

Fair Practice Code for Lenders

Summary

Who does this policy apply to?

This policy applies to all employees of Credit Suisse AG, Mumbai Bank Branch.

What does the policy cover?

This policy inter-alia defines Credit Suisse AG, Mumbai Bank Branch's policy on disclosure of the information about the proposed transactions to the clients and grievance redressal mechanism.

What is the purpose of this policy?

The purpose of this policy is to ensure compliance with Reserve Bank of India (RBI) guidelines on Fair Practices Code for Lenders.

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1. Introduction

The Reserve Bank of India (RBI), vide para 2.5 of the Master Circular on Loans and Advances - DBOD.No.Dir.BC. 16/13.03.00/2014-15 dated July 1, 2014 has prescribed the broad guidelines on fair practices that are to be framed and approved by the Board of Directors of all Banks. The fair practices code so framed and approved by the Board of Directors should be published and disseminated on the web-site of the company, if any, for the information of the public.

It is, and shall be the policy of CSAG to make available all financial products offered by the Company, to eligible qualified applicants, without discrimination on the basis of race, caste, colour, religion, sex, marital status, age or handicap, directly or through subsidiaries and/or associates.

CSAG's policy is to treat all the clients consistently and fairly. CSAG shall adopt all the best practices prescribed by RBI from time to time and shall make appropriate modifications, if any, necessary to this Code to conform to the standards so prescribed. The employees/representatives of CSAG will offer assistance, encouragement and service in a fair, equitable and consistent manner. CSAG will also communicate its Fair Practices Code ('FPC') to its clients by uploading the FPC on its website.

CSAG will ensure that the implementation of the FPC is the responsibility of the entire organisation. CSAG's fair lending practices shall apply across all aspects of its operations including marketing, loan origination, processing, servicing and collection activities. Its commitment to FPC will be demonstrated in terms of accountability, training, counseling, and monitoring, auditing programs and internal controls, and optimal use of technology.

The board of directors and the management team of CSAG are responsible for implementing the FPC, and also to ensure that its operations reflect its strong commitment to all the stakeholders for offering in a fair and equitable manner, the various financial services and products including lending as CSAG may provide from time to time and that all CSAG employees/representatives shall be aware of this commitment.

This Code applies to the following categories of products and services offered by CSAG (currently offered or which may be introduced at a future date)

- Loans and other products in the nature of financial assets

2. Key Commitments

The key commitments which CSAG promises to follow in its dealings with its clients are:

- a. To act fairly and reasonably in all dealings with its clients by ensuring that:
 - Its products, services, procedures and practices will meet the commitments and standards in this FPC;
 - Its products and services will meet relevant laws and regulations as applicable;
 - Its dealings with its clients will rest on ethical principles of honesty, integrity and transparency.
- b. CSAG will assist its clients in understanding how its financial products and services work by:
 - Providing information in English and assist with other languages to the best of its ability on client request;;
 - Explaining their financial implications; and
 - Providing such other information to the clients, to enable them to choose the product suitable to their needs.
- c. CSAG will make every attempt to ensure that its clients have a trouble-free experience in dealing with it; but in the case of errors or commissions and omissions, CSAG will address the matter quickly by ensuring that:
 - Mistakes will be corrected speedily;
 - Complaints will be handled speedily;
 - In case a client is not satisfied with the way a complaint is handled, CSAG will guide the client on how to take the complaint forward;
 - Reversing any charges including interest applied to a client's account due to an error or

oversight on its part.

3. Sales Origination

CSAG will guide its clients in choosing products and services which meets his/her/its requirements.

- a. Before the client relationship is established, CSAG will:
 - Give the client information explaining the key features of the services and products the client has shown interest in;
 - Give information on accounts, products and services which may suit the client's needs;
 - Clearly state the information that CSAG is required to obtain from the client to fulfil its 'Know Your Client' norms and to comply with legal and regulatory requirements in force from time to time.
 - Request for additional information about the client and his/her family to build a database; but this information may be furnished by the client only if she/he wishes to do so.
 - In the event the client insist on usage of a vernacular language for correspondence, CSAG will evaluate its ability to honour the request before establishing the relationship with the client.
- b. CSAG will provide information on the various channels that can be used to access its products and services. The client will also be informed on where further information on this is available.
- c. Once a client has chosen a product, CSAG will inform the client how it works.
- d. CSAG will guide its client on rights and responsibilities specific to the mode of operation under which the product is taken.

4. Loans and Advances

- a. Before offering any kind of fund based or non-fund based banking facility, CSAG will assess the ability of the client (prospective borrower) to repay.
- b. The prospective borrower will fill the loan application form that will contain the relevant details of the facility requested.
- c. The loan application form shall indicate the documents required to be submitted along with the application form. Alternatively, the checklist of documents required to be submitted could be a separate document and will be provided to the borrower.
- d. CSAG shall provide to the prospective borrower an acknowledgement for receipt of all loan applications. The time frame within which loan applications will be disposed of will be mentioned in the form.
- e. CSAG shall convey in writing to the prospective borrower the fate of the loan application by means of sanction letter or otherwise. In the case of sanction of loan, the sanction letter shall contain the terms and conditions including annualized rate of interest and method of application thereof.
- f. The acceptance of the terms and conditions communicated by the borrower shall be preserved by CSAG in its records and a copy of the same shall be provided to the borrower upon his/her/its request.
- g. CSAG will invariably furnish a copy of the loan agreement alongwith a copy of each of enclosures quoted in the loan agreement to all clients at the time of sanction/disbursement of loan.
- h. CSAG shall give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. CSAG shall ensure that changes in interest rates and other charges are affected only prospectively. The loan documents shall contain a specific clause to this effect.
- i. The decision of CSAG to recall/accelerate payment or performance shall be in consonance with the terms of the loan documents. Before taking a decision to recall/accelerate payment or performance under the loan documents or seeking additional securities, CSAG would give notice to borrowers, as specified in the loan documents or a reasonable period if no such condition exists in the loan documents.

- j. CSAG shall release all securities upon repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim it may have against the borrower. The borrower shall be given due notice with full particulars about the outstanding claims in case such right of set off is to be exercised.
- k. CSAG will refrain from interfering in the affairs of the borrower except for the purposes provided in the terms and conditions of the loan documents unless new information not earlier disclosed deliberately or otherwise by the borrower has come to its notice.
- l. In case of receipt of request from the borrower for transfer of a borrower account to other bank, NBFC or financial institution, the consent or otherwise of CSAG shall be conveyed within 21 days from the date of receipt of such request in writing. Such transfer shall be in accordance with the contractual terms entered into with the borrower and in consonance with the statutes, rules, regulations and guidelines as may be applicable from time to time
- m. In the matter of recovery of loans, CSAG shall resort only to remedies which are legally and legitimately available to it and will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.

5. Terms And Conditions

- a. When a client accepts a product or service for the first time, CSAG will provide the client with the rules and regulations, if any, that are relevant to the product/service.
- b. All terms and conditions will set out the client's rights and responsibilities clearly and in plain language. CSAG will use legal or technical language only where necessary.
- c. CSAG will make available details of all charges applicable to products and services at the time client signs up for the same.
- d. If CSAG increases any charges or introduces a new charge, CSAG will notify the same to the clients.
- e. CSAG will provide the terms and conditions in respect of any product or service whenever a client requests for the same.

6. Marketing And Product Synergy

- a. CSAG will ensure that all advertising and promotional material is clear, fair, reasonable, and not misleading.
- b. CSAG will provide the clients with a full range of financial products the client is eligible for. Some of these products/services will be its own; some others may be the products of the group or associate companies and companies with which CSAG may have arrangements with.

7. Confidentiality

- a. Unless authorized by the client, CSAG will treat all personal information as private and confidential.
- b. CSAG will not reveal transaction details to any other entity other than the following exceptional cases:
 - If CSAG have to provide the information by statutory or regulatory laws;
 - If there is a duty to the public to reveal this information;
 - If its interest requires us to provide this information (e.g., fraud prevention) CSAG will not use this reason for giving information about clients to anyone else for marketing purposes;
- c. Nothing contained in this clause shall prohibit CSAG from sharing the information(s) with respect to the clients and/or transactions, with (i) its head office and any branches, subsidiaries or associates or affiliated companies (including any officer and employee thereof) wherever located; (ii) the entity(ies) to whom CSAG out-sources the performance of any of its functions including but not limited to document archiving and storage, data storage, payment services, services related to buildings and facilities, finance & accounting, IT maintenance & support, credit control, analysis & management, human resource functions, etc.; (iii) the

agents, intermediaries, entity(ies) through whom the transaction(s) is executed; (iv) the employees, advisors and legal counsel of CSAG. However, such disclosure of the information shall be only on 'need to know' basis and all entity(ies) who receive such information are required to keep such information confidential.

8. **Grievance Redressal Mechanism**

- a. CSAG will guide clients who wish to lodge a complaint and also provide guidance on what to do in case the client is unhappy with the outcome.
- b. After examining the matter, CSAG will send a response as soon as possible.
- c. CSAG will also guide a client on how to escalate the matter if the client is not satisfied.
- d. CSAG shall designate an officer for the redressal of grievances of the clients including the borrowers, in connection with any matter pertaining to business practices, lending decisions, credit management and recovery. The name and contact details of the designated officer is as under:

Name : Harshda Dubey
Address : Credit Suisse AG, 10th Floor, Ceejay House, Plot F, Shivsagar Estate
Dr. Annie Besant Road, Worli, Mumbai – 400 018, India
Phone : +91 22 6777 3745
Fax : +91 22 6777 3600
E-mail : harshda.dubey@credit-suisse.com

9. **Force Majeure**

The various commitments outlined and made by CSAG are applicable under the normal operating environment. In the event of Force Majeure, CSAG will not be able to fulfil the commitments under the FPC to the entire satisfaction of the client(s), the other stake holders, and the public in general.