

Muthoot Microfin Limited – Anti-corruption and Anti-bribery Policy

Purpose

The purpose of this policy is to:

- a) Set out our responsibilities, and the responsibilities of those working for us, in observing and upholding our position on bribery and corruption.
- b) Provide information and guidance to those working for us on how to recognize and deal with bribery and corruption issues.

Policy Statement

It is our policy to conduct all of our business in an honest and ethical manner. We take a zero-tolerance approach to bribery and corruption and are committed to acting professionally, fairly, and with integrity in all our business dealings and relationships, where we operate, and to implementing and enforcing effective systems to counter bribery.

Bribery is a serious criminal offence in India, where the Company operates, and in other jurisdictions including the United Kingdom (UK Bribery Act 2010) and the United States of America (Foreign Corrupt Practices Act), where bribery offenses can result in the imposition of severe fines and/or custodial sentences, exclusion from tendering for public contracts, and severe reputational damage.

We therefore take our legal responsibilities very seriously and resolve to uphold all laws relevant to countering bribery and corruption.

In this policy, "Third Party" means any individual or organization we come into contact with during the course of our engagement with Muthoot Microfin Limited or any of its group and affiliates anywhere in the world, including actual and potential clients, customers, suppliers, distributors, agents, business associates, etc.

Responsibility of Individuals

Every individual covered by this policy must guarantee that they have read and understood this policy and must comply with this policy's terms and conditions at all times. It is the duty of all those who work for the company or are under our control to prevent, detect, and report corruption.

All individuals should avoid and prevent any activity that could result in any violation of this policy or propose it. Individuals must notify their reporting manager or consult with any suitable member of the Human Resources (HR) team as quickly as possible if they think or suspect that a violation of this policy has occurred or may happen in the future. Any person who breaches any of the terms of this policy will face disciplinary action that may result in dismissal.

Applicability

The principles and obligations outlined in this policy apply to Muthoot Microfin Limited (the Company), its employees, consultants, agents, fiduciaries and other third parties wherever located (if acting on behalf of Muthoot Microfin Limited). Subject to applicable laws, the Company shall ensure that all of its subsidiaries and affiliates adopt and implement a similar policy. The policy may apply to the partnerships and joint ventures that the company mutually accepted. Best efforts will be ensured to have this agreed upon by the partnerships and joint ventures. As such everyone is responsible for adhering to these standards in all business interactions.

Definitions

Bribery is an offer or receipt of any gift, loan, fee, reward or other advantage to or from any person as an inducement to do something which is dishonest, illegal or a breach of trust. Corruption includes wrongdoing on the part of an authority or those in power through means that are illegitimate, immoral or incompatible with ethical standards. Corruption often results from patronage and is associated with bribery.

“Red flags” that may indicate bribery or corruption are set out in Annexure A to this Policy

Gifts and Hospitality

This Policy does not prohibit normal and appropriate gifts, hospitality, entertainment and promotional or other similar business expenditure, such as calendars, diaries, pens, meals and invitations to theatre and sporting events (given and received), to or from Third Parties. However, the key determining factor for appropriateness of the gift or hospitality and/or its value would be based on facts and circumstances under which such gift or hospitality is provided.

The practice of giving gifts and hospitality is recognized as an established and important part of doing business. However, it is prohibited when they are used as bribes. Giving gifts and hospitality varies between countries and sectors and what may be normal and acceptable in one country may not be so in another. To avoid committing a bribery offence, the gift or hospitality must be:

- a) Reasonable and justifiable in all the circumstances
- b) Intended to improve the image of the Company, better present its products and services or establish cordial relations

The giving or receiving gifts or hospitality is acceptable under this Policy if all the following requirements are met:

- a) It is not made with the intention of influencing a Third Party to obtain/retain business or a business advantage or to reward the provision or retention of business or a business advantage or in explicit or implicit exchange for favours/benefits or for any other corrupt purpose
- b) It complies with local laws and customs

- c) It does not include cash or a cash equivalent (such as gift certificates or vouchers)
- d) It is appropriate in the circumstances.
- e) Taking into account the reason for the gift or hospitality, it is of an appropriate type and value and given at an appropriate time
- f) It is given openly, not secretly and in a manner that avoids the appearance of impropriety

Examples of Token Gifts: Corporate calendar, pens, mugs, books, T-shirts, wine bottles, bouquet of flowers or a pack of sweets or dry fruits.

What is not acceptable?

It is not acceptable for any employee of the Company (or someone on his / her behalf) to:

- a) Accept an offer of a gift of any size from any Third Party knowing or suspecting it is offered with the expectation that it will obtain a business advantage for them.
- b) Give, promise to give or offer, any payment, gift, hospitality or advantage with the expectation or hope that a business advantage will be given or received or to reward a business advantage already given
- c) Give, promise to give or offer, any payment, gift or hospitality to a government official, agent or representative to “facilitate” or expedite a routine procedure
- d) Accept or solicit any payment, advantage, gift or hospitality from a Third Party that you know or suspect is being offered with the expectation that it will obtain a business advantage for them
- e) Threaten or retaliate against, another employee who has refused to commit a bribery offence or who has raised concerns under this Policy
- f) Engage in any activity that might lead to a breach of this Policy

Facilitation of Payments and Kickbacks

Neither an employee of the Company nor any person acting on behalf of the Company shall make and shall not accept facilitation payments or “kickbacks” of any kind. “Facilitation Payments” are typically small, unofficial payments (sometimes known as “grease payments”) made to secure or expedite a routine government action by a government official. “Kickbacks” are typically payments made to commercial organizations in return for a business favour/advantage, such as a payment made to secure the award of a contract. Every person covered under this policy must avoid any activity that might lead to or suggest that a Facilitation Payment or Kickback will be made or accepted by the Company.

Wilful Blindness

If an employee wilfully ignores or turns a blind eye to any evidence of corruption or bribery within his/her department and/or around him/her, it will also be taken against the employee. Although such conduct may be “passive”, i.e. the employee may not have directly participated in or may not have directly benefited from the corruption or bribery concerned, the wilful blindness to the same can, depending upon the circumstances, carry the same disciplinary action as an intentional act.

Charitable Donations

As part of its corporate citizenship activities, the Company may support local charities or provide sponsorships, for example, to sporting or cultural events. We only make charitable donations that are legal and ethical under local laws and practices and also within the corporate governance framework of the organization.

Political Donations

The Company shall not make contributions to political parties which are so made to influence any decision or gain a business advantage.

Guidelines for interactions with Public Officials

- 1) All interactions with public officials must be conducted with utmost transparency and integrity. Employees must adhere to ethical standards and avoid any actions that may compromise the company's reputation or legality.
- 2) Employees must obtain prior authorization from the designated authority within the company before engaging in any interaction with public officials. Any gifts, favours, or entertainment offered or received must be disclosed promptly and must be in accordance with the policies of the company and the relevant laws.
- 3) Employees must avoid situations where their personal interests conflict with the interests of the company. This includes refraining from engaging in any activity that may create the appearance of impropriety or favouritism towards public officials.
- 4) All interactions with public officials must be conducted in a respectful and professional manner. Employees should refrain from making inappropriate remarks or engaging in behaviour that could be construed as disrespectful or offensive.
- 5) Employees must comply with all applicable laws, regulations, and guidelines governing interactions with public officials. This includes but is not limited to anti-corruption laws, lobbying regulations, and restrictions on gifts.
- 6) Employees must maintain accurate records of all interactions with public officials, including meetings, communications, and any exchange of gifts or favours. Any potential conflicts of interest or ethical concerns must be reported promptly to the appropriate authorities within the company.
- 7) If employees encounter any situations that raise ethical or legal concerns regarding interactions with public officials, they should escalate these concerns to her/his reporting officer for investigation and resolution.
- 8) Failure to adhere to the company's policies and guidelines regarding interactions with public

- 9) officials may result in disciplinary action, up to and including termination of employment. Employees must understand the seriousness of these guidelines and the potential consequences of non-compliance.

Record Keeping

The Company must ensure that all expenses claims relating to hospitality, gifts or expenses incurred to Third Parties are submitted in accordance with the expenses policy and specifically record the reason for the expenditure. All accounts, invoices, memoranda and other documents and records relating to dealings with third parties, such as clients, suppliers and business contacts, should be prepared and maintained with strict accuracy and completeness. No accounts will be kept “off- book” to facilitate or conceal improper payments and the same is ensured through effective monitoring and auditing mechanisms in place.

How to raise a concern?

Every person, to whom this policy applies to, is encouraged to raise their concerns about any bribery issue or suspicion of malpractice at the earliest possible stage. If he/she is unsure whether a particular act constitutes bribery or corruption or if he/she has any other queries, these should be raised with their respective Reporting Head and/or the Whistle and Ethics Officer via whistleblower@muthootmicrofin.com. Reporting of issues involving the Whistle and Ethics Officer shall be made as per the provisions made in the whistle blower policy of the Company.

What to do if you are a victim of bribery and corruption?

It is his/her responsibility to inform/report it to their respective Reporting head and to the Whistle and Ethics Officer via whistleblower@muthootmicrofin.com as soon as possible if you are offered a bribe by a third party, you are asked to make one, suspect that this may happen in the future or believe that you are a victim of another form of corruption or other unlawful activity. You must refuse to accept or make the payment from or to a third party, explain our policy against accepting or making such payment and make it clear that the refusal is final and non-negotiable because of this Policy. If you encounter any difficulty making this refusal, you should seek assistance from your Reporting Head.

Protection

Those who refuse to accept or offer a bribe or those who raise concerns or report another’s wrongdoing, are sometimes worried about possible repercussions. The Company encourage openness and will support anyone who raises genuine concerns in good faith under this Policy, even if they turn out to be mistaken. The Company is committed to ensuring that no one suffers any detrimental treatment as a result of refusing to take part in bribery or corrupt activities or because of reporting their suspicion in good faith that an actual or potential bribery or other corruption offence has taken place. If any employee believes that he/she has suffered any such treatment, he/she should inform to the respective Reporting Head or the Whistle and Ethics Officer via whistleblower@muthootmicrofin.com immediately.

Who is responsible for this Policy?

The Chief Executive Officer has overall responsibility for ensuring that this Policy complies with the Company's legal and ethical obligations and that all those covered under the policy comply with it. Department Heads at all levels are responsible for ensuring that those reporting to them are made aware of and understand this Policy, undertake training on how to implement and adhere to the policy and also monitor compliance of it.

The Compliance/HR departments is responsible for this Policy and for monitoring its use and effectiveness (and dealing with any queries on its interpretation). Management at all levels is responsible for ensuring that those reporting to them are made aware of and understand this Policy and attend regular training on how to implement and adhere to it. Every person to whom this policy applies is responsible for the success of this Policy and should ensure that he/she should use it to disclose any suspected activity or wrong-doing.

Waiver of this Policy

The Company is committed to continuously reviewing and updating our policies and procedures based on the learning. The Compliance/ HR departments shall monitor the effectiveness and review the implementation of this Policy, regularly considering its suitability, adequacy and effectiveness. Any improvements identified will be made as soon as possible. Therefore, this document is subject to modification. Any amendment or waiver of any provision of this Policy must be approved in writing by the Board of Directors of the Company. The Policy will be reviewed and audited from time to time which requires cooperation from all concerned.

Employees are encouraged to provide feedback and suggestions for improvement to this policy to help strengthen the company's ethical culture.

Amendment of this Policy

The Board of Directors of the Company has the right to amend or modify this Policy.

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Annexure A

The following is a list of possible red flags that may arise during the course of your employment for the Company and which may raise concerns under anti-bribery and anti-corruption laws. The list is not intended to be exhaustive and is for illustrative purposes only. If you encounter any of these red flags while working for the Company, you have responsibility to report them promptly to your Reporting Head and the Whistle and Ethics Officer as set out in clause 12 of the policy (“How to Raise a Concern”).

- a) You suspect or become aware that a Third Party engages in, or has been accused of engaging in, improper business practices
- b) Learning that a Third Party has a reputation for paying bribes or requiring that bribes are paid to them or has a reputation for having a “special relationship” with foreign government officials
- c) A Third Party insists on receiving a commission or fee payment before committing to sign up to a contract with us, or carrying out a government function or process for us
- d) A Third Party requests payment in cash and/or refuses to sign a formal contract or to provide an invoice or receipt for a payment made
- e) A Third Party requests that payment is made to a country or geographic location different from where the third party resides or conducts business
- f) A Third Party requests an unexpected additional fee or commission to “facilitate” a service
- g) A Third Party demands lavish entertainment, hospitality or gifts before commencing or continuing contractual negotiations or provision of services
- h) A Third Party requests that a side payment be made to “overlook” potential legal violations
- i) A Third Party requests that you provide employment or some other advantage to a friend or relative
- j) You receive an invoice from a Third Party that appears to be nonstandard or customized
- k) A Third Party insists on the use of side letters (i.e. agreed terms in a letter or other document outside the written contract between the parties) or refuses to put the agreed terms in a written contract
- l) You notice that we have been invoiced for a commission or fee payment that appears large given the services stated to have been provided
- m) Third Party requests/ requires the use of an agent, intermediary, consultant, distributor or supplier that is not typically used by or known to the Company;
- n) You are offered an unusually generous gift or offered lavish hospitality by a Third Party
- o) You become aware that a colleague, other employee or contractor working on our behalf requests a payment from a Third Party (such as a client) to expedite an activity or to “overlook” potential legal or regulatory violations