

CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT OF LIC HOUSING FINANCE LIMITED ('THE COMPANY')

1. PREAMBLE

- 1.1 "The Code of Conduct for Directors and Senior Management ("the Code")" of the Company envisages that the Board of Directors and Senior Management must act within the bounds of the authority conferred upon them and with a duty to make and keep themselves informed about the development in the industry in which the Company is involved and the legal requirements to be fulfilled.
- 1.2 The Code is intended to maintain the high standards of transparency, business conduct ethics, corporate culture and the values The Code is also to act as a deterrent from unethical doings and to promote ethical values and is the manifestation of the Company's commitment to successful operation of the Company's business in the best interest of the shareholders, creditors, employees and other business associates.
- 1.3 The principles embodied in this Code lay down broad standards of compliance and ethics, as required by Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (hereinafter referred to as the "Listing Regulations") with the Stock Exchanges where securities of the Company are listed. They are general in nature.

2. DEFINITIONS & INTERPRETATION

- 2.1 Unless repugnant to the meaning or context thereof, the following expressions, wherever used in this Code, shall have the meaning assigned to them below:

"**Board**" shall mean the Board of Directors of the Company.

"**Directors**" shall mean directors on the Board,

"**Company**" shall LIC Housing Finance Limited.

"**Compliance Officer**" shall mean the Company Secretary of the Company.

"**Relative**" shall mean 'relative' as defined in Section 2(77) of the Companies Act, 2013 read with Rule 4 of the Companies (Specification of Definition Details) Rules, 2014 as reproduced in Annexure-A hereto.

"**Senior Management Personnel**" shall mean personnel of the Company who are members of its core management team (excluding Directors) and who occupy the position of General Manager, Regional Manager, Deputy Regional Manager, Chief Manager / Business Head (head of various functions in the Company), Key Managerial Personnel (i.e. all members of management one level below the executive directors, including all functional heads).

- 2.2 In this Code, words importing masculine shall include feminine and words importing singular shall include plural or *vice versa*.

3. APPLICABILITY

The Code is applicable to the Directors and Senior Management Personnel of the Company. The Directors and Senior Management Personnel are expected to read and understand this code, uphold these standards in their day-to-day activities, and comply with all applicable laws, rules and regulations and all applicable policies and procedures adopted by the Company. The Senior Management Personnel should also review other applicable policies and procedures of the Company for specific instructions and guidelines, which are to be read in conjunction with this Code.

This revised Code shall come into effect from 05/03/019.

4. CONDUCT SPECIFICATIONS

4.1 Honesty & Integrity

- a) All Directors and Senior Management Personnel shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All Directors and Senior Management Personnel 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 and the shareholders.
- b) All Directors and Senior Management Personnel shall discharge their duties in the best interests of the Company and fulfill their fiduciary obligations.
- c) Directors and Senior Management Personnel should be able to commit themselves effectively to their responsibilities.
- d) Directors and Senior Management Personnel shall not engage in activities that are dishonest or lacking in integrity such as, inter alia, the following:
 - i) Issuing untrue, misleading, deceptive or fraudulent statements regarding the Company's products and services;
 - ii) Adoption of illegal means for increasing profit / market share;
 - iii) Indulging in bribery.

4.2 Financial reporting and records

- a) The Company shall prepare and maintain its financial statements fairly and accurately in accordance with the applicable laws and accounting standards.
- b) Internal accounting and audit procedures shall fairly and accurately reflect all of the Company's business transactions and disposition of assets. All required information shall be accessible to Company's auditors and other authorized parties.
- c) Any willful material misrepresentation of and/ or misinformation on the financial accounts and reports shall be regarded as a violation of the Code.
- d) Failure by the concerned persons to comply with clause 4.2 of the Code shall be deemed to be a violation of the Code and would be subject to appropriate action by the Board in terms of clause 10 of this Code.

4.3 Conflict of Interest

Directors on the board of the company and senior management shall not engage in any business, relationship or activity, which may be in conflict of interest of the COMPANY or the group.

Conflicts can arise in many situations. It is not possible to cover every possible conflict situation and at times, it will not be easy to distinguish between proper and improper activity. Set forth, are some of the common circumstances that may lead to a conflict of interest, actual or potential;-

- a) Directors and senior management should not engage in any activity/employment that interferes with the performance or responsibility to the company or is otherwise in conflict with or prejudicial to the company.
- b) Directors and senior management and their immediate families should not invest in a company, customer, supplier, developer or competitor and generally refrain from investments that compromise their responsibility to the company.
- c) Directors should avoid conducting company business with a relative or with a firm / company in which a relative / related party is associated in any significant role.

If such related party transaction is unavoidable, it must be fully disclosed to the board or to the Compliance Officer of the company.

- d) Directors and senior management should refrain from entering into any agreement for himself or on behalf of any other person, with any shareholder or third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company unless prior approval for the same is obtained from Board of Directors and shareholders by way of ordinary resolution.

If any such agreement entered, subsists or has expired, during the preceding three years from the date of notification of SEBI (Listing Obligations and Disclosure Requirements) (Third Amendment) Regulations, 2016, dated 04/01/2017, the same shall be disclosed to the stock exchanges.

- e) The Directors and Senior Management Personnel should facilitate the Independent Directors to perform their role effectively as a Board member and also a member of a committee

Conflict of interest would be deemed to exist in the following circumstances:

- (i) Financial interest of the person or his Relatives, including the holding of an investment to an extent of 2% or more in the subscribed share capital of any company or share to an extent of 2% or more in any firm which is an actual or potential competitor, joint venture or other alliance partner, or a material supplier, customer, distributor or other person having a material business relationship with the Company.
- (ii) The person conducting business on behalf of the Company, or being in a position to influence a decision with regard to the Company's business with a supplier or customer of which his or her Relative is a principal officer or representative, resulting in a benefit to him/her or his/her Relative.
- (iii) Award of benefits such as increase in salary or other remuneration, posting, promotion or recruitment of a Relative of the person, where such an individual is in a position to influence the decision with regard to such benefits.
- (iv) Acceptance of gifts, donations, hospitality and/or entertainment beyond the customary level from existing or potential suppliers, customers or other third parties which have business dealings with the Company.

- (v) Acceptance by Director(s)/ Senior Management Personnel of any directorship/ assignment in a company or organization that competes with or is a potential competitor of the Company.
- f) If a proposed transaction or situation raises any question or doubts to any Director/ Senior Management Personnel, such Director/ Senior Management Personnel should consult the Compliance Officer.

Other Directorships

It is a conflict of interest to serve as a Director of any company that competes with the Company. The Directors are expected not to associate themselves with any competitor of LIC Housing Finance Limited.

However, nominee directors appointed by institutions which have invested in or lent to the Company, may act / continue to act as directors of other companies where they have been / may be nominated by such institutions.

4.4 Role & Duties of Directors

The Directors of the Company shall endeavour to comply with the provisions of Sections 166 and 203 and other applicable provisions of the Companies Act, 2013 and Rules made there under.

4.5 Compliance with Laws Rules & Regulations

- a) Directors and Senior Management Personnel are required to comply with all applicable laws, rules and regulations, both in letter and spirit. In order to assist the Company in promoting lawful and ethical behaviour. Directors and Senior Management Personnel must inform the Compliance Officer any possible violation of law, rules, regulation of this Code.
- b) Whilst carrying out duties, ensure compliance of legal/ regulatory requirements as applicable to the business of the Company and endeavour that before any directions are given or decisions are taken, relevant legal / regulatory requirements are taken into account.
- c) Whilst carrying out duties, ensure that it is executed in terms of the authorisations granted and/ or within limits prescribed under the relevant policies, codes, rules, guidelines and other directives issued by the Board of Directors, from time to time.
- d) If any Director becomes aware of any information that may be perceived to be violating any legal / regulatory requirement as applicable to the business of the Company, which may subject the Company, its Directors and/ or its officers to litigation / prosecution, such director shall forthwith bring the same to the notice of the Chairman of the Company. In case of Members of Senior Management, the same should be brought to the Notice of the Managing Director & CEO or Compliance Officer in absence of Managing Director & CEO.
- e) If any Director becomes aware of any suspected or actual instances of fraud, misconduct or irregularity or failure of internal control system of a material nature, such director shall forthwith bring the same to the notice of the Chairman of the Company. In case of Members of Senior Management, the same should be

brought to the Notice of the Managing Director & CEO or Compliance Officer in absence of Managing Director & CEO.

- f) Every independent director shall, at the first meeting of the board in which he participates as a director and thereafter at the first meeting of the board in every financial year or whenever there is any change in the circumstances which may affect his or her status as an independent director, submit a declaration that he or she meets the criteria of independence as provided in the Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and that he or she is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence.

The Board of Directors shall take on record the declaration and confirmation submitted by the independent director as per sub-regulation (8) of Regulation 25 vide Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 dated 09/05/2018 after undertaking due assessment of the veracity of the same.

- g) The directors of the Company shall comply with the following conditions with respect to the maximum number of directorships, including any alternate directorships that can be held by them at any point of time -

(1) A person shall not be a director in more than eight listed entities with effect from April 1, 2019 and in not more than seven listed entities with effect from April 1, 2020:

Provided that a person shall not serve as an independent director in more than seven listed entities.

(2) Notwithstanding the above, any person who is serving as a whole time director / managing director in any listed entity shall serve as an independent director in not more than three listed entities.

For the purpose of this sub-regulation, the count for the number of listed entities on which a person is a director / independent director shall be only those whose equity shares are listed on a stock exchange.

4.6 Related Party Disclosures

The Directors and the Senior Management Personnel shall make disclosure to the Company with respect to any transaction with the Company in which such person is interested and in respect of which a conflict of interest can arise between the Company and the person concerned including the name of the related party and the nature of relationship.

4.7 Transparency and Confidentiality of Information

The Directors and Senior Management Personnel should conduct themselves so as to meet the expectations of operational transparency to stakeholders while at the same time maintaining confidentiality of information in order to foster a culture for good decision- making.

- a) "Confidential information" includes all information of the Company not authorized by the management of the Company for public dissemination. This includes information on trade, trade secrets, confidential and privileged information regarding customers, employees, information relating to mergers and acquisitions, stock splits and divestiture, non-public information about discussions and deliberations relating to business issues and decisions, between and among employees, officers and Directors in formal meeting or otherwise and should include all information in respect of the Company, which is not available in the public domain at that point of time. Any information concerning the Company's business, its customers, suppliers etc., which is not in public domain and to which Directors and Senior Management Personnel have access or which is possessed by them by virtue of their position / status in the Company must be considered confidential information.
- b) All confidential information must be held in confidence, unless (i) authorized by the Board or otherwise permissible in accordance with this Code; or (ii) the same is part of the public domain at the time of disclosure; or (iii) is required to be disclosed in accordance with applicable laws.
- c) The Directors and Senior Management Personnel shall ensure that confidential information is not disclosed inadvertently or otherwise except in compliance with this Code.
- d) Any disclosure shall at all times be in compliance with the Company's Corporate Disclosure Policy.

4.8 Insider Trading

- a) Directors and Senior Management Personnel should not derive benefit or assist others to derive benefit by giving investment advice from the access to and possession of information about the Company, not in public domain and therefore constitutes insider information.
- b) All Directors and Senior Management Personnel should comply with 'Code of Conduct for Prevention of Insider Trading in Shares of the Company' circulated by the Company and all insider-trading guidelines issued by the Securities and Exchange Board of India (SEBI).

4.9 Conduct at workplace

- a) Every Director and Senior Management Personnel shall conduct in a professional manner and treat others with respect, fairness and dignity.
- b) The Company does not approve of any discrimination in employment based on colour, race, religion, caste or gender. It is committed to providing a work environment that is fair and non-discriminatory.

- c) As a good corporate citizen, the Company is committed to a gender friendly workplace. This is in order to enhance equal opportunities for men and women, to prevent /stop / redress sexual harassment of women at the workplace and to promote good employment practices.
- d) The Company prohibits the consumption of cigarettes, alcohol, banned illegal drugs and tobacco related products in other forms, by its employees during business hours and within its office premises.
- e) To produce full, fair, accurate, timely and understandable disclosures in reports and other declarations that are required to be filed by the Company with statutory/ regulatory authorities and/ or forming part of the disclosures required to be made in the ordinary course of its business.
- f) Shall conduct oneself in accordance with acceptable norms of behaviour that may be prevalent in the society, city, state or country, where the office of the Company is situated.
- g) Not to indulge in nepotism or favouritism and maintain a working environment which is fair and non-discriminatory. Personal beliefs of individuals are respected and that Company specifically disassociates itself from any activity, which challenges its commitment to cultural diversity and equal opportunities.

5. Gifts & Donations

No director and senior management personnel of the company shall receive or offer, directly or indirectly, any gifts, donations, remuneration, hospitality, illegal payments and comparable benefits which are intended (or perceived to be intended) to obtain business (or uncompetitive) favours or decisions for the conduct of business. The Company regards the giving and receiving of gifts, complimentaries, favours or entertainment as inherently compromising unless they are of reasonable value (i.e. not extravagant) under the circumstances. This means they must have a valid business purpose; are appropriate as to time, place and kind; are infrequent in occurrence; do not influence or give the appearance of influencing the recipient; and are not likely to be viewed as a bribe, kickback or payoff. However, gifts of money shall never be accepted or given.

6. Protection of Assets

Every Director and Member of Senior Management shall: -

- 6.1 Ensure that facilities / amenities provided to him/her by the Company are used with proper care and diligence and that he / she endeavours to return possession thereof on his / her resignation, termination or retirement from the services of the Company.
- 6.2 Ensure that in view of the competitive environment, proprietary information and trade secrets belonging to the Company, including any information concerning pricing, products and services, internal systems, trademarks, copyrights and designs that are being developed, shall be held in strict confidence and utmost care shall be exercised to avoid inadvertent access and/ or its inappropriate disclosure. Such information shall be deemed to be the intellectual property of the Company and shall be used in the manner as required or mandated as a part of the duties assigned and not for personal gain.

6.3 Ensure that confidentiality is maintained with regard to personal information relating to customers, depositors, shareholders and creditors of the Company and that the same is used/ transmitted in accordance with the policies framed by the Company and communicated only if required under applicable laws/ regulations.

6.4 Observe confidentiality of information pertaining to other companies, their finances, strategies, corporate actions, licenses, intellectual properties and inventions and strictly observe the practice of non-disclosure, as may be directed by them, from time to time, save as otherwise mandated under any applicable law, for the time being in force.

Such confidentiality shall be maintained by every Director or Member of Senior Management for a period of six months from the date of his / her resignation or retirement or earlier termination of services with the Company, as the case may be.

7. Term of Office of Non-Executive Director

Person shall be eligible for the office of Non-Executive Director for a term upto five consecutive years on the Board of the Company. However, the Board may take informed decision to consider such person, who has completed term of office of five consecutive years to be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report. Notwithstanding the above, no Non-Executive Director shall hold office for more than two consecutive terms of five years each.

8. AFFIRMATION OF THE CODE

8.1 All Directors and Senior Management Personnel should sign the acknowledgment form annexed as Annexure- B hereto and return the form to the Compliance Officer indicating that they have received, read and understood and agree to comply with this Code.

8.2 All Directors and Senior Management Personnel shall affirm compliance with this Code on an annual basis, within 30 days of close of every financial year to the Compliance Officer, in the form annexed hereto as Annexure-C hereto. The Company's Annual Report shall contain a declaration to this effect signed by the Managing Director & CEO.

9. COMPLIANCE OFFICER

The Company Secretary shall act as compliance officer for the purpose of this Code, who shall be available to Directors and Senior Management Personnel to help them to comply with this code.

10. VIOLATION OF CODE

It shall be the duty of Directors and Senior Management Personnel to help the enforcement of this Code and any breach if communicated / noticed is to be reported to the Board. In case of breach of this Code by Directors and Senior Management Personnel, the same shall be considered by the Board for initiating appropriate action including disciplinary action such as termination of employment, suspension and/ or penalty, as deemed necessary.

11. Compliance with the Code

This Code does not specifically address every potential form of unacceptable conduct and it is expected that the Directors/ Senior Management Personnel will

exercise good judgment in compliance with the principles set out in this Code. The Directors and the Senior Management Personnel have a duty to avoid any circumstances that would violate the letter or spirit of this Code.

In case of any doubt as to the course of action to be taken, it may be considered as to whether the action would be legal, ethical and whether it would cause a negative perception of the Company.

12. AMENDMENT

The provisions of this Code can be amended/ modified by the Board from time to time and all such amendments/ modifications shall take effect from the date stated therein. All Directors and Senior Management Personnel shall be duly informed of such amendments and modifications.

13. WEBSITE

Pursuant to Regulation 46 of the Listing Regulations, this Code and any amendments thereto shall be posted on the website of the Company i.e. www.lichousing.com.

ANNEXURE- A

MEANING OF "RELATIVE"

Extract of Section 2(77) of the Companies Act, 2013 and Rule 4 of the Companies (Specification of Definition) Rules, 2014.

Section 2(77):

“Relative” with reference to any person, means anyone who is related to another if -

- (i) they are members of a Hindu undivided family;
- (ii) they are husband and wife;
- (iii) one person is related to the other in such manners as may be prescribed.

Rule 4:

A person shall be deemed to be the relative of another, if he or she is related to another in the following manner, namely:

(1) Father:

Provided that the term “Father” includes step-father.

(2) Mother

Provided that the term “Mother” includes step-mother.

(3) Son:

Provided that the term “Son” includes step-son.

(4) Son’s wife.

(5) Daughter.

(6) Daughter’s husband.

(7) Brother:

Provided that the term “Brother” includes step-brother.

(8) Sister:

Provided that the term “Sister” includes step-sister.

ACKNOWLEDGMENT

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR
MANAGEMENT OF LIC HOUSING FINANCE LIMITED**

ACKNOWLEDGEMENT FORM

I , have received and read the Company's CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT (the 'Code'). I have understood the provisions contained in the Code and I agree to comply with the Code.

Signature :.....

Name :

Designation : Director /GM / RM / DRM / CM

Date :

Place : Mumbai /

DECLARATION

**CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR
MANAGEMENT OF LIC HOUSING FINANCE LIMITED**

To,
The Chairman
The Board of Directors
LIC Housing Finance Limited
Corporate Office,
131 Maker Towers, 13th Floor, 'F' Wing,
Cuffe Parade, Mumbai - 400 005.

Dear Sir,

Sub: Declaration confirming compliance with the Code of Conduct.

I, Mr./Mrs./Ms. _____, _____(designation) do and hereby acknowledge and confirm that during the financial year _____, to the best of my knowledge and belief, I have not violated any of the provisions of the Code of Conduct as applicable to the Executive Director / Non-Executive Director / Non-Executive Independent Director and Members of Senior Management of the Company or any policies or legal / regulatory requirement of the Company, directly or indirectly applicable to my job or responsibility.

Signature:

Name:

Designation:

Place:

Date: