



Vector Finance Pvt. Limited
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The employee Code of Conduct outlines the appropriate code and duties that employees are expected to adhere to. Vector Finance Private Limited is a NBFC- MFI registered with Reserve Bank of India (RBI). The Company follows various guidelines issued by **Reserve Bank of India** (RBI) and has also adopted Industry Code of Conduct developed by **MFIN** (Microfinance Institutions Network).

An employee code of conduct is a set of guidelines that define how employees at a company should behave on a daily basis. It reflects the day-to-day duties, beliefs, and culture of a company. As a result, each set of accepted rules is unique to the organization to which it applies.

As our foundation, we prioritize integration and uphold integrity to ensure the safety and success of our team, company, and clients. This commitment to ethical behaviour is a core focus, emphasizing our distinctiveness in the competitive landscape.

Purpose & Scope

The expectations for employees' behavior toward their coworkers, supervisors, and the company as a whole are described in our company's Employee Code of Conduct policy.

We promote open communication and freedom of expression. However, every employee of the company is expected to adhere to our code of conduct. They should avoid insulting others, becoming involved in heated arguments, and disrupting our workplace. We also want them to create a well-organized, respectful, and collaborative workplace environment.

Irrespective of employment agreement, rank, or location, all of our employees are subject to the

application of this policy. Furthermore, this policy is applicable to third parties such as agents, consultants, or others acting on the company's behalf.

This Code applies to the following activities:

1. Providing credit services to the clients in groups.
2. Recovery of credit provided to clients.
3. Providing insurance services or any other related products and services.
5. Formation of joint liability groups and their federations.
6. Business development services including marketing of products or services extended to the eligible clients or for any other purpose for the welfare and benefit of clients.

The Core Values of the Company are as follows:

1. **S**implicity: Our foundation is built on simplicity and straightforward way of working
2. **T**eamwork: We nurture a culture of togetherness. The only way to succeed is to succeed collectively
3. **R**espect: We will respect our colleagues, our customers and all stakeholders
4. **I**ntegrity: We will stay to our principles and choose right over wrong every time.
5. **D**iscipline: We will not compromise on process or principles
6. **E**xcellence: We aim for quality, shun mediocrity and look for room for improvement.

Components of Code of Conduct Policy

In order to adhere to the core values of Microfinance, the Code of Conduct, as mentioned below, must be abided by all the employees while providing microfinance services.

INTEGRITY AND ETHICAL BEHAVIOUR

1. Appropriate policies and operating guidelines have been designed to treat clients and employees with dignity.
2. Transparent and professional governance system to ensure that staff and persons acting on their behalf are oriented and trained to put this Code into practice.
3. Educating clients on the Code of Conduct and its implementation.
4. Consumption of alcohol, gutkha, paan and any addictive consumables should neither be consumed inside office premise nor enter office or client place consuming these items.
5. Gambling of any kind is not restricted inside office premises.
6. POSH guidelines must be adhered to within and outside the office premises

TRANSPARENCY

1. The terms and conditions are communicated to the client for all services offered prior to disbursement in the vernacular language in accordance with the Reserve Bank of India's (RBI) fair practices code (FPC), in the following ways:

- a) Individual sanction letter
- b) Loan card
- c) Loan schedule
- d) Passbook
- e) Through Group/Centre meetings

2. The following terms are also disclosed before disbursement takes place:

- a) Rate of interest on a reducing balance method
- b) Processing fee
- c) Any other charges or fees howsoever described
- d) Total charges recovered for insurance coverage and risks covered

3. Formal records of all transactions are maintained in accordance with all regulatory and statutory norms.

CLIENT PROTECTION

A. Fair Practices

1. We must ensure that the provision of micro finance services to eligible clients is as per RBI guidelines.
2. We must obtain copies of relevant documents from clients, as per standard KYC norms. Additional documents sought must be reasonable and necessary for completing the transaction.
3. The terms of insurance is transparently conveyed to the client and must comply with RBI & Insurance Regulatory and Development Authority (IRDA) norms. Consent of the client is taken in all cases.

B. Avoiding Over-indebtedness

1. We must conduct proper due diligence as per internal credit policy to assess the need and repayment capacity of client before making a loan and must only make loans commensurate with the client's ability to repay.
2. We must not, under any circumstance, breach the total debt limit for any client, as prescribed by RBI or Central/State Government(s).

C. Non-coercive method of collection

1. We have clearly defined guidelines for employee interactions with clients.
2. We must ensure that all Staff and persons acting on our behalf
 - a) Use courteous language, maintain decorum, and are respectful of cultural sensitivities during all interaction with clients.
 - b) DO NOT indulge in any behaviour that in any manner would suggest any kind of threat or violence.
 - c) DO NOT contact clients at odd hours, as per the RBI guidelines for loan recovery agents.

3. We must provide a valid receipt (in whatever form decided by the Company) for each and every payment received from the borrower.
4. We must have a detailed Board approved process for dealing with clients, at each stage of default.
5. We must not collect shortfalls in collections from employees and the HR policies must categorically denounce this practice. An exception can however be made in proven cases of frauds by employees.

D. Privacy of client information

We must keep personal client information strictly confidential. Client information may be disclosed to a third party subject to the following conditions:

- a) Client has been informed about such disclosure and permission has been obtained in writing.
- b) The party in question has been authorized by the client to obtain client information from the Company.
- c) It is legally required to do so.
- d) This practice is customary amongst financial institutions and available for a close group on reciprocal basis (such as a credit bureau)

CLIENT EDUCATION

1. We have a dedicated process to raise clients' awareness of the options, choices and responsibilities vis-à-vis financial products and services available.
2. New clients are informed about the organization's policies and procedures to help them understand their rights as borrowers.
3. We ensure regular checks on client awareness and understanding of the key terms and conditions of the products/ services offered / availed. (As part of internal audit systems or through some other regular monitoring)

DATA SHARING

We agree to share complete client data with all RBI approved Credit Bureau, as per the frequency of data submission prescribed by the Credit Bureaus.

FEEDBACK/ GRIEVANCE REDRESSAL MECHANISM

1. Dedicated feedback and grievance redressal mechanisms to correct any error and handle/receive complaints speedily and efficiently has been developed.
2. We inform clients about the existence and purpose of these mechanisms and how to access them.
3. Designated grievance redressal official has been appointed to handle complaints and/ or note any suggestions from the clients and make his/ her contact numbers easily accessible to clients.
4. Where complainants are not satisfied with the outcome of the investigation conducted by us into their complaint, they shall be notified of their right to refer the matter to the grievance redressal mechanism established by the Industry Associations.

RECRUITMENT

1. As a matter of free and fair recruitment practice, there will be no restriction on hiring of staff from other MFIs by legitimate means in the public domain like general recruitment advertisements in local

newspapers, web advertisements, walk-in interviews, etc. Provision of recruiting freshers have also been made to provide fair opportunity to all the aspirants.

2. Whenever we recruit from another MFI, it is mandatory to seek a reference check from the previous employer. The reference check will be sought from current employer only after an offer is made and an offer letter is issued to the prospective employee.

3. We shall respond to the reference check request from another MFI within two weeks.

4. We shall respect the notice period policy for an outgoing employee as well as for new entrants.

5. We ask for relieving letter from the previous MFI employer while recruiting an employee of another MFI, irrespective of the grade/level of the employee. We provide such relieving letter to the outgoing employee in case he/she has given proper notice, handed over the charge and settled all dues, except in proven cases of fraud or gross misconduct by the employee.

LEARNING AND DEVELOPMENT

To comply with the standard operating principles the employees are imparted training on a regular basis in order to enhance their learning and continuous development.

COMPLIANCE WITH LAW

All laws, whether municipal, national, or regional, are followed. The legitimacy of the organization must be protected by all the employees of the company and those working on our behalf. All environmental, fair dealing and safety rules must be followed. Every individual involved with us is expected to be accountable and ethical when it comes to our company's finances, goods, collaborations, and public image.

CORDIAL ATMOSPHERE IN THE WORKPLACE

Employees should treat one another with respect. Any form of discrimination, victimization, or harassment will not be tolerated by the company. Employees are expected to follow the company's equal opportunity policy in all areas of their work, including interpersonal contacts, recruitment, and performance evaluation.

PROTECTION OF COMPANY ASSET

Our Company's assets, be it physical or digital, should be treated with care by all employees. Employees should not abuse or misuse the company's equipment, property or asset of any kind and they should treat all corporate assets with respect, with utmost care and cost effectively. This comprises intellectual property, trademarks, copyrights, and/ or any other physical or non-physical assets.

Employees are expected to use them only for fulfilling their job responsibilities. Furthermore, using company's assets for personal benefit or any illegal reason is strictly prohibited.

1. Personal Appearance

All employees are expected to follow our company's dress code and look professional in the workplace.

2. Corruption

Employees should not accept gifts from clients or third parties. Our organization discourages bribery for the advantage of any external or internal party.

3. Job Duties and Authority

All employees are expected to perform their duties with honesty and respect towards their coworkers, stakeholders, clients, and community. Managers and supervisors are not encouraged to misuse their power. The responsibilities should be distributed to their team members based on their skills and workload. Similarly, we expect team members to follow their team leaders' directions and execute their tasks competently and as per schedule.

4. Absenteeism and Tardiness

Employees are expected to follow their work schedules. We can consider exceptions for emergencies/occasions that prevent the employees from working during their standard working hours or days. Employees are expected to always keep their supervisors informed about their delayed reporting or absenteeism.

5. Collaboration

We encourage our employees to be friendly and collaborative. They should not try to hinder the workplace culture or present obstacles to the work of their colleagues.

6. Communication

All employees should be open to communication with their colleagues, team members, and their supervisors. Simultaneously, they should uphold the confidentiality of information as required.

7. Benefits

Employees are not expected to take advantage of their benefits. The benefits include facilities, insurance, paid leaves, subscriptions, and other perks given by the company.

8. Policies

The company policies should be carefully read and adhered to by all the employees of the company. Employees should approach the HR managers or the supervisors for any type of query they have.

LIMITED USE OF SOCIAL MEDIA

Employees are encouraged to adhere to all the applicable laws and government social media standards. This Code of Conduct policy must be adhered to when using any social media. Confidential information pertaining to the Company, whether concerning employees, customers, or third-party vendors, must be safeguarded by employees. Unless specifically requested by the company, employees are not anticipated to engage in or disclose any political or social endorsements on behalf of the Company.

CONFLICT OF INTEREST

Employees are expected to put their personal, financial, and other interests aside that may distract or stop them from performing their duties the right way. Employees with any form of relationship should not be placed within the same team or reporting structure.

FINANCIAL INTEGRITY AND AUTHORITY

It is crucial to maintain accurate and dependable financial and company records. Employees should refrain from actions that might result in the Company or its clients receiving inaccurate financial information. Any submissions made on behalf of the company to the Company or clients must be thorough and precise. Any action that harms the company's financial interests will be dealt with severely.

OUR DELIVERABLES

In all company opportunities, employees are required to act with fairness and ethics. Our service to clients is guided by their best interests, regardless of our role. All interactions, communications, and statements to customers must be precise, thorough, and truthful. Additionally, making unlawful promises on behalf of the Company or our customers is strictly prohibited. Employees must refrain from involving or entangling the Company improperly in conflicts with clients or others.

CONFIDENTIAL INFORMATION

For any company, certain information is highly confidential, and also a valuable asset. Therefore, every director, agent, employee, or individual related to the company must protect it. Confidential information refers to any information that cannot be shared in front of the public, and personal information obtained from any source during the entire course of business. The only solution is to maintain the confidentiality of such information. Any violation shall attract disciplinary action against the concerned offender.

DISCIPLINARY ACTIONS

The organization may take serious disciplinary actions against employees who intentionally or repeatedly fail to abide by the code of conduct policy. The disciplinary actions may vary depending on the seriousness of the violation.

Disciplinary actions may include the following:

- Demotion
- Reprimand
- Suspension or termination depending on the seriousness of the issue