

# **Bandhan Financial Services Limited**

## **Human Resources Policy**

## **1. Preface**

This Policy Manual Covers all employees of Bandhan Financial Services Limited. It is an internal document of the Company, intended for restricted circulation within the Company. The manual has been designed to help new and current employees familiarize themselves with the company's policies, procedures and culture. Wherever this manual states the "Company" it means Bandhan Financial Services Limited and its offices.

Employees need to have a clear understanding of the terms of employment and the policies, procedures that govern the workplace. It is therefore essential for all employees to go through the Policy Manual and abide by the same at all times. Employees will be required to sign an acknowledgement of this manual. This is done following their acceptance of employment in the Company and while completing the required joining formalities. If the employees sign the acknowledgement before reading the manual, it implies the employee understands they have the responsibility to read the manual at a later time.

Since the manual is only a summary of Bandhan Financial Services Limited.'s policies, employees may review it with their supervisors or the Human Resources Department if they have any questions. As it is difficult to describe the full scope of the company's Human Resources Policies, an attempt has been made to include aspects which are most referred. Accordingly, the manual should neither be constructed as the only reference point for employee policies nor should it be interpreted to constitute a contract of employment or a guarantee of continued employment.

No policy manual can anticipate every circumstances or question about policy. As and when the need may arise, the company reserve the right to revise, supplement, or rescind any policies or portion of the manual from time to time as it deems appropriate, in its sole and absolute discretion, with or without notice. The management's interpretation of this document will be considered final and binding.

## 2. About Bandhan Financial Services Limited

Bandhan Financial Services Limited is a Non-Banking Financial Company - Core Investment Company registered with Reserve Bank of India.

### 2.1. Values

The values of Bandhan is explained by the word "CREATE"

#### Values of BANDHAN

##### CREATE

C - Cost effective & simple

R - Respect for all

E - Exemplary governance

A - Accountability, professionalism & discipline

T - Transparency & integrity

E - Effective team work & commitment

## 3. Organizational Structure and Designations

### 3.1. Organizational Structure

### 3.2. Designation of the employees in Bandhan Financial Services Limited

Managing Director
Executive President
Executive Vice President
Senior Vice President
Vice President
Deputy Vice President
Assistant Vice President
Senior Manager

Manager
Deputy Manager
Assistant Manager
Executive
Senior Officer
Officer

#### **4. Code of Conduct and Ethics**

##### **4.1. Preamble**

At Bandhan Financial Services Limited, ethical behaviour is inseparable from honesty, integrity, and good judgement. Accordingly, all employees are required to follow the code and act with a high degree of professional and ethical standard.

##### **4.1.1. Engaging in trade, employment, acceptance of fee, association with newspapers, other communication systems, etc.**

1. With prior approval of the competent authority, an employee may undertake honorary work of a social or charitable nature or occasional work of a literary, artistic, scientific, professional, cultural, educational, religious or social character, subject to the condition that his / her official duties do not thereby suffer or the undertaking of such work is not detrimental to the interest of the Company; but s/he shall not, undertake or continue such work, if so directed by the competent authority.
2. Prior sanction for undertaking the aforementioned work is not necessary for holding a position outside of the Company if the person is required to hold this position under relevant laws/ regulations/ authorities in force.
3. No employee shall, without the previous sanction of the Competent Authority, except in the discharge of official duties, take part in the registration, promotion or management of any Company or other firm, company or any cooperative society for commercial purposes.
4. No employee shall accept any fee for any work done by him / her for any public body or any private person or any entity without the sanction of the Competent Authority.

5. No employee shall canvass Company's operations in favour of an insurance company or corporation in his / her individual capacity except in circumstances where the canvassing is done on behalf of the Company, being an agent of the insurance company.
6. No employee shall, except with the previous sanction of the Competent Authority or in the bonafide discharge of duties;
7. Own wholly or in part or conduct or participate in the editing or management of any newspaper or any other periodical publication; or
  - i. Participate in radio or television broadcast or contribute any article or write any letter either in his / her own name or anonymously or in the name of any other person, to any newspaper or periodical or make public, or publish or cause to be published or pass on to others any documents, papers or information which may come into his / her possession in his / her official capacity; or
  - ii. Publish or cause to be published any book or any similar printed matter of which he is the author or not, or deliver talk or lecture in public meetings or otherwise.
8. No employee shall in any radio or television broadcast or in any social media or any published document or communication to the press or in public utterance make any statement which has the effect of disparaging the Company or its management or bringing the same into disrepute.

**4.1.2. Active Part in Politics, Participation in Demonstration, Association.**

1. No employee shall take an active part in politics or political demonstration, or stand for election as member of a municipal corporation/ council, district board or any legislative body.
2. No employee shall engage himself / herself, or participate in any demonstration which is prejudicial to the interest of the sovereignty and integrity of India, the security of the State, friendly relations with foreign state, public order, decency or morality or which involves contempt of court, defamation or incitement to an offence.
3. No employee shall join, or continue to be a member of an association, the objects or activities of which are prejudicial to the interests of the sovereignty and integrity of India or public order or morality.

**4.1.3. Evidence in enquiry, committee etc.**

1. Save as provided in sub-clause (3) below, no employee shall except with the previous approval of the Competent Authority, give evidence in connection with any enquiry conducted by any person, committee or authority.
2. Where any approval has been accorded under sub-clause (1), no employee giving such evidence shall criticize the policy or any action of the Central Government or of a State Government or of the Company.
3. Nothing in sub clauses (1) & (2) shall apply to any evidence given at an enquiry before an authority appointed by the Central Government, State Government, Parliament or a State Legislature or;
  - a. in any judicial enquiry; or
  - b. at any departmental enquiry ordered by the Company; or
  - c. at any action or proceedings taken by or on behalf of the Company.

Any leave taken by an employee for the purpose of giving evidence will be deducted from his / her leave account unless the employee is required to give evidence to protect the interest of the Company, in which case the absence from work will be on full pay.

**4.1.4. Receiving Complimentary Valedictions etc.**

1. No employee shall, except with the previous sanction of the Competent Authority, receive any complimentary or valediction or attend any entertainment held in his / her honour.
2. However the above clause shall not apply to the following cases - a celebratory function held in honour of an employee on occasions such as transfer, retirement, etc. or the acceptance of simple and inexpensive entertainment arranged by employees of the Company.
3. No employee shall directly or indirectly exercise pressure or influence on any employee of the Company to induce or compel him / her to contribute towards any farewell or entertainment.

**4.1.5. Acceptance and offering of Gift by Self & Family**

1. To avoid a conflict of interest, the appearance of a conflict of interest, or the need for employees to examine the ethics of acceptance, employees and members of their

family shall not accept gifts or entertainment from vendors, suppliers, potential employees, potential vendors or suppliers, or any other individual or entity who has or will have official dealings with the Company, directly or indirectly, through the employee.

2. In this context, gifts refer to all employment related courtesies like, but not limited to, the following
  - i. Any types of gift including gift certificates, gift cards;
  - ii. Hospitality (invitations, accommodation, vacation, transportation, use of vehicles, etc.);
  - iii. Entertainment (tickets to leisure, social or sporting events);
  - iv. Favourable terms or discounts on any product or service;
  - v. Memberships or consulting relationships;
  - vi. Employment of family members or relatives;
  - vii. Gift to any third person (say, a family member).
3. Soliciting contribution from an employee for a gift to a senior official, or accepting a gift from an employee in lesser position except on special occasions such as marriage, transfer or retirement, is prohibited
4. There are, however situations, enumerated below, where an employee may accept inexpensive gifts;
  - i. Gifts on New Year and other occasions, viz., greeting cards, diaries, notepads, calendars, flowers and other inexpensive stationery items. Gifts of food, such as sweets, chocolates, candies and dry-fruits (when exchange of such gifts are as per tradition, such as Diwali, Pujas etc.) should preferably be shared with and distributed amongst colleagues.
  - ii. Farewell and wedding gifts received from colleagues.
5. As in the case of acceptance of gifts, employees may offer greeting cards, diaries, notepads, calendars, mugs, flowers, umbrellas, key chains (non-precious metals), and gifts of food such as sweets, chocolates, candies and dry-fruits. The Company encourages standard gifting practices across the organization and gifts bearing the logo of the Company.

6. For offering any other gift to stakeholders, to be practiced only on a selective basis, prior approval to be obtained from either Head, Corporate Centre or Head, Vigilance.
7. Interactions with government entities and their employees exposes the Company and its employees to legal or compliance concerns. Accordingly, prior to making any gift offers to government employees/ departments, an employee must ascertain if there are any limitations or requirements that apply, including guidelines of Central Vigilance Commission (CVC), e.g., limits on gifts and entertainment, requirement to register etc.
8. Employees shall not offer courtesies that constitute, or could reasonably be perceived as constituting, unfair inducements that would violate law, regulation or policies of Company or would cause embarrassment or reflect negatively on the Company's reputation.
9. The Company strictly forbids bribes, payoffs or payments of any kind by any employee to any person, government official or entity for the purpose of improperly obtaining or retaining or influencing consideration of any Company's activity. It covers all types of payments that may or may not be considered legal under the circumstances. As the Company is committed to an ethical environment for all employees, gifts may be given only if it does not create a perception that favourable treatment of outside entities was sought or received in exchange for personal gifts - it is important to avoid even the appearance of impropriety.

#### **4.1.6. Bringing Political or Outside Influence**

No employee shall bring or attempt to bring any political or other outside influence to bear upon any superior authority to further his / her own interest in respect of matters pertaining to his / her service in the Company.

#### **4.1.7. Absence from Work**

1. No employee shall absent himself / herself from his / her duty or be late in attending office work or leave the station without having first obtained the permission of the authority empowered to sanction leave.
2. Provided that in unavoidable circumstances where availing of prior permission is not possible or is difficult, the permission may be obtained later subject to the



satisfaction of the concerned authority that prior permission could not have been obtained.

**4.1.8. Borrowing, Incurring Debts, Buying & Selling Shares, Lending Money, Guarantees etc.**

No employee shall, in his / her individual capacity

- i. Borrow money or permit any member of his / her family to borrow money or otherwise place himself / herself or a member of his / her family under a pecuniary obligation to a broker or a money lender or an employee of the Company or any person, association of persons, firm, company or institution, whether incorporated or not, having dealings with the Company;

Provided that nothing in this clause shall apply to borrowing from any financial institution subject to prior approval from the Company.

Provided further that an employee may accept a loan, subject to other provisions of this policy, from a relative or personal friend or operate a credit account with a bonafide tradesman.

- ii. Buy or sell stocks, shares or securities of any description without funds to meet the full cost in the case of a purchase or without scrip's for delivery in the case of a sale.
- iii. Lend money in private capacity to a constituent of the Company or have personal dealings with a constituent in the purchase or sale of bills of exchange, government paper or any other securities; and
- iv. Guarantee in his / her private capacity the pecuniary obligations of another person or agree to indemnify in such capacity another person from loss, except with prior permission of the Competent Authority.

Provided that nothing in this clause shall apply to any guarantee/ indemnity that an employee may execute in favour of The President of India in support of a passport application for any relative.

**4.1.9. Accepting Contribution, Collecting Subscription.**

1. No employee shall, except with the previous sanction of the Competent Authority, ask for or accept contributions to or otherwise associate himself / herself with the raising of any funds or other collections in cash or in kind.

2. No employee shall canvass for membership or collect dues or subscriptions for or carry on any activity in connection with any association, union or other organization during office hours or within the premises of the Company without the previous permission in writing of the Competent Authority.

#### **4.1.10. Speculation, Insolvency, Indebtedness**

1. No employee shall speculate in any stocks, shares or securities or commodities or valuables of any descriptions or shall make investments which are likely to influence him / her in the discharge of his / her duties.

Provided that nothing in this rule shall be deemed to prohibit an employee from making a bonafide investment of his / her own funds in such securities as he may wish to buy.

NOTE: Frequent purchase or sale or both of shares or securities or other investments shall be deemed to be speculation for the purpose of this rule.

2. An employee shall so manage his / her private affairs as to avoid insolvency or habitual indebtedness. An employee shall refrain from issuing cheques on their personal accounts without maintaining sufficient balance therein. The Company shall have the right to review the accounts of the employees for unusual activity, both regularly and during investigations.
3. An employee against whom any legal proceedings are instituted for the recovery of any debts due from him / her or for adjudging him / her as an insolvent shall forthwith report the full facts of the legal proceedings to the Company.
4. An employee should ensure that he / she shall not issue cheques without sufficient balance in the corresponding account. Issuance of such a cheque is a punishable offense under section 138 of Negotiable Instruments Act.

#### **4.1.11. Submission of Statement of Assets & Liabilities**

1. Every employee in the Company, shall, on first appointment submit a return of his / her assets and liabilities giving full particulars regarding;
  - i. the immovable property owned or acquired or held by the employee, either in his / her own name or in the name of any other person;
  - ii. shares, securities, debentures and cash including Company deposits inherited by

him / her or similarly owned or acquired or held by him / her;

- iii. other movable property inherited by him / her or similarly owned or acquired or held by him / her; and debts and other liabilities incurred by him / her directly or indirectly.
- 2. Every employee in the Company shall every year, on or before 30<sup>th</sup> April, submit a statement of his / her movable, immovable and valuable property as on 31<sup>st</sup> March of the previous financial year, to the Company.
- 3. Provided that the previous sanction of the Competent Authority shall be obtained by the employee if any such transaction is with a person obligated to the Company through official dealings with the employee.
- 4. The Company may, at any time, by general or special order, require an employee to furnish, within a period to be specified in the order, a full and complete statement of assets and liabilities including such movable and/ or immovable property held or acquired by him / her or on his / her behalf or by any member of his / her family as may be specified in the order. Such a statement shall, if so required by the Company, include the details of the means by which or the source from which such property was acquired.

#### **4.1.12. Recourse to Court**

No employee shall, except with the previous sanction of the Managing Director/Manager/Whole Time Director, have recourse to any court or to the press for the vindication of any official act which has been the subject matter of adverse criticism or any attack of a defamatory character.

Provided that nothing in this clause shall be deemed to prohibit an employee from vindicating his / her private character or any act done by him / her in his / her private capacity and where any action for vindicating his / her private character or any act done by him / her in private capacity is taken, the employee shall submit a report to his / her immediate superior within a period of 3 months from the date such action is taken by him / her.

#### **4.1.13. Consumption of Intoxicating Drinks etc.**

1. An employee shall strictly abide by any law relating to intoxicating drinks or drugs in force in any area in which he/she may happen to be posted for the time being.
2. It is also the duty of the employee to see that he/she is not under the influence of any intoxicating drink or drug during the course of his / her duty and takes due care that the performance of his / her duty is not affected in any way by the influence of any intoxicating drink or drug.

#### **4.1.14. Professional Conduct**

Maintaining high standards of professionalism is the responsibility of all employees. All employees shall conduct themselves in accordance with the Company's Code of Conduct and Ethics and in the best interests of the Company.

#### **4.1.15. Personal Investments**

To protect the Company's commitment to maintain the highest standards of integrity, it is essential that employees conduct their personal trading in investments as per SEBI Prevention of (Insider Trading) Regulations, 2015 of the company or any of its subsidiaries in an appropriate manner that withstands public scrutiny.

1. The Company prohibits trading in securities of the company or any of its subsidiaries with whom it does operation while in possession of material, non-public information also known as Unpublished Price Sensitive Information (UPSI) of the company.
2. All employees should note that using UPSI in any form/manner to trade in the securities of the Company or any of its subsidiaries are prohibited.

#### **4.1.16. Protecting the Company's Assets**

Loss, theft and misuse of the Company's assets directly impact profitability. Protecting the Company's assets against loss, theft or other misuse is the responsibility of every employee. Any suspected loss, misuse or theft should be reported to the immediate supervisor or to the Head Administration.

#### **4.1.17. Know Your Customer (KYC)/ Anti Money Laundering (AML)**

1. The Company is committed to strict enforcement of KYC and AML requirement. To ensure adherence to the Company's KYC and AML Policy, all employees are required to keep oneself updated on applicable KYC/ AML Guidelines.
2. The Company prohibits any operation with drug traffickers, money launderers and such other criminals and all employees are required to be alert in this respect. The Company is committed to assist law enforcement agencies in identifying and tracking down money launderers and remain compliant with all relevant anti-money laundering legislations and regulations.

#### **4.2. Confidentiality**

1. All employees shall maintain the strictest secrecy regarding the company's affairs and shall not divulge directly or indirectly any information of a confidential nature either to the public or to an outside agency or to any other employee of the company not entitled to such information, unless-
  - a. Divulging of such information is in accordance with the law;
  - b. Employees are directed to divulge such information by judicial or other authority; or instructed to do so by a superior employee in the discharge of his /her duties.
2. All employees must always protect the confidentiality of proprietary and non-public information he/she obtains or creates in connection with his/her activities of the company, in accordance with the applicable law. Proprietary and confidential information include any system, information or process that gives the company an opportunity to obtain an advantage over competitors; Non-public information includes confidential information about Company, its employees and any other information received by him/her as an employee of the Company.
3. The employee's obligation to protect the Company's proprietary and confidential information continues even after he/she leaves the Company. The employee shall return all documents in his/her possession having proprietary information at the cessation of services with the Company, on retirement, resignation or termination.
4. Employee shall adhere to the following:
  - i) Non-disclosure of any confidential information about the Company, its suppliers or distributors except to those who are authorised to receive such information or is required by law, appropriate legal process or appropriate internal authorities.

- ii) Non-disclosure of information such as trade secrets, patents, trademarks and copyrights, as well as, objectives and strategies, records, databases and employee related information.
- iii) Protection of data provided to outsourced staff.
- 5. Employees should note that they could face disciplinary or even legal action for unauthorized use or distribution of proprietary and confidential information.
- 6. Employees are expected to make themselves aware of disclosure norms regarding sharing of confidential information through any means as this may lead to investigation and probe against the employees even if done under ignorance. Employees should avoid discussing proprietary or confidential information with outsiders or those who are not privy to the said information.

#### **4.3. Conflict of Interest**

**4.3.1** A “Conflict of Interest” occurs when personal interest of an employee interferes or appears to interfere in any way with the interests of the Company. All employees have a responsibility to the company, its stakeholders and to each other. Although this duty does not prevent them from engaging in personal transactions and investments, it does demand that they avoid situations where a conflict of interest might occur or appear to occur. They are expected to perform their duties in a way that they do not conflict with the Company’s interests, which includes but not limited to, the following:-

- I) Ensure that their personal interest does not, at any time, conflict with their duty to their clients and client’s interest always takes primacy in their advice, investment decisions and transactions.
- II) Make appropriate disclosure to the clients of possible source or potential areas of conflict of interest which would impair their ability to render fair, objective and unbiased services;
- III) Take steps which would reduce scope of conflict between departments. Steps may include creating information barriers which would reduce or eliminate flow of information between departments;
- IV) Exercise caution on transactions in securities while handling a mandate of issuer or client in respect of such security so as to avoid any conflict.

- 4.3.2** Employees are expected to devote their total attention to the interests of the Company. They are prohibited from engaging in any activity that interferes with their performance or responsibilities to the Company or otherwise is in conflict with or prejudicial to the Company. It is important that employees carefully consider whether any of their activities or relationships, including volunteer positions outside the Company, could cause a conflict (or the appearance of a conflict) with the interests of the Company. Even if an activity seems unrelated to their current job, they may be required to obtain pre-approval before engaging in it.
- 4.3.3** Employees must not take for themselves opportunities that the Company would legitimately be interested in, irrespective of whether the employee gained the said information through the use of his / her position in the Company.
- 4.3.4** Employees must never use or attempt to use their position to obtain any improper personal benefit (including loans or guarantees of obligations or gifts, from any person or entity) for themselves, family member(s) or any other individual or group.
- 4.3.5** Having a relative functionally reporting into another or where one relative is in a position to influence the pay, promotion, transfers etc. of the other, should be avoided.
- 4.3.6** If such a related party transaction is unavoidable, employees must fully disclose the nature of the related party transaction to the appropriate authority. Any dealings with a related party must be conducted in such a way that no preferential treatment is given to that party.

#### **4.4. Ethical Practices**

Ethics is about doing what is morally right – being ethical means to act responsibly and in good faith, with due care, prudence and diligence, without allowing own judgments and decisions to be subservient to personal or extrinsic considerations. An ethical person follows both the letter and spirit of laws and regulations. In managing the Company's operations, in dealing with each other and in provision of services, the employees of the Company must conduct themselves in a fair and ethical manner, mindful of the Company's interest. The Company is committed to conducting its operations with honesty and the highest ethical standards and has zero tolerance towards bribery and corruption.

#### **4.5. Workplace Health and Safety**

Good health and safety of employees are of great importance to the Company. While the Company has put in place internal systems and procedures for creation and maintenance of a safe and healthy environment at the work place, employees are required to follow safety guidelines and internal processes. The Company employees are also encouraged to ensure, through proper behavior, an accident free workplace. They should make themselves aware of accident prevention and safe usage steps and make useful contribution in keeping the workplace safe from accidents and other hazards.

To ensure a safe and healthy workplace, employees shall:

- a. take reasonable proactive measures for prevention of workplace accidents and injuries;
- b. be alert to suspicious movements of individuals within the Company's premises and report any unusual activity therefor;
- c. refrain from possessing, distributing or use of drugs, firearms or any other items that could adversely affect health, safety and security at the workplace.

#### **4.6. Commitment to Regulators and stakeholders and ensuring accurate records, reporting requirements**

The Company follows a policy of full cooperation with the regulators and is committed to compliance with all applicable regulations. All employees shall at all times be responsive and transparent to regulatory agencies and should ensure timely as well as accurate submission of information/reports. Employees shall also cooperate and report (not withhold or mis-represent) any violation of regulation/laws/guidelines etc. An employee found guilty of any violation in connection with submission of information/reports to regulatory agencies will be liable for disciplinary action. The Company's relationship with other stake holders including shareholders and suppliers are required to be cooperative, professional, ethical and impartial. Negotiation with vendors must be conducted in a fair and open manner to the satisfaction of all concerned. The Company's vendors and suppliers should not be used for any personal purpose.



The Company's commitment to its stakeholders shall be practiced in the following manner:

1. The Company shall endeavor to enhance shareholders' value, protect their interests and defend their rights by practicing pursuit of excellence in corporate life.
2. The Company shall not only comply with all statutory requirements but also formulate and adhere to strong governance.
3. The Company shall endeavor to develop employees by equipping them with the required job skills and provide employees with a safe, high-performing and respectful work environment.
4. The Company is committed to maintaining integrity of financial reporting and disclosures required under all regulations and accordingly: Shall communicate effectively with shareholders so that they are provided with full and accurate information, in all material respects, about the Company's financial results and condition of operations. Employees, who are responsible for preparing these reports, must assist in maintenance of appropriate records so as to ensure that financial transactions are prepared in accordance with generally accepted accounting principles and that they fairly present the financial conditions and results of the Company.
5. Shall ensure reports and documents that are required to be filed with or submitted to the government and regulatory authorities are, fair, timely and understandable and the employees responsible for submitting these reports must ensure completeness and accuracy.
6. The employees have to ensure that records, data and information owned, collected and used by them for the Company are accurate and complete. Records must be maintained as per the record retention policy of the Company. If an employee gets any information about non-maintenance of these records or any loss or tampering of records, he should immediately report the matter to the relevant authority.

#### **4.7. Dress Code for employees**

Professional attire, grooming and aesthetics of employees affect the impression of public towards the Company. Employees are, therefore, expected at all times to present a professional image. Employees are also expected to observe and maintain proper habits of personal grooming and hygiene at all times.

As general guidelines, the following may be practiced:

**4.7.1. For men**

1. Well ironed formal trousers.
2. Well ironed formal shirts, tucked-in and shirt sleeves buttoned down.
3. Formal shoes.

**4.7.2. For women**

1. Well ironed formal attire (Sari, Suit, Western wear, etc.);

**4.7.3. Others**

1. Footwear should be clean and well-polished.
2. Sneakers, floaters, sandals and slippers (hawai chappals or rubber slippers) should not be worn.
3. Chewing paan, tobacco, or smoking in the office premises is prohibited
4. Nails should be clean and properly clipped.
5. Visible body tattoos and body piercing should be avoided

The above guidelines are based on what is generally acceptable as formal attire and what is not. As no dress code can cover all contingencies, hence employees must exercise a certain amount of judgment in their choice of clothing to wear to work keeping in mind what is the acceptable and professional attire for work.

**4.8. Public Communication and acceptable use of Social Media**

**4.8.1. Public Communications**

Public communication is a sensitive function of the Company as it has the potential to affect the Company's image and reputation. If any employee wishes to make any external communication such as a media interview, lecture/ presentation in a seminar etc., he/ she should first obtain prior permission from the Company.

**4.8.2. Social Media**

Social media enables people to share information, knowledge and ideas regardless of rank, title or experience. There are risks associated with communicating on the

social media platform and therefore, there is a strong need to lay down guidelines for usage of such media by the Company employees, considering their rights as well as the interests of the Company. All employees of the Company will adhere while contributing to online social platforms especially those with references to or having a potential impact on the Company.

#### **4.8.3. Information sharing**

On social platforms, the boundaries of professional and personal information are often blurred. Shifting privacy policies and powerful search engine indexing, often make it impossible to ensure what is being shared, viewed or archived. Since the posted material will reflect on the employee and on his / her employer, employees should not post contents that may be inappropriate to share online. Sharing information regarding the Company on Social Platforms like WhatsApp, Facebook, Twitter, Instagram etc. is strictly prohibited.

#### **4.8.4. Responsibility**

When an employee participates in social media, he/ she is speaking as an individual and not on behalf of the Company. Therefore:

Employees should identify themselves using the first person singular and avoid use of pseudonyms or false screen names;

If posting on an individual site refers to or has an impact on the Company, disclaimer such as “The views expressed on this site are my own and not those of Bandhan Financial Services Limited.” should be used;

1. Where applicable law permits, the Company reserves the right to monitor use of social platforms and take appropriate action to protect against misuse that may be harmful to the Company’s reputation;
2. Do not post or receive images or text of sexual nature or lewd materials, racial comments or material of such nature;
3. Respect personal dignity, privacy and rights of the individuals;
4. Do not extract unfair advantage through manipulation, concealment, misrepresentation of facts, etc.;
5. Company branding in the form of Logo, Trade mark, Visual identity, etc., should not be used in personal blogs, pages, profiles, etc.

6. Ensure that the online activities do not interfere with the job.

#### **4.8.5. Conduct**

Online behaviour of Bandhan Financial Services Limited employees should be consistent with the Company's Code of Conduct and Ethics. Employees shall:

1. Use expert knowledge to enrich discussions, help solve problems, share the excitement of the work environment, and promote learning and idea-sharing;
2. Stick to facts in their posting as the tone used online can be interpreted in different ways by the readers, due to a lack of non-verbal communication or cultural differences and comments are often taken out of context;
3. Not engage in any conduct online that would not be acceptable in the workplace or that is unlawful. For example, employees should not make derogatory remarks, bully, intimidate, harass other users, use insults or post content that is hateful, slanderous, threatening, racist, discriminating or pornographic;
4. Admit a mistake if made, and correct it as soon as possible.

#### **4.8.6. Confidentiality**

In the course of social media interactions, employees shall:

1. Always protect confidential and other proprietary information of the Company, the Company's suppliers and all other stake holders;
2. Ensure that any reference other stakeholders do not violate any non-disclosure obligations. Please also keep in mind the Confidentiality obligations under the Company's Code of Conduct and Ethics;
3. Not disclose information about colleagues or other persons, misuse their personal data, or publish their photos without their permission;
4. Comply with laws and regulations and more particularly with laws governing intellectual property rights, including copyrights and trademarks.

The Company reserves the right to monitor comments or discussions about the Company, employees, clients or the industry posted by employees on the internet. If any content violates the Company's Code of Conduct or the Social Media guidelines herein, the Company may initiate investigation and take remedial or disciplinary action against the employee concerned.

#### **4.9. Internet usage guidelines**

The Usage guidelines applies to all employees of the Company who have access to computers and the Internet to be used in the performance of their work. Use of internet by employees of the Company is permitted and encouraged where such use supports the goals and objectives of the Company. However, access to the Internet through the Company is a privilege and all employees must adhere to the policies concerning Computer, Email and Internet usage.

##### **4.9.1. Computer, email and internet usage**

- The employees are expected to use the Internet responsibly and productively. Internet access is limited to job-related activities only and personal use is not permitted;
- Job-related activities include research and educational tasks that may be found via the Internet that would help in an employee's role;
- All Internet data that is composed, transmitted and/ or received by the Company's computer systems is considered to belong to the Company and is recognized as part of its official data. It is therefore subject to disclosure for legal reasons;
- The equipment, services and technology used to access the Internet are the property of the Company and it reserves the right to monitor Internet traffic and monitor and access data that is composed, sent or received through its online connections;
- All sites and downloads may be monitored and/ or blocked by the Company if they are deemed to be harmful and/ or not productive to Company;
- The installation of any software without prior approval of the Information Technology Department is strictly prohibited.

##### **4.9.2. Unacceptable use of the internet by employees includes, but is not limited to**

- Sending or posting discriminatory, harassing, or threatening messages or images on the Internet or via the Company's email service;
- Using computers to perpetrate any form of fraud, and/ or software, film or music piracy;
- Stealing, using, or disclosing someone else's password;
- Downloading, copying or pirating software and electronic files that are copyrighted or without authorization;

- Sharing confidential material, trade secrets, or proprietary information outside of the organization;
- Hacking into unauthorized websites;
- Sending or posting information that is defamatory to the Company, its products / services, colleagues .
- Introducing malicious software onto the Company network and/ or jeopardizing the security of the organization's electronic communications systems;
- Sending or posting chain letters, solicitations, or advertisements not related to Company purposes or activities;
- Passing off personal views as representing those of the organization.

In order to ensure disciplined usage of corporate email, the following should be practiced.

1. Facility of sending mails to group mail ids will be available to the Manager and above.
2. Facility of sending mails to group mail id “All Employees” will not be available to any user, except for Managing Director / Manager / Whole Time Director and HR Head. Any mail to “All Employees” will be sent through the IT Department based on specific approval of HR Head.
3. Employees should avoid exchanging personal mails through corporate email.
4. Emails sent via the Company’s email system should not contain content that is deemed to be offensive. This includes, though is not restricted to, the use of vulgar or harassing language/ images.

#### **4.10. Harassment and Grievance Redressal**

The Company is an equal opportunity employer. It does not discriminate on the basis of religion, race, caste, sex, and place of birth, descent, sexual orientation, gender identity, disability, age or any other basis as prohibited by law. The Company will not condone any discrimination against any person on its premises, whether that person is in its employment or otherwise. The Company is committed to fostering a workplace free of harassment and intimidation, where all employees can work together with openness, trust and respect for each other. Employees are expected to conduct themselves in accordance with the high ethical standards of

honesty and integrity, and treat each other with courtesy and respect. They should at all times avoid behavior at the workplace that may create an atmosphere of hostility or intimidation.

#### **4.10.1. Harassment**

As described above, harassment is an unwelcome verbal, non-verbal or physical behavior that unreasonably interferes with work or creates an intimidating, hostile or offensive work environment.

It can:

1. include comments (oral, written including those made through all types of electronic media), gestures, or physical actions;
2. be a single incident or a repeated, continuous pattern of behavior;
3. demean, belittle or cause personal humiliation or embarrassment;
4. be directed at a particular person or a number of people;
5. be initiated by a colleague, a supervisor or someone outside the organization;

Other behaviors that might constitute harassment include:

1. public or private tirades by a colleague other than the supervisor;
2. public or private tirades by a supervisor except in case of dereliction of duties;
3. severe or repeated insults related to a person's personal or professional competence;
4. deliberate desecration of religious and/ or national symbols;
5. racial epithets, slurs, and malicious, negative stereotyping expressed toward an individual or a group directly or indirectly (e.g., circulated via e-mail, written on walls);
6. malicious and false complaints of misconduct against other employees.
7. A series of events that have a long-term effect on an employee's emotional stability.

#### **4.10.2. Conflict Resolution**

An employee who feels that he or she is being subjected to harassment should first, where possible, make his / her disapproval clearly known to the individual(s) concerned and ask that the behavior be stopped. If there is no apparent change in the behavior of the perpetrator, the employee concerned can make use of either informal or formal resolution process for redressing their complaint as mentioned below:

#### **4.10.3. Informal Complaint Process**

The informal process is intended to provide a means for solving problems before parties become adversarial. In cases where the harassment is not egregious or chronic, an attempt may be made, to resolve the matter informally. It is expected that through discussion or mediation, parties will understand each other's point of view, and the problematic behavior, which is the perceived cause of harassment, will cease.

If the employee is desirous of resolving the complaint informally, he/ she should seek the guidance of a third party, such as the supervisor, a Human Resources Officer or any other senior colleague, who may be able to help.

However, in dealing with informal complaints, the senior staff or the senior colleague concerned must:

- be supportive of the aggrieved person while not prejudging the issue;
- advise the aggrieved person of the options available to him / her;
- depending on the wishes of the aggrieved person, attempts to resolve the matter by discussing it with the alleged harasser or mediating between the aggrieved person and the alleged harasser; and
- follow up on incidents to ensure harassment has stopped and there is no retaliation.

#### **4.10.4. Formal Complaint Process**

If the matter is not suitable for mediation, or if one or both parties refuse mediation, the aggrieved person can file a formal complaint with the Chairman of the NRC or to appropriate authority under Whistleblower Policy who will conduct a fair, prompt, and thorough investigation.

However, upon receipt of such complaint, before constituting an inquiry it will be determined whether the complaint thus received falls under the purview/definition of harassment. In a case, if the Competent Authority is of the opinion that the complaint does not fall under the purview of harassment, the same will be communicated to the complainant.



Further, when a formal complaint is lodged, the Company may consider redeploying either party pending the resolution of the formal complaint.

Wherever it has been established that the allegation against the respondent has been proved, a suitable action as deemed fit would be initiated as per the extant disciplinary procedure of the Company.

In the event of receipt of an anonymous complaint, it becomes difficult to ascertain the veracity of the complaint, investigate and draw conclusions about it. Hence, depending on the evidence provided of the alleged harassment, the Competent Authority may make reasonable attempts to investigate and address anonymous complaint received by it.

#### **4.10.5. Freedom from Retaliation**

A person who in good faith brings a complaint of harassment against another person shall not be subjected to any form of retaliation. The Company prohibits retaliation against anyone who files a complaint in good faith, and retaliation in itself constitutes misconduct subject to disciplinary action. Discriminating against an employee who has made a complaint of harassment or deleteriously affecting the terms and conditions of employment or work environment of the employee will be construed as retaliation.

#### **4.10.6. Confidentiality**

All employees who are aware of a harassment complaint, or involved in its resolution, must recognize the seriousness of the situation and respect the sensitivity and confidentiality that must be accorded to the matter. They must refrain from discussing the complaint amongst themselves or with anyone who does not have a "need to know." Every effort will be made to preserve the dignity and self-respect of the parties to the complaint.

#### **4.10.7. Action against false complaints**

False or malicious complaints can seriously damage a person's reputation, career, and relationships. If anyone makes a false or malicious complaint of harassment and it is so established after a thorough and proper investigation, the complainant will face disciplinary action, depending on the situation.

#### **4.11. Prevention of Sexual Harassment**

The Company is committed to creating and maintaining a secure work environment where its employees, agents, vendors and partners can work together in an atmosphere free of harassment, exploitation and intimidation caused by acts of Sexual Harassment within, but not limited to, the office premises and other locations directly related to the Company. The Company provides protection against sexual harassment irrespective of gender at workplace. These guidelines aim to prevent/prohibit, redress any incident of sexual harassment and provides for strong disciplinary action in face of any such occurrence.

##### **4.11.1. Scope & Coverage**

The Company aims to cover prevention, prohibition & redressal of Sexual Harassment which may arise in places not limited to the Company's offices / branches but also includes all such places or locations where such acts are conducted in context of working relationships or whilst fulfilling professional duties or which may be visited by an employee during the course of employment including transportation provided by the Company, if any, for undertaking such visit.

The guidelines apply to sexual harassment by fellow employees, supervisors, managers as well as agents, contractors, vendors, partners and, visitors including outsource employees.

Sexual harassment is judged by the impact on the complainant and not the intent of the respondent. Sexual harassment as addressed in these guidelines need not necessarily be from a male to a female employee, it can be vice versa as well as between individuals of same gender.

##### **4.11.2. Definitions**

“Sexual Harassment” includes any one or more of the following unwelcome acts or behavior (whether directly or by implication) such as:

1. Physical contact and advances;
2. A demand or request for sexual favors;
3. Making sexually colored remarks;
4. Showing pornography; or
5. Any other unwelcome physical, verbal, non-verbal, textual, electronic behaviour of sexual in nature.

In addition to above definition, if there are following circumstances along with or apart from, it shall amount to sexual harassment (creation of Hostile Work Environment).

6. implied or explicit promise of preferential treatment in their employment;
7. implied or explicit threat of detrimental treatment in their employment;
8. implied or explicit threat about their present or future employment status;
9. interfering with their work or creating an intimidating or offensive or hostile work environment;
10. humiliating treatment likely to affect the health and safety of the aggrieved person.

#### **4.11.3. Redressal Mechanism**

An Internal Committee (IC) consisting of one Presiding Officer and three members constituted to enquire into and provide redressal of Sexual Harassment complaints.

<b><u>Internal Committee Members</u></b>
Managing Director / Manager / Whole Time Director
Chief Financial Officer
2 External Members

Any aggrieved person may make, in writing, a complaint of sexual harassment at workplace to the committee, within a period of 3 months from the date of incident and in case of a series of incidents, within a period of 3 months from the date of last

incident along with the supporting documents, names & addresses of witness to IC at The Presiding Officer, Internal Committee, Bandhan Financial Services Limited Ltd., DN-32, Sector V, Saltlake City, Kolkata 700091. However, the time limit may be extended for a further period of 3 months, if in the opinion of the IC there were circumstances which prevented the aggrieved person from filing the complaint earlier.

Upon receipt of such complaint, the IC shall determine whether the complaint thus received falls under the purview/definition of Sexual Harassment, preferably within 7 days from receipt, and it would record their findings with reasons and communicate the same to the complainant and the HR Department if the complaint does not fall under the purview of Sexual Harassment.

However, if the ICC is of the view that the complaint is indeed a case of Sexual Harassment then it will provide a copy of the complaint along with supporting documents of such complaints to the Respondent, against whom the complaint is lodged, within 7 working days. The Respondent shall submit reply to the ICC within 10 working days of receipt of the complaint along with list of documents, names and addresses of witnesses, if any, in support of his / her submission.

#### **4.11.4. Anonymous Complaints**

While making a complaint it is desired and expected that the complainant mentions details about himself / herself, which will be dealt with in strict confidentiality. In the event of receipt of an anonymous complaint, it becomes difficult to ascertain the veracity of the complaint, investigate and draw conclusions about it. Hence, depending on the evidence provided of the alleged harassment, the ICC may make reasonable attempts to investigate and address anonymous complaint received by it.

#### **4.11.5. Investigation/Inquiry into the Complaint**

The ICC shall have the right to summon the respondent or any other witnesses as and when necessary. ICC shall have right to terminate inquiry proceedings or issue ex-parte decision in the complaint if the aggrieved person and / or respondent

without sufficient cause fail to present themselves before the ICC for three consecutive hearings convened by the ICC.

The ICC is free to obtain / summon / enforce through the HR department and / or from the concerned department such information in the form of written communication, witnesses, previous records, and data of the concerned / relevant employees which may be helpful for the investigation.

All proceedings of the ICC will be recorded in writing. ICC and individuals shall endorse their respective statements as token of authenticity. In case of refusal to endorse the same by either party the endorsement shall be made by the presiding officer with appropriate remarks.

On completion of an inquiry, a report would be submitted by the ICC to the Disciplinary Committee within 10 days. The report will contain outline of the case, investigation process, conclusion based on the balance of probabilities, findings based thereof and recommendations for further action.

The ICC shall share a copy of the findings of the inquiry with the aggrieved person and the respondent.

#### **4.11.6. Action**

If the allegation against the respondent has not been proved, the Committee may recommend that no action needs to be taken in the matter. If the ICC arrives at the conclusion that the allegation against the respondent has been proved, it shall recommend to:

- Initiate action against the respondent as recommended in their report in accordance with extant Code of Conduct and Ethics of the Company;
- If the respondent is not an employee of the Company, in addition to assisting the complainant to initiate action against the person as per the law, the Company will debar the offender from the Company's premises;

The Company shall act upon the final recommendations of the ICC within 60 days of its receipt.

#### **4.11.7. Appeals**

In case of any of the parties involved are aggrieved with the decision of the ICC, they shall have an opportunity to represent the case to the Appellate Authority. The decision arrived at thereafter, however shall be final and binding to both.

#### **4.11.8. False and Malicious Complaints**

In case it has been proved that the complaint has been made with a malafide intention, the ICC will recommend suitable action to the HR against the complainant and also against the witnesses for appropriate disciplinary action, to prevent recurrence such complaints.

#### **4.11.9. Confidentiality**

The contents of the complaint made under the provisions of this guidelines, identity and addresses of the aggrieved person, respondent and witnesses, information related enquiry proceedings, recommendations by the ICC, and action taken by the Company shall not be published, communicated or informed to public or media in any manner.

#### **4.12. Disciplinary setup and procedures**

The Company has formulated a standard disciplinary procedure, which is applicable to all employees and which is fair to the employee concerned. Disciplinary action will start based on the report received by the Discipline Management Team from the respective Department, who would submit their report after following the aforementioned process. However, in cases where any complaint/information received directly by the Disciplinary Management Team on breach of Code of Conduct and Ethics of the Company by an employee, a suo-moto inquiry/investigation may be constituted, through Vigilance or Inspection & Audit Department as the case may be, based on the veracity and seriousness of the complaint. Based on the report and other related documents received, the Discipline Management Team (DMT) will put-up the case, along with the background, facts,

views/observations of DMT, to the Disciplinary Committee for further direction/decision in the matter.

As per the directions of the Disciplinary Committee, the approved Charge Sheet will be issued to the errant employee by a designated Officer of the DMT. The Charge Sheeted Employee (CSE) is required to make his / her submissions within 7 days from the receipt of charge sheet. If the CSE do not make any submission within 7 days or any extended time frame, as approved by the Disciplinary Committee, it will be construed that the CSE do not anything to submit in his / her defense and the matter will be considered accordingly.

The Disciplinary Committee, at its discretion based on gravity and seriousness of the misconduct, may decide to hold a personal hearing with the CSE before awarding a penalty in order to accord him / her an opportunity to present their case. Based on the findings of the investigation, facts of the case, submissions made by the CSE, the Disciplinary Committee will decide on any of the penalty as enumerated below to be awarded to the CSE.

Any employee who is aggrieved with the penalty awarded by the Disciplinary Committee may prefer an Appeal against such order to the Appellate Committee within 15 days from receipt of the penalty letter. Any appeal received after the said time frame will not be entertained. The Disciplinary Committee & Appellate Authority for various grades will be as mentioned below:

#### **4.12.1. Disciplinary Committee & Appellate Committee**

The Disciplinary Committee and the Appellate Committee for the employees upto Vice President in the Company shall be as under –

Category of Employee	Disciplinary Committee	Appellate Committee
Vice President and below	1. MD 2. Two Independent Directors	1. Chairman of NRC 2. Two Independent Directors

	3. Internal Auditor	3. Two External Members
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The Disciplinary and Appellate Committees for proceedings to be initiated against employees in the grades of Senior Vice President and above shall be constituted by the Managing Director / Manager / Whole Time Director on a case to case basis

#### **4.12.2. Penalties**

The types of corrective actions/penalties mentioned below shall be applied judiciously and fairly depending on the seriousness of the lapse committed by the employee. However, the Company shall be the sole judge to decide on the categorization of breaches as also the form of corrective actions. Penalties under the disciplinary procedure in the Company would be of two types, which are as follows:

##### **Minor penalties**

- Warning, Censuring;
- Recovery of full / partial pecuniary loss caused or likely to be caused to the Company;
- Adversely impacting annual performance rating;
- Withholding of increment;
- Withholding of performance linked bonus / incentive (partly).

##### **Major penalties**

- Withholding of performance linked bonus / incentive (full);
- Withholding of promotion;
- Demoting to the lower grade or level;
- Reduction in basic salary;
- Termination of services;
- Dismissal from services;

##### **Suspension**



An employee may be placed under suspension pending/during disciplinary procedure under the following circumstances:

- Where the continuance of the employee in the office will prejudice investigation, trial or any inquiry (e.g., apprehended tampering with witnesses or documents);
- Where the continuance of the employee in the office is likely to seriously subvert discipline in the office in which he/she is working;
- Where a preliminary enquiry into allegations has revealed a prima-facie case justifying criminal or departmental proceedings which are likely to lead to his / her conviction and/or termination or dismissal from service.

In the circumstances mentioned above, indicative grounds for which, it may be desirable to suspend an employee for misdemeanors are of the following types:

- an offence or conduct involving moral turpitude;
- corruption, embezzlement or misappropriation of Company's money, misuse of official position for personal gains;
- serious negligence and dereliction of duty resulting in considerable loss to the Company;
- refusal or deliberate failure to carry out written orders of superiors.

Further, an employee may be deemed to have been placed under suspension by an order with effect from the date of his / her detention in either judicial/police custody, whether on a criminal charge/offence under the Indian Penal Code/or any other criminal laws of the country, for a period exceeding forty-eight (48) hours;

### **Revocation of Suspension**

The suspension order so passed or deemed to have been passed, as the case may be, shall continue to remain in force till the disposal of the disciplinary proceedings initiated/or to be initiated against such an employee or otherwise modified/revoked by the authority which issued the order of suspension or by a higher authority.

### **Subsistence Allowance during the period of suspension**

Upon suspension, the suspended employee is eligible to receive subsistence allowance at the rate of one third of basic pay the employee was drawing on the day preceding to the date of suspension plus other allowances (except

conveyance/transport allowance) proportionately on such reduced basic pay for the first ninety days (90 days). For the period of suspension beyond ninety days (90 days), for the remaining period of suspension, subsistence allowance equal to half of the basic pay plus other allowances (except conveyance/transport allowance) proportionately on such reduced basic pay which the employee was drawing on the day preceding to the date of suspension will be paid.

During the period of suspension the following are to be noted in connection with the eligibility and deductions:

1. Monthly rent will be deducted for the Company provided residential accommodation, if any, to the suspended employee.
2. The Car and driver provided to the employee, if any, will be withdrawn.
3. Deduction towards repayment of loans/advances availed from the Company will be made.
4. Income-tax will be deducted (provided the employees yearly income calculated with reference to subsistence allowance is taxable);
5. Suspended employees' Contribution towards Group/ Medclaim insurance, as applicable.
6. No deduction will be made towards contribution of PF.
7. Deduction towards loan repayment taken against PF will be made only upon with the written consent of suspended employee.
8. Total deductions should not exceed 50% of the subsistence allowance.

#### **4.13. Declaration to be signed by all employees to be bound by these regulations**

All the employees of the Company shall be required to provide a Declaration annually confirming compliance with the Company's Code of Conduct and Ethics. The mode and format for providing the declaration shall be prescribed from time to time by the Company.

#### **4.14. Code of Conduct and Ethics – Do's and Don'ts**

An indicative list of do's and don'ts is enumerated below. All employees of the Company shall:

1. Comply with laws, regulations and the Company's standards.
2. Obey reasonable instructions of the superiors.

3. Avoid moral turpitude and do nothing which is unbecoming of an employee of the Company.
4. Adhere to KYC/AML guidelines and Company's standards to prohibit/prevent money laundering, terrorist financing and fraud perpetration.
5. Be responsive to the stakeholders and demonstrate exemplary governance at all times.
6. Reject bribery and corruption and must not give or accept bribes nor engage in any form of corruption.
7. Be familiar with the Company's guidelines on Prevention of Sexual Harassment and refrain from any behaviour, words or action that can be construed as Sexual Harassment.
8. Avoid conflicts of interest.
9. Not offer, give or accept inappropriate gifts or benefits.
10. Not deal in shares when in possession of insider information.
11. Not disclose Company's data unless authorized to do so.
12. Not break into the network/computer system of another organization or person.
13. Not refuse to cooperate with any investigation.
14. Not fight or threaten violence at the workplace.
15. Not spread rumours or unauthenticated information.
16. Not use foul language (including verbal) at the workplace.
17. Not be negligent or exhibit improper conduct leading to damage of Company's property.
18. Not participate in any demonstration against the Company or its officials.
19. Not submit and claim false bills for reimbursements.
20. Not misuse Company's vehicle for personal journey.
21. Not violate Company's dress code.

#### **4.15. Special Responsibilities of Superiors and Managers**

Managers and supervisors have a critical role to play in the Company. In addition to their responsibilities as employees, the supervisors and managers must play a major part in creating an environment that encourages ethical behavior in the Company. Some of these are:

1. They must assist the employees to understand and apply the internal policies and procedures effectively for the betterment of all concerned;
2. They must encourage employees to report any wrongdoing/ unethical practice as soon as they come to notice it, so as to avoid any doubts later that an offence was being committed with their knowledge, which could be construed as connivance by the employee;
3. Ensure that compliance with provisions of applicable laws / regulations is monitored on an on-going basis;
4. They should effectively communicate to the employees that any violations of the applicable laws/ regulations are disapproved of and would have disciplinary implications and issue suitable directives in this respect.

#### **4.16. Raising Ethical Issues**

The Company encourages all employees to report their concerns and suspected violations of the Company's Code of Conduct and Ethics, internal policies, external legal and regulatory requirements, etc. While the employee may choose to remain anonymous, breaches should be escalated immediately to their supervisor/ HR/ compliance or any other empowered authority under whistle blower policy. The Company shall conduct prompt and thorough investigations of reported violation and take appropriate corrective action as required. The Company shall not tolerate retaliation against those who in good faith, report a violation or possible violation of law or policy or misconduct. The Company shall take disciplinary or preventive action as deemed appropriate to address violations of the Code, up to and including termination of employment. Violations of the Code may also constitute violations of law, which may result in criminal or civil penalties for the employee. Should an employee have any doubts in undertaking any new role, assignment or responsibilities, he should ensure that he fully understands the dos and don'ts of the job, so as to avoid pleading ignorance when there is a breach or lapse. At the same time, all employees are required to cooperate fully with authorized internal and external investigations. Making false (or misleading) statements to Company and the regulators during investigations can be a criminal act that can result in severe punishment.

Knowingly withholding information that raises ethical questions and destroying evidence or records that are potentially relevant to a violation of law or any litigation or any pending, threatened or foreseeable government investigation is a punishable offence.

### **5. Terms of Employment**

#### **5.1. Recruitment, Appointment and Probation**

##### **5.1.1. Recruitment**

Bandhan Financial Services Limited is an equal opportunity employer. The Company hires solely based on merit and doesn't discriminate against any applicant based on race, color, religion, age, sex, disability or any other basis prohibited by the law.

The Company upholds the principle that its growth and development is based on talent and performance and is therefore committed to providing equal opportunity for all. It is committed to fair employment practices and strictly follows the policy of fairness in recruiting, developing, promoting and retaining talents from a diverse candidate pool.

#### **5.1.2. Appointment**

Appointments in the Company can be direct to any grade or by promotion from any grade. Depending on his / her qualification, experience and length of service, an employee may be placed, in the appropriate cadre, by the Company, at a salary that it deems to be proper.

The appointment of new hires will be subject to

- They being found medically fit by a Doctor or a panel of doctors or clinic approved by the Company. In this regard the findings of the doctor / clinic empanelled by the Company for the purpose shall be final;
- Satisfactory verification of their character, employment history, antecedents and other testimonials as per their application;
- Submission of a letter from their present employers within a month from the date of joining, relieving them unconditionally from their services.

Till such time, their appointments will be provisional.

#### **5.1.3. Medical tests**

All the candidates/contractual employee have to undergo specified medical tests mandatorily.

#### **5.1.4. KYE (Know Your Employee) Check**

Every employee joining the Company should be required to undergo person, address, character and credential verification. KYE check will typically run in parallel with the candidate's joining to verify their character, employment history, antecedents and other testimonials. If any declaration, statement, certificates or information given by a candidate at any time, is found to be fake, false or untrue, or if any material information is suppressed, their services are liable to be terminated

forthwith without any notice or compensation in lieu thereof at any time during or even after completion of the probation period.

#### **5.1.5. Probation**

All new full-time employees, below the Grade of SVP, will be on probation for the first (6) months of service. This period may vary across grades and shall be specified from time to time with prior approval of the Competent Authority. The probationary period begins on the first day of employment. The probationary period is designed to provide both the employee and the Company a period in which to determine whether the employment decision is appropriate. Based on the work, performance and conduct during the period of probation, and on being found suitable in all respects, the Company will consider confirming the services of the employee or extending the probation, in writing. The extension of probationary period can be for a maximum of 6 months, during which the performance and conduct will be assessed in quarterly intervals. During the probation period, the employee may resign by giving a notice of 30 days. Likewise, during the probationary period or extended period thereof, the Company may decide that the employee is not suited for the particular position and may terminate the employee by giving 30 days' notice or salary in lieu thereof.

### **6. Leave**

#### **6.1. Introduction**

Leave is granted to the employees with the intention of providing rest, recuperation of health and for fulfilling other social obligations. The company recognizes the need of employees to accommodate their personal needs and therefore requirement to take time off from work occasionally. However, as far as possible leave must be planned well in advanced so as far to avoid any possible impact on the Company's operations.

#### **6.2. Types of Leave**

**All employees of the Company are eligible for the following types of leave:**

1. Casual Leave
2. Privilege Leave

3. Sick Leave
4. Maternity Leave
5. Leave for adoption of Child (in the case of female employees)

**The summary of available leave is provided below:**

Type of Leave	Number of Days	Approving Authority
Casual Leave	12 days in a financial year	Immediate Supervisor
Sick leave	12 days in a financial year	Immediate Supervisor
Privilege Leave	16 days in a financial year	Immediate Supervisor
Maternity Leave	26 Weeks	Immediate Supervisor
Leave for adoption of child (in the case of female employees)	Maximum two months	Approved by Managing Director / Manager / Whole Time Director

#### **6.2.1. Casual Leave**

Casual leave will be sanctioned by the immediate supervisor. An employee is entitled for 12 days Casual Leave in a year. Not more than 4 days' Casual leave may be availed at any one time. Casual Leaves cannot be taken in conjunction with any other kind of leaves.

Public Holidays and Sundays falling within the period of casual Leave shall not be treated as a part of Casual leave. The Total Period of absence in case of Casual leave should not exceed 6 days if combined with weekly-offs or Holidays. Unavailed Casual leave shall lapse at the end of the financial year and not carried forward to the next year.

#### **6.2.2. Sick Leave**

An employee shall be eligible for a maximum of 12 days of sick leave in a financial year. Sick Leave can be attached to privilege leave and maternity leave. However, an employee who proceeds on leave on medical ground will have to avail of sick leave first and in case, the employee needs more leave, it may be availed from privilege leave balance. Requests for sick leave of upto 3 days should necessarily be supported by a registered medical practitioner's certificate. Intervening Holidays



will be considered as a part of sick leave. Un-availed Sick leave shall lapse at the end of the year.

Requests for sick leave on full salary over and above 12 days in a year would be considered in exceptionally deserving cases by the Managing Director / Manager / Whole Time Director.

The entitlement for Casual and Sick Leave will be credited on an annual basis on April 1<sup>st</sup> for employees who join the company in the middle of the year, the casual and sick leave shall be credited upfront for the residual portion of the year on a pro-rata basis.

#### **6.2.3. Privilege Leave**

Employees of the Company are eligible for 16 privilege leave in a financial year. A new entrant will not be eligible for availing privilege leave during the first six months of his/her service, though leave will accrue during this period. Intervening holidays will be considered as a part of privilege leave. Accrued privilege leave will be credited on monthly basis. An employee shall normally be required to give sufficient notice before availing Privilege leave. Privilege leave can be accumulated up to a maximum of 45 days, beyond which they will automatically be encashed at the beginning of Financial year. For the purpose computing the components of salary eligible for encashing Privilege leave, fixed monthly components other than Location premium 2 will be considered.

#### **6.2.4. Maternity Leave**

Female employees who have completed at least 80 days of active service in the twelve months immediately preceding the date of her expected the date of her expects delivery eligible for maternity leave, as follows:

1. Leave up to a period of 26 weeks at a time will be granted to a female employee by way of maternity leave, of which not more than 8 weeks can precede the date of delivery.
2. Such leave can be taken twice during the entire service period of the employee.

3. Female employees who are having two more children will be entitled for leave up to 12 weeks at a time by way of maternity leave, of which not more than 6 weeks can precede the date of delivery.
4. In case of miscarriage or medical termination of pregnancy, a female employee shall, on production of medical certificate acceptable to the Company, be entitled to leave with pay for a period of six weeks immediately following the day of miscarriage or medical termination of pregnancy.
5. In case of tubectomy operation, a female employee shall, on production of medical certificate acceptable to the Company, be entitled to leave with pay for a period of two weeks immediately following the day of operation.
6. A female employee suffering from illness arising out of pregnancy, delivery, premature birth of child or miscarriage shall. On production of such proof as may be acceptable to the company, be entitled, in addition to the period of absence allowed above, to a leave with pay for a maximum of one month.
7. Maternity leave may be combined with sick leave or privilege leave applied for in continuation of the former will be granted only if the request is supported by medical certificate acceptable to the Company.

#### **6.2.5. Leave for adoption of child**

Leave may also be granted once during service to female employee who is a mother with fewer than 2 surviving children, for legally adopting a child who is below one year of age till the child reaches the age of one year, subject to a maximum period of (two) months on the following terms and conditions:

1. Leave will be granted for adoption of only one child.
2. The adoption of a child should be through a proper legal process and the employee should produce the adoption deed to the company for sanctioning the leave.

#### **6.3. An Employee who dies while in Service**

Salary and allowances for the period of un-availed privilege leave of an employee who dies while in service will be paid to his / her legal heirs. As this would involve production of the necessary legal claim, such as succession certificate, letter of administration or probate, resulting in considerable hardship to the family of the deceased employee, the stipulation may be relaxed, where legal complications are

not foreseen, and the amount may be paid to the legal heir on the basis of an indemnity bond with two sureties acceptable to the Company and each good for the amount involved. The discretion to waive production of legal representation in individual cases and accept indemnity bond will be with the Managing Director / Manager / Whole Time Director.

#### **6.4. Unauthorized Absence and Voluntary Abandonment of Service**

An employee is expected to duly notify and take approval from the leave sanctioning authority for availing any kind of leave. In case of unplanned absence on medical grounds or any other reasons, the employee shall endeavor to notify the leave sanctioning authority in writing either in person or through a member of the family along with necessary documents, if any, in support of such absence.

Voluntary Job abandonment may happen when an employee remains absent from work for long period without approved leave or fails to notify his / her supervisors of his / her absence from work will be treated as unauthorized if it is availed:

1. Without submitting any leave application.
2. After leave application has been rejected.
3. After the approved leave period has been availed.

During the period of unauthorized absence, an employee will not be:

1. paid any salary, allowances or reimbursements;
2. accrue any kind of leave.

If an employee remains unauthorized absent from work for a period exceeding 15 days it will be deemed as Voluntarily Abandonment of the Services. In such cases, the Company will have the right to initiate disciplinary proceedings against such employee, which could lead to his / her dismissal from service. Before doing so, the Company would attempt to contact the employee who doesn't show up for work. Letters should be mailed to the employees last known address asking the employee to contact the employer within a specified time frame to discuss the matter, in absence of which the employee will be considered to have voluntarily abandoned

the job. Once the employee is terminated, a letter shall be mailed to him / her advising of the termination due to voluntary job abandonment.

The contract of service shall come to an end when the employee abandons his / her job.

Where an employee submits a resignation letter and then leaves the Company without fulfilling the obligations under the resignation process, in spite of the tendering of resignation letter, it will not be treated as resignation, but as abandonment of service. The Company will, after a reasonable time, and after making efforts to recover the notice period salary, etc., issue a letter to the effect that their absence is treated as Voluntary Abandonment of Service. This letter will be issued to them in lieu of the relieving order.

## **7. Other Employee benefits**

### **7.1. Group term life insurance policy**

A Group Term Life Insurance Policy has been obtained by the Company for all its employees. The grade wise sum insured is as under:

<b>Grade Title</b>	<b>Basic Life Cover</b>
<b>Executive President and Above</b>	<b>RS. 80 Lakhs</b>
<b>EVP,SVP</b>	
<b>VP,DVP</b>	<b>RS. 60 Lakhs</b>
<b>AVP</b>	<b>RS. 40 Lakhs</b>
<b>Sr. Manager</b>	<b>RS. 20 Lakhs</b>
<b>Manager</b>	<b>RS. 15 Lakhs</b>
<b>Deputy Manager</b>	<b>RS. 12 Lakhs</b>
<b>Assistant Manager and below</b>	<b>RS. 10 Lakhs</b>

#### **7.1.1. Salient Features**

The Group Term Life has the following features

1. Worldwide comprehensive life insurance cover.
2. Cover for death due to any reasons, natural or otherwise, i.e. terrorist attack, natural calamity, suicide, etc.
3. Actively at work clause is not applicable.

4. The Company has also negotiated and paid for a terminal illness (TI) cover which is an accelerator to the Basic Life Cover (BLC); eg., If any employee, is certified by a registered medical practitioner as terminally ill (which means he/she is suffering from an illness/disease with no further possibility of any cure), then that person will be eligible for the amount equivalent to the sum insured for life. It is different from normal BLC in that an employee may not be able to continue work after being declared as terminally ill. Availing TI will allow the employee to take the benefit, even if not being able to continue working.

#### **7.1.2. Nomination**

Like other terminal benefits, employees have to declare their nominee for the sum insured under the group term life policy.

#### **7.1.3. Claims/Settlements:**

In an unfortunate event of death of an employee, the insurance company, subject to submission of necessary documents, will hand over the claim amount to the Company. The Company in turn, will ensure to hand it over to the legal heir/nominee along with other terminal benefits.

### **7.2. Group Mediclaim Policy**

A Group Mediclaim Floater Policy has been obtained by the Company for all its employees and their dependents. The grade wise coverage is as under:

<b>Grade Title</b>	<b>Coverage</b>
Executive President, EVP and Above	5 Lakhs
SVP, VP	4 Lakhs
DVP, AVP	3 Lakhs
SM, Manager, DM, AM	2 Lakhs
Executive, Senior Officer, Officer	1 Lakh

### **7.3. 7.3.1 Mobile Phone Bill Reimbursement-**

To facilitate communication, mobile phone expenses will be reimbursed every month, as per the limit set according to employee grades. The limits are:

<b>Grade Title</b>	<b>Entitlement Per Month (in INR)</b>
Executive President and above	2000
Executive Vice President/ Sr. Vice President	1500
Vice President/ Dy. Vice President	1000
Assistant Vice President	750
Sr. Manager / Manager	500
Dy. Manager / Assistant Manager	300
Executive / Sr. Officer / Officer	150

For employees in the grades Assistant Manager and above, the Company may finalize CUG plans with service providers and provide the facility to the employees. Only those employees who avail the Company negotiated CUG plan shall be provided reimbursement of their paid bills, as per their eligibility detailed above or the actual bill amount, whichever is less.

### **7.3.2 Landline or Broadband Bill Reimbursement -**

The Company shall provide Landline or Broadband reimbursement to employees in the grade of DVP and above grades. Employees are required to pay their bills obtain reimbursement every month. The Company will reimburse the amount on actual, subject to the maximum limit detailed below: -

<b>Grade Title</b>	<b>Entitlement Per Month (in INR)</b>
Executive President and above	750
Executive Vice President/ Sr. Vice President	750
Vice President/ Dy. Vice President	750
Assistant Vice President	750#
Sr. Manager	750#

# Employees in the grades of Senior Manager and Assistant Vice President, holding the post of Key Managerial Personnel, may be provided with Landline or Broadband Bill reimbursement subject to approval of the Departmental Head recommendation and approval of Human Resources.

#### **7.4. Travel**

The Company encourages employees to be thoughtful and to use Company's resources ethically while traveling or incurring expenses during official purpose. The Administration Department shall make all travel and accommodation arrangements, with the exception of unplanned travel arising due to emergency situations.

##### **7.4.1. Travel In-station**

Actual, reasonable conveyance expenses of employees traveling for official purpose in any location (home office location or otherwise), shall be reimbursed, if they use local transport like bus, train, metro, auto / cycle rickshaw, local taxi, call taxi, whichever is applicable. In the major metros, it is desirable to make judicious use of public transport. Local transport excludes hotel cars/ rented cars unless prior approved by the designated reporting authority. No cars or cabs should be rented for the whole day unless call/local taxis are not available at the location. The Company will not reimburse conveyance from residence to the work place and also from the work place to residence.

Employees who are required to travel for office purpose within the city of his / her posting shall be reimbursed as per rules below:

<b>Grades upto Deputy Manager</b>	<b>All employees in the grades of Manager and Above</b>
Local transport excluding taxis	Local transport whenever possible. Non A.C. taxis in case of urgent need

##### **7.4.2. Travel Out-station**

The eligibility guidelines for employees going on outstation office tour is provided below:

1. All employees must obtain prior approval from the Department Head for travel requisition.
2. Travel reservation must be done through the Administration Department or the Company empanelled travel agency.
3. Employees requiring air travel must advise the Administration Department or the empanelled travel agency at least 4 working days prior to the date of travel.
4. All train tickets (including booking done through TATKAL) will either be purchased by the Administration Department or through travel agents empanelled by the Company on approval by the respective authority who have approved the travel.
5. Use of own vehicles for outstation travel exceeding one-way road distance of 150 kms is not encouraged unless prior approval is obtained from the concerned Department Head.
6. These guidelines shall not be applicable for a pre-sanctioned, continuous stay of 15 days or more, in which case "Deputation Guidelines" will be applicable.

Functional and Departmental Heads are accountable for monitoring the individual travel expenses of all the employees in their respective departments.

The entitlements for Hotel stay is provided below.

<b>Grade</b>	<b>Hotel Accommodation*</b>	<b>Per Diem (Accommodation &amp; Food Allowance - without bills - in absence of hotel acco.) (Rs.)</b>
Executive President and above	Metro - 7500	Metro - 4000
EVP/SVP	Non-metro - 6500	Non-metro- 3000
VP/DVP	Metro - 5500 Non - Metro -4500	Metro - 2000 Non-metro -1750
AVP	Metro - 3500 Non-Metro -3000	Metro - 1750 Non-Metro -1500



SM/ Manager	Metro - 3500 Non-metro- 2500	Metro - 1250 Non-metro- 750
DM/AM	Metro - 2500 Non-metro- 2000	500
Executive, Senior Officer, Officer	Metro - 1500 Non-Metro 1000	350

- \* Hotel accommodation eligibility defined above relates to lodging expenses excluding taxes.
- \* Additional 20% for incidental expenses (only for hotel accommodation) include porter charges, tips within reasonable limits, food (within hotel or outside), laundry expenses, etc.
- \* Mumbai, Delhi & Bangalore to have 10% higher cap.
- \* Employees travelling to branch where accommodation or stay facilities are available, should avail the same.

Hotel / Guest House booking for all grades of employees is managed by the Administration Department. Employees travelling to any location and requiring hotel stay, will be required to inform the Administration Department for making the stay arrangements. The Administration Department shall make stay arrangements in empaneled hotel/guest houses as per the respective eligibility. In exceptional cases, where empaneled hotel or guest houses are not available, Administration Department shall advise employees to make their arrangements as per their eligibility.

An advance may be granted to the employee if he/ she so desires. The amount of advance may be calculated based on anticipated expenses during the period of travel, which will be recommended by the Functional Head and shall be duly approved by AD. Any travel advance taken should be settled within 10 days of travel completion else it shall be recovered from the employee.

The travel expenditure claim statement should be accompanied with the following documents:

1. Original Boarding pass/ Train ticket/ Bus ticket (irrespective of whether the ticket is booked by office or self).
2. Original Hotel (boarding & lodging) bill along with all supporting material.
3. Copy of travel approval and requisition.
4. Any other document that finance may specifically require.
5. Cost of air/ train tickets booked by the Company is treated as an advance to the employee till the time the employee submits original boarding pass/ train ticket.
6. Expenses should ideally be submitted within 10 working days of return from travel. Expenses submitted more than 60 calendar days after the date they were incurred may not be reimbursed.
7. Short distance travel at the visiting center including travel from station/ airport to place of stay and travel for official purposes shall be made as per guidelines specified in Travel – In station. Receipts may be produced where available.
8. Expenditure on alcoholic beverages and cigarettes is not reimbursable as travel expense.

## **8. Deputation Guidelines**

On account of office exigencies, circumstances may arise wherein employees may be required to be posted at locations other than their place of normal posting (headquarters) for a period exceeding 14 days. These are pre-sanctioned tours to be approved by the Department Head / Companying Operations and further ratified by Head HR. The employee returns to his / her permanent place of posting after the period of deputation. The maximum period of deputation at a stretch shall not exceed 3 months.

### **8.1. Deputation Allowance**

While the Company will arrange suitable lodging facility/ guest house accommodation for the employee at the place of deputation, the employee will also be provided a Deputation Allowance to cover expenses towards food, laundry, etc. as indicated below:

<b>Grades</b>	<b>(INR per day)</b>
DVP and above	600
AVP and below	400

However, for the purpose of availing Deputation Allowance or Company provided accommodation upon deputation, only those postings will be considered as Deputation which involve change of station and where an employee is required to relocate to his place of deputation.

## **9. Separation, Retirement**

### **9.1. Employee Resignation**

Employees resigning from the services of the Company will be required to mandatorily serve a notice period of 90 days if confirmed in service and 30 days if on probation. However, it is to be noted that the acceptance/rejection of a resignation request of an employee is at the sole discretion of the Company. Further, no employee is allowed to submit a resignation during disciplinary action initiated/pending.

Waiver of the notice period, if any, will be at the discretion of the Reporting Authority and Head HR. In such an event, the salary equivalent of the notice period shortfall, if any, after adjusting with PL will be recovered from employee.

In cases involving disciplinary matters and other administrative exigencies, the Company can unilaterally waive notice period / salary in lieu thereof, and relieve the employee immediately without compensating the employee for the notice period waived. This will be at the discretion of HR Department.

Any employee tendering his / her resignation and leaving the Company without serving the notice period, unless with specific approval of waiver will be treated as having abandoned the service of the Company, and will be dealt with as per clause 6.2.9 above.

- No leave whatsoever shall be allowed / availed during the notice period. In case any employee takes leave during notice period such leave will be treated as shortfall in notice period and the employee will have to either serve or pay compensation for such shortfall as per the discretion of the Company.
- The PL balance including accrued PL upto the last working day will automatically be encashed along with the full and final settlement.

In cases where a holiday/ weekend would be the date of the release, the effective date will be the last working day preceding the holiday/ weekend.

All dues to the Company (including income tax dues, etc.) would have to be payable by the employee on the advice of the HR Department. Employees will be required to buy back assets provided to them at the written down value plus applicable taxes. On fulfillment of all resignation formalities, including clearances from various departments, the Human Resources Department will send a communication acknowledging acceptance of the resignation with a copy to Reporting Manager of the employee concerned.

## **9.2. Employee Termination**

Should it be necessary to terminate a confirmed employee because of redundancy, inability to perform the job satisfactorily or any other reason where the Company finds, good and sufficient reasons to discontinue the employees' services, three months advance notice will be given by the Company. The only exception to this advance notice policy is the Company's termination of an employee for disciplinary purposes where neither the notice period nor notice pay in lieu will be applicable. An employee may be terminated immediately, especially when an employee's continuing presence on the job may jeopardize the safety of employees or may seriously disrupt the operation of services or tarnish the image/reputation of the Company. However, in such case the payment of notice pay will be examined on a case to case basis.

In both cases of separation (resignation or termination), it is crucial to ensure that the separating employee takes care of the post-termination obligations, which are as follows:

1. To hand-over to the Company all files, correspondence, literature, drawings, records, prepared in the course of the employment or any confidential information either in written or digital form belonging to the Company.
2. To refrain from any unauthorized access or usage of the Company's physical and electronic assets, confidential and financial information.

### **9.3. Exit Interview**

All employees who are going to be relieved from the services of the Company are required to have exit interviews with Human Resources Department. For those employees who are terminated for disciplinary reasons, the exit interview process may be waived. Information obtained during the exit interview will be treated as confidential.

### **9.4. Full and Final Settlement**

All dues payable to the employees by the Company, subsequent to separation, would be payable within a period of 45 days from the date of separation.

### **9.5. Retirement from Employment and terminal benefits**

Every employee shall retire from the Company's service on the last day of the month in which they attain the age of 60 years. However, in deserving cases, the Managing Director / Manager / Whole Time Director will have the discretion to extend the services of an employee for a further 2 years. In exceptional cases, extension beyond this period could also be considered with the approval of the Board of Directors of the Company.

On retirement, an employee will be eligible to claim travelling allowance and baggage expenses for himself / herself and dependents as if he/she was travelling on transfer from the last place of posting to the place where he/she proposes to settle down. Dependents for this purpose will mean spouse, children and parents residing with and fully dependent on him / her.

On retirement, employees may opt to continue to be covered under Company's Group Mediclaim Policy along with their spouse only, for the medi-claim limit, as applicable at the time of retirement. However, in such case, the premium as applicable will have to be paid by them, every year at the time of renewal of the policy.

### **9.5.1. Terminal Benefits**

#### **9.5.1.1. Gratuity**

Employees will be eligible for receiving gratuity under Payment of Gratuity Act, 1972, provided they have rendered continuous service for not less than 5 years. The Managing Director / Manager / Whole Time Director will have the discretion to sanction additional ex-gratia payment in case of employees who render exemplary service.

#### **9.5.1.2. Leave Encashment**

When an employee retires from the Company's service, he shall be eligible to be paid a sum equivalent to the emoluments of privilege leave balance that he has accumulated. In addition, if such retirement is in the middle of the financial year, the Privilege Leave accrued on pro-rata basis till the date of retirement will also be encashed. (Refer to Paragraph no - 6.2.3)

## **10. Performance management**

Performance management can be regarded as a systematic process by which the overall performance of an organization can be improved by improving the performance of individuals within a team framework. It encompasses activities such as joint goal setting, continuous progress review and frequent communication, feedback and coaching for improved performance, implementation of employee development programs and rewarding achievements. The employee's performance will be measured against the following:

1. Work Performance Results
2. Process Excellence - Inputs which are likely to yield better performance outcomes in the future
3. Behavioral Aspects- Softer aspects, based on the core values of Bandhan, which builds a culture conducive to sustainable Company's performance

The derivatives of performance Management system shall include the following:

1. Promotions
2. Identifying Training and Development needs
3. Decision on salary increase and payment of incentive
4. Competency building for career growth

## 5. Providing Feedback & Managing Grievances

### 10.1. Performance Management Procedure

#### 10.1.1. Define Objectives and Set Goals

The process of setting goals should be a collaborative process between an employee and his / her manager and should follow widely-used C- S-M-A-R-T framework.

Challenging:	The target should be stretched enough that the employee is required to stay focused on its achievement.
Specific:	Well-defined to inform employees exactly what is expected, when, and how much. With specific goals, managers can easily measure progress toward goal completion.
Measurable:	Provide milestones to track progress and motivate employees toward achievement.
Attainable:	Success needs to be achievable with effort by an average employee, not too high or too low.
Relevant:	You should focus on the greatest impact to the overall Company's strategy.
Time-bound:	Establish enough time to achieve the goal, but not too much time to undermine performance. Goals without deadlines tend to be overtaken by the day-to-day crises.

Objectives should also be fair and equitable when judged across employees with similar roles and responsibilities. It should also be aligned with the corporate objective via the job objectives of the supervisor. To the extent possible, goals should be set for the interim period and year end achievement.



#### **10.1.2. Identify employee's needs in achievement of goals**

An important component of the objective setting process is the identification of the employee's needs. The achievement of objective is closely linked to the employee's ability to perform the tasks. The employee's needs could be in various ways such as a training need, additional resource need and so on. The needs have to be identified via a discussion with the employee, prioritized and action should be taken to address them.

#### **10.1.3. Appraise the Performance**

The performance appraisal process starts with the employee concerned doing a self-appraisal and the supervisor putting his / her comments and obtaining agreement of the employee via discussion in an appraisal meeting. For all employees of the Company, there will be a half-yearly appraisal followed by annual appraisal. The mid-year feedback process will include feedback on performance and on competencies with an objective of a mid-course review, to help plan and prioritize corrective actions for employees to remain aligned to achievement of their Company's goals and self-development.

#### **10.1.4. Performance Review Discussion**

Performance review discussion is an integral part of the appraisal process and will include detailed discussion on the performance of the employee vis-à-vis the goals set and agreed achievement level, which will determine the performance grade of the appraisee. The Company endeavors to build a central MIS for all budget and achievement data, as a dashboard to all employees that becomes an input into the performance management system and promotes fair and transparent appraisal. Appraisal discussions can also be a platform for sharing qualitative feedback by immediate supervisors which will help employees to have an insight into their performance and also identify areas for improvement.

#### **10.1.5. Final Review by the Reviewing Authority**

All performance appraisal ratings will be reviewed/ calibrated by a committee to normalize the ratings.

#### **10.1.6. Use of data for appropriate purposes**

The performance appraisal data will be retained by the Human Resource Department (HRD) and will be used as stated in the 'Scope of Performance Review' process for Promotions, Identifying Training and Development needs, decision on salary increase and payment of incentive, Competency building for career growth and for Providing Feedback & Managing Grievances.

#### **10.1.7. Management Approvals on Appraisals**

Upon completion of the individual appraisal process, HRD will prepare a summary of rating for the entire Company, for each department and for each functional area. It shall also prepare its recommendation for promotions, salary adjustment and incentive payment across the Company, based on the rating, for approval by the Competent Authority.

#### **10.2. Grading System**

Appraisal ratings shall be based on a 5-point rating scale across the organization which can be categorized as-

1. Did not meet expectation
2. Often did not meet expectation
3. Met expectation
4. Exceeded expectation
5. Far exceeded expectation

The achievement levels required at each of the above rating will depend on work performance and may vary every year. Fresh guidelines on the achievement levels will be issued by HR every year after approval from the designated authority.

#### **11. Amendment of the HR Policy Manual**

The Managing Director / Manager / Whole Time Director will be vested with the authority to amend the HR Policy Manual as and when considered necessary, which shall be ratified by the Board. The Manual will be reviewed annually by the Board.

**NEW HIRE DECLARATION****Declaration**

I, Mr. / Ms. \_\_\_\_\_ do hereby declare that:

- 1) I have read the Company's Code of Conduct as given in the HR Policy Manual and understand my obligations as an employee to comply with the principles and policies outlined therein, including any amendments made by the Company thereto, from time to time.
- 2) I am aware that any contravention of the said Code and policies of the Company on my part shall result in appropriate action as determined by the Company.
- 3) I also confirm that I will submit details of my assets including movable and immovable assets whenever required by the Company.
- 4) Whenever asked to do so, I shall also provide details of all Company accounts held by me either singly or jointly with other family members.
- 5) Submission of Asset and Liability Document.
- 6) Submission of Holding Statement of your investment in equity.

I undertake to

- (a) Exercise delegated powers granted to me through the Power of Attorney / Scheme of Delegation of powers etc. in a bonafide manner with due prudence and diligence and in the interest of the Company.
- (b) Declare any conflicts of interest, as and when it arises during my employment with the Company, to the Head, Human Resources.

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Employee Signature  
Name in full  
Employee Number  
Date of Joining

# LEAVE APPLICATION

To,

Bandhan Financial Services Limited

Subject: Application for Leave

Sir,

I request for sanction of leave for \_\_\_\_\_ day/s from \_\_\_\_\_ to \_\_\_\_\_ for the purpose of Sick Leave.

Yours faithfully,

.....  
Name : Designation :  
Employment Code : Branch : Head Office  
Region : N/A Division / Office : N/A

## FOR OFFICE USE

PARTICULARS OF EARNED LEAVE A/C									
Type of Leave	Date of Proceeding of Leave	Leave Earned during the Period	Leave at Credit	Leave availed of		No. of Days	Balance	Date of Joining after Leave	Remark
				From	To				
PL									
CL									
SL									

(Note: Medical Fitness Certificate is to be enclosed in case of Sick & Maternity Leave)

.....  
Signature of Record Keeper

Leave with Pay for ..... days

Leave without Pay for ..... days

Recommended By

Posted in Ledger Folio

Sanctioned By

Name :

Designation :

Signature of Official

Name :

Designation :