

Code of Conduct

Revised January 2021

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I. Introduction.

A. Our Integrity. It is the policy of FINCA Microfinance Bank Limited (“FINCA” or the “Company”) that we conduct our activities according to the highest ethical and professional standards. In order to reaffirm this policy, the Board of Directors and the Members have adopted this Code of Conduct, to which FINCA Persons - every employee, Board or Advisory Board member, consultants and volunteers, and others acting on behalf of FINCA, wherever located, must adhere. References to the Code of Conduct herein include not only this document but also the Code of Conduct as adopted by any Subsidiary of FINCA. Failure to conduct activity in keeping with this Code of Conduct is grounds for immediate termination of employment or other relationships with FINCA, subject to the rules, regulations and law applicable thereto.

B. Our Policies. This Code of Conduct describes the ethical standards expected of all those associated with FINCA and its Subsidiaries. It does not cover every specific situation but provides a statement as to our policy on ethics. Details as to specific requirements and policies are included in the FINCA Personnel Manual for your location, and in other policies established by FINCA. This Code of Conduct does not constitute and should not be considered to create a contract of employment for any term or a commitment of continued employment.

II. Business Practices.

A. Compliance with law. All FINCA Persons are expected to comply with law at all times. No one has the authority to violate any law or governmental regulation or to direct another employee or any other person to violate any law or regulation on behalf of FINCA.

B. Public Perception and Fair Dealing. FINCA will conduct its activities fairly with its clients, vendors, partners, employees, or other parties and in such a way that, if disclosed to the public, would bring credit on FINCA.

- i) FINCA will seek to secure business from customers on the basis of having a “better product for a better price”. Our employees shall not, use abusive language, use physical force, limit physical freedom, shout at the client, enter in the client’s home uninvited, publicly humiliate the client, violate the client’s right to privacy, discriminate based on ethnicity, gender, sex, religious belief, political opinions, disability, participate in corruption, kickbacks, theft, participate in sexual or moral harassment.
- ii) Furthermore, employees are prohibited from, directly or indirectly, accepting bribes, kickbacks or any other improper benefit which could influence or appear to influence them in the performance of their duties. Reasonable business entertainment and gifts or favors of nominal value or those which are appropriate in the circumstances will not be considered a breach of our commitment to fair dealing, as long as such entertainment or gifts are consistent with business practice, not intended as an inducement, not contrary to applicable law and will not embarrass us or our employees if disclosed publicly.
- iii) Ensure that consumers are not provided with misleading or deceptive information in connection with a service or product.
- iv) Not making repeated solicitations to promote banking services or products to the consumers who have communicated their disinterest in same offerings.
- v) It is to be ensured that no employee will engage him/herself in a collusive business with a consumer aiming derive illicit gains or to provide unfair favor to the consumer.

III. Transparency and Disclosure

- A. **Public Information.** FINCA shall provide comprehensive and timely information to the public, the media, and other persons with an appropriate interest.
- B. **Government Information Requests.** FINCA will respond accurately, completely and promptly to all valid requests for information from government regulatory agencies. Employees must immediately inform their supervisors of any requests by governmental authorities that indicate risks for the organization, or that are unusual or outside the normal scope of the

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employee's responsibilities.

- C. **Investors.** FINCA will be transparent and deal fairly with those providing funds in support of our mission.

IV. Fundraising.

Fundraising efforts will be conducted with integrity and honesty.

V. Record Keeping and Financial Integrity.

A. **Accounting.** Compliance with applicable accounting principles and the Company's internal accounting control is required at all times. Accurate and complete information shall be given in response to inquiries from the Company's independent auditors.

B. **Integrity of Documents.** No FINCA Person shall submit or approve any expense report or other document where the person knows or suspects that any portion of the report is not accurate, is untruthful, or is not in compliance with the Company's policies.

VI. Anti-Money Laundering and Know Your Customer Compliance.

FINCA has developed and maintains anti-money laundering policies and procedures for its global network, which FINCA Persons must follow.

VII. Political Activity.

A. **Private Activity.** FINCA Persons shall not work on a political fundraiser or other campaign activity while on Company time and shall not use any Company assets for these activities.

B. **No Political Pressure.** No FINCA Person may require you to contribute to, support or oppose any political group or candidate.

C. **Limits on Lobbying.** FINCA shall comply with all applicable Federal, State and laws and the laws in any country in which we operate on lobbying, and any activity is permitted only as authorized by the Chief Executive Officer.

VIII. Protection of Proprietary Information

A. **Confidential Information.** Information of FINCA that has not been made public shall be kept confidential except as may be necessary in performing authorized duties or by authorization of the Chief Executive Officer or the Chairman of the Board of Directors.

B. **Client Information.** Confidential information obtained from clients may only be used for the reasons for which the information was gathered, released or made public by the client, or as required by law.

IX. Protection of Company Assets.

A. **Use of Company Property.** Unless otherwise prohibited by an employee's supervisor or by Company policy, reasonable incidental use of a Company telephone, computer or other equipment, assets or property is permitted, provided that these assets are used in a way that is not harmful or embarrassing to FINCA.

B. **Fraud or Theft.** Any employee found to be engaged in, attempting to, or conspiring as to fraud or theft of assets of FINCA or its clients, or attempting to engage in fraud or theft, will be subject to immediate termination and criminal prosecution, subject to the rules, regulations or law applicable thereto. All employees have a responsibility to report any actual, attempted, or conspiracy as to bribery, kickback, fraud or theft.

C. **Violation of Company Policy.** Many of our policies are designed to protect FINCA against misconduct. Failure to follow policies strictly - or condoning others doing so - can lead to fraud, theft, or a risk that this might occur. It is the duty of every FINCA Person to comply fully with our policies and procedures and to insist that others do so as well. Violations or requests to ignore procedures should be reported. Condoning policy violations by other FINCA Persons is a violation of this Code of Conduct.

X. Employee Relations

A. **Work Environment.** Inclusiveness in FINCA hiring, retention, and promotion practices and with respect to board recruitment and constituencies served shall be observed. Images, text, conversations or actions of an unlawful, harassing, or offensive nature are inappropriate at FINCA and will not be tolerated.

B. **Employment Laws.** It is FINCA's policy:

(1) To ensure equal employment opportunity without discrimination or harassment on the basis of race, color, national origin, religion, sex, gender, age, disability, or any other status protected by law.

(2) To comply with all applicable wage and hour laws and other statutes regulating the employer-employee relationship and the workplace environment, and to respect laws governing labor organizations, including laws or regulations relating to an employee's lawful work status in the country of employment.

C. **Drugs and Alcohol.** Possessing, using, selling or offering illegal drugs and other controlled substances is prohibited under all circumstances. Reporting for work, or driving a Company vehicle or any vehicle on Company business, while under the unlawful influence of alcohol or any illegal drug or controlled substance is not tolerated.

XI. Client Protection Principles. FINCA fully supports the protection of microfinance clients from predatory and abusive practices. All FINCA Persons, in a decision making position or in a direct relationship with the clients, should understand and follow these principles as they relate to his or her work, including the design and delivery of products that do not cause clients harm, prevention of over-indebtedness, transparency in ensuring that clients have adequate information to make informed decisions, responsible pricing, fair and respectful treatment of clients, maintaining the privacy of client data, and responsive client complaint resolution mechanisms.

XII. Our Communities. This Code is written to address ethical issues for FINCA Persons that may arise in their business dealings. FINCA staff should understand that our primary responsibility is to our clients but that we have responsibilities to other stakeholder groups that include the countries and communities where FINCA operates. FINCA encourages staff volunteering their time with charitable or non-profit organizations or initiatives. FINCA and FINCA Persons will respect social and environmental practices and requirements in its operations and lending practices.

XIII. Conflicts of Interest

A. Avoidance of Conflicts. All FINCA Persons shall scrupulously avoid any conflict - or the appearance of a conflict - between their individual interests or those of family members (a spouse, domestic partner, children, parent, grandparent, sibling, sibling in law, or parent in law), and those of FINCA. A FINCA Person may not avoid a conflict by entering an arrangement through any other person, whether a friend or family member, or another entity in which the FINCA person (or family member) are key persons or have an ownership of any significance or a control position.

B. What is a Conflict of Interest?

(1) A Conflict of interest may be a transaction between FINCA and a FINCA Person or their family members (a Related Party Transaction), a situation which interferes with judgment or duties at FINCA, or use of their position for reasons not in the best interests of FINCA. There are various situations that could present a conflict of interest, including the following:

a. Your interests compete, or appear to compete, with the Company's interests or obligations, including its obligations as a charitable not for profit corporation.

b. Improper personal benefits - either economic or through building relationships that benefit you or family members personally - as a result of your position with FINCA.

c. Outside activities as a result of extensive time commitments or activities with an organization that compete with or whose goals are contrary to those of FINCA, or even if appropriate require time that interferes with your obligations with FINCA.

(2) The following guidelines should be considered in evaluating whether a transaction, an activity, or a relationship could present a conflict of interest.

a. How would this activity be perceived if known to others, including senior management, the Board of Directors, your colleagues, government officials, or investors?

b. Is the intent in considering some activity or transaction to gain some personal advantage or benefit for you, a family member or a close friend?

c. What is the potential impact on FINCA; could FINCA be disadvantaged by your action through a transaction because it is less favorable or not necessary?

d. Would a transaction with a third party, such as a potential vendor, affect - or be perceived to affect - your judgment?

e. If the potential conflict is by an external commitment, would this require so much of your time that it interfered with your work, or would it create obligations that could influence your loyalty to FINCA?

f. Would a relationship result in the disclosure of confidential information?

If the answer to any of these questions is yes, the situation should be avoided. If it is unclear, seek advice as provided in this Code of Conduct.

C. Further Guidance in the Employee Personnel Handbook. The Personnel Handbook applicable to FINCA employees everywhere provides more specific guidance on situations that create conflicts of interest and that should be avoided.

D. FINCA Clients. Transactions between FINCA Persons and FINCA clients are strictly and in all cases forbidden, excepting only purchases from our clients in the ordinary course of their business and at their regular prices.

E. What to Do. In any situation where there is any doubt on the part of a FINCA Person as to whether there may be a conflict of interest, they should avoid the situation or contact the Compliance Officer or the Office of General Counsel for a determination as to whether it is appropriate.

F. Approved Exceptions. In extraordinary situations where applying the policy against a conflict of interest would disadvantage FINCA, exceptions may be made, except as to transactions with FINCA clients, on a determination that:

(1) The transaction or action in which the FINCA Person has a personal interest is fair to FINCA;

(2) It is in the best interest of FINCA, and

(3) The FINCA Person with an interest in the transaction does not participate in the decision authorizing the exception. In all cases involving Members, Directors, or Officers of FINCA (President and Vice President level corporate officers), or their family members, any exception will be made only upon the determination by the Audit Committee of FINCA, or FINCA Microfinance Holdings LLC, as appropriate. In other cases, as appropriate, the exception should be made by the Chief Executive Officer in consultation with the General Counsel and the Vice President Human Resources, or by the disinterested members of the Board of Directors of any operating Subsidiary for management and employees of that entity, and reported to the General Counsel and the Vice President Human Resources. Related party transactions and nepotism are strongly discouraged and will only be approved in exceptional circumstances.

G. Annual Affirmation. Each FINCA Member, Director, Officer, and member of the Management Board of an operating Subsidiary shall annually sign a statement which affirms that such person has:

- (1) Received a copy of this Code of Conduct
- (2) Read and understands this Code of Conduct
- (3) Agreed to comply with and has complied with this Code of Conduct, and
- (4) Disclosed all relationships and interests that could be deemed to constitute a violation of this Code of Conduct.

XIV. Gifts.

A. Receiving Gifts.

(1) Generally, gifts, services, loans, preferential treatment, or anything of value, including entertainment, should not be accepted from those with whom FINCA conducts business under circumstances that would compromise judgment. Gifts of nominal value or meals and social invitations that are in keeping with FINCA business ethics, and not unusually expensive or extravagant, may be accepted where necessary for ordinary business relationships. Any question about the appropriateness of accepting a gift or invitation should be referred to a supervisor, a compliance officer, or the Office of General Counsel.

(2) Any FINCA employee Person found to be receiving, accepting or condoning a bribe, kickback, or other unlawful payment, or attempting to initiate such activities, will be subject to termination and possible criminal proceedings against them.

B. Giving Gifts.

- (1) Gifts or entertainment that could be perceived as bribery or in exchange for an official or business favor may not be offered.
- (2) Guidelines in considering whether giving a gift is appropriate are as follows
 - a. Gifts are infrequent and not excessive in value
 - b. A gift under no circumstances may be in cash
- c. A gift may never be tied to influencing a potential contract or an approval,
and
- d. Items with the FINCA name and logo should be given wherever possible

C. FCPA Compliance. FINCA abides by the provisions of the U.S. Foreign Corrupt Practices Act (generally called the FCPA), which prohibits bribes, "kickbacks," or other payments to foreign officials. FINCA does not allow expediting or facilitating payments, even for routine or non-discretionary activities, except with the prior approval of the Chief Executive Officer of FINCA following advice of the General Counsel as to compliance with the law or as the case may be per rules and procedures prescribed by FINCA. Outside advisors may not be used to seek government approvals in circumstances where the fees are unusual or excessive for the work performed.

XV. Outside Statements and Activities.

A. Speaking Engagements. FINCA Persons are encouraged to maintain their Professional credentials and relationships by undertaking speaking engagements and writing articles appropriate to their fields of interest, consistent with their responsibilities at FINCA. FINCA Persons should not speak on behalf of FINCA, or publish papers in which the interests of FINCA or its global programs could be adversely affected, except in accordance with FINCA policies as to review and approval of public communications that might be perceived as representing the views of FINCA or reflect adversely on FINCA or its programs.

B. Board Memberships. Board memberships at other organizations shall not be considered to be at the request of the Company unless approved by the Chief Executive Officer of FINCA, or by the appropriate Board of Directors.

XVI. Inquiries or Exceptions under the Code.

Under no circumstances shall there be deviations or exceptions to this Code of Conduct unless authorized in advance in writing by the Chairman of the Board of FINCA or according to procedures set forth herein. This Code of Conduct should not be interpreted as condoning, by implication or otherwise, any other illegal or unethical conduct. If any FINCA Person is ever in doubt as to what is required under the law or this Code of Conduct, he or she should speak with a compliance officer, their supervisor, or the Office of General Counsel.

XVII. Compliance

A. Confidential Reporting of Code Violations.

If a FINCA Person thinks he or she has, or in good faith thinks another person has violated any provision of this Code, he or she should immediately report the suspected violation to his or her immediate supervisor, or confidentially to a compliance officer. If a person believes that the matter is so serious that it demands the attention of the Audit Committee of the Board of Directors, or is concerned as to possible retaliation, they may review their concern confidentially with the Office of General Counsel or the Compliance Officer of FINCA, who will decide whether the issue is appropriate for reporting to the Chair of the Audit Committee or other action. The person may also report the incident through an external confidential reporting service (a hotline). Instructions for this reporting process will be posted in each FINCA entity.

B. Investigations. Violations of this Code will be investigated, addressed promptly and treated confidentially consistent with the need to investigate, prevent or correct the violation. To the extent practical and appropriate under the circumstances to protect the privacy of the persons involved, a compliance officer will not disclose the identity of anyone who reports a suspected violation of law or who participates in the investigation. FINCA Persons should be aware that each compliance officer, and those assisting him or her, and the Office of the General Counsel, are obligated to act in the best interests of FINCA, and do not act as personal representatives or lawyers for them.

C. Disciplinary Measures. If a compliance officer concludes, after appropriate investigations and in consultation with the Office the General Counsel, that this Code has been violated - whether by unlawful actions, condoning or failing to report information as to unlawful actions by others, retaliation against those who report suspected wrongdoing, or otherwise - he or she is authorized to recommend appropriate discipline, including discharge, as per applicable law, rules or regulations.

D. Retaliation. Retaliation in any form against an individual, who in good faith reports a violation of this Code of Conduct, or of law, even if the report is mistaken, or who assists in the investigation of a reported violation, is itself a serious violation of this Code. Acts of retaliation should be reported immediately and will be disciplined appropriately.

XVIII. Responsibility of Management.

All management of the Company, including FINCA Officers, FINCA department heads, CEO management boards and core positions, are responsible for compliance with this Code of Conduct and to endeavor to ensure that those persons who report to them and any others acting on behalf of or for the benefit of the Company, within their control, are also in compliance. FINCA management should serve as models of integrity for our employees and for our clients.

“Confidentiality: The Employee recognizes and acknowledges that he/she will obtain during the course of his employment with the Bank certain information relating to the affairs, business, strategy and relationships of the Bank, as well as the Bank’s parent companies and any of their subsidiaries and affiliates (collectively, the “FINCA Companies,” and any such company individually, a “FINCA Company”) and that such information is Confidential Information and is a unique and valuable asset of the Bank and/or the FINCA Companies and he/she shall not use the same after his separation from the services of the Bank for his own benefit or for use of any others benefits as per the policy of the Bank and law applicable to the microfinance banks.

The Employee agrees that after Separation Date, he/she will not use the Confidential Information in any manner whatsoever for a period of two (2) years and in case of any contingency to disclose the same then he will be under legal obligation to obtain prior written authorization from the Bank to disclose, copy or use in any way Confidential Information for his/her own benefit or for the benefit of any person or entity other than the Bank or a FINCA Company. The Employee also agrees that in case of a breach of confidentiality will cause irreparable damage to the Bank or a FINCA Company and that the Bank may pursue all remedies available, including injunctive relief under the law.

Confidential Information shall include, but is not necessarily limited to, any information relating to the Bank or a FINCA Company’s procedures, organizational strategy documents, intellectual property, proprietary contracts, compensation data, computer processes, computer programs and codes, client lists, client data and preferences, donor lists, information related to founding sources, financial information, financial projections and models, labor relations strategies, marketing strategies, new materials research, pending projects and proposals, research and development strategies, technological data, information that the Bank or any of the FINCA Companies is under a contractual or ethical obligation not to disclose, trade secrets (whether falling under the definition of a “Trade Secret” pursuant to the applicable laws or otherwise), any other information that has or could have commercial value or other utility to the Bank or a FINCA Company, and any other information that the Bank or any FINCA Company may deem confidential from time to time. Provided, however, that Confidential Information shall not include information that (i) is or becomes publicly known through lawful means other than by your breach of this Agreement, or (ii) was rightfully in your possession or part of your general knowledge prior to your employment with the Bank.

However, nothing shall be construed to prevent the Employee from (i) reporting actual or suspected violations of law to the responsible government authorities, (ii) engaging in activity protected by statutes or regulations applicable to him, or (iii) making disclosures that are required by legal process (if you believe that disclosure is required by legal process, you shall give the Bank or a FINCA Company prompt notice of any disclosures allegedly required by legal process and reasonably cooperate with efforts the Bank or a FINCA Company may make to avoid such disclosures or obtain a protective order).

Employee acknowledges that he/she will not disclose the fact to the customer or any other quarter that an STR or related information is being or has been reported to FMU, except if required by law.

Employee acknowledges that he/she will not disclose the fact to the customer or any other quarter that an STR or related information is being or has been reported to FMU, except if required by law.

Non-Soliciting: The Employee agrees that for a period of one (1) year after the Separation Date, the Employee shall not, for the benefit of Employee or for the benefit of any other person or entity, directly or indirectly, solicit or induce or persuade to leave the employ of the Bank, or assist others in engaging such solicitation, or hire for any reason or purpose whatsoever, any person who (a) who was an employee of the Bank at the time of such solicitation or hiring or (b) had been an employee at any point in the six-month period prior to such solicitation or hiring. This means, among other things, that Employee shall refrain for one (1) year after the Separation Date from disclosing to any person or entity the names of his former fellow employees where the purpose or reasonably foreseeable result of such disclosure is to allow such person or entity to solicit the Bank employees for employment.”

Declaration of Code of Conduct

I certify that I have read and understood the Code of Conduct.

I agree to conduct all my duties in accordance with the standards outlined in this statement. I certify to the best of my knowledge, information and belief that I have not been engaged in any behavior which is unacceptable under this statement. I further certify that I am not aware of any possible conflict of interest as described in this statement.

Employee Particulars

Employee ID

Name

Designation

Branch/Unit/ Location

Date
