

Document ID	MFL/HR/Code of Conduct for Employees
Version No.	v 1.0
Page No.	1 of 12
Effective Date	19.09.2024



# CODE OF CONDUCT FOR EMPLOYEES

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>2 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

#### DOCUMENT IDENTIFICATION INFORMATION

<b>Document Name:</b>	Code of Conduct for Employees
<b>Index</b>	MFL/HR/Code of Conduct for Employees
<b>version</b>	V 1.0
<b>No of Pages</b>	12
<b>Department HOD</b>	CHRO
<b>Recommended By</b>	CEO
<b>Approving Authority</b>	BOD
<b>Review Frequency</b>	At least once a year or if significant changes occur to ensure its continuing suitability, adequacy, and effectiveness.
<b>Location of the document</b>	Corporate Affairs Department
<b>Regulatory/Internal Circular Clause</b>	Clause 4.2 of Guidance note on Operational Risk Management and Operational Resilience

#### Revision/Change History

<b>Author</b>	<b>Reviewer</b>	<b>Version No.</b>	<b>Effective Date</b>	<b>Change Description</b>
CHRO	CEO	V.1.0	19.09.2024	Approved by the Board of Directors on September 19, 2024

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>3 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

This policy is issued by Muthoot Fincorp Limited (hereinafter referred to as “Company” or “MFL”) and encompasses all affiliated entities, employees, and stakeholders associated with MFL operations.

## **1. INTRODUCTION**

The Code of Conduct (hereinafter referred to as “Code”) has been formulated by MFL in compliance with Clause 4.2 of the 'Guidance Note on Operational Risk Management and Operational Resilience' issued by the Reserve Bank of India (RBI) on April 30<sup>th</sup>, 2024.

The Code is formulated to establish a clear and transparent framework for ethical behaviour, integrity, and professionalism expected from all employees to ensure operational risk management and resilience across the MFL.

## **2. POLICY STATEMENT**

All employees are required to adhere to the highest standards of ethical conduct, integrity, and professionalism in the performance of their duties. This Code of Conduct outlines the principles and guidelines that must be followed to maintain trust, fairness, and accountability within the MFL. Compliance with this Code is mandatory and integral to the operational risk management framework, ensuring the MFL's resilience and stability in all operations.

This Code of Conduct shall be regularly reviewed and approved by the Board of Directors to ensure its relevance and effectiveness. The Employees are required to attest to their understanding and compliance with this Code. The attestation process ensures that all employees acknowledge their responsibilities and commitments mentioned as outlined. The attestation form is attached herewith as **Annexure-1**.

The implementation of this Code shall be overseen either by a senior ethics committee or board level committee to ensure adherence and address any issues arising from its enforcement. The Code of Conduct shall be made publicly available to ensure transparency and inform all stakeholders of the MFL's standards and expectations.

## **3. PURPOSE OF THE CODE**

The Purpose of the Code shall be to adhere to the following:

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>4 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- i. To foster a culture of integrity and ethical behaviour among all employees, ensuring that their actions align with the core values and principles of the MFL.
- ii. To contribute to the effective management of operational risks by guiding employees on acceptable and unacceptable conduct, thereby supporting the MFL's resilience and stability.
- iii. To ensure that all employees comply with relevant laws, regulations, and internal policies, particularly those outlined by the Reserve Bank of India in its guidance on operational risk management and resilience.
- iv. To safeguard the MFL's reputation by preventing conduct that could lead to legal, financial, or reputational harm, thereby maintaining stakeholder trust and confidence.

#### **4. SCOPE & APPLICABILITY OF THE CODE**

This Code of Conduct shall apply to all employees, regardless of their role, seniority, or location within the MFL. This shall include full-time, part-time, temporary, and contractual staff.

➤ For the purposes of this policy, the term "employees" encompasses:

- (i) Individuals who are directly employed by MFL on a full-time or part-time basis.
- (ii) Personnel engaged under fixed-term contracts.
- (iii) Staff provided through third-party agencies or temporary staffing arrangements.

The Code covers all activities, decisions, and actions taken by employees in the course of their employment, both within and outside the workplace, that may impact the MFL's operations, reputation, or compliance with regulations.

The Code extends to interactions with external stakeholders, including clients, vendors, regulators, and other third parties, ensuring that employees represent MFL with integrity and professionalism in all engagements.

#### **5. BASIC FRAMEWORK OF THE CODE**

This Code of Conduct provides a comprehensive framework for appropriate behaviour for all employees of the MFL, enabling them to address ethical issues in their daily activities. Employees and management are expected to:

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>5 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- Conduct themselves with respect and professionalism towards other employees, colleagues, employee representatives, government authorities, clients, and any other stakeholders.
- Perform their duties and obligations with diligence, ensuring that their actions align with the MFL's mission, goals, and objectives.
- Uphold principles of fairness and equity in all interactions and decision-making processes.

The Code of Conduct is founded on the core MFL's values of integrity, honesty, conscientiousness, compassion, courtesy, fairness, and respect. It is imperative that all employees take personal responsibility for their professional behaviour, adhering not only to the provisions of this Code but also to the MFL's policies, applicable legislation, and relevant industrial clauses that pertain to individual contracts of employment.

In situations where there is uncertainty regarding the application of this Code or the appropriate course of action to be taken, employees are encouraged to discuss the matter with their manager to ensure compliance and ethical conduct.

## **6. ROLES AND RESPONSIBILITIES**

- a) The Managers of MFL shall be responsible and accountable for the following:
  - i. Performing their duties and conducting themselves in a manner consistent with the provisions of the Employee Code of Conduct.
  - ii. Ensuring that all employees within their teams are informed about the Employee Code of Conduct, as well as any relevant policies, procedures, and official communications.
  - iii. Providing appropriate training and performance counseling to employees to ensure that the required standards of conduct and performance are met.
  - iv. Reporting any deviations from the Employee Code of Conduct, whether by themselves or others.
  - v. Acting consistently and fairly in addressing any behaviour that breaches this Code.
- b) All employees of MFL shall be responsible for the following:
  - i. Taking personal responsibility and accountability for their own performance, behaviour, and attendance in the workplace.
  - ii. Performing their duties and behaving in a manner consistent with the provisions of the Employee Code of Conduct.

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>6 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- iii. Reporting any deviations from the Employee’s Code of Conduct, whether by themselves or others.
- iv. Always complying with the MFL’s policies and procedures.
- v. Promoting a positive, safe, and healthy environment in all aspects of their work.

## **7. STANDARDS OF PERSONAL CONDUCT**

- Employees of MFL are expected to maintain punctuality and regularity in their attendance. In cases of unavoidable absence due to sickness or other reasons, employees should promptly notify their manager or appropriate delegate, preferably before their usual starting time, and provide an estimated date of return. Managers are responsible for contacting employees who fail to report their absence within a reasonable timeframe to determine the reasons for their absence.
- Employees shall ensure that their appearance is neat, clean, and appropriate for their specific work area. A high standard of personal hygiene is expected at all times. Employees provided with uniforms must wear them in accordance with the MFL’s guidelines.
- Employees are required to perform their duties professionally, responsibly, conscientiously, and ethically, always acting in the best interests of the MFL. Employees are expected to demonstrate honesty in all dealings with clients, suppliers, contractors, and fellow employees.
- Employees shall exercise care when using the MFL’s property, goods, intellectual property, and services, ensuring they are used efficiently, carefully, and honestly. The MFL resources shall not be used for private purposes unless explicit permission has been granted by the manager.
- The MFL is committed to maintaining a safe and healthy workplace for all employees and visitors. Employees are equally responsible for contributing to a safe and healthy work environment to the extent reasonably practicable.
- Employees shall be familiar with the specific safety and health standards or procedures relevant to their area of work. If these standards or procedures were not provided during the induction process, employees shall be required to promptly request this information from their immediate manager.

## **8. STANDARDS OF PROFESSIONAL BEHAVIOUR**

- Employees are expected to perform their duties with diligence, impartiality, and conscientiousness, complying with legislative, industrial obligations, and administrative policies.

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>7 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- Employees shall stay informed about advances and changes in their field, maintain relevant documentation to support decisions, and strive for continuous improvement in their work performance. They should also actively pursue quality enhancements and avoid making disparaging remarks about other employees.
- Employees shall treat all individuals with courtesy and respect, ensuring their rights are upheld and providing necessary assistance. They should not misuse official information for personal gain and should act responsibly by reporting any unethical behaviour or wrongdoing to the Concerned Officer.
- Employees shall not perform their duties under the influence of alcohol or other substances. MFL upholds employees to avoid any behaviour that could impair their work performance or endanger the safety and health of themselves, colleagues, volunteers, or clients.
- Possession, use, or trafficking of illegal drugs in MFL’s premises is strictly prohibited and may result in disciplinary action, including termination of employment. Additionally, smoking is not permitted in Company-owned or leased vehicles or buildings, and employees shall only smoke during authorized breaks in accordance with Company policies and their employment contract.

## **9. ETHICAL CONDUCT FRAMEWORK**

- Employees tasked with investigating complaints or issues involving other employees shall act consistently, promptly, and fairly. The principles of natural justice shall be maintained throughout each investigation to ensure impartiality and fairness.
- Employees shall be responsible for safeguarding professional information by preventing loss, misuse, unauthorized access, modification, or disclosure. They shall ensure that all information under their control is securely managed and protected at all times.
- Employees shall uphold the confidentiality, integrity, and security of all official information entrusted to them, ensuring that such information is handled with care and discretion.
- Employees shall contribute to public discussions on social issues; however, they shall avoid situations where their comments might be interpreted as official statements from MFL. Public comments made in a private capacity should not suggest any endorsement or official stance by the Company.
- Employees may only disclose official information in their official capacity and within the scope of their duties, while maintaining due regard for confidentiality.

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>8 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- Employees may disclose confidential, or insider information acquired during their employment only when legally required, in the course of their duties, in court proceedings, or with proper authority. Approval from the Concerned Officer is required before releasing any confidential information.
- When acting in honorary roles, employees may be asked to comment on MFL's policy or procedures. In such cases, comments should be limited to Factual information. Employees shall not disclose restricted information that could compromise the MFL's position or infringe on the privacy of individuals associated with MFL.
- Employees shall be aware of their responsibilities regarding record-keeping and adhere to legal requirements for proper records management practices and procedures.
- All MFL's documents shall be stored in official filing systems, not in unofficial or private filing systems. Employees are required to place documents in the appropriate official files to ensure proper organization and accessibility.
- Employees are prohibited from removing documents from official files, as these are controlled records that shall remain complete, up-to-date, and capable of providing organizational accountability during official scrutiny.
- Employees shall not damage, dispose of, or interfere with official documents or files. The destruction of records is permitted only in accordance with an approved disposal and retention schedule authorized by the Chief Executive Officer.
- Employees shall avoid any financial involvement or undertaking that could compromise their performance or undermine the MFL's objectives and activities. A financial conflict of interest occurs when an employee with a financial stake in another company or business is in a position to influence contracts or transactions between MFL and that business.
- Employees shall uphold proper boundaries with the clients, ensuring that professional interactions remain appropriate and respectful. Employees shall familiarize themselves with any specific workplace or program guidelines related to client interactions.
- MFL maintains a zero-tolerance policy towards any form of bullying or harassment. Employees shall not engage in or tolerate behaviour that intimidates, belittles, or offends others. This includes repeated, unreasonable actions that undermine the dignity and respect of individuals, creating a hostile work environment.



<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>9 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- Discrimination based on race, gender, age, disability, sexual orientation, religion, or any other protected characteristic is strictly prohibited. MFL is committed to providing a fair and inclusive workplace where all employees are treated with respect and equality.
- MFL condemns all forms of racial and religious vilification. Employees shall not engage in or endorse conduct that incites hatred, hostility, or violence against individuals or groups based on race, ethnicity, or religion. Any such behaviour is considered a serious violation of MFL’s policy and shall result in appropriate disciplinary action.

## **10. INFORMATION TECHNOLOGY FRAMEWORK**

- Employees shall be prohibited from accessing or using any information or systems for which they do not have explicit authorization. Access to such information by unauthorized individuals is strictly forbidden.
- Employees shall maintain secure passwords and implement robust file protection measures to prevent unauthorized access. They are responsible for ensuring the security and confidentiality of the information systems under their control, whether these systems are Company-owned or utilized under agreement.
- Employees must refrain from accessing MFL’s data using personal devices, including mobile phones, tablets, or laptops. If accessing Company’s data from personal devices is unavoidable, employees are required to ensure these devices are secured with appropriate security measures, including up-to-date antivirus software, strong passwords, and encryption.
- Employees shall ensure that personal devices used to access MFL’s data are protected with appropriate security measures to safeguard MFL’s information. This includes implementing adequate security controls to prevent data breaches and unauthorized access.

## **11. CONFLICT OF INTEREST**

- A conflict of interest may arise when an employee is involved in decisions affecting individuals with whom they have a personal relationship, such as relatives, spouses, close friends, or personal associates. Employees shall promptly notify their manager of any actual or potential conflicts of interest. The MFL requires employees to declare any such conflicts and to take steps to avoid any adverse impact resulting from these conflicts.
- The MFL may intervene if an employee is involved in activities that advance personal or other interests to the detriment of the Company’s interests or those of other employees.

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>10 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- Employees shall ensure that their personal interests, whether financial or non-financial, do not conflict with the impartial execution of their duties. The potential conflicts shall include but not limited to:
- Acceptance of gifts or hospitality with the expectation of reciprocal favours.
- Additional employment that affects job performance.
- Decisions related to the employment or promotion of relatives or friends.
- Promotion or solicitation of clients for personal business.
- Employees should seek guidance from their manager if uncertain about a potential conflict of interest. They shall disclose any relevant interests immediately to the Concerned Officer within MFL or at the relevant meeting if prior disclosure is not possible.

## **12. GUIDELINES FOR ACCEPTING GIFTS AND BENEFITS**

- Employees shall not accept any gift, secret commission, or benefit from external persons or organizations if the intent is to induce them to waive or reduce MFL's requirements or extend benefits to the external party, to the detriment of the Company's interests.
- However Token gifts or benefits of nominal value may be accepted only if approved by the Chief Executive Officer or a designated nominee, provided there is no risk of perceived compromise.
- Employees shall report any gifts or benefits received to their manager immediately and shall not seek to exploit their position to gain benefits for themselves or others.
- Employees shall not seek or accept improper influence to secure promotions, transfers, or other advantages.

## **13. DISCIPLINARY ACTIONS**

- MFL shall maintain a fair and transparent process for addressing breaches of the Code of Conduct and other Company policies. Disciplinary actions shall be based on the nature and severity of the violation and shall follow a structured process to ensure due process.
- Disciplinary actions may include, but are not limited to, verbal warnings, written warnings, suspension, or termination of employment. The specific action taken shall be determined by the circumstances of each case, considering factors such as the employee's history, the impact of the violation, and any mitigating or aggravating circumstances.

<b>Document ID</b>	<b>MFL/HR/Code of Conduct for Employees</b>
<b>Version No.</b>	<b>v 1.0</b>
<b>Page No.</b>	<b>11 of 12</b>
<b>Effective Date</b>	<b>19.09.2024</b>

- Employees subject to disciplinary action shall be provided with an opportunity to respond to any allegations before a final decision is made. This may include a formal meeting where the employee can present their side of the story and any relevant evidence.
- The Company shall document all disciplinary actions, including the nature of the violation, the action taken, and any communications with the employee. These records shall be kept confidential and used for future reference if necessary.
- Employees have the right to appeal any disciplinary action taken against them. Appeals shall be submitted in writing to the designated appeal officer or committee within a specified timeframe, as outlined in the MFL's disciplinary procedures.

#### **14. APPROVAL, REVIEW & UPDATE OF POLICY**

This policy shall be approved by the Board of Directors and reviewed annually. It shall be updated as needed to comply with applicable laws, regulations, and guidelines issued by regulatory bodies such as the RBI. The policy shall also be revised in response to significant changes in business operations or employee needs.

Document ID	MFL/HR/Code of Conduct for Employees
Version No.	v 1.0
Page No.	12 of 12
Effective Date	19.09.2024

## Annexure 1 – Attestation Form

**(Attestation of Understanding and Compliance)**

Name: \_\_\_\_\_

Employee ID: \_\_\_\_\_

Department: \_\_\_\_\_

Position: \_\_\_\_\_

I, the undersigned, acknowledge that I have received, read, and understood the Code of Conduct issued by MFL. I am aware of my responsibilities and obligations under the Code and agree to adhere to the policies and guidelines set for.

I understand that any failure to comply with the Code of Conduct may result in disciplinary action, up to and including termination of employment.

By signing this form, I confirm the following:

1. I have reviewed the Code of Conduct and understand its contents.
2. I will comply with the Code of Conduct and other related policies.
3. I am aware of the disciplinary actions that may be taken in case of non-compliance.
4. I will seek clarification from my manager or the Human Resources department if I have any questions regarding the Code of Conduct.

Employee Signature: \_\_\_\_\_

Manager's Signature: \_\_\_\_\_

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