

**RELIANCE CAPITAL LIMITED****CODE OF CONDUCT PURSUANT TO THE REQUIREMENTS OF SECTION 149(8) OF THE COMPANIES ACT, 2013 (HEREINAFTER REFERRED TO AS "THE ACT") READ WITH SCHEDULE IV TO THE ACT AND CLAUSE 49 IN THE LISTING AGREEMENT ENTERED INTO BY THE COMPANY WITH THE STOCK EXCHANGES  
(Board Meeting Dated July 4, 2014)****Applicable to****DIRECTORS AND MEMBERS OF THE SENIOR MANAGEMENT****PREAMBLE**

The Board of Directors (the "Board") and the senior management of Reliance Capital Limited ("Reliance Capital") have, pursuant to the non mandatory requirements of Clause 49 in the listing agreement relating to Corporate Governance subscribed to a Code of Conduct which has been approved by the Board on January 2, 2006.

The Companies Act, 2013 (hereinafter referred to as "the Act") which has become effective from April 1, 2014, *inter alia*, mandates that the Company and its Independent Directors shall abide by the provisions specified in Schedule IV thereto. Schedule IV to the Act, *inter alia*, lays down a code for Independent Directors. It also lays down the role and functions of the Independent Directors apart from incorporating their duties.

Clause 49 of the listing agreement also specifies that the Board shall lay down a Code of Conduct which shall apply to all its members and the Senior Management. It is also necessary as per the said Clause that the Code of Conduct should be posted on the web site of the Company.

All Board Members and Senior Management Personnel shall affirm compliance with the Code on an annual basis and the Annual Report of the Company should contain a declaration to this effect duly signed by the Chief Executive Officer (CEO) of the Company.

Pursuant to the above requirements, the Board of Directors of the Company have, at their Meeting held on July 4, 2014 decided to revise the existing Code of Conduct to incorporate the requirements of the Act and the listing agreement.

This Code of Conduct will supersede the provisions of the earlier Code adopted by the Board on January 2, 2006 and shall apply to all the Directors and to the Members of the Senior Management.

For the purposes of this Code, the term "Senior Management" shall mean personnel of the Company who are members of its core management team excluding the Board of Directors. This comprises of all members of the Management one level below the Executive Directors, if any, including all Functional Heads.

This Code will become effective from July 4, 2014, being the date on which it has been approved by the Board of Directors and shall be subject to such modifications / alterations as considered appropriate by the Board from time to time.

1. This Code is, *inter alia*, a guide for professional conduct by Independent Directors. Adherence to the standards laid down in the Code by Independent Directors and

fulfillment of their responsibilities in a professional and faithful manner will promote, confidence of the investment community, particularly minority shareholders, regulators and companies in the institution of Independent Directors.

2. The guidelines of professional conduct for Independent Directors shall be as under:

An Independent Director shall:

- a. Upload ethical standards of integrity and probity;
- b. Act objectively and constructively while exercising his duties;
- c. Exercise his responsibilities in a *bona fide* manner in the interest of the company;
- d. Devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- e. 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;
- f. Not abuse his position to the detriment of the company or its share holders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- g. Refrain from any action that would lead to loss of his independence;
- h. Where circumstances arise which make an Independent Director lose his independence, the Independent Director must immediately inform the Board immediately; and
- i. Assist the company in implementing the best corporate governance practices.

3. **Duties of Independent Directors**

An Independent Director shall:

- 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 of Directors and of the Board committees of which he is a member;
- d. Participate constructively and actively in the committees of the Board in which they are chairpersons or members;
- 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 them 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 of the Board;
- 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. Acting within his 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.

#### **4. Duties of Directors**

The duties of all Directors including Independent Directors as laid down in Section 166 of the Act shall be as under:

- a. To act in accordance with the Articles of Association of the Company;
- b. 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 the environment;
- c. He shall exercise his duties with due and reasonable care, skill and diligence and shall exercise independent judgment;
- d. He shall not involve in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the Company;
- e. He shall not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates and if such Director is found guilty of making any undue gain, he shall be liable to pay an amount equal to that gain to the Company; and

f. He shall not assign his office and any assignment so made shall be void.

5. **Code of Conduct as applicable to all the Directors and Members of the Senior Management**

The Board of Directors and the Senior Management shall follow the following Code of Conduct.

They shall:

- a. Use due care and diligence in performing their duties of office and in exercising their powers attached to that office;
- b. Act honestly and use their powers of office, in good faith and in the best interests of Reliance Capital as a whole;
- c. Not make improper use of information nor take improper advantage of their position as a Director;
- d. Not allow personal interests to conflict with the interests of Reliance Capital;
- e. Recognize that their primary responsibility is to Reliance Capital shareholders as a whole but they should (where appropriate) have regard for the interests of all stakeholders of Reliance Capital;
- f. Not engage in conduct likely to bring discredit upon Reliance Capital;
- g. Be independent in judgment and actions, and to take all reasonable steps to be satisfied as to the soundness of all decisions taken by the Board of Directors; and
- h. Ensure the confidentiality of information they receive whilst being in office of Director and is only disclosed if authorized by the company, or the person from whom the information is provided, or as required by law.

The above Code has been duly approved by the Board of Directors at their meeting held on July 4, 2014. As and when any changes are called for due to subsequent amendments in the statute or in the listing agreement, these shall be duly incorporated after approval by the Board.

The above Code shall also be posted on the Company's web site for information of the stakeholders of the Company.