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MUTHOOT HOUSING FINANCE COMPANY LIMITED (MHFCL)

CODE OF CONDUCT FOR EMPLOYEES

Prepared by: Human Resources Department

Revision History				
Version No.	Approval Date	Recommended by	Reviewed by	Approved by
v1	7.11.2024	CEO	HR Head	Board
v2	6.11.2025	CEO	HR Head	Board
v3	25.5.2026	HR Head	CCO	Board

INDEX

INTRODUCTION	2
POLICY STATEMENT	2
PURPOSE OF THE CODE	3
SCOPE & APPLICABILITY OF THE CODE	3
BASIC FRAMEWORK OF THE CODE	4
ROLES AND RESPONSIBILITIES	5
STANDARDS OF PERSONAL CONDUCT	6
STANDARDS OF PROFESSIONAL BEHAVIOUR	8
ETHICAL CONDUCT FRAMEWORK	7
INFORMATION TECHNOLOGY FRAMEWORK	9
CONFLICT OF INTEREST	9
GUIDELINES FOR ACCEPTING GIFTS AND BENEFITS	10
DISCIPLINARY ACTIONS	11
Annexure – 1 - Attestation Form	12
ABBREVIATION	14
REVIEW OF THE POLICY	14

INTRODUCTION

Muthoot Housing Finance Company Limited (MHFCL) has developed a Code of Conduct in line with Reserve Bank of India (Housing Finance Companies) Directions, 2025 guidelines on operational risk management and resilience, specifically under Clause 4.2 of the 'Guidance Note' issued on April 30th, 2024 read with Reserve Bank of India (Non-Banking Financial Companies – Responsible Business Conduct) Directions, 2025. This Code sets a transparent and clear framework for ethical behaviour, integrity, and professionalism expected from all employees, ensuring robust operational risk management and resilience throughout MHFCL.

POLICY STATEMENT

1. **Ethical Standards:** All employees must adhere to the highest standards of ethical conduct, integrity, and professionalism in their duties. This Code outlines principles and guidelines to maintain trust, fairness, and accountability within MHFCL.
2. **Mandatory Compliance:** Compliance with this Code is mandatory and integral to our operational risk management framework, ensuring resilience and stability in all operations.
3. **Regular Review:** The Code will be regularly reviewed and approved by the Board of Directors to ensure its relevance and effectiveness. Employees must attest to their understanding and compliance with the Code, acknowledging their responsibilities. The attestation form is attached herewith as [Annexure-1](#).
4. **Oversight:** Implementation of this Code will be overseen by a senior ethics committee or board-level committee to ensure adherence and address any issues.
5. **Public Disclosure:** The Code of Conduct will be made publicly available to ensure transparency and inform all stakeholders of MHFCL's standards and expectations.

PURPOSE OF THE CODE

1. **Foster Integrity:** To cultivate a culture of integrity and ethical behaviour among all employees, ensuring their actions align with the core values and principles of MHFCL.
2. **Manage Operational Risks:** To aid in the effective management of operational risks by guiding employees on acceptable and unacceptable conduct, thus supporting MHFCL's resilience and stability.
3. **Legal and Policy Compliance:** To ensure all employees comply with relevant laws, regulations, and internal policies, especially those outlined by the Reserve Bank of India on operational risk management and resilience.
4. **Safeguard Reputation:** To protect MHFCL's reputation by preventing conduct that could result in legal, financial, or reputational harm, thereby maintaining stakeholder trust and confidence.

SCOPE & APPLICABILITY OF THE CODE

1. **Applicability:** This Code of Conduct applies to all employees, regardless of their role, seniority, or location within MHFCL, including full-time, part-time, temporary, and contractual staff.
2. **Definition of Employees:**
 - Individuals directly employed by MHFCL on a full-time or part-time basis.
 - Personnel engaged under fixed-term contracts.
 - Staff provided through third-party agencies or temporary staffing arrangements.
3. **Coverage:** The Code covers all activities, decisions, and actions taken by employees during their employment, both within and outside the workplace, that may impact MHFCL's operations, reputation, or regulatory compliance.
4. **Interactions:** It extends to interactions with external stakeholders, such as clients, vendors,

regulators, and other third parties, ensuring that employees represent MHFCL with integrity and professionalism in all engagements.

BASIC FRAMEWORK OF THE CODE

1. Comprehensive Framework: The Code of Conduct outlines a comprehensive framework for appropriate behavior, helping all employees of MHFCL address ethical issues in their daily activities.
 - Respect and Professionalism: Conduct themselves with respect and professionalism towards employees, colleagues, representatives, authorities, clients, and other stakeholders.
 - Diligence: Perform duties with diligence, aligning actions with MHFCL's mission, goals, and objectives.
 - Fairness and Equity: Uphold principles of fairness and equity in all interactions and decision-making.
2. Core Values: The Code is founded on MHFCL's core values of integrity, honesty, conscientiousness, compassion, courtesy, fairness, and respect. Employees are expected to take personal responsibility for their professional behaviour, adhering to this Code, MHFCL's policies, applicable laws, and relevant industrial clauses.
3. Guidance: In situations of uncertainty regarding the Code's application or the appropriate course of action, employees are encouraged to discuss the matter with their manager to ensure compliance and ethical conduct.

ROLES AND RESPONSIBILITIES

1. Managers of MHFCL:

- a) Perform duties and conduct themselves in line with the Employee Code of Conduct.
- b) Ensure their teams are informed about the Code, relevant policies, and procedures.
- c) Provide training and performance counselling to uphold standards.
- d) Report any deviations from the Code, whether by themselves or others.
- e) Address any behaviour that breaches the Code consistently and fairly.

2. All Employees of MHFCL:

- a) Take personal responsibility for their performance, behaviour, and attendance.
- b) Perform duties and behave in accordance with the Employee Code of Conduct.
- c) Report any deviations from the Code, whether by themselves or others.
- d) Comply with MHFCL's policies and procedures.
- e) Promote a positive, safe, and healthy environment in all aspects of their work.

STANDARDS OF PERSONAL CONDUCT

1. **Attendance and Punctuality:** Employees must maintain punctuality and regular attendance. In cases of unavoidable absence, notify the manager or delegate promptly, preferably before the usual starting time, and provide an estimated return date. Managers must contact employees who fail to report their absence within a reasonable timeframe to determine the reasons.
2. **Appearance and Hygiene:** Employees should ensure their appearance is neat, clean, and appropriate for their work area, maintaining high personal hygiene standards. Those provided with uniforms must wear them according to MHFCL's guidelines.
3. **Professionalism and Ethics:** Employees are expected to perform duties professionally, responsibly, conscientiously, and ethically, always acting in MHFCL's best interests. Honesty is expected in dealings with clients, suppliers, contractors, and colleagues.
4. **Use of Company Property:** Employees must use MHFCL's property, goods, intellectual property, and services efficiently, carefully, and honestly. Company resources should not be used for private purposes without explicit permission from a manager.
5. **Workplace Safety:** MHFCL commits to maintaining a safe and healthy workplace. Employees are responsible for contributing to this safe environment to the extent reasonably practicable.
6. **Safety and Health Standards:** Employees should be familiar with relevant safety and health standards or procedures. If these were not provided during induction, employees should promptly request this information from their immediate manager.

STANDARDS OF PROFESSIONAL BEHAVIOUR

1. **Diligence and Compliance:** Employees are expected to perform duties with diligence, impartiality, and conscientiousness, adhering to legislative, industrial, and administrative policies.
2. **Continuous Improvement:** Employees must stay informed about advancements in their field, maintain documentation to support decisions, strive for continuous improvement, and avoid disparaging remarks about others.
3. **Respect and Courtesy:** Employees should treat all individuals with courtesy and respect, ensure their rights are upheld, provide necessary assistance, and responsibly report any unethical behaviour to the Concerned Officer. Misuse of official information for personal gain is prohibited.
4. **Substance Use:** Employees must not perform duties under the influence of alcohol or other substances. MHFCL prioritizes avoiding behaviour that impairs work performance or endangers safety and health.
5. **Drug and Smoking Policies:** Possession, use, or trafficking of illegal drugs on MHFCL premises is prohibited and may result in disciplinary action. Smoking is not allowed in company vehicles or buildings, and only during authorized breaks as per company policies.

ETHICAL CONDUCT FRAMEWORK

1. **Investigation Fairness:** Employees investigating complaints or issues involving other employees must act consistently, promptly, and fairly, adhering to the principles of natural justice.
2. **Information Security:** Employees are responsible for safeguarding professional information, preventing loss, misuse, unauthorized access, modification, or disclosure. All information under their control must be securely managed and protected.
3. **Confidentiality:** Employees must uphold the confidentiality, integrity, and security of all official information entrusted to them, handling it with care and discretion.
4. **Public Discussions:** Employees can contribute to public discussions on social issues but should

avoid comments that might be interpreted as official statements from MHFCL. Comments made in a private capacity should not suggest any endorsement or official stance by the company.

5. Information Disclosure: Employees may only disclose official information in their official capacity and within the scope of their duties, maintaining confidentiality. Disclosure of confidential or insider information requires legal necessity, proper authority, or approval from the Concerned Officer.
6. Honorary Roles: When acting in honorary roles, employees may comment on MHFCL's policies or procedures but should limit comments to factual information. They must not disclose restricted information that could compromise MHFCL's position or infringe on individual privacy.
7. Record-Keeping Responsibilities: Employees must be aware of their record-keeping responsibilities, adhering to legal requirements and proper records management practices.
8. Document Storage: All MHFCL documents must be stored in official filing systems, not unofficial or private systems. Employees must ensure documents are placed in appropriate official files for proper organization and accessibility.
9. Document Handling: Employees are prohibited from removing documents from official files and must not damage, dispose of, or interfere with official documents or files. Destruction of records is only permitted according to an approved disposal and retention schedule authorized by the CEO.
10. Financial Conflicts of Interest: Employees must avoid financial involvements or undertakings that could compromise their performance or undermine MHFCL's objectives. Financial conflicts of interest occur when an employee with a financial stake in another company can influence MHFCL contracts or transactions with that business.
11. Client Boundaries: Employees must uphold proper boundaries with clients, ensuring professional interactions remain appropriate and respectful. They must familiarize themselves with specific workplace or program guidelines related to client interactions.
12. Anti-Bullying and Harassment: MHFCL has a zero-tolerance policy towards bullying or harassment. Employees must not engage in or tolerate behaviour that intimidates, belittles, or offends others, including repeated actions that create a hostile work environment.

13. Non-Discrimination: Discrimination based on race, gender, age, disability, sexual orientation, religion, or any other protected characteristic is strictly prohibited. MHFCL is committed to a fair and inclusive workplace.
14. Anti-Vilification: MHFCL condemns all forms of racial and religious vilification. Employees must not engage in or endorse conduct inciting hatred, hostility, or violence against individuals or groups based on race, ethnicity, or religion. Such behaviour is a serious policy violation and will result in disciplinary action.
15. Customer & Borrower Conduct: An employee shall refrain from interference in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan agreement (unless information, not earlier disclosed by the borrower, has been noticed)

INFORMATION TECHNOLOGY FRAMEWORK

1. Authorized Access: Employees are prohibited from accessing or using any information or systems without explicit authorization. Unauthorized access is strictly forbidden.
2. Password Security: Employees must maintain secure passwords and implement robust file protection measures to prevent unauthorized access. They are responsible for the security and confidentiality of the information systems under their control, whether Company-owned or under agreement.
3. Use of Personal Devices: Employees should avoid accessing MHFCL's data using personal devices. If unavoidable, they must ensure these devices are secured with appropriate security measures, including up-to-date antivirus software, strong passwords, and encryption.
4. Security Measures: Employees must ensure personal devices used to access MHFCL's data are protected with adequate security controls to prevent data breaches and unauthorized access.

CONFLICT OF INTEREST

1. Disclosure and Notification: Employees must promptly notify their manager of any actual or potential conflicts of interest, especially when involved in decisions affecting individuals with whom they have personal relationships, such as relatives, spouses, close friends, or personal associates. Any such conflicts must be declared, and steps taken to avoid any adverse impact.

2. Company Intervention: MHFCL may intervene if an employee is involved in activities that advance personal or other interests to the detriment of the Company's interests or those of other employees.
 - Personal Interests: Employees must ensure their personal interests, whether financial or non-financial, do not conflict with the impartial execution of their duties. Potential conflicts include:
 - Acceptance of gifts or hospitality expecting reciprocal favors.
 - Additional employment affecting job performance.
 - Decisions related to the employment or promotion of relatives or friends.
 - Promotion or solicitation of clients for personal business
- 3.
4. Seeking Guidance: Employees uncertain about a potential conflict of interest should seek guidance from their manager. Any relevant interests must be disclosed immediately to the Concerned Officer within MHFCL or at the relevant meeting if prior disclosure is not possible

GUIDELINES FOR ACCEPTING GIFTS AND BENEFITS

1. Prohibition on Gifts and Benefits: Employees must not accept any gift, secret commission, or benefit from external persons or organizations if it's intended to influence them to waive or reduce MHFCL's requirements, or extend benefits to the external party, to the detriment of the Company's interests.
2. Token Gifts: Token gifts or benefits of nominal value may be accepted only if approved by the Chief Executive Officer or a designated nominee, ensuring there is no perceived compromise.
3. Reporting: Employees must report any gifts or benefits received to their manager immediately and must not exploit their position to gain benefits for themselves or others.
4. Improper Influence: Employees must not seek or accept improper influence to secure promotions, transfers, or other advantages.

DISCIPLINARY ACTIONS

1. Fair and Transparent Process: MHFCL maintains a fair and transparent process for addressing breaches of the Code of Conduct and other Company policies. Disciplinary actions are based on the nature and severity of the violation, following a structured process to ensure due process.
2. Types of Disciplinary Actions: Actions may include verbal warnings, written warnings, suspension, or termination of employment. The specific action depends on the circumstances, considering the employee's history, the violation's impact, and any mitigating or aggravating factors as per employee action matrix.
3. Opportunity to Respond: Employees subject to disciplinary action are provided with an opportunity to respond to allegations before a final decision is made. This may include a formal meeting where they can present their side and relevant evidence.
4. Documentation: All disciplinary actions are documented, including the nature of the violation, the action taken, and communications with the employee. These records are kept confidential and may be used for future reference if needed.
5. Right to Appeal: Employees have the right to appeal any disciplinary action. Appeals must be submitted in writing to the designated appeal officer or committee within a specified timeframe, as outlined in MHFCL's disciplinary procedures.

Annexure – 1 - Attestation Form**(Attestation of Understanding and Compliance)**

Name: _____

Employee ID: _____

Department: _____

Position: _____

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

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

By signing this form, I confirm the following:

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

Employee Signature: _____

Manager's Signature: _____

Date: _____

ABBREVIATION

Sr. No.	Abbreviation	Full form.
1	MHFCL	Muthoot Housing Finance Company Limited
2	RBI	Reserve Bank of India
3	RE	Regulated Entity
4	HR	Human resources

REVIEW OF THE POLICY

The Policy is subjected to review at least once a year, by the management and modifications, if any warranted, will be taken up for the approval of the Board. If there are any amendments in the regulations, revision in the policy will be staged for Board's approval immediately, after the amendments are notified by the regulator.