SMFG India Credit Company Limited

Code of Conduct for Directors, Senior Management, Key Managerial Personnel and Employees of the Company

Code of Conduct for Directors, Senior Management, Key Managerial Personnel and Employees of the Company

1 Purpose and Objective

SMFG India Credit Company Limited ("the Company") is a High Value Debt Listed Entity (HVDLE). It is expected that all representatives of the Company would act in accordance with highest standards of personal and professional integrity in all aspects of their activities and shall endeavor to comply with all applicable laws, rules, regulations Policies and Codes formulated by the Company.

This part of the Corporate Governance Framework (Code of Conduct) is applicable and binding upon all Representatives. The Code of Conduct provides guidance for professional conduct on critical issues in all professional dealings. This Code of Conduct is applicable in conjunction with the employment policies and any other specific policies and laws that are applicable to particular business unit. It is the Representative's responsibility to familiarize themselves with these policies and any supplemental policies and laws applicable to their business unit(s). The Company expects its Representatives to be compliant with this Code of Conduct as set forth and, in a manner, consistent with the highest standards of ethics and governance. Failure to observe this Code of Conduct, will result in disciplinary action, including but not limited to immediate termination of employment or other relationship with the Company. Wherever violations of this Code also result in violations of the applicable law/s it may result in Civil or Criminal penalties for the Representative/s.

This Code of Conduct neither constitutes nor should be construed to constitute a contract of employment for a definite term or a guarantee of continued employment.

Any reference in this Code of Conduct with regards to reporting, declaration, informing, obtaining prior consent, notifying, disclosing, seeking approvals and any other relevant declaration shall be made by Representatives in writing to designated authorities under this Code of Conduct.

2 Scope, Applicability and Exception

This Code of Conduct shall be applicable and binding on all Representatives as defined above, as may be amended, from time to time.

3 Definition

Term used	Definition
Advisors and /or Retainers	Any individual who is engaged with the company through contractual arrangement for his/her professional advice & expertise, services, through a fixed term contractual arrangement either in exclusivity or otherwise and whose contracts includes clauses on applicability of this Code either in full or part.

Term used	Definition
Code	Code of conduct for directors, senior management, key managerial personnel and employees of the Company.
Conflict of Interest	While the Code does not attempt, and indeed it would not be possible, to describe all conceivable conflicts of interest that could develop, the following are some examples of situations which may constitute conflicts of interest: i. Working, in any capacity, for a competitor, customer, supplier or other third party while employed by the Company. ii. Competing with the Company for the purchase or sale of property, products, services or other interests. iii. Directing business to a supplier owned or managed by, or which employs, a relative or friend. iv. Receiving loans or guarantees of obligations as a result of one's position as a Director. v. Accepting bribes, kickbacks or any other improper payments for services relating to the conduct of the business of the Company. vi. Accepting, or having a relative(s) accept a gift from persons or entities that deal with the Company, where the gift is being made in order to influence the Director's actions as a Member of the Board, or where acceptance of a gift could otherwise reasonably create the appearance of a conflict of interest.
Directors	All directors i.e., Whole time directors in employment (executive directors), Non- executive directors, including independent directors appointed by the Board, under the relevant provisions of the Companies Act, 2013, the relevant Rules made thereunder, the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (SEBI LODR/Listing Regulation) and the Directions/ Guidelines issued by the RBI, in this regard, from time to time (including any statutory amendment(s), variation(s) or modification(s) in respect thereof and for the time being in force).
Employee	means every person who is in direct employment relationship either on full time or part-time basis, for a fixed term or on a temporary basis with the Company and being paid remuneration, including the Directors, Key Managerial Personnel and Senior Management Personnel (as defined herein below) of the Company.
Relatives	Relatives includes the following: • Members of Hindu Undivided Family (HUF) • Spouse • Father • Mother (including step-mother) • Son (including step-son) • Son's Wife • Daughter • Daughter's Husband • Brother (including step-brother) • Sister (including step-sister)

Term used	Definition
Key Management Personnel ("KMP")	shall mean personnel of company who are appointed in terms of Section 2 (51) of the Companies Act, 2013 as stated below and any other applicable statute relating to appointment of Key Management Personnel. i. the Chief Executive Officer (CEO)or the managing director (MD) or the manager; ii. the company secretary (CS); iii. the whole-time director (WTD); iv. the Chief Financial Officer (CFO); v. such other officer, not more than one level below the Directors who is in whole-time employment, designated as key managerial personnel by the Board; and vi. such other officer as may be prescribed under the Companies Act, 2013
Listing Regulations	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, from time to time and applicable to the Company, (including any statutory amendment(s), variation(s) or modification(s) in respect thereof, for the time being in force).
Representative(s)	shall mean all Directors, Employees, Trainees, Retainers, Advisors and such other associates, by whatever name called, who is engaged by the Company, to further the business interest of the Company, in terms of an agreement, and/ or under a statute or otherwise.
Senior Management Personnel ("SMP")	Shall mean officers/personnel of the company who are members of its core management team excluding Board of Directors and shall comprise all the members of management one level below the Chief Executive Officer/Managing Director/Whole Time Director/ Manager of the Company, and shall specifically include functional heads by whatever name called and persons identified and designated as key managerial personnel, other than the board of directors of the Company
Trainee	Shall mean any person who has been directly engaged by the Company to undergo training in a specific area and for a specified period, in terms of an agreement/ contract, under a statute or otherwise.

4 Policy Principles

4.1 Workplace responsibilities

4.1.1 Ethics

All Representatives shall:

i. Act with dignity, integrity and competence when dealing with the public, business associates, colleagues and the Company;

ii. Practice and encourage others to practice in a professional and ethical manner that will reflect credit on their profession and the Company;

iii. Use reasonable care and exercise independent professional judgment in work; and behave responsibly in conducting oneself in public so that there is no damage to the reputation of the Company.

4.1.2 Compliance with Applicable Laws, Rules and Regulations

All Representatives shall maintain knowledge about and comply with all applicable laws, rules and regulations (including with regard to their employment and the Company's internal policies, codes, rules and regulations) which are relevant for their activities.

Whenever any Representative suspects any other Representative(s) to be planning or engaging in ongoing illegal or unethical activities, such Representative(s) should forthwith, take the following action:

i. If such Representative has reasonable grounds to believe that the ongoing activities are illegal or unethical, the Representative should first dissociate himself/ herself from such activities and promptly inform his Department Head or to the Head of Business Human Resource ("HR") or to the Chief Human Resources Officer ("CHRO") of the Company.

ii. For the purpose of this clause:

a. With respect to the Chief Executive Officer and Managing Director ("CEO & MD"), reference to the Department Head would mean the Non-Executive Chairman.
b. With respect to Non-Executive Directors of the Company (including Independent Directors), reference to Department Head would mean the Non-Executive Chairman and/or the CEO & MD.
c. With respect to the Non-Executive Chairman, reference to the Department Head would mean the Chairperson of the Nomination and Remuneration Committee and/ or the CEO & MD.

Any inaction or continuing association with those involved in such illegal or unethical conduct may be construed as participation, or assistance, or connivance, in the illegal or unethical conduct, as the case may be.

If any Representative is found to have violated any of the provisions of this Code of Conduct, his/her violation shall be construed as misconduct under the employment or engagement terms.

4.1.3 Legal Proceedings

All legal proceedings (including initial notices of legal proceedings and formal demands/complaints) must be referred immediately to the Department Head or to the Business HR Head, who should in turn shall promptly refer it to Legal /Compliance Unit Head or of the Company, for further action.

It is Company's policy to co-operate fully with law enforcement agencies and other statutory/ regulatory authorities, during the course of any inquiry, investigation or other legal proceeding. To ensure our response is complete and accurate, all records or other information required to the said agencies/ authorities must be subject to prior review and clearance of the concerned Department Head and the Head – Legal of the Company.

All Representatives shall co-operate fully with the Company and render such assistance as may be required by the Company and/ or the agencies/ authorities, as the case may be, in relation to the above.

4.1.4 Protecting the Company's Interest

All Representatives shall unconditionally protect the business interest of the Company, by refraining from any conduct that would damage the Company's goodwill and/or reputation, deprive it of profit and/ or business opportunity, or deprive it of the advantage of his/ her skills and ability.
Representative(s) shall refrain from undertaking any of the following activities, including but not limited to:

i. Misappropriation of cash of the Company or that of its customers, including but not limited, through digital platforms;
ii. Misappropriation or misuse of data, information and other intellectual assets of the Company, its customers, vendors, promoters, joint ventures, associated and of any other person(s), with whom the Company had/ has legitimate business association and the access of which was granted in the ordinary course of business, for legitimate business purpose and as a result of one's position/ association in/ with the Company;
iii. Indulging in insider trading and other unfair trade practices relating to securities market;
iv. Self-dealing (appropriating for one's own interest a business opportunity, advantage etc. belonging to the Company and/ or its group or associate companies);
v. Abusing information technology systems and networks for personal gain and/ or detrimental to the interest of the Company and/ or its customers, vendors, promoters, joint ventures, associated and of any other person(s), with whom the Company had/ has legitimate business association and the access of which was granted in the ordinary course of business, for legitimate business purpose and as a result of one's position/ association in/ with the Company;
vi. Abusing amenities provided by the Company for personal gain.
vii. Engaging in social media activities, in a manner detrimental to the interest of the Company from a reputation and regulatory perspective
viii. Engaging in activities for monetary benefit and/ or which in the opinion of the Company is likely to impede the ability to discharge one's duties, for and on behalf of the Company.

4.1.5 Discrimination and Harassment

i. The Company values a work environment where diversity is embraced, and different views, if any, are valued and respected.

ii. Discrimination, whether based on a person's race, gender, color, creed or religion, national origin, citizenship, age, disability, marital status, ancestry or socioeconomic status, is prohibited.

iii. Harassment against individuals includes any form of unsolicited, unwelcome, or offensive verbal, physical, visual, or sexual behavior that affects a Representatives ability to perform his/her job, affects his/her tangible job benefits and/or creates a threatening work environment.

iv. All Representatives are prohibited from using Company's systems to transmit or receive electronic images or text of a sexual nature or containing ethnic slurs, racial epithets or any other material which is of a harassing, offensive or lewd nature.
v. If you believe that you are subjected to any form of discrimination or harassment, or if you observe such behavior, you are encouraged to report such instance(s), to your Department Head or to the Business HR Head.

vi. The Company will promptly investigate all allegations of harassment or discrimination and will take appropriate corrective action to the fullest extent permitted by local law. Retaliation against individuals for raising claims of harassment or discrimination is prohibited and will entitle the Company to initiate penal action against the violating Representative in the manner and to the extent, as the Company may deem appropriate.

4.1.6 Conflict of Interest – Family Interests

i. Conflict of Interest may exist in a situation wherein a relative of a Representative, is employed in the same Company.
ii. If a question arises about whether a relationship is covered by this Code of Conduct, the HR department is responsible for determining whether an acknowledged relationship is covered under the Code and their decision in this regard shall be final and binding on the concerned Representative.

iii. For employment and engagement of relatives, it is important to ensure that there is no conflict of interest in discharging one's responsibilities and that the performance evaluation and review process is professional, fair and transparent and requires that related Representative does not report to one another or are in roles that have conflicting interests. In addition, Representatives should not have financial responsibility over relatives' scope of work.
iv. If any situation of conflict arises, the Company in its sole and absolute discretion reassign the immediate relative to another role.

v. The Representative shall be duty bound to declare any relative(s) employed in the Company in the application/declaration form irrespective of whether they are working as employees, or are on contract or are with any service providers whether reporting to the Representative or not but can have/lead to potential conflict of interest, while remaining engaged as a Representative of the company.

4.1.7 Safety at Workplace

i. The safety of people at workplace is a primary concern of the Company. Each Representative must comply with all applicable health and safety policies.

ii. The Company maintains compliance with all applicable laws and internal guidelines have been developed to help maintain secure and healthy work surroundings. Questions about these guidelines should be directed to the Enterprise Service Management ("ESM") team or to HR Team.

4.1.8 Abuse of Supervisory Authority

i. Supervisors must not abuse their position of authority to coerce or force their subordinates or junior staff to engage in any unethical or prohibited activities.

4.1.9 No intimidation or harassment by employees interacting with customers

i. Employees interacting with customers for recovery of dues shall not:
a. Resort to intimidation or harassment of any kind against customers or their relatives, referees and friends, in debt collection efforts;
b. Send inappropriate messages either on mobile or through social media, making threatening and/ or anonymous calls, repeatedly calling the customers;

c. Call the customers before 8:00 a.m. and after 7:00 p.m. for recovery of overdue loans, making false and misleading representations, etc.;
d. Shall adhere to the Company's Recovery Code of Conduct;

ii. Employees interacting with customers for selling/marketing of Company's product shall:
a. Adhere to the Company's Direct Selling Agent (DSA) Code of Conduct;
b. Ensure good practice and act diligently, courteous and friendly in dealing with customers;
c. Ensure conveying the correct terms and conditions of the loan products on offer by the Company to the customers;
d. Visit personally or call the customers must normally be limited to between 09:30 a.m and 07:00 p.m. and maintain privacy of customer's information;
e. Not indulge into any act of forced selling/ mis-selling of products and services to the customer;
f. Adhere to the Company's Fair Practice Code;

The above para shall be read in conjunction with other policies applicable to Employees of the Company while dealing with the customers.

4.2 <u>Privacy/Confidentiality</u>

4.2.1 Safeguarding Classified Company Information

i. Representatives must preserve the confidentiality of classified Company information communicated to them during the ordinary course of their work and for legitimate business purposes of the Company.
ii. Classified Company information should not be divulged to person who is not authorized to receive such information or to any Company's Representative(s) who should not have been granted access to such classified Company information, without prior clearance from the respective Department Head or CHRO, in writing.
iii. Classified Company information can be information relating to the business, employees, other Representatives, customers, investments or any other material / unpublished price sensitive information, which is not in public domain or is not required to be shared with general public or other Representatives without requisite approval of or CFO or 'Media Relations- Central Marketing' department.
iv. Representatives shall not write articles relating to the Company or its business or any other matter related thereto, for publication unless prior permission of the & Media Relations- Central Marketing department of the Company, is obtained in writing.
v. Pursuant to obtaining requisite approval, the Company shall be entitled to mandate Representatives to make qualifying statements in the article(s) written/ published by them, to the effect that the views expressed in the article(s), are personal views and not that of the Company.
vi. Particular care should be exercised to minimize the exposure of consultants and temporary workers to classified Company information. Outside consultants who must have access to information to perform their functions are required to sign agreements to maintain the confidentiality of such information, including but not limited to undertakings/ declarations, under the Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information of the company.
vii. The obligation to protect the confidentiality of Classified Company information of the Company shall continue to be binding from the date of cessation of the relationship between the Representative and the Company or till such information becomes publicly available.
viii. For the purpose of this clause:

a. With respect to the CEO & MD, reference to the Department Head would mean the Non- Executive Chairman.
b. With respect to Non-Executive Directors of the Company (including Independent Directors), reference to Department Head would mean the Non-Executive Chairman and/or the CEO & MD.
c. With respect to the Non-Executive Chairman, reference to the Department Head would mean the Chairperson of the Nomination and Remuneration Committee and/ or the CEO & MD.

4.3 <u>Investments and Outside Activities</u>

4.3.1 Insider Trading

Employees and their Representative shall adhere to the Company's Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information forming part of the Corporate Governance Framework.

4.3.2 Conflict of Interest – Special Relationships with Outside Entities

i. Representatives should declare any beneficial interest they may have in any corporate entity, corporate directorships, trustee positions, or other special relationships that could reasonably be considered a conflict of interest with their responsibilities to HR team at the time of joining or at a time when any such beneficial interest is developed by the Representative during continuation of employment or engagement.

ii. Representatives shall inform and obtain the permission from CEO & MD and CHRO of the Company, before accepting or holding any outside directorship or trusteeship.

iii. An employee or KMP or Senior Management or Director cannot enter into an agreement with any shareholder of the Company for compensation or profit sharing, in connection with dealings in the securities of the Company, without prior approval of the Board or the Shareholders of the Company.

iv. An employee or KMP or director cannot enter into an agreement with any third party for compensation or profit sharing, in connection with dealings in the securities of the Company, without prior approval of the Board or shareholders.

Provided that such agreement, if any, whether subsisting or expired, entered during the preceding three years from the date of coming into force of this sub-regulation, shall be disclosed to the stock exchanges for public dissemination.
Provided further that subsisting agreement, if any, as on the date of coming into force of this sub- regulation shall be placed for approval of the Board at its subsequent meeting.

v. For appointments to professional offices, civic and political activities, prior permission shall also be sought from CEO & MD and CHRO of the Company due to possibility of such appointments or activities impinging significantly on Company time or in any way resulting in a conflict of interest.

vi. A Representative who holds office in a professional association or civic group or engage directly or indirectly in any form of political activity shall make clear to such association, group or activity that he is acting in his personal capacity and not as a Representative of the Company.

vii. Non-Executive Directors would need to inform the CEO & MD/ Non-Executive Chairman of the Company, before accepting any other directorship of any other Company or any other major appointments. Should the CEO & MD/ Non-Executive Chairman have any concern, they will appropriately advise the Board of Directors.

viii. Senior Management shall 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 the Company at large, especially in case of their dealings with relatives or companies, firms, body corporates (entity), wherein the Senior Management and his relative(s), is a Director or Partner or owns more than 2% of the paid up share capital of such entity.

ix. This disclosure shall be made by way of an annual self-declaration, irrespective of whether there is any transaction with such relative or entities, or not. Specimen format of the said declaration is attached herewith and the same shall be placed annually before the Board of Directors, for its noting.

x. Senior Management will be required to annually declare that to the best of his/ her knowledge and belief, no influence was exerted by him/ her, in the matter of awarding or carrying out any transaction, so as to cause any preferential treatment to such entity.

4.3.3 Conflict of Interest – Business Activities outside the Company

i. Notwithstanding provision of clause 4.3.2 Representatives of the Company must not use the Company's resources/ time for his/her business activities outside the Company. In addition, subject to obtaining prior requisite approval for engaging in business activities outside the Company, the concerned Representative shall ensure that his/her work performance is not affected by such activities.

ii. Representative(s) shall obtain prior consent from CHRO of the Company, to engage in any business- related activity outside of the Company, whether the activity is intermittent or continuing, and whether or not compensation is received.

iii. Representative(s) are not required to obtain prior approval for volunteering work done without consideration and/ or for positions held in non-profit organizations. However, it shall be ensured that such personal interests, does not infringe upon his duties/ obligations towards the Company.

iv. No Representative should use name or property of the Company for the purpose of charity or should solicit others on behalf of a charity or voluntary organization except when specifically approved by the CHRO of the Company.

v. It is not mandatory for independent directors to obtain permission from the Chairman or the CEO & MD of the Company with respect to their business activities outside the Company.

vi. However, to accord reasonable opportunity to the Company to evaluate their association in business activities outside the Company and to evaluate their status as an Independent Director, they would keep the Company informed, on any such developments, at their end which they would reasonably presume are likely to create potential conflict of interest with the business of the Company, in the manner and in the format as prescribed under the extant norms.

4.3.4 Conflict of Interest – Outside Compensation

i. Representative(s) shall disclose receipt of outside compensation/benefits to HR Team of the Company, because such arrangement could affect the loyalties and objectivity and create potential conflicts of interest. Such disclosure will allow the Company to consider whether or not such outside compensation/ benefits, are in the business interest of the Company, whist evaluating the actions and motivation of the Representative(s).

ii. Representative(s) should promptly report to HR Team of the Company, in writing, specifying any compensation they have received or likely to receive from rendering services from third parties, in addition to compensation or benefits received from the Company.

iii. This written report should state the terms of any oral or written agreement under which a Representative will receive such compensation, including its nature, amount and duration of such agreement.

iv. This clause shall not apply to Non-Executive Directors.

4.3.5 Conflict of Interest – Obligations of common directors among insurance intermediaries

i. Director(s) common on the Board of Parent and Subsidiary companies ("Common Directors") shall not hold the position of KMP, Principal Officer or CEO in more than one insurance intermediary;

ii. There shall be no business relationship by the common director with other insurance intermediaries other than holding of position of non-executive director;

iii. The common director shall receive compensation (other than sitting fees for attending the board meetings) only from one insurance intermediary;

iv. The common director(s) shall abstain from voting and undertaking discussions in a situation where contracts or arrangements between insurance intermediaries who are related, are proposed;

4.3.6 Conflict of Interest – Obligations of directors and statutory limits on directorships/ membership in committees of the board under aforementioned applicable laws

Category of director	**Restriction on directorships**	**Restriction on memberships in audit and stakeholder relationship committees of the board**	**Obligation of the director**
All directors	Maximum 20 companies at the same time, out of which maximum 10 shall be public companies Maximum seven equity listed entities Maximum three insurance intermediaries	Membership in maximum ten committees Chairpersonship in maximum five committees	Intimating the Company by submission of Form MBP-1, within thirty days of any change in directorship Informing the Company about the committee positions he/she occupies in other listed entities and notify changes as and when they take place, within thirty days of any change in directorship
Independent directors	Maximum seven equity listed entities Maximum three equity listed entities, in case serving as a whole-time director/ CEO & MD in any listed entity Maximum three NBFC- ML* or NBFC-UL#	-	Intimating the Company by submission of Form MBP-1 within thirty days of any change in directorship
Key-Managerial Personnel	Maximum one company except in its subsidiary company at the same time.	-	Obtaining prior permission of the Board of Directors of the Company

*NBFC-ML (middle layer) consists of (a) all deposit taking NBFCs (NBFC-Ds), irrespective of asset size, (b) non-deposit taking NBFCs with asset size of ₹1000 crore and above and (c) NBFCs undertaking the following activities

(i) Standalone Primary Dealers (SPDs), (ii) Infrastructure Debt Fund - Non-Banking Financial Companies (IDF-NBFCs), (iii) Core Investment Companies (CICs), (iv) Housing Finance Companies (HFCs) and (v) Infrastructure Finance Companies (NBFC-IFCs).

#NBFC-UL (upper layer) comprise of those NBFCs which are specifically identified by the RBI as warranting enhanced regulatory requirement based on a set of parameters and scoring methodology as provided by RBI.

4.4 Representing Company and its group companies, to External Constituencies

4.4.1 Media Relations

i. In order to ensure that the Company project a complete picture to the media, the public and our community, it is important that the 'Media Relations- Central Marketing' Department which has the relevant facts, should interact and respond to them.

ii. Promptly redirect all letters, emails, faxes, telephone calls from the media to the 'Media Relations- Central Marketing' Department. In order to ensure accurate flow of information to the media, individual Representative must not interact directly or indirectly, with the Press/TV/Radio/Internet Media.

iii. For any further information & obligations of Representative(s), please refer to the Media Relations Policy of the Company, in this regard.

iv. For the purpose of this clause:

a. With respect to the CEO & MD, reference to the Department Head would mean the Non- Executive Chairman.

b. With respect to Non-Executive Directors of the Company (including Independent Directors), reference to Department Head would mean the Non-Executive Chairman and/or the CEO & MD.

c. With respect to the Non-Executive Chairman, reference to the Department Head would mean the CEO & MD.

v. With respect to Directors of the Company (including Independent Directors), reference to a Department Head would mean Chairman and/or the CEO & MD. Where the reference is to the CEO & MD, the reporting would be made to the Chairman and where reference is to the Chairman, the reporting would be to the Board of Directors of the Company.

4.4.2 Personal Benefits, Gifts and Entertainment

The Company discourages any offer or receipt of personal benefits in the form of gift, money, reward, favours, discounts, concessionary offers or other advantage to or from the person including a Representative which may act as an inducement in conduct of individual Representative for securing preferential treatment or support unethical action specifically where such offer or receipt is illegal and is a breach of trust. Other than the customary gifts that are given or accepted on festive occasions as a practice, all forms of gift cheques or cash, or any other cash equivalent items are specifically prohibited.

Any Representative of the Company or his/her relatives shall not offer, receive or retain any personal benefits from any individual customer or organization who is having business relations or is seeking to do business with the company. Value of any customary gift (other than cash equivalent items) that is offered during festive seasons shall not exceed more than INR 1,000/- (Indian Rupees One Thousand Only) at all times.

If any Representative or member of Representative's relatives receives any personal benefit from any customer or organization which may result in influencing his or her decision, shall as soon as he/she get the knowledge of the same shall report the same to respective HR Team. HR Team then shall advise the Representative whether the benefit may be accepted or to be returned to the donor or disposed of appropriately. Representatives shall send acknowledgement to the donor in case of acceptance of personal benefit. The personal benefits which are not accepted being contrary to the Code of Conduct shall be returned forthwith to the donor with brief explanation preferably on telephone with due courtesy ensuring that no offence is taken by the person/customer.

Notwithstanding above, every Representative should actively discourage any person or organization from offering and also should not offer any kinds of personal benefits including any type of gift, favour, service or anything of monetary value. Any violation of this policy shall be considered as a serious misconduct punishable with appropriate disciplinary action.

4.5 Other Compliance Rules

4.5.1 Anti-Bribery and Anti-Corruption Policy

i. Definitions/ Understanding the terms:

Bribery: The Prevention of Corruption Act, 1988 of India, limits the act of bribery to abetting bribing a public servant or a government employee. The Bribery Act 2010 of UK defines bribery as "giving someone a financial or other advantage to encourage that person to perform their functions or activities improperly or to reward that person for having already done so. So, this could cover seeking to influence a decision-maker by giving extra benefit to that decision maker rather than by what can legitimately be offered"
Based on the above, the policy defines Bribery as offering, promising, giving, accepting or soliciting of an advantage as an inducement or reward to influence an action which is illegal, unethical or a breach of trust.
The procedure for observing the terms and other do's and don'ts of employees have been provided in the 'Anti-Bribery and Anti-Corruption policy'.

4.5.2 Whistle Blower Policy

i. All Representative(s) are required to abide by the Whistle Blower Policy of the Company, which is published by the Company. Representative(s) are obligated to report any suspected statutory violations, Company policy violations, fraudulent or irregular conduct of a Representative or business associate of the Company. Such incidents if not reported would breach trust and endanger the Company's reputation.
ii. The purpose of the Whistle Blower Policy is to address any concern(s) which is raised by a whistle blower about alleged wrongdoing so that it can be properly addressed, and any wrongdoing corrected. The facility provided under whistle blower policy should not be used to address personal grievances.

4.5.3 Affirming Understanding and Observance to the Code of Conduct

i. All new Representative(s) are required to read this Code of Conduct, and will signify their understanding and acceptance of it by acknowledging an undertaking to comply with this Code of Conduct.

4.5.4 Violation of Policy

i. When a violation is discovered and reported by the Representative(s) to the immediate supervisor or Department Head or Business HR Head they shall:

a. Report the matter promptly to Department Head or to the CHRO and Legal General Counsel/ Chief Compliance Officer;
b. CHRO and Legal General Counsel/ Chief Compliance Officer, shall initiate preliminary investigation with appropriate investigation team to determine the scope of the alleged wrongdoing;
c. Increase supervision or impose appropriate sanctions/ limitations on the alleged violator, pending the outcome of the investigation.

ii. If there is merit in the case against the Representative(s) in question, HR team shall investigate the allegations. HR team, shall be responsible for deliberating over the case and recommending the penalties to be imposed if the allegations are proven.

iii. During the investigation, if investigating team deems it necessary, it can recommend to the Head HR to suspend alleged violator, from duties immediately. They can also recommend increased supervision, especially where suspension is deemed unnecessary.

iv. Upon completing the investigation, the investigating team shall submit a report to the Head HR detailing outcome of the investigation and the recommended action(s). The penalties recommended can include disciplinary actions such as warning, suspension of annual increments, application of malus and clawback, transfer of services, termination of service and commencement of legal action against the errant Representative(s), as deemed appropriated and advised.

“Malus”: A malus arrangement shall permit the company to prevent vesting of all or part of the amount of unvested variable pay. Malus arrangement does not reverse vesting after it has already occurred.

“Clawback”: A clawback is a contractual agreement between the employee and the company in which the employee agrees to return previously paid or vested remuneration to the company under certain circumstances of employee misconduct.

Employee Misconduct shall mean any act detrimental to the interest of the organization including and not restricted to violation of company’s Code of Conduct.
In case of breach of established Code of Conduct by a former employee, the company shall evaluate and determine the appropriate quantum and time period for application of malus and/or clawback.

v. Where there is evidence to prove that there has been a breach of applicable laws, rules or regulations as a result of the alleged misconduct of the Representative(s), the appropriate authority shall be responsible for reporting such breaches to the relevant external authorities. This shall be done in consultation with the Legal General Counsel and the Chief Compliance Officer of the Company.

vi. This section shall not apply to Independent Directors.

4.6 <u>Additional requirements for Independent Directors</u>

The independent directors of the Company shall abide by the role, functions and duties of independent directors as prescribed under the relevant provisions of the Companies Act, 2013 read with Schedule IV to the said Act and Listing Regulations , as amended.

4.7 <u>Procedure for observing the Code of Conduct</u>

i. Affirming Understanding and Observance of Code of Conduct

a. New Representative
All new Representatives are required to read this Code of Conduct, and will signify their understanding and acceptance of it by acknowledging an undertaking to comply with this Code of Conduct.
In addition, new Representatives are to make a declaration on indebtedness and special relationships with outside entity.

ii. Subsequent Declaration

The Representatives' status regarding non-indebtedness and special relationships with outside entity may change over the duration of employment with the Company. It is the Representative's responsibility to keep the Company updated by making a declaration within 2 weeks of change. Non- compliance to this Code due to ignorance is not acceptable and may result in Company initiating appropriate disciplinary action against Representatives.
To make a declaration, the Representatives should use the relevant forms and submit to the HR Department.

iii. Annual affirmation
All members of the board of directors and senior management personnel shall affirm compliance with the code of conduct of board of directors and senior management on an annual basis in the format provided in the Forms**.**

iv. Role of Supervisors

a. To emphasize the importance of the Code to his/her subordinates regularly.
b. To inculcate and demonstrate the Code in his/her actions.
c. Where there is an observation of the violation or suspected violation of the Code, to notify the HR Manager or Head Employee Relations or Head Legal & Compliance.

v. Responsibilities of Representatives
a. To read and understand the requirements of the Code.
b. To protect the interests of the Company, act ethically and in good faith by not engaging in any actions/activities which might adversely affect the Company's reputation and/or its financial performance.
c. To protect the assets of the Company and not to misuse any of the Company's property.
d. To treat all fellow Representatives with respect in order to foster a dignified and productive working environment.

Annexure 'A'
Roles, functions, duties of Independent Directors

FORMS

i. Annual affirmation to the Code of Conduct
ii. Annual declaration by senior management personnel of material, financial and commercial transactions
iii. Undertaking to Comply with Company's Code of Conduct.
iv. Data Privacy Related Undertaking Executed Data.
v. Declaration of Indebtedness.
vi. Declaration & Application for Approval For Outside Business Activities.

This section, except the annual affirmation, shall not apply to Independent Directors.

5 Regulatory Reporting

A declaration signed by the CEO & MD of the Company stating that the Directors and Senior Management personnel have affirmed compliance with the Code of Conduct will be included in the Report on Corporate Governance forming part of the Annual Report.

Annexure A

Duties of Independent Directors

I. Guidelines of professional conduct:

An independent director shall:

1. uphold ethical standards of integrity and probity;
2. act objectively and constructively while exercising his duties;
3. exercise his responsibilities in a bona fide manner in the interest of the company;
4. devote sufficient time and attention to his professional obligations for informed and balanced decision making;
5. 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;
6. not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
7. refrain from any action that would lead to loss of his independence;
8. where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
9. assist the company in implementing the best corporate governance practices.

II. Role and functions:

The independent directors shall:

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the company as a whole, in situations of conflict between management and shareholder's interest.

III. Duties:

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.

Forms

Annual affirmation to the Code of Conduct

To,
The Board of Directors,
SMFG India Credit Company Limited

I ....do hereby affirm that I have complied with the Code of Conduct for Board of Directors and Senior Management of the Company during the financial year ended on 31st March ....

Signature of the Director/ senior management personnel:	
Signature	
Name	
Employee ID	
Designation	
Date	

Annual declaration by Senior Management Personnel for material, financial and commercial transactions

To,

The Board of Directors,
SMFG India Credit Company Limited

I ....do hereby affirm that I did not have any personal interest in any financial and/or commercial transactions undertaken by the Company that could have a potential conflict with the interest of the Company at large, in case of dealings with any of my relatives or entities whose shares are held by me or my relatives, as defined under Companies Act, 2013.
Or
I .... do hereby affirm that I am/was personally interested in following financial
and/or commercial transactions undertaken by the Company with any of my relatives or entities whose shares are held by me or my relatives, as defined under Companies Act, 2013 and that no influence was exerted in the matter of awarding or carrying out of such transactions, so as to cause any preferential treatment to be given to such party.

Signature of the Senior management personnel:	
Signature	
Name	
Employee ID	
Designation	
Date	

Undertaking to comply with SMFG India Credit Company Limited (the 'Company') Code of Conduct

The Code of Conduct provides guidance for professional conduct on critical issues in our professional dealings. The brief summary of Principles outlined in the Code of Conduct is as follows:
Ethics: Employees shall act with dignity, integrity and competence when dealing with the public, business associates, colleagues and the Company.

Compliance with Laws, Rules and Regulations: Employees shall maintain knowledge about and comply with all applicable laws, rules and regulations affecting their job activities.

Protecting the Company's Interests: Employees must protect the interests of the Company by avoiding any action that would damage the Company's goodwill or its reputation.
Discrimination & Harassment: All employees shall be treated equally. Any discrimination on the basis of race, gender, age, disability, marital status, religion, race or caste is strictly prohibited.

Conflict of Interest: Employees are required to declare details of their relatives employed with the Company. Employees are required to declare special relationships or work engagements with outside entities.

Abuse of Supervisory Authority: Supervisors must uphold the principles of the Code of Conduct through own behaviour, conduct and communication and should not abuse the position of authority to force their subordinates to engage in unethical activities.

Safeguarding Classified Company Information: Disclosing Company information to anyone without prior permission is strictly prohibited.

Media Relations: Employees are required to redirect all letters, emails, faxes, telephone calls from the media to the Media Relations unit.

Accepting Gifts & Entertainment: Employee or employee's relatives shall not offer, receive or retain any personal benefits from any individual customer or organisation with whom the Company has a business relationship.
The Company expects its Representatives to act in full compliance with this Code of Conduct and in a manner consistent with highest ethical standards. Failure to observe this Code may result in disciplinary action.
These principles are applicable in conjunction with the employment policies and other policies as applicable to respective individual, other than Non-Executive Directors. It is the responsibility of the individual Representative to become familiar with these policies and any supplemental policies applicable to his/her business unit.

DATA PRIVACY RELATED UNDERTAKINGS EXECUTED DATA

Patent & Confidential Information Agreement

☐ I <Employee Name> <(Emp. ID)>, acknowledge that I have carefully read and understood the <Company Name> Code of Conduct and undertake to observe the requirements set out in the Code of Conduct (and all of its related policies specified therein) at all times.
Date

____

In consideration of my position and employment with the Company or its subsidiaries or affiliates, I agree to keep confidential, and not divulge to others, during the course of my employment, secret and confidential information and data regarding the business of the Company, its customers, products and services, methods, systems, business plans or marketing methods and strategies, costs or other confidential, secret or proprietary information.

Further, I agree to keep confidential the secret and proprietary information of the Company customers, client and vendors. In the event that my employment with Company terminates, I agree not to divulge or use such confidential information, and to return promptly to Company all documents and other materials owned by Company. I undertake to access the IT systems for the specific defined purpose for which access is granted and in a manner that is commensurate with my role & responsibility and in compliance with Company Information Security Policy.

In addition, it is understood that while employed by Company, I will promptly disclose to it, and assign to it my interest in any invention, improvement or discovery made or conceived by me, either alone or jointly with others which arise out of my employment. At Company's request and expense, I will assist Company during the period of my employment and thereafter in connection with any controversy or legal proceeding relating to such invention, improvement or discovery and in obtaining domestic and foreign patent or other protection covering the same.

Policy Regarding the Use of Computer Software

1. Company will always use licensed software in all its computer installations. Unless specifically authorized by the software developer, Company does not have the right to reproduce it.
2. With regard to use on local area networks or standalone PCs, Company employees shall use the software only in accordance with the license agreement.
3. Company employees learning of any misuse of software or related documentation within the Company shall notify the Compliance Officer immediately.
4. According to the Indian Copyright Act, illegal reproduction of software can be subject to fines of upto Rs. 2 lakhs and criminal penalties, including imprisonment. Company employees who make, acquire or use unauthorized copies of computer software shall be disciplined as appropriate under the circumstances. Such disciplinary action may include termination of employment. Company does not condone the illegal duplication of computer software.

Personal Commitment To Company's Policies & Declarations

1. I acknowledge that I have received and read the Company policies and declarations and understand my obligations as an employee to comply with the principles, policies and laws as outlined.
2. I understand that my agreement to comply with the above mentioned policies, declarations, and code of conduct does not constitute a contract of employment.

Employee Name:		Unit:	
Employee No:		Location:	
Signature:			

DECLARATION OF INDEBTEDNESS

As stated in my application for employment, I hereby reaffirm that I have neither in the past nor am currently in overdue status of any financial obligation with any financial service firm.

I also declare below my current indebtedness:

	Type of Liability	Amount	Liability Incurred Date	Expected End Date	Monthly EMI
1					
2					
3					
4					
5					
Total					

Emp. Name		**Unit**	
Emp. No		**Location**	
Signature		**Date**	

Signature of Reporting Manager/ Branch Manager / Human Resources:	
Signature	
Employee Name	
Employee ID	
Designation	
Date	

SMFG IndiaCredit
Pragati Ki Nayi Pehchaan

DECLARATION & APPLICATION FOR APPROVAL FOR OUTSIDE BUSINESS ACTIVITIES

MEMORANDUM
TO: Supervisor
Chief Compliance Officer / Chief Human Resources Officer

I Understand;
Officers and employees are not permitted to engage in outside business activities without the prior approval of the Chief Compliance Officer.
Officers and employees are not to make public addresses, nor write for publication, without obtaining the prior approval of the Chief Compliance Officer / Chief Human Resources Officer of the Company.
It is contrary to Company policy for any officer or employee of a branch of the Company to act as Director, Officer, Power of Attorney or member of administrative or fiscal councils, with or without signing powers, for any business organization. Should the Chief Compliance Officer feel that, due to exceptional circumstances, a Manager's recommendation in favor of such an affiliation merits approval, she/ he will submit it with an endorsement to the Chief Compliance Officer indicating whether or not the individual will have any signing powers on any account with the Bank. The Chief Compliance Officer approval is required for accepting the position of Director in any other Corporate.

The foregoing is not intended to exclude an officer from participation in non remunerative posts in social, civic, religious, educational, athletic, or charitable organizations; but transactions with such organizations must have the prior approval of the Chief Compliance Officer. I shall notify you as and when I accept and hold any position in any outside social, educational, civic or charitable institutions.
Please tick on Any One
☐ I currently am not engaged in any business activity outside my employment with Company.
☐ I am currently engaged/propose to engage in the following outside business activity. Request approval.

Comp/any Name & Address	Nature of Business of Company	Role	Remuneration/ Fee Payable to me

Please select appropriate option	YES	NO
Is the company owned/controlled by Company?		
Owned or controlled by your relatives?		
Publicly traded?		
Is this affiliation compatible with Company's reputation?		
Is this affiliation being undertaken at the request or direction of Company?		
Is the company a customer or competitor of Company		
Does the company have a business relationship with us?		
Does the nature of work pose a conflict of interest?		
Is the company a competitor of Company / a group company		

Please provide details for any "YES" mentioned above:

Extent of time/frequency of involvement expected:

Employee Name:		**Unit:**	
Employee No:		**Location:**	
Signature:		**Date:**	
Approval required only If engaged in outside business activities:			
Chief Compliance officer			
Chief Human Resources Officer			