



CODE OF CONDUCT FOR DIRECT SELLING AGENTS (“DSAs”) AND DIRECT SELLING EXECUTIVES (“DSEs”) / DEPOSIT AGENTS

PREAMBLE:

HDFC is engaged inter alia in the business of granting loans for purchase/ construction/ extension/ renovation of dwelling units/non-residential premises and loan against the property to individuals and others and as part of business activity for resource mobilization, it accepts deposits from public under its deposit schemes through its various regional and branch offices all over India.

That HDFC, has been appointing and engaging various service associates – Direct Selling Agents (“DSAs”), Direct Selling Executives (“DSEs”) and Deposit Agents (“DAs”) [both individual and corporate] for availing their services for sourcing prospective customer(s) (“Prospect”) for its financial products in order to enhance its marketing network.

HDFC’S CODE OF CONDUCT FOR DSAs/DSEs/ DA’s

OBJECTIVE

The objective of this Code of Conduct (hereinafter referred to as “the Code”) is to provide the DSAs/DSEs with a clear understanding of the standards of conduct expected while marketing and distribution of any financial product(s) of HDFC and that their conduct shall be governed by the Code. The Code is a framework that is based on the various directions issued by the NHB in the context of marketing and distribution of any financial product(s) by DSAs/DSEs/DAs. The Code shall be read in addition to the terms and conditions of appointment of the DSA/DSE/DA and not in derogation thereof.

APPLICABILITY

This Code is applicable to all DSAs/DSEs/DAs or/and its employees/ representatives including the telemarketing personnel/executives. This Code is a protocol which lays down the guidelines and manner in which the DSAs/DSEs/DAs or/and its employees/ representatives including the telemarketing personnel/executives shall conduct themselves while marketing and distribution of any financial product(s) of HDFC. This

Code shall be made applicable to, and be adopted by all existing as well as newly appointed DSA/DSEs/DAs including the telemarketing personnel/ executives.

The DSA/DSE/DA and its employees/representatives shall agree to abide by this Code prior to undertaking any direct marketing operations and distribution on behalf of HDFC. For this purpose, a declaration cum undertaking annexed as Annexure I to this Code shall be given by DSA/ DSE/DA to HDFC which shall be obtained from employees/ representatives by the DSAs/DSEs/DA before assigning them their duties. HDFC may consider termination and/or permanent blacklisting of DSAs/DSEs/DAs and/or its employee(s)/ representative(s)/ personnel if found in breach of this Code/ the Agreement that shall be executed by the DSAs/DSEs/DAs.

This Code is divided into two parts viz. “Part A” and “Part B.” Part A of the Code is applicable to DSA/DSE engaged in marketing and distribution of loan products (asset product). Part B of the Code is applicable to DA engaged in marketing and distribution of deposits (liability products).

CODE OF CONDUCT FOR DEPOSIT AGENTS ENGAGED IN MARKETING AND DISTRIBUTION OF DEPOSITS (LIABILITY PRODUCTS)

1. Tele-calling a Prospect for mobilizing Deposits:

Deposits Agents shall –

- not engage Telemarketers who do not have any valid registration certificate from Department of Telecommunication (DoT), Government of India, as telemarketers; Deposit Agents shall engage only those telemarketers who are registered in terms of the guidelines issued by TRAI, from time to time, for all their promotional/telemarketing activities;
- furnish the list of Telemarketers engaged by them along with the registered telephone numbers being used by them for making telemarketing calls to TRAI; and
- ensure that all agents presently engaged by them register themselves with DoT as telemarketers.

A prospect is to be contacted for sourcing HDFC Deposits only under the following circumstances:

- When a prospect has expressed desire to invest in HDFC Deposits through HDFC’s website/tele-call centre/ branch or through the relationship manager at HDFC or has been referred by another customer/prospective customer or is an existing customer of HDFC who has given consent for accepting calls for HDFC Deposits;
- When the prospect’s name/telephone no./address is available and obtained after taking his/her consent;

- Deposit Agents and/or its employees/representatives should not call a person whose name/number is flagged in any “Do Not Disturb” list.

2. When to contact a prospect on telephone

- Telephonic contact must normally be between 09:30 Hours and 19:00 Hours. However, it may be ensured that the prospect 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 when the prospect has expressly authorized the deposit agent and/or its employees/ representatives to do so either in writing or orally.
- Residence/Business/Office visit must normally be limited between 09:30 Hours and 19:00 Hours. Visit earlier or later than the prescribed time period may be made only when the prospect has expressly authorized the deposit agent and/or its employees/representatives to do so either in writing or orally.

3. Respect prospect’s privacy

Deposit Agents and/or its employees/representatives should respect prospect’s privacy and his/her interest may normally be discussed only with the prospect and with any other individual/family member such as prospect’s accountant/secretary/spouse only when authorized to do so by the prospect.

4. Leaving messages and contacting persons other than the prospect

Calls must first be placed to the prospect/client. If the prospect/client is not available, a message may be left for him/her. The aim of the message should be to get the prospect/client 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 HDFC 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 deposit product of HDFC.

5. No misleading statements/misrepresentations permitted

Deposit Agents and/or its employees/representative should not:

- a) Mislead the prospect on any product/service offered by HDFC;
- b) Mislead the prospect about HDFC's business or organization's name or falsely represent themselves as HDFC's employee;
- c) Make any false/unauthorized commitment on behalf of HDFC for any facility/service.

6. Telemarketing Etiquettes

PRE CALL

- a) No calls prior to 09:30 Hours or post 19:00 Hours unless specifically requested;
- b) No serial calling.

DURING CALL

- a) Identify yourself, your company and your principal;
- b) Request permission to proceed;
- c) If denied permission, apologize and politely disconnect;
- d) State reason for your call;
- e) Always offer to call back on landline, if call is made to a cell number;
- f) Never interrupt or argue;
- g) To the extent possible, talk in the language which is most comfortable to the prospect/customer;
- h) Keep the conversation limited to business matters;
- i) Check for understanding of "Terms & Conditions" by the prospect/client if he plans to invest;
- j) Reconfirm next call or next visit details;
- k) Provide your telephone supervisor's name or HDFC's officer contact details if asked for by the prospect/client;
- l) Thank the prospect/client for his/her time.

POST CALL

- a) Prospects/clients who have expressed their lack of interest for the product should not be called for the next 3 months offering the same product;
- b) Provide feedback to HDFC on prospects/clients who have expressed their desire to be flagged "Do Not Disturb".

7. Gifts or Bribes

Deposit Agents and/or its employees/representatives will

- a) not accept gifts or bribes of any kind from prospects/customers. Further, if he/she is offered a bribe or payment of any kind by the prospect/customer, it must be reported to his/her management.
- b) not offer any gifts/gratitude in cash or in kind to the prospect/customer to solicit business.

8. Precautions to be taken on visits/contacts

Deposit Agents and/or its employees/representatives should:

- a) respect personal space, maintain adequate distance from the prospect/client;
- b) ensure that prospect/client is not visited within a period of 3 months of expression of lack of interest for the deposit product;
- c) not enter the prospect's/client's residence/office against his/her wishes;
- d) ensure that a prospect's/client's residence/business is visited by not more than one employees/representative of Deposit Agent and one supervisor, if required;
- e) respect the prospect's privacy;
- f) end the visit with a request for the prospect to call back, if the prospect/client is not present and only family members/office persons are present at the time of the visit;
- g) provide his/her telephone number, name of the supervisor or HDFC officer's contact details, if asked for by the prospect/client; and
- h) limit discussions with the prospect to the business.

13. Records/ Books and Terms and Conditions of Empanelment

- a) HDFC must ensure it has the ability to access all books, records and information relevant to the deposits mobilization activity available with the deposit agent;
- b) Controls to ensure customer data confidentiality and deposit agent's liability in case of breach of security and leakage of confidential customer related information should be incorporated in the terms and conditions of empanelment;
- c) HDFC shall also maintain an up-to date database of the empanelled Deposit Agents;
- d) There must be contingency plans to ensure business continuity;
- e) HDFC will have the right to conduct audits on the deposit agent whether by its internal or external auditors, or by agents appointed to act on its behalf and to obtain copies of any audit or review reports and findings made on the deposit agent in conjunction with the services performed for HDFC;
- f) Allow the National Housing Bank or persons authorised by it to access documents, records of transactions, and other necessary information given to, stored or processed by the deposit agent within a reasonable time;
- g) As a condition of empanelment of the Deposit Agent, HDFC shall recognize the right of the National Housing Bank to cause an inspection to be made of a deposit agent of HDFC and its books and account by one or more of its officers or employees or other persons;
- h) Confidentiality of customer's information should be maintained even after the termination of empanelment;
- i) Provision would be made for the preservation of documents and data by the Deposit Agent in accordance with the legal/regulatory obligation of HDFC in this regard.

14. Training to DA and/or its employees/representatives

The Deposit Agent and/or its employees/representatives should ensure that they attend training sessions as and when conducted by the personnel or employees of HDFC for the purpose of maintaining high service standards in respect of the services expected to be rendered by the

Deposit Agent to the customers of HDFC. Deposit Agents must keep themselves and their employees/representatives updated regarding the regulations governing deposits and usage of latest deposit application forms etc. for deposit servicing activity.

15. General

- a) HDFC would, at least on an annual basis review the financial and operational conditions of the Deposit Agents to assess their ability to continue to meet their outsourcing obligations. Such due diligence reviews, which can be based on all available information about Deposit Agents, should highlight any deterioration or breach in performance standard confidentiality and security, and in business continuity preparedness.
- b) In the event of termination of the empanelment for disciplinary reasons, this should be publicized so as to ensure that the customers do not continue to deal with that service provider.
- c) HDFC has constituted a Grievance Redressal Machinery within the Corporation. The name and contact numbers of the designated Grievance Redressal officer of HDFC have been made known and publicized. The designated officer shall ensure that genuine grievance of customers is addressed and redressed promptly without involving delay. This machinery will also deal with the issues relating to services provided to any outsourced agency.
- d) A time limit of 30 days shall be given to the customers for preferring the complaints/grievances. The grievance Redressal procedure of HDFC and the time frame fixed for responding to the complaints has been duly placed on HDFC's website (www.hdfc.com).
- e) No payment to Deposit Agents shall be made in cash. The brokerage, incentive etc. shall be made only by way of direct credit to their respective Bank accounts.
- f) HDFC may prescribe the operational area for Deposit Agents within which they can work
- g) By virtue of empanelment, the Deposit Agent and/or its employees/representatives may have access to personal and business information of HDFC and/or HDFC's customer. Deposit Agents shall ensure the preservation and protection of the security and confidentiality of the customer and HDFC's information or data which are in their custody or possession.
- h) Deposit Agents should acknowledge that he/she/it has read the code of conduct and has fully understood all the terms and conditions mentioned therein and declare that the Deposit Agent shall agree to abide by the said code of conduct in letter and spirit.
- i) The Deposit Agent shall report the fraud erring employees/representatives periodically to HDFC and consolidated data/information on the same shall be submitted by HDFC to NHB. The information shall include name of the person, address, name of the Deposit Agent associated with and nature of fraud. Such employees/representatives shall be barred permanently for doing the business of deposit agent in future with HDFC.
- j) The Deposit Agent shall adhere to the Housing Finance Companies (NHB) Directions, 2010 and HDFC Code of Conduct as applicable from time to time along with other regulatory compliances.
- k) The Deposit Agent and/or its employees/representatives should not offer gift/bribe HDFC staff for undue benefits.
- l) Co-operate with and provide support to HDFC, competent regulatory authorities, Due Diligence

Agencies (as applicable) in relation to the activities of the Corporation or any regulatory requirement and matters connected thereto.

- m) Deposit Agents should maintain necessary infrastructure to support HDFC in maintaining high service standards to clients and ensure that critical operations related to deposits are done within the time frame prescribed under NHB Directions.
- n) Be diligent in performing In-Person Verification (IPV) of depositors for the KYC process in accordance with the guidelines prescribed by HDFC & NHB from time to time.
- o) Obtain all documents of its depositors as required under Anti-Money Laundering/ Combating Financing of Terrorism requirements, including KYC documents/Power of Attorney etc. as may be required from time to time.
- p) Do not accept cash towards placement of deposits. Deposit placement should happen only through account payee cheque favouring HDFC or through direct remittance to our designated bank account.
- q) Avoid colluding with clients in faulty business practices such as bouncing cheque, etc.
- r) Refrain from making negative statements about HDFC or its products and ensure that comparisons if any, are made with similar and comparable products.
- s) Intimate HDFC any changes in the Deposit Agent's status, constitution, address, contact details or any other information provided at the time of empanelment as Deposit Agent.

16. Sales Ethics & Integrity

Deposit Agents should undertake the following:

- a) Represent HDFC in a diligent and professional manner and uphold HDFC's brand image with highest standard.
- b) Showcase professional conduct while interacting with prospects/clients, HDFC staff and other Deposit Agents.
- c) Should not approach any depositors within the HDFC office premises for soliciting business from them.
- d) Take necessary steps to ensure that the client's interest is protected.
- e) Take sincere efforts to fully understand and be conversant with the operational & regulatory requirements of our Deposit products.
- f) Client's interest and suitability to their financial needs is paramount, and that extra commission/incentive earned should never form the basis for recommending an investment product to the client.
- g) Ensure that deposit application form is complete in all respect and carry diligence to ascertain details filled in the form are pertaining to the depositors only.

Deposit Agents and/or its employees/representatives should uphold highest levels of marketing/sales ethics and should not:

- a) Compete with other agents in an unhealthy/unethical manner.
- b) Reach out to our existing clients already introduced by other agents unless the customer has assented to receive services from new agent.
- c) Deny the client any information regarding office telephone numbers or email address of any concerned employee of HDFC.

Annexure 1

**Declaration-Cum-Undertaking
In accordance to Annexure 1 of the NHB Circular
NHB(ND)/DRS/Policy Circular No. 82/2017-18**

Re: HDFC Code of Conduct for Deposit Agents

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 prospects of HDFC.

In the discharge of my duties, I am obligated to follow the Code of Conduct for Deposit Agents of HDFC (as amended from time to time) attached with this document, and also made available on their website.

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 _____ Signature of Trainer _____

Name _____ Name _____

Agency _____ Company _____

Trainer's Name _____