



**CODE OF BUSINESS CONDUCT AND ETHICS
&
THE VIGIL MECHANISM
OF
HOME CREDIT INDIA FINANCE PRIVATE LIMITED**

Version 4

**Approved by the Board of Directors of
Home Credit India Finance Private Limited
On
June 28, 2018**

**Pavel Maco
Whole Time Director/ Chief Executive Officer**

Home Credit

Version Control

Version	Creation Date	Author	Comments/ Remarks
2.0	19- December- 2014		
3.0	20- June -2017	Gaurav Saxena	Changes done in Vigilance Officers of the Company
4.0	28-June-2018	Gaurav Saxena	Changes done in Vigilance Officers of the Company

PURPOSE

The purpose of the Code of Business Conduct and Ethics and the Vigil Mechanism (the “Code”) is to promote honest, ethical and professional business conduct and to ensure compliance with laws, regulations, rules, related self-regulatory organisation standards, and codes of conduct applicable to Group’s activities in India (together, “compliance with laws, rules and standards”) in order to protect the business and reputation of the Home Credit Group as well as the best interests of Group’s shareholders and other stakeholders.

The Code covers a wide range of business activities, practices and procedures. It sets out key principles designed to guide employees, officers and directors of Home Credit India Finance Private Limited (“the Company”). All of our employees, officers and directors must conduct themselves in accordance with this Code, and seek to avoid even the appearance of improper behaviour.

This code is also meant to take into consideration the provisions of Section 177 of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014 mandating the specified classes of companies to constitute a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed. The vigil mechanism as prescribed under this code shall provide for adequate safeguards against victimization of persons who use such mechanism and make provision for direct access to the member(s) of the Audit Committee of directors of the Company.

Any employee, officer and director who violates the requirements of this Code will be subject to disciplinary action.

DEFINITIONS

The definitions of some of the key terms used in this Code are given below. Capitalised terms not defined herein shall have the meaning assigned to them under the Code.

“Audit Committee” means the Audit Committee of Directors constituted by the Board of Directors of the Company.

“Employee” means every employee of the Company (whether working in India or abroad), including the directors in the employment of the Company and, exclusively for the purpose of this Code, includes trainees, interns and/ or retainers engaged by the Company.

“Director” means a director appointed to the Board of the Company.

“Protected Disclosure” means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity, including but not

limited to the following, and it should be factual and not speculative and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern:

1. Breach of the Company's Code of Conduct
2. Breach of Business Integrity and Ethics
3. Breach of terms and conditions of employment and rules thereof
4. Intentional Financial irregularities, including fraud, or suspected fraud
5. Deliberate violation of laws/regulations
6. Gross or Wilful Negligence causing substantial and specific danger to health, safety and environment
7. Manipulation of company data/records
8. Pilferation of confidential/propriety information
9. Gross Wastage/misappropriation of Company funds/assets

LEGAL COMPLIANCE

Employees should at all times comply with the legal and statutory requirements relating to their area of control / work. In case of doubt regarding legal / statutory implications, the matter should immediately be referred to the Head of Department / Legal Department for clarification.

To assist in this effort, all employees in the Company will be provided adequate training, regular legal updates and various policies and procedures which provide guidance for complying with applicable laws, rules and standards.

EMPLOYEE TRAINING

Every employee in the Company shall be required to undergo compulsory training which shall include training on process the employees need to follow for performing his/ her work, ethical/ professional behaviour required and the relevant regulatory compliances that need to be adhered on the job.

Such training shall be provided once at the time of joining/ induction in the Company and then on a periodic intervals as required by each department in the Company. Each Department Head/ Head-Training shall ensure that each employee is trained properly and immediately on the updates in the work process, regulatory provisions etc. The employee shall be required to attend all such training sessions and pass the tests thereafter.

LEADING BY EXAMPLE

Regardless of how personally ethical and professional an employee is, or how much attention management pays to developing a professional code for the organization, if the Company's managers act unprofessionally, they implicitly encourage employees down the line to do the same.

Managers who visibly exhibit high professional and ethical standards become role models for others in the organization and raise its overall level of professional behaviour.

It is the organization's management that sets the professional tone. Through both their words and their actions – though what they do is more important than what they say – the organization's leadership conveys what is acceptable and unacceptable behaviour. The management must constantly reinforce through their actions and behaviour that our stated belief of responsible corporate citizenship is rooted in individual convictions and personal integrity.

PROFESSIONAL ETHICAL CONDUCT

In dealing with each other, employees shall uphold core values of trust, teamwork, mutuality and collaboration, meritocracy, objectivity, self-respect and human dignity.

Indeed, these values shall form the basis of our HR management systems and processes.

In areas such as selection and recruitment, meritocracy shall be the only criterion and all managers will scrupulously avoid considerations other than merit and suitability.

Performance management systems including appraisals, remuneration and rewards shall focus on meritocracy, equity and upholding of Company values.

Women shall be treated with utmost respect and dignity and women's grievances are to be referred to the committee constituted for this purpose under the provisions of The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The Company shall not tolerate any kind of sexual harassment including unwanted sexual advances, sexual jokes, subtle or overt pressure for sexual favors, sexual innuendoes, and offensive propositions. Likewise, the Company will not tolerate workplace harassment or violence of any kind. This includes threats, intimidation, and bullying, subjecting individuals to ridicule or unwarranted exclusion.

We seek to outperform the competition fairly and honestly. We seek competitive advantages through superior performance, not through unethical or illegal business practices. Indeed, all employees, officers and directors are expected to exhibit the Group's shared value of integrity.

Employees and directors shall carry out their responsibilities honestly, in good faith and with integrity, as well as behave with due care, competence, prudence and diligence, exercising their best independent judgment at all times. The senior management employees and directors have ultimate responsibility for setting the direction and tone of the Group's policies and practices in line with this shared value of integrity.

The most productive environment is that where employees are valued and treated with respect and dignity and where there is no unethical behaviour. Ethical behaviour encompasses the concepts of honesty, integrity, probity, diligence, fairness, trust, respect and consistency. It includes avoiding conflicts whenever possible, and not making improper use of an individual's position or of someone else's work without proper acknowledgement. Nobody should be forced to listen to bad language or insults or be belittled in front of others in any way.

CONFLICT OF INTEREST

All Employees must avoid situations in which their personal interest could conflict with the interest of the Company. The guiding principle is that any conflict or potential conflict must be disclosed to higher management for guidance and appropriate action. We should never compromise personal integrity. Every decision making authority having any kind of conflict of interest in a matter under consideration should alienate himself/ herself from the decisions making process.

TRANSPARENCY & AUDITABILITY

All Employees shall ensure that their actions in the conduct of business are totally transparent except where the needs of business security dictate otherwise. Such transparency shall be brought about through appropriate policies, systems and processes, including as appropriate, involvement of more than one manager in recording decision logic and maintaining supporting records. All managers shall voluntarily ensure that their areas of operations are open to audit and the conduct of their activities are totally auditable.

SOCIAL BEHAVIOUR

Drunken / disorderly conduct by Employees will be viewed extremely seriously and may result in termination of service. The behaviour of all Employees should at all times be of a highest standards that upholds and enhances the image of the Company.

Any Employee soliciting an advantage in connection with his work without the permission of the Management of the Company commits an offence. The term "advantage" includes money, gift, loan, fee, reward, office, employment, contract, service and favour. The Group prohibits employees from soliciting any advantage from clients, suppliers or any person in connection with Company's business. Employees should decline advantages offered in connection with their work if the acceptance of such advantages could affect their objectivity or induce them to act against the Company's interests or lead to complaints of bias.

Under no circumstances may an Employee offer bribes or similar considerations to any person whatsoever for the purpose of influencing such person in business dealings. Any advantage given in the conduct of the Company's business should be in accordance with the Company's prevailing policies on such matters.

RELATIONSHIP WITH SUPPLIERS & CUSTOMERS

All Company employees will ensure that in their dealings with suppliers and customers, the Company's interests are never compromised.

Accepting gifts and presents, gratuity payments and other payments from suppliers or customers will be viewed as a serious breach of discipline.

CONFIDENTIAL INFORMATION / PUBLICITY

All employees, officers and directors must maintain the confidentiality of confidential information entrusted to them by the Group, Company, or its clients, except when disclosure is authorized by the Compliance Department or required by laws or regulations. Confidential information includes all non-public information that might be of use to competitors, or harmful to the Group or its clients, if disclosed. It also includes information that clients and other parties have entrusted to us. The obligation to preserve confidential information continues even after employment ends. All employees shall sign a Confidentiality/ Non-Disclosure Agreement setting forth specific obligations regarding confidential information.

No employee shall disclose or use any confidential information gained in the course of employment with the Company or even after separation with the Company for personal profit or for the advantage of any other person.

The Company will not tolerate the use of insider information by employees to secure personal advantage at the expense of the Company. The use of insider information, which has not been made public, for personal gain is illegal, unethical and is strictly prohibited and is also liable to disciplinary or legal actions as the Company deem appropriate.

No employee shall provide any information either formally or informally to the press or to any other publicity media unless specifically authorized to do so in writing by the Chief Executive Officer of the Company.

PROTECTION OF GROUP ASSETS & COST CONSCIOUSNESS

No employee shall misuse Company facilities. Except where such facilities have been provided for personal use either by policy or specific permission, no employee shall use Company facilities for personal use.

Even in their use for Company purposes, employees shall exercise care to ensure that costs are reasonable and there is no wastage. Employees shall avoid ostentation in Company expenditure.

Employees should endeavour to protect Company's assets and ensure their efficient use. Theft, carelessness, and waste have a direct impact on the Group's profitability. Any suspected incident of fraud or theft should be immediately reported for investigation. Company's technology, equipment or other resources should not be used for non-Company business.

Employees' obligation to protect the Company's assets includes its proprietary information. Proprietary information includes intellectual property such as trade secrets, patents, trademarks, and copyrights, as well as business, marketing and service plans, engineering and manufacturing ideas, systems, software programs, designs, databases (including client and business partners' databases), records, salary information and any unpublished financial data and reports. Unauthorized use or distribution of this information would violate Company policy, and it will be illegal and result in civil and/or criminal prosecution.

HEALTH AND SAFETY

The Company attaches great importance to a healthy environment and to the safety of its employees. Good physical working conditions, high standards of hygiene and housekeeping are essential. All serious accidents are to be reported as soon as possible with a detailed report to the Head of Department and C E O by H R Department.

Particular attention should be paid to training of employees to increase safety awareness and adoption of safe working methods.

RECORD KEEPING

The Company requires honest and accurate recording and reporting of information in order to conduct its business and to make responsible business decisions.

All of Company's books, records, accounts and financial statements, be in electronic form or physical form, must be maintained in reasonable detail, must appropriately reflect the Company's transactions and must conform both to applicable legal requirements and to Group's system of internal controls.

Where the applicable laws require the records to be kept and maintained for minimum specified period and/ or in the specified format, the related legal provisions should be strictly followed. All the records should be properly archived and shared on 'need to know' basis. Records should always be retained or destroyed according to the Company's record retention policies except where applicable laws provides otherwise.

In the event of litigation or governmental investigations, Legal & Compliance Department should be consulted regarding any specific record-keeping requirements or obligations.

REPORTING PROCEDURE

Every Employee of the Company should ensure due compliance with this Code including compliance with the applicable laws he/ she is required to follow in performance of his/ her work. The Employees must report Protected Disclosure to the Management of the Company in a required manner

The Employee is expected to report not only the breach of Code, or non-compliance of applicable laws, committed by them but also the breach/ non-compliance noticed in the course of his/ her employment.

The primary objective of such reporting is to take the effective remedial measures so that damages can be reduced to least possible level.

All Protected Disclosures should be reported in writing by the complainant as soon as possible, not later than 30 days after such Employee becomes aware of the same and should either be typed or written in a legible handwriting in English.

The Protected Disclosure should be submitted under a covering letter signed by the complainant in a closed and secured envelope and should be super scribed as "Protected disclosure under the Code of Business Conduct and Ethics" or sent through email with the subject "Protected disclosure under the Code of Business Conduct and Ethics". If the complaint is not super scribed and closed as mentioned above, the protected disclosure will be dealt with as if a normal disclosure.

All Protected Disclosures should be addressed to either of the following Vigilance Officers of the Company:

Mr. Vijay Dhingra (Head – Legal)
contact number 09711702245,
e-mail address:
vijay.dhingra@homecredit.co.in
Home Credit India Finance Private Limited
Third Floor, Tower C, DLF Infinity Towers,
DLF Cyber City Phase II, Gurgaon, Haryana

Mr. Sandip Mallik (CHRO)
contact number 0124-4907600,
e-mail address:
sandip.mallik@homecredit.co.in
Home Credit India Finance Private Limited
Third Floor, Tower C, DLF Infinity Towers,
DLF Cyber City Phase II, Gurgaon, Haryana

The Audit Committee of the Directors of the Company shall be responsible for the overall control and supervision of this Code and the process. The Audit Committee shall authorise any of its members for this purpose (hereinafter referred as "**Authorised Director**").

All Protected Disclosures will be recorded and thoroughly investigated. The Vigilance Officer(s) will carry out an investigation either himself/herself or by involving any other Officer of the

Company/ Committee constituted for the same /an outside agency before referring the matter to the Authorised Director of the Audit Committee.

The Authorised Director, if deems fit, may call for further information or particulars from the complainant and at its discretion, consider involving any other/additional Officer of the Company and/or Committee and/ or an outside agency for the purpose of investigation.

The investigation by itself would not tantamount to an accusation and is to be treated as a neutral fact finding process. The investigation shall be completed normally within 90 days of the receipt of the Protected Disclosure and is extendable by such period as the Authorised Director deems fit.

The Authorised Director, or any member of the Audit Committee, or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

If an investigation leads to a conclusion that an improper or unethical act has been committed, the Authorised Director shall take such disciplinary or corrective action as it may deem fit.

A half yearly report with number of complaints received under this Code and their outcome shall be placed before the Audit Committee.

A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

Any such reporting shall be treated highly confidential save to the extent required for protection of Company's rights and justifiable interests. The Vigilance Officers shall immediately investigate the matter, advise the Authorised Director on remedial action that need to be taken and on the disciplinary action, if any, need to be taken against the concerned employee. Employees are expected to cooperate in internal investigations of misconduct.

Information of any serious violation of this Code must be immediately passed to Group Chief Legal Officer. Group Chief Legal Officer may report material violations of this Code or the policies and procedures referenced herein to the Board of Directors of the Group (or a committee thereof) and to Group's CEO.

In case of any illegal, unethical or inappropriate business practices or violations of compliance policies having a material impact on the existence of the Company or where the employee believes that no action has been taken by the Management of the Company on any such violation reported by him/ her, the employees may utilize (on an anonymous basis if desired) the Group's Internal Compliance Mailbox (compliance@homecredit.eu) designed for receiving employees

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notifications of any illegal, unethical or inappropriate business practices or conduct or violations of Group's compliance policies.

The Company will not discharge, demote, suspend, threaten, harass or in any manner discriminate against any employee in the terms and conditions of employment because of a report of misconduct by others made in good faith.

IMPLEMENTATION

This Policy comes into force as of January 1, 2013.

In case of any clarification, or further information required, the employees may contact the Vigilance Officers

For Home Credit India Finance Private Limited

Pavel Maco
Whole Time Director/ Chief Executive Officer