

Code of Conduct

Version Control

| Date | Approved by | Summary of Changes |
|------------|--------------------|--|
| 26-06-2020 | Board of Directors | <ul style="list-style-type: none">• Companies Act, 1956 replaced with Companies Act, 2013• Addition made under Financial Reporting and Records• Personal and Workplace Conduct added |

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CODE OF CONDUCT

Preamble

1. Northern Arc Group (Northern Arc Capital Limited and its subsidiaries) is committed to its mission of providing efficient and reliable access to debt Group for the financially excluded. In pursuit of its mission, Northern Arc Group follows a core set of values and belief including but not limited to the following:
 - Adherence to ethical norms and professional standards in all dealings with investors, employees, customers, suppliers, financial institutions and government.
 - Treating people with respect and fairness; providing opportunities to learn, contributing and advancing; recognizing and rewarding initiative, innovativeness and creativity.
 - Maintaining an organizational climate conducive to trust, open communication and team spirit.
 - Managing business environment effectively for harnessing opportunities to grow in a manner that is consistent with its values and beliefs.
2. Northern Arc Group's management practices and business conduct shall follow the highest standards and shall be in accordance with the laws of the land.
3. Towards this end, this Code of Conduct ("Code") proposes to set out the standards of conduct expected from representatives and employees of Northern Arc Group (such representative and employees are hereinafter referred to as "Employees").

Regulatory Compliance

4. Employees of Northern Arc Group, in their business conduct, shall comply with all applicable laws, regulations, internal policies and this Code, in letter and spirit. If the ethical and professional standards of applicable laws and regulations are below that of internal policies and this Code, then the standards of the internal policies and this Code shall prevail. In case of any doubt related to compliance with the law or standards (including those contained in internal policies or this Code), Employees are required to approach Northern Arc Group's Chief Legal Counsel for clarification.
5. Directors of Northern Arc Group ("Directors") shall comply with applicable laws and regulations applicable to their directorships.

Equal Opportunities Employer

6. Employees shall discharge their responsibilities without regard to the race, caste, religion, colour, ancestry, marital status, gender, sexual orientation, age, nationality, ethnic origin or disability of the people they work with or meet in the course of their employment.
7. Employees shall promote diversity and equality in the workplace, as well as compliance with all local labour laws, while encouraging the adoption of international best practices.
8. Employees of Northern Arc Group shall treat everyone, including their colleagues, with dignity and in accordance with the policy of maintaining a work environment free of all forms of harassment, whether physical, verbal or psychological. Employee policies and practices shall be administered in a manner consistent with applicable laws, the provisions of this Code, respect for the right to privacy and the right to be heard. Professional merit, including compliance with this Code and all other policies, shall guide all decision-making, including in all performance management.

Safety and Work Environment

9. Northern Arc Group shall provide a healthy and safe work environment for its Employees. Northern Arc Group shall not discriminate against any employee infected with HIV / AIDS or any other diseases or infection as long as it does not pose a threat to co-workers, with regard to promotions, training, and other privileges, and no employee shall discriminate a colleague on such basis.

Any act by a third party (i.e. other than an Employee), which would have been a violation of this Code had it been committed by an Employee, must immediately be brought to the notice of the Chief Executive Officer of the respective company or the Chief Legal Counsel.

10. Failure to comply with the Sexual Harassment Policy of Northern Arc Group shall be deemed to be a violation of this Code.
11. Employees shall prevent the wasteful use of resources and shall strive for economic, social and environmental sustainability.

Public Representation of Northern Arc Group

12. Employees shall honour the information requirements of the public and its stakeholders. In all its public appearances, with respect to disclosing company and business information to public constituencies and stakeholders such as the media, the financial community, employees, shareholders, agents, investors, clients, exchanges, regulators, brokers, rating agencies and arrangers, Northern Arc Group shall be represented only by the Chief Executive Officer or such other person(s) as may be designated by the Chief Executive Officer, subject to such restrictions as the Chief Executive Officer deems fit. No other employee is entitled to publicly represent Northern Arc Group.
13. Non-public interaction with third parties by employees in the course of their work must also strictly comply with the Code and other policies.

Ethical Conduct

14. Every Employee of Northern Arc Group, including full-time directors and the Chief Executive Officer, shall deal on behalf of Northern Arc Group with professionalism, honesty and integrity, while conforming to high ethical standards. Such conduct shall be fair and transparent. In case of any doubt about the ethical implications of a given situation, employees are required to approach the Chief Legal Counsel for clarification.
15. Every employee of Northern Arc Group shall preserve the human rights of every individual and stakeholder (including persons covered by the mission) and shall strive to honour all professional commitments.

Financial Reporting and Records

16. Employees entrusted with preparation and maintenance of accounts shall do so fairly and accurately and in accordance with the accounting and financial reporting standards which represent the generally accepted guidelines, principles, standards (including Indian Accounting Standards), laws (including laws relating to money laundering) and regulations that apply.
17. Internal accounting and audit procedures shall reflect, fairly and accurately, all of the Group's business transactions and disposition of assets and shall have internal controls to provide assurance to the Group's board and shareholders that the transactions are accurate and legitimate. All required information shall be made available to company auditors, other parties authorised by the Chief Executive Officer and government agencies acting under the authority of law.

18. Employees shall not in any circumstances be involved in the origination of an unauthenticated market related news or a rumour. Employees shall not circulate any news or rumour to existing or prospective investors or to the representatives of the Northern Arc Group.
19. Any wilful, material misrepresentation of and / or misinformation on the financial accounts and reports, by any employee, shall be regarded as a violation of the Code, apart from inviting appropriate civil or criminal action under the relevant laws. No Employee shall make, authorise, abet or collude in an improper payment, unlawful commission or bribing.

Gifts and Donations

20. Northern Arc Group and Employees shall neither receive nor offer or make, directly or indirectly, any illegal payments, remuneration, gifts, donations or comparable benefits that are intended, or perceived, to obtain uncompetitive favours for the conduct of its business.
21. However, Employees may, with full disclosure, accept and offer nominal gifts, provided, such gifts are customarily given or are of a commemorative nature and the value of such gift does not exceed Rs.2,500/-. However, alcohol, cash, gold and financial instruments shall not be accepted as gifts. Northern Arc Group may also devise specific additional rules and regulations on gifts and entertainment, to be used for the guidance of its Employees.

Third Party Representation

22. Employees shall not authorise third parties to represent Northern Arc Group without the written permission of the Chief Executive Officer or in terms of a power of attorney duly executed by Northern Arc Group.
23. An employee shall not disclose information belonging to Northern Arc Group, its investors or its clients to any third parties except in the circumstances and in the manner approved by relevant policies or by the Chief Executive Officer.

Use of the Northern Arc Brand

24. The use of the “Northern Arc” name and trademark or the name or trademark of any entity or organisation, shall be governed by the instructions, if any, of the copyright

holder. Employees using any such name or trademark must familiarise themselves with the relevant instructions.

Political Non-Alignment

25. In the course of their official duties Employees shall be committed to and support the constitution and governance systems of all jurisdictions in which Northern Arc Group conducts/may conduct any business.
26. Northern Arc Group shall not support any specific political party or candidate for political office. However, nothing contained herein shall restrict the right of Employees to do so in their personal capacity. Employees must be aware that involvement with political parties, activities and candidates may, in some cases, result in a conflict of interest between the political position of the Employee and Northern Arc Group's mission. Where there is a potential for conflict of interest, the Employee must disclose this to Northern Arc Group.

Group Policies

27. Northern Arc Group may recommend to its Board of Directors the adoption of policies and guidelines periodically or appropriate modifications thereof. Further, the Chief Executive Officer may, from time to time, issue specific policies for specific conduct and such policies must be placed before the board within 3 months of issuance and such policies and guidelines shall be binding on Employees.

Concurrent Employment

28. Employees shall not, unless otherwise expressly permitted by an applicable policy or in writing by the Chief Executive Officer, accept employment or a position of responsibility (such as a consultant or a director) with any other company, nor provide freelance services to anyone, with or without remuneration.

Conflict of Interest

29. An Employee of Northern Arc Group shall always act in the interest of the Company, and ensure that any business, professional association, personal association or activity of such Employee does not involve a conflict of interest with the operations of the Group and their role therein.
30. a) The above shall not apply to (whether for remuneration or otherwise):

- i. Memberships / positions of responsibility in educational / professional bodies, wherein such association will benefit the Employee / Northern Arc Group.
 - ii. Nominations / memberships in government committees / bodies or organisations.
 - iii. Exceptional circumstances, as determined by the competent authority.
 - b) Competent authority, in the case of all other employees, shall be the Chief Executive Officer, who in turn shall report such exceptional cases, if any, to the Board of Directors on a quarterly basis.
 - c) A conflict of interest, actual or potential, may arise where, directly or indirectly when:
 - i. An Employee of Northern Arc Group personally engages in a business, relationship or activity with anyone who is party to a transaction with any group entity.
 - ii. An Employee or to any of his / her relatives (use of the term “relative” in this Code shall have the meaning ascribed to it in Section 2(77) the Companies Act, 2013) is in a position to derive any benefit (other than benefit arising to such employee directly out of employment with Northern Arc Group in accordance with the other policies of Northern Arc Group) by making or influencing decisions in the course of employment with Northern Arc Group relating to any transaction.
31. An indicative list of actual or potential conflicts are listed in the Information Arbitrage and Conflict of Interest Policy which all Employees of Northern Arc Group are urged to read and follow carefully.
32. Employees are obliged to take reasonable steps to identify if they (by themselves or through their relatives) are subject to any actual or potential conflict of interest. Adequate and full disclosure of all actual or potential conflict of interest shall be made by Employees to the Information Officer or the Chief Legal Counsel in accordance with the Conflict of Interest Policy and the matter shall be dealt with as specified in that policy.
33. If an Employee fails to make the required disclosure and the Chief Executive Officer otherwise becomes aware of an instance of conflict of interest that ought to have been disclosed by the Employee, suitable disciplinary action may be taken against such Employee.

Securities Transactions and Confidential Information

34. a) An Employee and the relatives of such Employee shall not derive any benefit or permit others to derive any benefit (other than benefit arising directly out of employment with Northern Arc Group in accordance with the other policies of Northern Arc Group), from access to and possession of information about the Company or Group or its clients that is not in the public domain and, thus, constitutes unpublished insider information (whether price-sensitive or not).
- b) Such insider information might include (without limitation) the following:
- Acquisition and divestiture of businesses or business units;
 - Financial information such as profits, earnings and dividends;
 - Announcement of new product introductions or developments;
 - Asset revaluations;
 - Investment decisions / plans;
 - Restructuring plans;
 - Borrowings and finance.
35. An Employee of Northern Arc Group shall also respect and observe the confidentiality of information pertaining to other companies, their patents, intellectual property rights, trademarks and inventions.

Protecting Company Assets

36. The assets of Northern Arc Group shall not be misused. They shall be employed primarily and judiciously for the purpose of conducting the business for which they are duly authorised. These include tangible assets such as equipment, systems, facilities, materials and resources, as well as intangible assets such as information technology and systems, proprietary information, intellectual property, and relationships with customers and stakeholders. All Employees shall comply with the Document Preservation and Retention Policy and the IT Policy in force from time to time.

Public Affairs

37. The involvement of an Employee or Chief Executive Officer in public affairs shall be with express approval from the Chief Executive Officer or Board of Directors respectively, subject to such involvement having no adverse impact on the business affairs of the Northern Arc Group.

Integrity of data furnished

38. Every Employee shall ensure, at all times, the integrity of data or information furnished by them to the Company or to any person in the course of his employment. The Employee shall take reasonable steps to ensure the accuracy of such information and shall be entirely responsible in ensuring that the confidentiality of all data is maintained and in no circumstance is such data transferred to any outside person/party other than as permitted by policy or with the approval of the Chief Executive Officer.

Reporting concerns

39. Every Employee is obliged to promptly report to the Chief Executive Officer or the Chief Legal Counsel when they become aware of any actual or possible violation of the Code or an event of misconduct, act of misdemeanour or any act not in the Group's interest. Such reporting shall be made for activities of lenders, clients and investors as well.
40. Any Employee can choose to make a protected & confidential disclosure, preferably in writing, at protected.disclosure@northernarc.com in relation to matters concerning the Company. The Vigil Mechanism and Whistle-blower Policy of Northern Arc Group provides a mechanism for its Employees to raise concerns. For more details, refer to the procedure for reporting and dealing with disclosures under the Vigil Mechanism and Whistle-blower Policy of the Northern Arc Group.
41. The Group shall ensure protection of the whistle-blower and any attempts to intimidate such whistle-blowers in relation to such whistleblowing shall be treated as a serious violation of the Code. It may be noted that a frivolous protected & confidential disclosure may itself be a violation of this Code.

Personal and Workplace Conduct

42. While recognizing the importance of healthy inter-personal relationships at the workplace, Northern Arc is also committed to ensuring that certain kinds of inter-personal relationships among our employees do not interfere with the work environment we endeavour to foster.
43. Accordingly, any personal relationship between employees of the Group that gives rise to a situation of conflict of interest (whether actual, potential or perceived) shall be strictly prohibited.
44. For the purpose of this Code, the following personal relationships shall be deemed to give rise to a conflict of interest and shall be strictly prohibited:

- a. a personal relationship between two employees who are professionally in a supervisory or reporting relationship;
- b. a personal relationship between two employees, one of whom is otherwise in a professional position to determine or affect the compensation, promotion or benefits that the other employee is eligible for;
- c. any other personal relationship that gives rise to a situation of conflict with the professional responsibilities of the employee(s).

It is further clarified that a personal relationship shall include a relationship that is of a spousal, familial or sexual nature.

Investigation and Disciplinary Procedure

45. Breach of other applicable policies may be construed as breach of this Code, depending on the facts of the case. Action taken under this Code may be in addition to the action, if any, taken under other policies. Compliance with this Code does not exonerate an employee from compliance with any other Policy and vice versa.
46. Any investigation and disciplinary proceedings relating to a violation of this Code shall be carried out under the directions of the Chief Executive Officer (in consultation with the Chief Legal Counsel on matters relating to procedure to be followed, including the principles of natural justice). In the case of an investigation against the Chief Executive Officer, the investigation shall be carried out under the directions of the Board. In the case of an investigation against the Chief Legal Counsel, the Chief Executive Officer may refer matters relating to procedure to external legal counsel approved by the Board.

Note:

The Code does not provide a full, comprehensive and complete explanation of all the rules that employees are bound to follow. Employees have a continuing obligation to familiarise themselves with all applicable laws, company policies, procedures and work rules.

This version of the Code is effective from 26th June 2020.