

CODE OF CONDUCT FOR THE DIRECTORS AND SENIOR MANAGEMENT

1. INTRODUCTION:

Regulation 17(5) of the SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015 mandates NABARD to lay down a code of conduct for all members of the board of directors and senior management. The code of conduct shall also incorporate the duties of independent directors as laid down in the Companies Act, 2013. This code of conduct ("Code") shall be applicable to the members of the Board of Directors and the senior management. Duties of Independent Directors are also laid down to comply with the listing regulations.

2. DEFINITIONS:

- 1) Directors shall mean the members of the Board of Directors appointed by the Government of India under Section 6 of the NABARD Act, 1981.
- 2) Code of Conduct shall mean this Code of Conduct
- 3) Compliance Officer shall mean the qualified Company Secretary of NABARD designated as the Compliance Officer.
- 4) Senior Management shall mean all the CGMs of Head Office Departments.
- 5) Independent Directors shall mean non-executive directors of NABARD.

3. APPLICABILITY OF THE CODE:

- 1) The Code applies to Directors and Senior Management of NABARD.
- 2) The independent directors of NABARD are subject to certain additional duties as laid down by the Companies Act, 2013.
- 3) The Code has been formulated and approved by the Board, which is required to be strictly observed by the Directors and Senior Management of NABARD for the governance of good corporate practices.
- 4) The Compliance Officer under the SEBI (LODR) Regulations, 2015 shall be the Compliance Officer under the Code, who will be available to answer any questions, provide clarification and shall help ensuring compliance with the Code.

4. CONDUCT:

Every person, to whom this Code is applicable, shall –

- 1) Comply with all applicable laws, regulations, confidentiality obligations and NABARD's policies.
- 2) Conduct the affairs of NABARD and perform his/her duties with due care, diligence, dignity, honesty and integrity and shall conform to the highest morals and ethical standards and at all times, and act in good faith and in the best interest of NABARD.
- 3) Not seek to influence any decision of the Board for any consideration, other than in the interest of NABARD.
- 4) Use such degree of skill and knowledge, as may be reasonably expected from a person with his / her knowledge or experience.
- 5) Act in a cooperative and respectable manner with his / her colleagues.

- 6) Avoid any personal or financial interests while dealing in the affairs of NABARD.
- 7) Not commit any offence, act or omission resulting himself / herself to turn insolvent, or any offence involving moral turpitude.
- 8) Make reasonable efforts to attend Board meetings, meetings of the committees of the Board, where the person is a member.
- 9) Notify about his / her material personal interest & conflict of interest in any matter, and must not vote on any such matter.
- 10) Not make any decision about a matter before attending and participating in the deliberations of the relevant meeting.
- 11) Disclose his/her concern or interest in any company or companies or bodies corporate, firms, or other association of individuals, which shall include the person's shareholding, at the first board meeting in every financial year or whenever there is change in disclosure already made.
- 12) Not participate in the discussions on any subject matter in which any conflict of interest exists or arises, whether pecuniary or otherwise, and in such cases, the same shall be disclosed and recorded in the minutes of the meeting.

5. CONFLICT OF INTEREST:

The Directors and Senior Management shall not engage in any transactions, or engage in any practice directly or indirectly, which may be in conflict with the interest of NABARD or prejudicial to NABARD's interest. Every member of the Board of Directors and all senior management personnel of NABARD are required to make disclosures to the Board of Directors relating to all material, financial and commercial transactions, where they have personal interest, that may have a potential conflict with the interest of NABARD.

6. CONFIDENTIALITY:

Every Director and Senior Management should maintain the confidentiality of information entrusted to him / her by NABARD. NABARD's confidential and proprietary information shall not be inappropriately disclosed or used. The confidential information is to be shared only on 'need to know' basis.

7. COMPLIANCE WITH APPLICABLE LAWS and NABARD's POLICIES:

Every Director and Senior Management shall comply with all applicable laws, rules, regulations and guidelines issued by the Government of India from time to time. Further they shall also comply with various policies, guidelines and codes formulated by NABARD in compliance with the Listing Regulations or otherwise. Senior Management personnel, governed under the NABARD Staff Regulations, shall ensure its compliance.

8. DECLARATION FOR COMPLIANCE WITH THE CODE:

Every Director and Senior Management shall affirm the compliance with the Code on an annual basis and shall sign a confirmation to that effect, as per the format prescribed from time to time.

9. HONESTY & INTEGRITY:

Every Director and Senior Management shall observe the highest standards of ethical conduct and integrity and shall work to the best of their ability and judgment. They shall act in good faith, responsibly, with due care, competence and diligence, without allowing their independent judgment to be subordinated. They shall act in the best interest of NABARD and fulfil their fiduciary obligation.

10. ENFORCEMENT OF CODE OF CONDUCT:

- 1) The Compliance Officer under the SEBI (LODR) Regulations, 2015 shall be the Compliance Officer for the purpose of this Code.
- 2) Each Board Member and Senior Management Personnel shall be accountable for fully complying with this Code.
- 3) NABARD shall ensure confidentiality and protection to any person who has, in good faith, reported a violation or as suspected violation of law or of this Code or other NABARD policies, or against any person who is assisting in any investigation or process with respect to such a violation.

DUTIES OF NON-EXECUTIVE DIRECTORS

The duties of the Non-executive Directors shall be as follows:

- 1) Undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with NABARD;
- 2) Seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts;
- 3) Strive to attend all meetings of the Board of Directors and of the Board committees, they are members whereof;
- 4) Participate constructively and actively in the committees of the Board, in which they are chairpersons or members;
- 5) Where they have concerns about a proposed action, they should ensure that the concerns are addressed by the Board/Committee;
- 6) Keep themselves well informed about the developments taking place in NABARD, and the external environment in which NABARD operates;
- 7) Not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- 8) 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 NABARD;
- 9) Ascertain and ensure that NABARD has adequate and functional vigil mechanism and that the interests of a person, who uses such mechanism, are not prejudicially affected on account of such use;
- 10) Report concerns about unethical behaviour, actual or suspected fraud or violation of NABARD's code of conduct or ethics policy; and
- 11) Acting within his/her authority, assist in protecting the legitimate interests of NABARD, its shareholders and its employees.
- 12) Not to 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.
