a safe and healthy working environment and comply, in the conduct of its business affairs, with all regulations regarding the preservation of the environment of the territory it operates in.

4. GUIDELINES OF PROFESSIONAL CONDUCT OF INDEPENDENT DIRECTORS

An independent director shall:

1. Uphold ethical standards of integrity and probity.
2. Act objectively and constructively while exercising his duties.
3. Exercise his responsibilities in a bona fide manner in the interest of the Company.
4. Devote sufficient time and attention to his professional obligations for informed and balanced decision making.
5. Not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount interest of the Company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making.
6. Not abuse his position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person.
7. Refrain from any action that would lead to loss of his independence.
8. Where circumstances arise which make an Independent Director lose his independence the Independent Director must immediately inform the Board accordingly.
9. Assist the Company in implementing the best Corporate Governance practices.

ROLE AND RESPONSIBILITIES OF INDEPENDENT DIRECTORS:

A. The Independent Directors will be collectively responsible for meeting the objectives of the Board which include:

- Requirements under the Companies Act, 2013,
- Responsibilities of the Board" as outlined in the Corporate Governance requirements as prescribed in Regulation 4(2)(f) of the Listing Regulations.
- Accountability under the Director's Responsibility Statement,
- Overseeing the maintenance of high standards of 'Motilal Oswal' values and ethical conduct of business,
- Overseeing the Company's contribution to enhancing the quality of life of communities,
- Reviewing the Motilal Oswal Business Excellence Model findings and monitoring the action plan,
- Protecting and enhancing the 'Motilal Oswal' brand

B. In addition to the aforementioned responsibilities, the Independent Directors are expected to adhere to the following responsibilities:-

- Shall act in accordance with the Company's Articles of Association as may be amended from time to time
- Shall 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 interest of the Company.
- Shall not achieve or attempt to achieve any undue gain or advantage either to yourself or to your relatives, partners or associates.
- Shall not involve yourself in a situation in which you may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company. Please refer to clause 7 for full explanation on conflict of interest.
- Shall not assign your office as Director and any assignments so made shall be void.
- Shall discharge your duties with due and reasonable care, skill and diligence.

DUTIES OF INDEPENDENT DIRECTORS:

The Independent Directors shall –

1. Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company.
2. 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.
3. Strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member.
4. Participate constructively and actively in the committees of the Board in which they are chairpersons or members.
5. Strive to attend the general meetings of the Company.
6. 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.
7. Keep themselves well informed about the Company and the external environment in which it operates.
8. Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board.
9. 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.
10. 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.
11. Report concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code or ethics policy.
12. Acting within his authority, assist in protecting the legitimate interests of the Company, shareholders and its employees

13. 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.

5. ANNUAL COMPLIANCE REPORTING

This Code applicable to Board Members and Senior Management of the Company sets forth guidelines for their conduct who shall affirm compliance with the aforesaid Code on annual basis and will annually sign a confirmation that they have read and complied with this Code and a declaration to this effect shall be given in the Annual Report of the Company to be signed by the Chief Executive Officer/Managing Director of the Company. The Board shall determine appropriate actions to be taken in the event of violations of the Code.

6. REVIEW/REVISION OF CODE

If at any point a conflict of interpretation / information between the Code and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities (“Regulatory Provisions”) arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Code shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or its Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Code.