

MODEL CODE OF CONDUCT FOR CGHFL staff/ RECOVERY AGENTS APPLICABILITY:

1. The Model Code of Conduct for CGHFL staff /Recovery Agents will apply to all CGHFL staff /Recovery Agents appointed by the CGHFL. The Code of Conduct shall form part of the agreement between the CGHFL and the Recovery Agents. CGHFL staff /Recovery Agents must agree to abide by this code before undertaking any recovery operation on behalf of the CGHFL. Any CGHFL staff /Recovery Agents found violating this code may face disciplinary action and such action taken will be reported to Group Collections Head by the branches/operating units.

2. When & where CGHFL staff /Recovery Agents may contact a person on the telephone:

(a) Telephonic contact may normally be limited to between 0800 hrs. and 1900 unless the special circumstances of the borrower's business or occupation demand otherwise. However, it may be ensured that a borrower is contacted only when the call is not expected to inconvenience him/her. Calls earlier or later than the prescribed hours may be placed only under the following conditions:

- (i) When the borrower has been authorized to do so in writing or orally.
- (ii) Due notice of recall of the loan has been served by the CGHFL on the borrower, and the borrower is intentionally avoiding calls of the CGHFL staff /Recovery Agents.

(b) The borrower would be contacted ordinarily at the place of his choice and in the absence of any specified place he will be contacted at his/her residence or in the place of employment/ business.

(c) Inappropriate occasions such as bereavement in the family or other calamitous occasions would be avoided for making calls/ visits to collect dues.

3. Can the borrower's Loan arrangement be discussed with anybody else?

Normally CGHFL staff /Recovery Agents should maintain the borrower's secrecy. However, the matter may be discussed with his family members if the borrower's response to the notice of recall and repeated calls made by CGHFL staff /Recovery Agents on the borrowers do not evoke any response. Family for this purpose will only be close and adult family members and will include spouse, son (including legally adopted son), unmarried daughter (including legally adopted daughter), unmarried sister, father, mother, daughter-in-law, grandson, and granddaughter.

3.1 Leaving messages and contacting persons other than the borrower

Calls first must be placed to the borrower. If the borrower is not available a message should be left for the borrower to return the call or check for a convenient time to call again. The message should be left with his business associate or person(s) representing him in the CGHFL and indicate that "xxxxx"(Name of the CGHFL staff /Recovery Agents) representing "xxxxx" (Name of the CGHFL) called and requested to call back at "xxxxxxxxxxx" (phone No). The purpose of the call is the recovery of CGHFL 's dues."

3.2 Code adopted during the call

- The CGHFL staff /Recovery Agents will identify himself/herself to the borrower and will apprise him/her of the authority to represent.
- State reason for the call. Provide the borrower with all the information regarding dues and necessary notice to be given for enabling the discharge of dues.
- Offer to call back if the borrower is busy.
- Talk in a language that is most comfortable to the borrower. Keep conversation limited to business.
- Reconfirm next call or next visit.
- Provide contact numbers (for CGHFL staff /Recovery Agents as well as the CGHFL).
- All assistance will be given to resolve disputes or differences in a mutually acceptable and ordinary manner if any as regards dues.
- Demeanors that will suggest criminal intimidation or threat of violence would be scrupulously avoided.

4. CGHFL staff /Recovery Agents will not accept any kind of gift or bribe.

5. CGHFL staff /Recovery Agents must be appropriately dressed; decorum and decency will be maintained. CGHFL staff /Recovery Agents would resort only to the legally permissible activities during the recovery

MODEL POLICY ON REPOSSESSION OF SECURITY

1. Introduction:

1. The Repossession policy of the CGHFL is built around dignity and respect for customers. CGHFL will not follow policies that are unduly coercive in the Repossession of Security. The policy is built on courtesy, fair treatment, and persuasion. The CGHFL believes in following fair practices regarding repossession of security and thereby fostering customer confidence and long-term relationship.

2. CGHFL's Security Repossession Policy aims at the recovery of dues in the event of default and is not aimed at whimsical deprivation of the property. The policy recognizes fairness and transparency in repossession, valuation, and realization of security. All the practices adopted by the CGHFL for follow-up and recovery of dues and repossession of security will be in consonance with the law.

2. General Guidelines:

All the members of the staff or any person authorized to represent our CGHFL in the collection or/and security repossession would follow the guidelines set out below:

- a. The customer would be contacted ordinarily at the place of his/ her choice and in the absence of any specified place, at the place of his/ her residence and if unavailable at his/ her residence, the place of business/ occupation.
- b. Identity and authority of persons authorized to represent CGHFL for follow-up and recovery of dues would be made known to the borrowers at the first instance. The CGHFL staff or any person authorized to represent the CGHFL in the collection of dues or/and security repossession will identify himself/ herself and display the authority letter issued by the CGHFL upon request.
- c. The CGHFL would respect the privacy of its borrowers.
- d. The CGHFL is committed to ensuring that all written and verbal communication with its borrowers will be in simple business language and CGHFL will adopt civil manners for interaction with borrowers.
- e. Normally the CGHFL's representatives will contact the borrower between 0700 hrs. and 1900 hrs. unless the special circumstance of his/ her business or occupation requires the CGHFL to contact him at a different time.
- f. Borrower's requests to avoid calls at a particular time or a particular place would be honored as far as possible.

g. The CGHFL will document the efforts made for the recovery of dues and the copies of communication set to customers, if any, will be kept on record.

h. All assistance will be given to resolve disputes or differences regarding dues in a mutually acceptable and orderly manner.

3. Giving notice to borrowers While written communications, telephonic reminders, or visits by the CGHFL's representatives to the borrowers' place of residence will be used as loan follow up measures, the CGHFL will not initiate any legal or other recovery measures including repossession of the security without giving due notice in writing. CGHFL will follow all such procedures as required under law for recovery/ repossession of security.

4. Repossession of security is aimed at the recovery of dues and not to deprive the borrower of the property. The recovery process through repossession of security will involve repossession, valuation of security, and realization of security through appropriate means. All these would be carried out fairly and transparently. Repossession will be done only after issuing the notice as detailed above. Due process of law will be followed while taking repossession of the property. The CGHFL will take all reasonable care for ensuring the safety and security of the property after taking custody, in the ordinary course of the business.

5. Valuations and Sale of Property Valuation and sale of property repossessed by the CGHFL will be carried out as per law and fairly and transparently. The CGHFL will have the right to recover from the borrower the balance due if any, after the sale of the property. Excess amount if any, obtained on the sale of the property will be returned to the borrower after meeting all the related expenses provided the CGHFL is not having any other claims against the customer.

6. Opportunity for the borrower to take back the security as indicated earlier in the policy document, the CGHFL will resort to repossession of security only for the realization of its dues as the last resort and not with intention of depriving the borrower of the property. Accordingly, the CGHFL will be willing to consider handing over possession of the property to the borrower any time after repossession and before concluding the sale transaction of the property, provided the CGHFL dues are cleared in full. If satisfied with the genuineness of the borrower's inability to pay the loan installments as per the schedule, which resulted in the repossession of security, the CGHFL may consider handing over the property after receiving the installments in arrears. However, this would be subject to the

CGHFL being convinced of the arrangements made by the borrower to ensure timely repayment of remaining installments in the future.