

RARE EQUITY PRIVATE LIMITED

Code of Conduct for Board of Directors and Senior Management

A. Background:

Pursuant to Fifth Amendment to the SEBI Listing Regulations, 2015 (“SEBI Listing Regulations”) dated 7 September 2021, certain corporate governance provisions under Chapter IV of the SEBI Listing Regulations have been extended to “High Value Debt” Listed Entities. High Value Debt listed entities are those entities which have listed its non-convertible debt securities and the outstanding value of such non-convertible debt securities is Rupees Five Hundred Crore or more. Accordingly, the Company being one such entity is required to comply with Regulations 17(5) of the SEBI Listing Regulations, 2015.

This regulation requires the Company to adopt a code of conduct for all members of Board of Directors and senior management of the listed entity and the code of conduct shall also suitably incorporate the duties of independent directors as laid down in the Companies Act, 2013.

B. Definitions

“**Board**” or “**Board of Directors**” shall mean the Board of Directors of the Company.

“**Company**” means Rare Equity Private Limited.

“**Compliance Officer**” shall mean the Company Secretary of the Company

“**Listing Regulations**” shall mean SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

“**Senior management**” shall mean personnel of the Company who are members of its core management team excluding Board of Directors and normally this shall comprise all members of management one level below the “chief executive officer/managing director/whole time director/manager (including chief executive officer/manager, in case they are not part of the board) and shall specifically include company secretary and chief financial officer.

C. Applicability of the Code

The Code applies to Directors and Senior Management of the Company.

The independent directors of the Company are subject to certain additional duties as laid down by the Companies Act, 2013 which are set out in Annexure - I of the Code.

The Code has been formulated and approved by the Board and is to be strictly observed by the Directors and Senior Management of the Company for the governance of good corporate practices. Any issue relating to the interpretation of the Code will be handled by the Board. The Company Secretary of the Company is appointed as the Compliance Officer under the Code and will be available to answer any questions, provide clarification and to help in ensuring compliance with the Code.

D. Guidelines for Conduct

Every person to whom the Code is applicable, shall conduct the affairs of the Company and perform his duties with due care, diligence, dignity, honesty and integrity and shall conform to the highest moral and ethical standards and at all time, be loyal to the Company and act in good faith and in the best interest of the Company.

Besides the duties and responsibilities cast upon Directors by applicable laws, articles of association of the Company and provisions of the Code, set out hereinbefore, a Director is also expected to:

- a) use such degree of skill as may be reasonable to expect from a person with his/her knowledge or experience;
- b) not seek to influence any decision of the Board for any consideration other than in the interests of the Company;
- c) make reasonable efforts to attend Board meetings, meetings of the committees of the Board where the Director is a member and general meetings of shareholders, regularly;
- d) inform the chairman of the Board/ committee or the Company Secretary of the Company well in advance in case he is not in a position to attend a Board/ committee meeting and apply for the grant of leave of absence;
- e) dedicate sufficient time, attention and energy to the deliberations at the meetings to ensure diligent performance of their duties;
- f) notify the other Directors about the material personal interest in any matter and must not vote on such matter;
- g) bring an open and independent mind to the Board/ committee meetings and should not make a decision about a matter before attending and participating in the deliberations of the meeting;
- h) treat each other with courtesy and observe the other guidelines set out in the Code;
- i) act in a cooperative and respectable manner with their colleagues;
- j) maintain order and decorum at the meetings and obey the directions given by the Chairman; and
- k) comply with all applicable laws, regulations, confidentiality obligations and Company's policies.

E. Conflict of Interest

The Directors and Senior Management Personnel of the Company should not enter into any transaction or engage in any practice, directly or indirectly, that would tend to influence him/her to act in any manner other than in the best interests of the Company. Every Director and Senior Management Personnel should make a full

disclosure to the Board of any transaction that they reasonably expect, could give rise to actual conflict of interest with the Company and seek Board authorization to pursue such transaction.

F. Honesty, Integrity, Fairness and Accountability

The Directors and senior management are entrusted with the responsibility to oversee and formulate the policies for the management and affairs of the Company. Therefore in the interest of good corporate governance they shall conduct their activities, on behalf of the Company and on their personal behalf, with honesty, integrity and fairness. All of them must act in good faith with honesty and accountability and with due care, competence and diligence.

The Directors and Senior Management shall encourage employees of the Company to report violations of laws, rules, regulations or this Code to the appropriate personnel.

G. Disclosure of Interest

The Directors shall promptly disclose at the time of their appointment and subsequently whenever there is a change, their interest in other companies and body corporates in compliance with applicable laws.

The Directors and Senior Management shall also promptly disclose their relationships with other individuals, firms or body corporate wherever such relationship may affect their independence of judgment while performing their duties and responsibilities towards the Company.

H. Confidentiality

Directors and Senior Management should maintain the confidentiality of information entrusted to them by the Company.

Confidential information includes any information relating to the Company's business, customers, suppliers, employees etc., which is not available in the public domain and to which the Director/Senior Management has access or they possesses such information because of their position in the Company.

I. Miscellaneous

Suspected violations of the Code must be reported to the Chairperson of the Board or the Chairperson of the Audit Committee. All reported violations would be appropriately investigated and action will be taken on the conclusion of the enquiry by the Board which may even include a request to resign as Director or Senior Management of the Company, if permitted by applicable laws and is in the best interest of the Company.

The Board Of Directors of the Company reserves the right to modify and/or amend the Code at any time. The Code and subsequent amendment(s) thereto, shall be published on the website of the Company.

Annexure – I

Duties of Independent Directors

The duties of the Independent Director as laid down in Schedule IV to the Companies Act, 2013 are as follows:

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 behaviour, actual or suspected fraud or violation of the company's code of conduct or ethics policy;
12. act within their 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.