



Code of Conduct 2018

National Housing Finance and Investments Limited

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1. Objectives of the Code of Conduct

Since its beginning in 1998, National Housing Finance and Investments Limited (hereinafter referred to as -NHFIL) has recognized values that have helped the Company flourish into what it is now. This document represents the foundations that have served as both our inspiration and our guidance. To consolidate and strengthen our identity as an distinguished organization, we must make ensure that our Company's values and principles guide our activities and the way in which we operate.

This Code is the touchstone for our mission and the set of values underlying our daily activities. Our commitment, as a part of the NHFIL team, is to live this document through all of our actions, always in compliance with the laws and regulations of the country. We are inherently confident that a culture based on these values will foster full development of our individual abilities and skills and steady growth in the value of our Company for all stakeholders—our customers, investors, employees, suppliers, communities and the government.

The core objective of this Code of Conduct is to provide the employees with a clear understanding of the standards expected from them as an employee of NHFIL and whilst performing their duties. The Code of Conduct also represents a broad framework of ethical standard of conduct that is expected from every employee of NHFIL. This framework is based on the values and principles that have since inception translated into standards of ethical conduct, which an employee is expected to uphold and adhere to profoundly.

This Code of Conduct applies to all Employees and Executive Director, hereinafter referred to as “Employees” whether permanent or on contractual/probation. The Code supplements but does not exclude, limit or replace any of the rights, duties and obligations of the Employee under the terms of his/her appointment and/or any other legal/regulatory requirements applicable to NHFIL.

2. Employer's Commitment

2.1 Mission of NHFIL

Be equal Housing Lender to all. Provide quality services with utmost care and sophisticated technology, Create innovative products to cater to the requirement of the competitive market. Build a high quality employee team by providing job satisfaction and prospect of out-standing career development. Maximize steady return on shareholders' equity by quality investment of funds.

2.2 Core Values of NHFIL

- Protect national interest and be part of national growth and prosperity.
- Create good leaders rather than ordinary managers.
- Give high priority on understanding trust, fairness, confidentiality rules and regulations, objectivity, transparency, integrity and corporate individual and social responsibility.
- Always keep pace with state of the art technology and innovative conceptions

2.3 Corporate Responsibility

NHFIL is recognized as a responsible corporate citizen for its ongoing effort to promote ownership of housing, wealth creation and also towards the up gradation of the underprivileged and weaker echelons of our society. NHFIL is committed to participate in ventures for improvement of our society by taking development initiatives towards protecting and preserving our embellished cultural heritage.

2.4 Adherence to Applicable Laws

It is NHFIL's corporate policy to adhere to the laws of the country and with the regulatory requirements applicable to our business. This includes compliance with company, regulatory, labor, industry, trade, securities, copyright, employment, health and safety, and other business regulations, civil and criminal laws.

2.5 Diversity, Equal Employment Opportunity & Freedom from Harassment

As a Financial Institution, NHFIL is committed to equal opportunity, unbiased treatment of all individuals based on job related qualifications and without consideration to gender, age, national origin, religion, creed, marital status, or any other basis not prohibited by law. NHFIL is also committed to extending its employees continuous training & development, individual recognition and reward on the basis of merit, open communication, and effective feedback and inherent and qualitative support. The Company's policy is to create a work environment that is entirely free from intimidation or harassment. Such harassment by co-workers, supervisors or outsiders is prohibited. Harassment includes behavior, whether in person or by other means, such as by email, remarks of sexual nature, sexist or racist comments, religious slurs or ethnic jokes (if such behaviors interfere with an employee's work performance or creates an intimidating hostile or offensive work environment.)

2.6 Magnificent Working Environment and Interpersonal Relationships

2.6.1 Working Environment:

- Complying with employment rules and regulations.
- Respecting individual differences and opinions and preventing all forms of discrimination.
- Defining, communicating, and ensuring compliance with NHFIL's policies and internal procedures.
- Seeking to provide finest and most productive work environment for the outstanding employees, to maximize individual potential and creativity, foster collaboration and teamwork.

2.6.2 Foster Collaboration:

- Provides effective support to others and encourage teamwork and expert networks in which everyone can share knowledge, experience and best effort.
- Never sacrifices the Company's long-term advancement and growth potential for short-term returns.
- Recognizes that healthy competition in the workplace stimulates personal and career growth, provided that it does not tarnish the Company's collaboration, team spirit, or corporate performance entirely.

2.6.3 Encourage Communication:

- Promotes the values that are shared as a Company and become positive role models of the behaviors and practices established in the Code.
- Expresses ideas and concerns specifically and honestly in a timely and responsible manner and contribute constructive criticism in order to make relationship with the employees and processes more efficient and fruitful.
- Represents respect for the opinions of others to enhance the Company's proposals and improve the outcome of Company's efforts and proper implementation of policies.

3. Employer's Code of Conduct

3.1 Compliance Guidance:

- a) At all times the stakeholders of NHFIL shall act in a professional and ethical pattern and uphold the highest standards of honesty, trust, fairness, integrity and diligence.
- b) Every stakeholder shall consider the risks and implications of their actions and in principle, should feel accountable for them, and for the potential adverse impacts.

- c) NHFIL shall take firm promise to adopt endeavor to follow best industry norms and practices.
- d) All information shall be utilized and handled with best care and due diligence to be applied to ensure highest confidentiality and preserving sensitivity.
- e) Prevent and avoid potential conflict of interest that may arise and influence one whilst performing at workplace.
- f) Serve customers, colleagues and counterparties with proper care. Respect their desires and serve them with responsibility if they asked for, or help them voluntarily.
- g) Set the service standard for the organization that reflects professionalism that also expresses values and attitudes, as well as positive behaviors.
- h) Equip employees to carry out their duties with due regards to the technical and professional standards expected by qualified customers. Encourage the employees continuously to develop and maintain their technical and professional knowledge and level of competence.
- i) Encourage the staff/officials to act with complete integrity towards customers, colleagues, counterparties and others with whom they may interact.

3.2 Responsibility to Shareholders

- a) NHFIL should preserve the lawful benefits and interests of its shareholders.
- b) Should make utmost endeavor to maximize profit and increase payout ratio for the stakeholders and manage the same ethically and properly.

3.3 Responsibility to Customers

To satisfy the customer-needs efficiently, NHFIL requires to:

- a) Understand and honor the customer requirements, as well as serve them indifferently, promptly and honestly.
- b) Ensure entire secrecy of customers' affairs/account information at all times unless asked by any competent court or any other lawful authority.
- c) Issue notice with reasonable time in case of closure of customers' accounts with the Company for any legitimate rationale.
- d) Provide customers with requested account statement accurately and promptly.
- e) Preserve the customers updated regarding suspicious operations in their accounts, if any.
- f) Exercise due diligence and prudence in the operation of customer accounts.
- g) Keep customers fully informed with all required financial products.

3.4 Responsibility to the Environment and Society

Environmental and climatic protections are among the most pressing global challenges of the time. All of these are to be taken into consideration in all areas of the Company's business. The concerned authority of NHFIL must have firm and ingenious commitment to choose and implement the right procedures and actions, along with the compliance of legal requirements in this regard. They must consider structural and non-traditional risks management options that inherent to Company's financial activities side by side with the management of traditional financial risks, such as credit risk, market risk and operational risk etc. Risks inherent to environment and social or community events/activities also are required to be taken into account.

4. Employee's Commitment

4.1 NHFIL expects its employees to:

- Become familiar with the Company's mission and contribute to its achievement by living the organizational values, and observing the Code.
- Read, understand, and comply with NHFIL's policies and internal procedures.
- Dedicate employees' talents and cherished efforts to their jobs.
- Share their knowledge and experience for the benefit of NHFIL and its stakeholders.
- Meet their commitments consistently, honestly, and responsibly.
- Share cohesive responsibility with the Company for their individual growth and in-depth development and avail themselves of the opportunities that NHFIL offers to keep their expertise up-to date.
- Contribute to an environment of cooperation and synchronized teamwork.
- Observe and enforce all health and safety standards.
- Display at all times the best impression of our Company by establishing a good example of activities, financial performance, and steady pattern of growth.

4.2 Commitment to Customers

Observing NHFIL corporate values, employees will treat customers with integrity and professionalism and avoid arrogance regularly. To build and maintain customer relationships based on entire trust and transparent credibility, NHFIL employees must only make commitments that are commensurate with the Company's policies.

4.3 Upholding the Company's Impression

Every employee is expected to uphold the image of the Company. He will apply his/her judgment maintaining office discipline and decorum in an appropriate and disciplined manner mentioned in this Code of Conduct.

4.4 Maintaining Confidentiality during & after Employment

An employee's obligation as a NHFIL employee to protect NHFIL's proprietary and confidential information continues even after his separation from NHFIL.

4.5 Use of Position

The employees in all positions of NHFIL shall have to abide by their respective Code of conduct for the sake of both institutional and national integrity and transparency. It is expected that an official shall use his/her position and delegated power to do his/her jobs appropriately and diligently. Any deviation from this pattern shall be treated as abuse of position and power at NHFIL and it will not be appreciated at NHFIL. Generally such deviations are obtained for following two reasons:

4.5.1 Private Gain

An employee at NHFIL is bound to exercise his/her power attributed to his/her position for the betterment of the NHFIL as well as the country. But it becomes injurious and illegal if the practice of his/her power relating to his/her position is led towards personal benefit. Therefore, the use of position of an employee at NHFIL for any private gain is strictly prohibited.

4.5.2 Endorsement

The endorsement of one's position at NHFIL is also similar to the abuse of position. Sometimes, dignitaries may not directly take any benefit by utilizing their power and position. However, they may shape the path for betterment for other persons by making such unlawful expression and authorization of position and power.

5. Employee's Code of Conduct

The Code has been divided into two segments as under:-

- Part A : Explicit Guidelines
- Part B : General Guidelines

Part A: Explicit Guidelines

Explicit guidelines constitute specific guidelines on issues that are perceived to be highly critical and sensitive for the effective and smooth functioning of Company's business. Therefore, the violation or breach of these guidelines by any employee of NHFIL shall be considered with full

attention by the management. The management is entitled to enforce a zero tolerance level when dealing with cases relating to violation of any guidelines covered in Part A of this Code of Conduct.

5.1 Customer Trust

Commitment to customers is an encompassing theme at NHFIL. NHFIL strives to provide the highest levels of service during all the interactions with its customers. The confidence and trust reposed in NHFIL by its customers and stakeholders are of vital importance. As NHFIL is primarily engaged in the business of borrowing and lending of funds, employees who have been entrusted with the task of managing such funds must endeavor to handle them diligently and in the most responsible and lawful manner. Keeping in mind the value and the commitment of NHFIL towards its customers, each employee should endeavor to deal fairly with customers, depositors, shareholders and other stakeholders at all times and in accordance with the applicable laws, rules and regulations. No one should take unfair advantage of anyone by manipulation, concealment, and abuse of privileged information, misrepresentations of material facts or any other unfair practices.

5.2 Proprietary Information & Business Secrecy

All information pertaining to NHFIL's business, customers (individual, corporate, developers), operations, processes or dealings, intellectual properties such as trade secrets, blueprints, designs, trademarks and copyrights, market research and new product plans, objectives and strategies, operating procedures, systems and controls, records, databases, compensation, employee benefit information or any other information concerning any financial, technical, marketing information, transactions or affairs of NHFIL, its subsidiaries/affiliates and customers (hereinafter collectively referred to as —confidential informational) which an employee may have access to during the course of his/her employment, shall be used diligently and in a pattern so as not to benefit the employee/s, competitors or is detrimental to the business interest of NHFIL and shall continue to be the property of NHFIL at all times.

Employee will ensure not to use or attempt to use any such information in any manner which may or is likely to cause loss to or prejudice, damage either directly or indirectly to NHFIL or its affiliates, or any of its employees, agents or stakeholders. Obligations under this clause shall survive post termination and/or cessation of employment with NHFIL, for any reason whatsoever.

As an employee of NHFIL, no one will release information concerning a customer to a third party without the customer's consent in writing except in accordance with the relevant trade, credit and information arrangements or where he/she is required to do so by law.

An employee should not access any customer's information except in the course of his/her specific duties and responsibilities.

An employee should follow instructions, practices and/ or policies issued by the Company from time to time for the purpose of complying with local data protection legislation.

An employee will not otherwise the express written consent of NHFIL alter, obliterate, spoil, destroy or take away from Company's custody any of the books, papers, writings, accounts or property of NHFIL or its customers or correspondents.

An employee will not during the continuance of his employment with NHFIL either directly or indirectly be concerned or interested in any business that may compete with that of NHFIL or conflict with its interest.

5.3 Corporate Data Security

Corporate Data refers to all confidential information generated, collated, compiled, processed and maintained in the normal course of NHFIL's business including but not limited to any proprietary information. The required data may be stored in Manual and/or in electronic form (e.g. e-mail, compact disk, floppy disk, backend databases, DAT drives and DLT tapes), and includes Company-specific information including but not limited to computer application programs, personal computing software, or operating system software developed by NHFIL and/or by its agents /contractors, from time to time (hereinafter collectively referred to as Corporate Data).

NHFIL expects all its employees having access to Corporate Data to take prudent measures to prevent its misuse or pilferage. This responsibility includes obtaining the appropriate authorization to access, transmit and use the Corporate Data and reporting of any actions and/or incidents that could threaten the security/integrity of Corporate Data. Under no situation shall any employee transmit Corporate Data to his personal e-mail account or to the personal e-mail account of any other person(s) without prior authority.

As NHFIL acquires/develops software and/or data directly or through buy license agreements from outside vendors, the established obligations in respect of Corporate Data shall also apply to any such software/data that may be acquired/ developed as mentioned.

5.4 Financial Controls & Records

Financial records include financial statements, reports, tax returns, supporting evidence and any other documents that reflect the Company's operations.

The recording, safekeeping and preparation of financial reports for NHFIL's different stakeholders must strictly adhere to national laws/regulations, generally accepted accounting principles and control guidelines issued by the Company.

It is strictly forbidden to alter or falsify documents, records, or reports or to conceal crucial information that may alter the interpretation of financial information.

Operations related to financial controls and records will be conducted pursuant to the internal control procedures of the Company. The internal auditor is responsible for verifying, on a periodic basis, that the Company's control procedures are being followed.

5.5 Fraud & Illegal Gratification

"Fraud" has been defined as 'a deliberate deception practiced so as to secure unfair or unlawful gain'. Accordingly, the management will observe the following activities very seriously:

- Prior knowledge and deliberate concealment of any malpractice or fraudulent activity.
- The making of false representation to obtain an unjust advantage or to injure the rights or interests of another person.
- An act or instance of deception.
- Any such act or omission as the law specially declares to be fraudulent.

An employee's indulgence or involvement in any fraudulent transaction, once established, shall be regarded as a serious violation of the code apart from inviting appropriate civil or criminal action under the relevant laws.

In this regard, an employee is expected to address any such instances of fraud, misconduct, dishonesty which is likely to adversely impact the business interests of NHFIL directly to the Managing Director & CEO, Head of Department or Head of Human Resources. Such reporting would be treated with utmost confidence and will not be held against the reporting employee,

unless it is later established that the said reporting was done with ill intention and improper motivation.

5.6 Conflict of Interest

The conflict of interest is often a very strong hurdle on the way of implementation of National Integrity Strategy. When an employee thinks of his personal interest from his official position, a question of conflict of interest arises. The statute allows him/her to serve his own gain, or interest at the cost of employing institution or the state. It is a statutory as well as an ethical obligation for an employee to keep himself away the personal interest. The apparent causes or reasons behind such a conflicting situation may include the followings:

- a) Dissatisfaction with salary and remunerations.
- b) Unpleasant working environment.
- c) Lack of opportunities for promotion, or deprivation from promotion.
- d) Undue influence and/or pressure from others.
- e) Greed to or from colleagues and employer.
- f) Lack of job security.

Whatsoever the circumstances, the employees must avoid the conflict of interest as long as they hold positions in the organization. Availing any kind of undue or illegal benefit/facilities irrespective of form, shall be treated as deviation from the required standard of services. So, to keep the employees refrained from such a trap of conflict of interest, employers might administer the employee affairs legally and ethically and compensate them reasonably and prudently. An employee shall have to refrain from doing the following:

- a) Performing his duties with a view to preserve/protect his/her own benefits at the cost of his employer.
- b) Involving in any kind of financial activities relating to his/her personal gain.
- c) Giving any advice, consultancy, direction or suggestion to anybody or to any institution that may cause for losses to his employer.
- d) Any Practice/exercise that may benefit him/her at the cost of institution's assets either monetary or non-monetary.
- e) Doing anything that may damage the goodwill, image and reputation of the institution.
- f) Doing anything that may hamper the secrecy and privacy of any affairs/information of the company.

- g) Involving or taking part in any business dealing like shareholding, profit sharing, partnership of any business company or manufacturing industry or servicing Centre for their personal benefit;
- h) Getting any unusual or illegitimate benefits directly, or indirectly for himself and family or family members, and relatives either explicitly, or implicitly by disguising identity.
- i) Receiving any charitable contribution from others and/or make any charitable contribution to his family members and relatives if those charitable contributions are made by/under his/her power and positions.

The above noted issues are least in the list, but not exhausted. Any unusual act made/done by the employee(s) shall be considered within the trap of conflict of interest and be considered within the purview of offences.

5.7 Company Records & Accounts

NHFIL is recognized for its commitment to maintaining high standards of transparency and adherence to Corporate Governance norms and ethics. Therefore, employees will diligently maintain proper records and documents evidencing the transactions affected so as to reflect true and fair account of its business and financial transactions under the set guidelines, rules, regulations that may be notified by any legal/regulatory authorities connected with the business of the Corporation from time to time.

As NHFIL is engaged in the business of mortgage based lending/borrowing operations, the criticality of the preservation of documents and records cannot be underestimated and forms one of our major strengths. An employee is expected to represent utmost sensitivity while dealing and maintaining such records.

5.8 Securities Trading Law

NHFIL has a share-dealing code, which has all rules and norms and that is applicable to all its Directors and Permanent Employees. An employee is expected to familiarize himself with the provisions of the share dealing. For any clarification on the share dealing, He/She is invited to contact the Company Secretary.

5.9 Benefits and Staff Loans

At NHFIL, the employees receive a wide range of benefits such as staff loans, provident fund, bonus, medical benefits, privilege leave encashment, hospitalization plan which add value and quality to their professional and personal life standards.

An employee is expected to furnish relevant and valid documents whilst availing or claiming the aforesaid perquisites thereof and make sure that the perquisites encashed/claimed are used for the purposes stated by him/her. Further, He/She is requested not to discuss or divulge the nature of benefits either amongst themselves or to any outsider. Any violation of the above set of conducts in any manner whatsoever, shall entitle the management to initiate such action as deemed fit.

Any borrowing or credit extended to an employee, or to him/her jointly with an immediate family member must be declared if so requested by staff lending- credit services. Failure to disclose any such facilities accurately and in full will be considered to be a disciplinary matter.

5.10 Corporate Governance

NHFIL strongly follows the practice of the principles of Corporate Governance. Based on core values of care and concern, efficiency and effectiveness, it holds the Company accountable to its customers, shareholders, employees, regulators, providers of finance and to the society and environment.

Part B: General Guidelines

This constitutes general guidelines, which shall be adhered to by every employee of NHFIL in the discharge of his assigned responsibilities. The extent of violation of the general guidelines will be determined after reasonable application of the text and will depend on important factors such as seriousness of violation, intent of the defaulting employee and impact of such violation on the other employees and corporate governance system.

5.11 Business Expense Accounts

NHFIL accepts its responsibility to reimburse its employees all legitimate business expenses incurred by them. Thus, employees should make sure that expenses claimed should be supported by valid documents incurred in pursuit of the business objectives of the Corporation. Employees are also expected to entirely and clearly record business expenses and comply with the policies laid down for reimbursement of legitimate business expenses.

5.12 Protection of Company's Property

At NHFIL, an employee is provided with various equipment, assets and other modern amenities to assist him/her discharge his responsibilities. An employee is therefore expected to take proper and due care of the property entrusted to him/her. Keeping this in mind, paramount care should be adopted while operating/handling office equipment, printers, appliances and communication

devices. Taking away office equipment/appliances for personal benefit, negligence to adhere to manufacturer's instructions resulting in severe damage thereto, will be regarded very seriously and will entitle the Company to recover the damage caused, from the employee.

5.13 Place of Service

An employee will be required to serve the Company at any of its offices including its branches, affiliates, and associates.

5.14 Order and Cleanliness

As a NHFIL employee, every person is solely responsible for keeping his work environment clean and orderly, and thereby contributing to safe operational practices.

5.15 Conduct at Workplace

- a) Each employee is expected to conduct himself in the most professional manner, maintain proper office decorum, and treat others with respect, fairness, and dignity.
- b) The Corporation does not approve of discrimination in employment based on color, race, religion, caste or sex and is committed to providing a work environment that is fair and non-discriminatory.
- c) As a good corporate citizen the Corporation is committed to a gender friendly workplace. This is in order to enhance equal opportunities for men and women, to prevent/stop/ redress sexual harassment at the workplace and to promote good employment practices.
- d) The Company expects, demonstrates and promotes professional behavior and respectful treatment of all employees.
- e) The Company prohibits the possession, use and consumption of alcohol and illegal / banned drugs by its employees within the office premises always. Further, selling, distributing, using or being under the influence of alcohol, illegal/ banned drugs are also stringently prohibited.

5.16 Electronic Communication: E-mail, Intranet, Internet etc.

NHFIL employees using electronic and wire communication systems shall do so subject to appropriate authorization, as such, no employee shall use the password or codes of another employee in order to gain access to any data of the Company systems unless he has been duly specifically authorized to do so.

The E-mail, Intranet and Internet connectivity are provided exclusively for performance of day-to-day functions related to achievement of the Company's business objectives and should not in any manner be misutilized.

The Company prohibits exchange of information, which is perceived to be obscene, inflammatory, or which could deprave and corrupt persons or is derogatory in nature. Each employee will be personally held responsible and liable for any action for usage of the Company's intranet or e-mail facility for any of the aforesaid reasons.

While NHFIL permits the use of such facilities occasionally for personal use, the employees are expected to ensure that the same does not in any way interfere with the Corporations business or his duties or is used to access or transmit material that could be deemed to be violating legal/regulatory requirements relating to proprietary information and corporate data security.

5.17 Undue Influence & Gifts

When dealing with customers, suppliers, shareholders local / statutory authorities etc., employees shall not receive or extend preferential treatment for personal gain or for the gain of their relatives. Further, employees shall not bring or attempt to bring any influence to bear upon any other fellow employee in furtherance of his personal or professional interest.

Gifts in cash should never be given or accepted regardless of the amount involved. Employees may accept or offer gifts of nominal value (e.g. bouquets, pens, calendars, diaries etc.) which are customarily given on special events/occasions and are infrequent in its inherent nature. Under no circumstances should an employee solicit gifts that might influence or appear to influence his or her independence of judgments or affect his or her decision or action concerning the business of the Company. If employees are in any doubt about whether it is appropriate to accept or offer a gift, necessary guidance should be sought from the immediate superior before taking any responsibility.

5.18 Engagement in Other Employment

An employee shall not:

- a) Engage himself in any commercial activity or pursue such activity either on his own account or as agent of others.
- b) Accept any outside employment, honorary or stipendiary, without prior approval/consent of the competent authority of NHFIL.

- c) Undertake part time work except those, which may be requested to be accepted or undertaken by competent authority.

5.19 Private Trade or Employment

- a) Subject to the other provisions of this code of conduct, no employee shall, except with the previous permission of the competent authority, engage in any trade or undertake any employment or work, other than his official duties.
- b) Any employee of NHFIL below officer rank may undertake/run a small enterprise which engrosses only his family members. However, in such situations he/she must inform this to his employer along with the declaration of assets.
- c) Any employee of NHFIL may undertake honorary work in social, religious or charitable organizations and also may participate in occasional work of a literary or artistic character/nature, which may include publication of one or a few literary or artistic works, provided that his/her official responsibilities do not hamper/suffer thereby. But the hiring authority, at any time, may forbid him/her to undertake it or ask to abandon it if there exists valid reason/s to do so.

5.20 External Pressure/Approach to Political Leaders, Board Members etc.

No employee shall, directly or indirectly, approach any member of Parliament or use any political or other kind of influence or attempt to bring any influence of the Board of Directors of his organization for his employment, increment, promotion, transfer or any other personal gain.

5.21 Fair Treatment of Counter-parties

All relationships with external counter-parties should be conducted in professional and impartial manner. Vendor selection and hiring decisions shall be made objectively and in the best interest of the organization based on evaluation of integrity, suitability, price, delivery of goods/service, quality and other pertinent factors. Employee should commit to fair and reasonable contract and payment terms with them in return of good service at a good price supplied; in a responsible manner.

Employee's personal relationship with contractors, suppliers and vendors if any, shall be disclosed to the Top Management at the time of entering into the negotiation and should not influence decisions made on behalf of the organization. Negotiations with customers and potential customers shall be conducted in a professional manner and subsequently comparison of Cost and Benefit to

be presented to the competent authority. Vendor or suppliers shall not be utilized for any personal purposes, so as to have any conflict of interest while dealing with them.

5.22 Anti-Money Laundering

Money Laundering legislations criminalize money laundering in respect of several crimes including drug trafficking, terrorism, theft, tax evasion, fraud, handling of stolen goods, counterfeiting and blackmail etc. It is also a wrongdoing to undertake and/or facilitate transactions with individuals and entities involved in criminal activities.

NHFIL shall not interact and do business with drug traffickers, money launderers and other criminals. It shall formulate Anti Money Laundering Policy following regulatory body's guidelines to enable all employees to follow the policy guidelines meticulously.

Employees shall exercise essential diligence in selecting those with customers/counter-parties while conducting business. They shall adhere to processes in place for checking the credit and character of customers and counter parties. These processes ensure customer's due diligence and ongoing monitoring of their customers to spot suspicious transactions during the entire period of the relationship.

5.23 Health & Safety

Adequate attention is always accorded to the health and safety of the employees, i.e. deployment of both physical and technical surveillance on premises to minimize possible threats to security. Physical premises are under regulatory requirement to conduct periodic drills for a systematic approach both to prevent any security breaches as well as to promote a culture of security and safety awareness. This involves managing health and safety care as any other critical business activity with periodic reporting, appraisals and improvements constituted.

5.24 Employees' Grievance

A grievance is defined as any type of problem, concern, dispute and complaint related to work and the work environment that cannot be resolved through normal day to day communication. Grievances may arise due to differences in perception, misconduct, unfair treatment, intra-personal problems of individual employees, dissatisfaction with working conditions etc. If employees have a grievance, they should make effort to resolve this informally first. But, if the complainant feels unable to tackle the complaint informally, and can't reach a satisfactory conclusion through the informal process, he/she may pursue a formal grievance mitigation application.

5.25 Special Responsibilities of Superiors

In addition to responsibilities as employees, superiors shall abide by the:

- a) **Duty of selection** - Meaningfully select the employees for a job in light of their personal and professional qualifications.
- b) **Duty of Instruction** - Formulate obligations in a precise, complete, and stable manner, especially with a view to ensuring compliance with provisions of instructions.
- c) **Duty of monitoring** – Ensure that he/she meets the expected deliverable on regular basis and comply with provisions of applicable laws and regulations, on a constant basis.
- d) **Duty of communication** - Communicate to the employees that any violation of the applicable laws/regulations is disapproved of and shall have disciplinary implications.

5.26 Arranging Seminar / Workshop / Training

NHFIL shall organize and sponsor seminars/workshops/debates and discussions in order to promote ethics, integrity and compliance standards within the organization in specific and the financial services industry in general.

5.27 Employee Conduct outside the Office Premises

Employees and representatives of NHFIL shall materialize that their conduct outside the workplace reflect on their place of employment and thus shall take necessary arrangements to ensure that the above mentioned service conduct must encompass outside workplace activities as well so that behavior /actions do not compromise the business interests, safety and security or confidentiality of their place of employment. As such, employees shall exercise caution while interacting with outside entities so as to not be perceived negatively by the media, society or the communities in which they operate. Moreover, affiliations with certain entities which may result in conflict of interest or disclosure of confidential information are to be strictly avoided.

5.28 Grooming, Etiquette and Compliance with the Dress Code

NHFIL shall have an official grooming standard which is suitable to the culture and values of Bangladesh. For relationship managers and other front office personnel (or sometimes even back office personnel) it is crucial to realize that he/she is often the first point of contact for any customer and as such his/her conduct, grooming, etiquette, proficiency and overall service quality will reflect on their place of employment. It is therefore crucial not only to make a great first impression, but also to continue to repeat such behavior throughout all interactions with the customers.

5.29 Customer Privacy

NHFIL is always committed to meeting its customers' requirements proactively by creating effective ways to address their specific and individual requirements and also by establishing an enduring affinity with its customers at all times.

NHFIL values the personal information provided by its customers and appreciates their sensitivity to share their personal information with outsiders, without their prior express consent. Therefore, any information about the Company's customers should be handled in a responsible manner and as such every employee is expected to take adequate measures to prevent its misuse, and only those with authority should access and deal with such information. However, an employee may be entitled to disclose such personal information pursuant to any order issued by legal/regulatory authority under applicable laws subject to intimation to his Branch Manager/Functional Head.

5.30 Employee Privacy

Information concerning to employees is confidential and only those with legitimate, work related requirements shall have access thereto. NHFIL will not disclose any information about its employees unless required to do so pursuant to taxation laws or under any order passed by appropriate court/authority.

During the course of his employment with NHFIL, employees are required to divulge/share their personal/professional information on a timely basis. Employees should ensure that any such information provided by them are realistic as any misrepresentation or suppression of material information will sanction the management to initiate such disciplinary action as deemed reasonable.

5.31 Disclosure on Acquisition / Disposition of Assets

As the Company is involved in the business of housing finance, it is authoritative that dealings with intermediaries in the real estate business are above board at all times. Accordingly, every employee of the Company shall disclose details of all dealings (acquisition or disposition) entered into by him/her (including by his spouse and/or dependent children and/or dependent parents) in real estate (including land) to the Human Resources Department of the Company.

5.32 Open Door Policy

NHFIL is appreciated for its unique informal work culture enabling a free and open atmosphere based on belief and mutual respect without compromising on its values and business objectives.

NHFIL supports individual growth potential by sanctioning every employee to perform to the best of his/her talent so as to contribute to the achievement of the business and social objectives of the organization in the best possible manner.

NHFIL has promoted immensely from the practice of —Open Door Policy‘, which enables a free flow of ideas and suggestions between employees at all levels, which has ultimately translated into better intrinsic value for our customers and stakeholders. Employees are expected to respect and transmit the —Open Door Policy which has nurtured a culture of teamwork and selfless devotion to achieve business objectives.

5.33 NHFIL – A Responsible Corporate Citizen

All employees of NHFIL are expected to be fair and honest in their dealings and behave in a manner that facilitates constructive means of communication and co-operation between the Company and its stakeholders.

a) In discharging their duties employees shall:-

- Deal with all members of the society honestly, fairly and represent the Company in good light bearing in mind its ethos and values.
- Behave in a courteous and sensitive manner so as to not discriminate against people based on their religion, caste, creed, color or sex.

b) When representing NHFIL in the market/business:-

- Provide an accurate and fair representation of all corporate actions.
- Conduct themselves in a manner that will not reflect adversely on the image of the Company.

c) Not use or disclose information in any manner that may:-

- Cause damage /harm to the reputation of any employee, person or business partner.
- Cause damage to the business interests and brand image of NHFIL or any of its employees/ customers and other stakeholders.
- Confer an unfair personal or pecuniary advantage/benefit in any manner whatsoever in favor of any person.

5.34 Insider Trading

If an employee reveals material non-public information to anyone (even a family member) and that person buys or sells securities or passes that information to someone else, who buys or sells

securities – he/she may be liable for insider trading, even if he/she never trades. Liability could arise if he/she is trying to help someone with the information or if he/she is trying to gain something personally, even if only to impress someone with his/her knowledge.

5.35 Relations with External Officials/Clients

At the time of the business contact with officials, an employee will ensure that he/she is authorized to interact with them on NHFIL's behalf.

Gifts, services, and other courtesies for any officials are allowed only for legitimate business purposes. In all cases, such courtesies must be lawful and require written authorization from proper authority.

An employee will never promise, offer, commit, pay, lend, give, or in any other way transfer, either directly or indirectly, any part of the Company's assets to a government/private agency, official, or employee if such contribution is unlawful or intended for an illegal purpose. Lawful contributions require proper authorization by proper authority.

5.36 Dealing with Competitors

Employees' competitive actions must always be justified by sound business considerations. They will not make agreements with competitors to unlawfully restrain trade. While some contact with competitors is unavoidable and may be perfectly legitimate, employees should, when in doubt, consult with a representative from the legal department BEFORE making any such contact.

5.37 Communication to Press

An employee shall not make any communication to the press regarding the affairs of the Company nor publish any article containing data, comments or opinions on Company's affairs in any newspaper without obtaining consent/ approval of the competent authority.

5.38 Participation in Political Activities

An employee shall not, directly or indirectly, take part in any political movement or associate him/herself in any activity detrimental to the interest of the Company or to the state.

5.39 Compliance with the Code of Conduct

- a) All new employees joining NHFIL as well as existing employees are required to commit the Code of Conduct and duly sign a statement of compliance attesting the same.
- b) At all times employees shall act in a professional and ethical way and upgrade the highest standards of honesty, trust, fairness, integrity.

- c) Employees need to adopt with future changes in any part/paragraph/point of this Code of Conduct.
- d) Senior staffs should lead by example and act as positive role models to others.

5.40 Fair& Equal Employment Opportunity

An organization is committed to provide equal opportunity in employment on the basis of individual merit and personal qualifications to employees and applicants for employment. NHFIL is an exceptional area in implementing fair and equal employment opportunity to all individuals regardless of religion, caste, and creed. Every individual has the right to work in a professional atmosphere that promotes equal and legal employment opportunities and where discriminatory practices, including harassment are prohibited.

5.41 Privacy and Security of Clients/Stakeholders Information

- i. In order to provide financial services, banks and NBFIs shall collect, maintain and use the personal information of clients in a manner which allows them to provide better and more customized products and services and better meet the clients' financial requirements and objectives. All information collected from customers/clients during the period of providing service shall be considered confidential.
- ii. All information of an individual's employment in a bank or NBFI shall be treated confidential unless it is clearly stated otherwise (or the situation arises whether he/she has been authorized to do so) and shall be used only for the performance of said job responsibilities in line with all rules, regulations, laws and other policies governing the individual's employment. Additionally, the information shall be kept confidential and secure even after leaving the employment of that particular organization.

5.42 Accuracy of Financial, Tax and other Reporting

Banks and NBFIs shall make sure that their reports and communication is true, complete and accurate and shall not be vague to its stakeholders. They shall maintain transparency in their business operations and dealings with customers, stakeholders and regulators.

5.43 Automation of Business Process

In dynamic business environment, advancements in technology and administrative functions are rapidly leading to the automation and digitalization of business processes. It is recommended that banks and NBFIs shall take required steps to ensure that any such advancement does not compromise the integrity of information security and that the guiding principles of the Code of conduct are duly met.

6. Working Environment

6.1 Health & Safety Proper attention is always accorded to the health and safety of the employees, i.e. deployment of both physical and technical surveillance on premises to lower possible threats to security. Physical premises are under regulatory requirement to conduct periodic drills for a systematic approach both to prevent any security breaches and to promote a culture of security and safety consciousness.

6.2 Workplace Environment Embellishing the work environment is one of the important factors of any organization. All employees of the organization are responsible to keep the workplace friendly, transparent, free from harassment & corruption etc. and ensure the cohesiveness among the employees.

6.3 No Acceptance to Whistle Blower in the Workplace: Banks/NBFIs shall prohibit any activities of violence or threats of violence by any employee against any other person at any time. Mutual understanding and inherent respect toward all employees is an essential element for excellence in professionalism, existence of safe and healthy work place, and maintenance of a corporate culture, which serves the needs of the community. The organization has to bear zero tolerance for violence against any employee of the workforce or its property.

6.4 Fair Treatment of Customers

Treating customers fairly and without prejudice fosters good rapport and helps to create long-term sustainable business relationships. Moreover in the advent of global financial crisis, both local and global law-makers and regulators are increasingly emphasizing over ensuring that banks and NBFIs employ fair practices in dealing with customers. This entails:

a. Ensuring that communications are fair, concise, clear and not misleading so that consumers are fully aware of the product features, relevant fees and associated risks for financial products and services;

b. Generating products which satisfies customer requirements and takes into consideration their financial feasibility, updated profile and risk tolerance score.

6.5 Working in Teams

NHFIL employees should act in a manner so that everybody can make others accountable for every action. Employees should refrain from wrongdoing and bias. Employees should extract value from various point of views. Employees should act in a collaborative manner so that the ultimate result can become fruitful and feasible. Employees should enhance team cohesiveness and joint effort.

6.6 Mentoring, Delivering Speech & Writing

Any publication or public speaking of an employee should not blemish the image of the organization. No employee shall make any communication regarding the affairs of the bank/NBFI to the press or any other media.

7. Responsibilities of Ethics Committee to Uphold the Code of Conduct

7.1 The Ethics Committee (EC) of NHFIL shall be responsible for the development of its own Code of Conduct in line with the common/ recommended guidelines of Bangladesh Bank as and when required and they also adopt the steps and procedures outlined in the policy of Code of Conduct. The Ethics Committee of Bangladesh Bank on NIS Implementation will be intimated by the Ethics Committee about the Code of Conduct and any change thereof.

7.2 The members of the Ethics Committee in their corporate capacity have a responsibility to promote the Code of Conduct effectively and lead by example in embedding the code of their everyday works. Any instance of breach of Code of Conduct shall be dealt with appropriate disciplinary procedure. Ethics committee shall have an annual work plan and periodically monitor their progress against the work plan.

8. Management of the NHFIL Code of Conduct

8.1 Procedures for inquiries, suggestions and reports

The Code is applicable throughout the organization. Every employee is required to follow and enforce the guidelines established in the Code. Toward this end, the Company has established different communication channels for NHFIL employees to ask questions, give suggestions and inform of cases, as well as, to report incidents and submit evidence of inappropriate conduct. Situations that may involve a violation of the Code are not always obvious or easy to resolve. An employee is expected to report any concern about violations of the Code to one of the following persons, or departments:

- Immediate supervisor

- One – up Manager/Head of Department
- Human Resources Department

Here, the concerned employees may directly inform to his one–up Manager/ or senior management in the case of violation of any Conduct mentioned in this Manual by a supervisor.

8.2 Consequences

By putting the Company’s values into practice every day, the employees benefit themselves and others. NHFIL encourages ethical behavior. Unethical employee behavior will require NHFIL to enforce disciplinary measures, which may include termination/ dismissal of employment, in addition to any actions, obligations, or sanctions that may be required by or that may result from the enforcement of applicable law.

NHFIL supervisors are responsible for exemplifying NHFIL’s values; they must recognize their colleagues when appropriate, or take timely and appropriate disciplinary action in case of improper behavior.

Each employee should encourage other employees to abide by the NHFIL values and guidelines of the code. An employee’s failure to comply with the Code will be considered misconduct and may subject that employee to disciplinary action.

(Note: “Masculine Gender” mentioned in this Code of Conduct shall, unless a contrary intention appears, be taken to include the feminine gender)

9. Amendments or Modifications to and Dissemination of the Code of Conduct

It is the responsibility of NHFIL to ensure proper and timely dissemination of the code of conduct amongst their employees and concerned-parties and the stakeholders.

10. Letter of Commitment, NHFIL Code of Conduct

I acknowledge that I have reviewed the NHFIL Code of Conduct and fully understand the mission, values, and standards of behavior that represent our organization. I understand that compliance with the NHFIL Code of Conduct is mandatory for every employee of NHFIL. I also believe that, by complying with the NHFIL Code of Conduct, we all contribute to the creation of a better working environment in which we can perform better and become superior professionals and individuals. I confirm that I am in compliance with these standards and that I have disclosed any possible actual or potential conflicts of interest.