



**SHARE MICROFIN
LIMITED**

ZERO TOLERANCE POLICY



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HOW TO USE THIS MANUAL

Issued By: - SHARE MICROFIN LIMITED

Approved By: - Board of Directors

Control No. Ref (CNR):-

It indicates the actual serial number of the pages. The Control No. Ref. for this manual begins with 1 and ends with 7. Hence the total no. of pages in this manual consists of 7 pages.

Effective:-

It means the importance / time factor in implementing the manual. Here this manual states that it has to be issued and effected immediately from FY 2024 and then onwards as updated from time to time.



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1. Overview

SHARE's Zero Tolerance Policy (ZTP) is designed to foster a safe, ethical, and professional environment within the organization. It underscores the company's commitment to integrity, compliance, and the protection of its clients, employees, and stakeholders.

2. Purpose

A Zero Tolerance Policy (ZTP) allows the Company to proactively prevent and manage employee behavior that is unethical, illegal, inappropriate, or against the organization's code of conduct and aims to ensure a safe, ethical, respectful and productive environment for all employees, clients, and stakeholders within SHARE Microfin Limited.

3. Scope

This policy applies to all employees, contractors, consultants, clients, and any individuals engaged in activities on behalf of SHARE Microfin Limited, including Senior Leadership and Board of Directors.

4. Prohibited Conduct

The Policy applies to any individual who engages in the following activities/behavior(s):

- (a) **Fraud and Corruption:** Any dishonest act or omission, including, but not limited to a misrepresentation and abuse of position, that knowingly misleads or attempts to mislead, deceive or attempts to deceive to obtain a financial or other benefit/gain. A corrupt practice is the act of offering, giving, soliciting of acceptance of an inducement or compensation including any gift, loan fee, payment, incentive, favor or advantage which may influence the action of any person, contrary to the proper conduct of their duties. The following acts will also be identified as Sanctionable Practices:
 - (i) Falsification of documents of accounts, records.
 - (ii) Misappropriation of funds, supplies of other assets etc.
 - (iii) Impropriety in the handling or reporting of money or financial transactions.
 - (iv) Theft or misuse of property, facilities, or services.
 - (v) Bribery.
 - (vi) Receiving or creating false/fabricated invoices.
 - (vii) Receiving or offering gratification.
 - (viii) Known instances of corruption, deception or misuse of resources.
 - (ix) Any other action that may lead to inappropriate use of the resources of the organization, by any person, internal or external.

- (b) **Misappropriation of funds or fraudulent transaction:** A wrongful utilization of Company's property or funds for one's own benefit without consent, including financial mismanagement or embezzlement which is a criminal offence under Indian criminal law and such offence is punishable with imprisonment.

- (c) **Misinformation & act of Dissuading:** Deliberate spreading of false information or disinformation against the organization, its operations, about its employees and the Management. And persuading the other employees, clients or any individuals not to conduct the business operations or restraining someone from their assigned duties.
- (d) **Breach of Confidentiality and inappropriate access to systems:** The illegal use or disclosure of sensitive information of the Company to the third party without consent. Any unauthorized entry or use of an organization's systems, networks or data by individuals without permission and violation of the Company's stated security policy.
- (e) **Dual Employment and Moonlighting:** Any employee of the Company occupying full-time employment and receiving wages from the Company, while having an additional job in another organization or conducting business of the same nature as the employer.
- (f) **Violence:** Any physical acts or threats of harm, including aggressive behavior, assault, or threats that endanger the safety and well-being of individuals.
- (g) **Harassment and Discrimination:** Any form of harassment, including sexual harassment, unwanted and offensive behavior that creates an intimidating, hostile, or hostile work environment, including verbal abuse, unwelcome advances, or derogatory comments and discrimination based on race, religion, gender, age, disability, or any other protected characteristic.
- (h) **Conflict of Interest:** Any situation where personal interests conflict with professional duties, leading to biased decisions or actions.
- (i) **Client Service:** Any violations of company adopted Fair practice code and code of conduct.
- (j) **Violations of Regulatory Requirements:** Non-compliance with legal, regulatory, and statutory obligations, including the Reserve Bank of India (RBI) guidelines, the Companies Act, Self-Regulatory Organizations (SRO) guidelines and other relevant legislation.

5. Responsibilities

- (i) **Employees:** Must adhere to this policy, report any breaches or violation, and cooperate with investigations.
- (ii) **Management:** Ensure that all employees and associates are aware of this policy, and that it is effectively implemented. Management is responsible for fostering an environment where ethical conduct is promoted, and violations are not tolerated.

- (iii) **Supervisors and Managers:** Are responsible for upholding this policy, addressing reported issues, and fostering a respectful work environment.
- (iv) **Human Resources Department (HR):** Will oversee the implementation of this policy, provide training, and ensure compliance with legal and regulatory requirements.
- (v) **Training and Communication:** SHARE Microfin Limited will provide regular training on this policy to all employees and ensure that it is clearly communicated to all stakeholders.
- (vi) **Review and Revisions:** This policy will be reviewed on an annual basis and revised as needed to ensure its effectiveness and alignment with current laws and organizational goals.

6. Reporting Mechanisms

All individuals are encouraged to report any observed or suspected violations of this policy to the immediate supervisor and VP and associate VP of Human Resources department by contacting the toll-free number or by mailing @ info@sharemicrofin.in. All the information/observations/complaints received regarding the violations of this policy shall be handled by Human Resources under the supervision of the Company's Ethics Committee. In case of matters involving the immediate supervisor/ senior leadership, the matter will be directly referred to the Human Resources department, Ethics Committee and confidentiality will be maintained.

7. Turn Around Time for Reporting and Resolution

All individuals are encouraged to report any observed or suspected violations of this policy immediately or within 48 hours of the occurrence of any such incident. Post due diligence, the Ethics Committee shall give directions within 7 days of reporting of such incident. The HR department to ensure completion of the applicable proceedings within 14 working days of the reporting.

8. Investigation

All reports will be promptly investigated. Investigations will be conducted fairly, and all parties involved will be given an opportunity to provide input. Confidentiality will be maintained throughout the investigation process to the extent possible.

9. Disciplinary Actions

Employees who are found to be in violation of the Zero Tolerance Policy shall face disciplinary action, including immediate termination of employment. Legal action may also be pursued if warranted, depending on the nature and severity of the violation. The severity of the disciplinary action depends on the type of misconduct.

10. Recovery of Loss

The recovery of costs shall be borne by the individual/s responsible for the loss. If the individual/s cannot make good the loss, consideration will be given to taking legal action to recover losses.

11. Appeal Process

Employee(s) who believe they have been wrongly accused of a violation may request an appeal in writing by contacting HR department within 5 business days of receiving confirmation of their violation. The Appeals will be reviewed by the Ethics Committee, and the decision of this reviewed appeal will be final.

12. Contact Information

For any questions or concerns about this policy, please contact HR Department.

