

Nido – Code of Conduct for Direct Selling Agents (DSAs)/Direct Marketing Agents (DMAs)

Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited)

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1. INTRODUCTION

1.1 BACKGROUND

Pursuant to the notification issued by the **National Housing Bank on Model Code of Conduct for Direct Selling Agents (DSAs)** vide its notifications/Circular No. NHB (ND)/DRS/Pol-No.24/2008 dated July 14, 2008, and Policy Circular No. NHB (ND)/DRS/Policy Circular No. 82/2017-18 dated October 17, 2017 and Reserve Bank of India Master Direction Non-Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 dated February 17, 2021, the Company has adopted and reviewed the said code and the same is effective from the date of approval by the Board.

1.2 PURPOSE

A direct selling agent plays a pivotal role of representing lending institutions for potential clients or credit seekers. Their fundamental objective is to promote and sell financial product of the lending institution. Nido has adopted this Code of Conduct (“the Code”) laying down the roles and responsibilities of DSAs/ DMAs, grievance redressal mechanism and undertaking by the DSAs/DMAs.

1.3 SCOPE

The code will apply to all persons involved in marketing and distribution of any loan or other financial product of Nido. The DSAs/DMAs and its employees / representatives must agree to abide by this code prior to undertaking any direct marketing operations on behalf of the Company. Any employees /representatives of the DSAs/DMAs found to be violating this code may be blacklisted and such action taken will be reported to the Company from time to time by the DSAs/DMAs.

2. TELE-CALLING A PROSPECTIVE CUSTOMER

The Company shall not engage any telemarketers (DSAs/DMAs) who does not have valid registration certificate from Department of Telecommunications (“DOT”). The Company will submit the list of registered Telemarketers along with the registered telephone numbers to TRAI.

A prospective customer may be contacted for sourcing an Nido product or Nido-related product only under the following circumstances:

- When a prospective customer desires to acquire a financial product through the Nido’s website/call center/branch or has been referred by another customer/ prospective customer or through the Relationship Manager of the Company or is an existing customer of the Company who has given consent for accepting calls on other products of the Company.

- When the prospective customer's name/telephone number / address is available and obtained after taking his /her consent.
- The employees / representatives of the DSAs/DMA's shall not call a person whose name/number is flagged in any "do not call" list made available to him / her.

4. WHEN TO CONTACT A PROSPECTIVE CUSTOMER ON TELEPHONE

Telephonic contact must normally be limited between 09.30 Hrs and 1900 hours. However, it may be ensured that a prospective customer is contacted only when the call is not expected to inconvenience him / her. Calls earlier or later than the prescribed time period may be placed only under the following conditions:

- When the prospective customer has expressly authorized the DSAs/DMA's and its employees / representatives to do so either orally or in writing.
- Residence/business/office address visit must normally be limited between 09.30 hours and 19.00 hours. Any deviation should be approved by customer in oral or in writing.

6. RESPECT PROSPECTIVE CUSTOMER'S PRIVACY

DSAs/DMA's or/and its employees will respect the prospective customer's privacy and his /her interest may normally be discussed only with him /her and with any other individual /family member such as prospect's accountant /secretary /spouse only when authorized to do so by the prospective customer.

7. LEAVING MESSAGES

Calls must first be placed to the prospective customer. If the prospective customer is not available, a message may be left for him /her. The aim of the message should be to get the prospective customer to return the call or to check for a convenient time to call again.

Ordinarily, such messages may be restricted to:

"Please leave a message that ***** (name of officer) representing Nido called and requested to call back at ***** (phone number)".

As a general rule, the message must indicate that the purpose of the call is regarding selling or distributing a product of the Company

8. NO MISLEADING STATEMENTS / MISREPRESENTATIONS PERMITTED

DSAs/DMA's and/or its employees / representatives will not:

- mislead the prospective customer on any service / product offered by the Company;
- mislead the prospect about their business or organization's name, or falsely represent themselves;
- Make any false / unauthorized commitment on behalf of the Company for any facility / loan / service.

9. TELEMARKETING ETIQUETTE

DSAs/DMAs and/or its employees / representatives shall follow the below telemarketing etiquettes while contacting any customer:

A. PRE CALL

- No calls prior to 09.30 Hrs or post 1900 Hrs unless specifically requested.
- No serial dialing
- No calling on lists unless list is cleared by the team leader

B. DURING CALL

- Identify yourself, your company and your principal
- Request permission to proceed
- If denied permission, apologise and politely disconnect.
- State reason for your call
- Always offer to call back on landline, if call is made to a cell number
- Never interrupt or argue
- To the extent possible, talk in the language which is most comfortable to the prospective customer
- Keep the conversation limited to business matters
- Check for understanding of “Most Important Terms and Conditions” by the customer if he plans to buy the product
- Reconfirm next call or next visit details
- Provide your telephone number, your supervisor’s name or the Company’s officer’s contact details if asked for by the customer.
- Thank the customer for his /her time

C. POST CALL

- Customers who have expressed their lack of interest for the offering should not be called for the next 3 months with the same offer
- Provide feedback to the Company on customers who have expressed their desire to be flagged “Do Not Call”
- Never call or entertain calls from customers regarding products already sold.
- Advise them to contact the Customer Service Staff of the Company.

10. GIFTS OR BRIBES

Employees /representatives of Direct Selling Agent (DSA)/DMAs must not accept gifts from prospective customers or bribes of any kind. Any employee/representative of the DSAs/DMAs, who is offered a bribe or payment of any kind by a customer, must report the offer to his /her management.

X. ANNEXURES

Employees/representatives of DSAs/DMA's will:

- Respect personal space – maintain adequate distance from the prospective customer;
- Ensure that prospect/ customer is not visited within a period of 3 months of expression of lack of interest for the offering by him/ her.
- Not enter the prospective customer's residence /office against his /her wishes;
- Not visit in large numbers, i.e. not more than one employee /representative of the DSA and one supervisor, if required;
- Respect the prospective customer's privacy;
- If the prospective customer is not present and only family members /office persons are present at the time of the visit, he /she should end the visit with a request for the prospective customer to call back;
- Provide his /her telephone number, name of the supervisor or the concerned officer of the Company and contact details, if asked for by the customer; and
- Limit discussions with the prospective customer to the business – Maintain a professional distance.

12. APPEARANCE & DRESS CODE

Employees/representatives of DSAs/DMA's must be appropriately dressed.

13. HANDLING OF LETTERS & OTHER COMMUNICATION

Any communication sent to the prospective customer should be only in the mode and format, as approved by the Company.

14. APPOINTMENT OF DSA/DMA

A. QUALIFICATIONS FOR DSA/DMA

There is no specific qualification prescribed, however before engaging the DSAs/DMA's the Company shall ensure that Partnership Deed, Memorandum of Association or any other document evidencing the constitution proof the entity shall contain as one of its main objects as soliciting or procuring DSA/DMA business.

B. EMPANELMENT OF DSA/DMA

DSA/DMA seeking empanelment/engagement with Company shall submit the application for empanelment in the illustrative format enclosed as **Annexure 1**.

A. PRE CALL

The agreement executed with DSAs/DMA's shall be sufficiently flexible to allow the Company to retain appropriate level of control over the outsourcing firm. The agreement shall be in accordance with the Outsourcing Policy of the Company and will contain below key elements:

- Activities to be performed
- Ability to access all books, records and information relevant to outsourced activity

- Continuous monitoring and assessment
- Termination clause and minimum period to execute a termination
- Contingency plan to ensure business continuity
- Prior approval for appointment of sub-contractors
- Right to conduct audits/inspection and access to documents by internal and external auditors, RBI or persons authorized by RBI or other regulators.
- Confidentiality of customer to be maintained even after the contract expires
- Controls to ensure customer data confidentiality and service providers' liability in case of breach of security and leakage of confidential customer related information
- Preservation of documents

15. GENERAL DUTIES & RESPONSIBILITIES

- NO DSA/DMA shall be allowed to do a fresh business on behalf of Company after termination of agreement until it is renewed.
- By virtue of contract / agreement, the DSA / DMA or/and its employees / representatives may have access to personal and business information of Company and / or Company's customer. DSA / DMA shall ensure the preservation and protection of the security and confidentiality of the customer information or data which are in the custody or possession.
- DSA / DMA should acknowledge that he/she/it has read the said Model Code of Conduct and has fully understood all the terms and conditions mentioned there in and declare that the DSA/DMA shall agree to abide by the said code of conduct in letter and spirit.
- The DSA / DMA shall report the fraud erring employees / representatives periodically to Company and consolidated data /information on the same shall be submitted by Company to NHB. The information shall include name of the person, address, name of the DSA associated with and nature of fraud. Such employees /representatives shall be barred permanently for doing the business of DSA / DMA in future with the Company.
- Adherence to all applicable laws, regulations, this code of conduct and other Nido policies
- Adherence to the undertaking submitted to the Company at the time of appointment / reappointment as laid down in Annexure 2 of this Code.
- Comply with all applicable data privacy requirements by sharing customer information strictly on need-to-know basis.
- Adhere to the terms and conditions of the Service Provider Agreement, entered with the Company
- Not resort to intimidation or harassment of any kind, either verbal or physical, against any person in their debt collection efforts, including acts intended to humiliate publicly or intrude the privacy of the debtors' family members, referees and friends, making threatening and anonymous calls or making false and misleading representations.

16. GRIEVANCE REDRESAL MECHANISM

- The designated officer of the Company shall ensure that genuine grievance of customers related to the DSA/DMA is addressed and redressed promptly without involving delay. Nido would constitute a Grievance Redressal Machinery within the company and give wide publicity about it through electronic and print media
- All disputes / complaints arising out of the decisions of the Company's functionaries including issues relating to services provided by an outsourced agency would be heard and disposed of after it is brought to their notice.
- The contact details of the Grievance Redressal Officer ("GRO") and the local office of RBI (which can be approached if the complaint / dispute is not resolved within a period of one month) will be displayed at all the branches / places where the Company conducts its business.
- The Company's Grievance Redressal Machinery will also deal with the issue relating to services provided by the outsourced agency.
- Generally, a time limit of 30 days will be given to the customers for preferring their complaints / grievances. The grievance redressal procedure of the Company is also placed on website of the Company.

17. GENERAL OBLIGATIONS OF THE COMPANY

- A declaration shall be obtained from employees /representatives by the DSAs/DMA's before assigning them their duties is appended as **Annexure 2** to this Code.
- No payment/fees/incentive of DSAs/DMA's will be made in cash.
- The lead shall be shared by the DSAs/DMA's in the illustrative format as prescribed in **Annexure 3** of this Code.
- The company may prescribe the operational area for DSA/ DMA within which they can work

18. TERMINATION OF DSA/DMA

- Nido may consider termination or permanent blacklisting of DSAs/DMA's who fail to comply with this requirement.
- In the event of termination of the agreement for any reason, the Company may publicize it to ensure that the customers do not continue to deal with that service provider.

19. TRAINING OF DSA/DMA

- It shall be ensured that the DSA/ DMA/ Recovery Agents are properly trained to handle their responsibilities with care and sensitivity, particularly aspects such as soliciting customers, hours of calling, privacy of customer information and conveying the correct terms and conditions of the products on offer, etc.
- It shall also be ensured that the DSA/ DMA seeking engagement/ empanelment with the company, it or/and its employees/ representative will have to go through two-day

preliminary training and a day training every year which shall be organized by the Company. Nido shall also maintain record of training provided by them.

20. MAINTENANCE OF DATABASE OF DSA/DMA

The Company shall maintain an up-to-date IT database of DSAs/ DMAs engaged / empaneled with them. The Company shall keep the audit/inspection, due diligence reports of the outsourced agencies whenever conducted in terms of the provisions of the agreement entered with the DSA/DMA, and action taken report (ATR) thereon.

21. MONITORING OF DSA/DMA

- The Company may, on an annual basis, review the financial and operational condition of the service providers to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about the service provider could highlight any deterioration or breach in performance standards, confidentiality and security, and in business continuity preparedness. Management may fix the criteria's/threshold/ parameters for review and monitoring.
- The Company has in place a management structure to monitor and control its outsourcing activities. The Company may provide for in the outsourcing agreements with the service providers certain provisions to address monitoring and control of its outsourced activities.
- Regular audits by either the internal auditors or external auditors of the Company may be carried to assess the adequacy of the risk management practices adopted in overseeing and managing the outsourcing arrangement, the Company's compliance with its risk management framework and the requirements of this Code.

22. REVIEW OF THE CODE

The Code shall be subject to an annual review in accordance with any regulatory or statutory requirement and shall be approved by the Board of the Company. The sales and product team will be the owner of the document. The compliance team will be the reviewer. The compliance team and all the business teams shall abide code in the spirit of the law and in the manner, it may be applicable to its business.

22. ANNEXURES

ANNEXURE 1 - APPLICATION FORM FOR EMPANELMENT OF DSA / DMA

To,

The Manager

(_____),

Sir/Madam,

Sub: APPLICATION FOR EMPANELEMENT AS DIRECT SELLING AGENT (DSA)/ DIRECT MARKETING AGENT (DMA)
WITH _____(Name of the Company)

I/We submit herewith my/our application for the empanelment as Direct Selling Agent (DSA)/ Direct Marketing Agent (DMA) for..... (Name of the Company). I/we have read the terms and conditions relating to the service and I/we undertake that those are acceptable to me/us.

1	Full name (in block letters)				
2	*Father's/Husband's name				
3	Constitution (tick appropriate option)	Individual	Proprietorship	Partnership	Company
4	Date of birth/ incorporation (DD/MM/YYYY)				
5	Age		Years		Months
6	Address				
7	Mobile number/Contact number				
8	Alternate contact number				
9	PAN card no				
10	Present occupation/Business				
11	No. of years in employment/Business				
12	*Qualification				
13	*Languages known				
14	Reference (name and contact number)	1. 2.			

I/We declare that the statements in this application and the documents submitted (as per list given below) are true, complete and correct to the best of my knowledge and belief. I/We declare, that no criminal proceedings are pending against me/us. I/we further declare that I/we am not related to any existing employee of _____. I/we understand that in the event of any information/document being found untrue / incorrect at any stage, my application is liable to be rejected and if already empaneled, the empanelment is liable to be terminated.

Place:

Signature:

Date:

Name:

Documents to be submitted along with application:

1. Copy of PAN card;
2. *Address proof (latest telephone/mobile bill, electricity bill, gas bill, passport or ration card)
3. *Two recent passport size photographs (in addition to one affixed on application form);
4. *Latest IT Return/Form 16
5. Bank statement for last 6 months;
6. Enrolment letter, if enrolled with other Bank/FI for similar services;
7. In case of firm / Company: Registration certificate of firm & Partnership deed/ Articles of Association of the company, incorporation certificate and last Audited balance sheet.

*Applicable only for Individual

ANNEXURE 2 - DECLARATION-CUM-UNDERTAKING TO BE OBTAINED BY THE DSA/DMA FROM ITS EMPLOYEES / REPRESENTATIVES

Re: Code of Conduct

Dear Sir,

I am working in your company as a _____. My job profile, *inter-alia*, includes offering, explaining, sourcing, and assisting documentation of products and linked services to prospective customers of Nido Home Finance Limited (Formerly known as Edelweiss Housing Finance Limited).

In the discharge of my duties, I am obligated to follow the Code of Conduct attached to this document.

I confirm that I have read and understood and agree to abide by the Code of Conduct. I further confirm that the trainer mentioned below has explained the contents of the Code of Conduct in full to me.

In case of any violation, non-adherence to the said Code, you shall be entitled to take such action against me as you may deem appropriate.

Signed on this _____ day of _____ 20

Signature _____

Name _____

Agency _____

Signature of Trainer

Name

Company

