



Complaints Handling Policy

Version 3

Approved by the Board of Directors of
Home Credit India Finance Private Limited
On May 29, 2024

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Whole time Director

Document Information

<u>Name:</u>	Complaints Handling Policy
<u>Type:</u>	Company Policy
<u>Area:</u>	Complaints Handling
<u>Key concepts:</u>	Corporate Principles, Complaints Handling, Strategy & Marketing
<u>Responsible Function:</u>	Marketing & Customer Experience Function

Objective

This Policy regulates and defines Complaints handling management in the Company.

Scope of Application

Applicable to: The Company being engaged in consumer lending and insurance.
Effective from: 29th May 2024

Document History

Version Number	Date of Issue	Reason for Change	Person in Charge
Version 1	12 th November, 2021	Adoption of new Policy in line with HQ requirements	Supriya Suri
Version 2	09 th May, 2022	Change in Policy due to introduction of Integrated Ombudsman Scheme and appointment of Internal Ombudsman	Gaurav Sharma
Version 3	29 th May, 2024	Change in policy pursuant to issuance of RBI Master Direction (Internal Ombudsman for Regulated Entities) Directions, 2023	Shuchi Batra Kathuria

1 Objective, Purpose and Scope

1.1 Objective

The objective of this Complaints Handling Policy (hereinafter "Policy") is to set out the Complaints handling principles and procedures in the Home Credit India Finance Private Limited (hereinafter "the Company/ HCIN").

1.2 Purpose

The purpose of this Policy is to stipulate basic principles of Complaints handling management and process in the Company, identify Complaints sources and reduce related risks.

1.3 Scope

This Policy is applicable to the Company.

1.4 Related Documents

The Policy represents an integral part of the overall Group conduct risk management framework.

1.5 Regulatory Context

The Policy takes into account regulatory documents published by regulatory bodies, in particular:

- Master Direction – Reserve Bank of India (Non-Banking Financial Company –Scale Based Regulation) Directions, 2023 dated October 19, 2023 (erstwhile issued as Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016 vide RBI/DNBR/2016-17/45 Master Direction DNBR. PD. 008/03.10.119/2016-17 dated September 01, 2016) as amended from time to time including Fair Practice Code as well as Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs read with Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents.
- The Reserve Bank - Integrated Ombudsman Scheme, 2021
- Master Direction - Reserve Bank of India (Internal Ombudsman for Regulated Entities) Directions, 2023 dated December 29, 2023.

1.6 Definitions and Abbreviations

Meaning of capitalised terms and abbreviations used in this Policy is set out in Annex 1.

2 Roles and Responsibilities

This clause describes roles and responsibilities related to the Complaints handling management at the Company level:

2.1 Company Board of Directors

The BoD, in particular:

- a) approves the implementation of this Policy laying down the appropriate grievance redressal mechanism within the organization, ensuring that all disputes arising out of the decisions of the Company's functionaries are heard and disposed of at least at the next higher level. Such Policy shall be regularly reviewed by BoD, at least annually,
- b) is ultimately responsible for the Company's Complaints handling management,
- c) provide for periodical review of the compliance of the Fair Practices Code and the functioning of the grievances' redressal mechanism at various levels of management. A consolidated report of such reviews shall be submitted to the Board at regular intervals,
- d) nominate the head (person in charge) of Customer Care Department as Grievance Redressal Officer
- e) appoint Principal Nodal Officer, or the Nodal Officers, as the case may be, required as per the applicable

regulations, to coordinate with the Ombudsman office of RBI and provide requisite information on complaint raised by the Complainant to such office.

- f) delegates its powers in the Complaints handling area to the Chief Marketing Officer,
- g) assigns the Complaints handling function to Customer Care Department, and
- h) delegates its powers in the Operational Risk management area to the Company's Integrated Risk Management Committee, as its working and advisory body.
- i) delegates its power to Customer Service Committee for appointment of Internal Ombudsman and or Deputy Internal Ombudsman and approves the roles, responsibilities, structure of emoluments, facilities, benefits, and review complaint related matters and reports periodically, review of IO decisions and other operational aspects relating to IO in compliance with the applicable regulations of RBI.

2.2 Integrated Risk Management Committee

The Integrated Risk Management Committee (IRMC), in particular:

- a) discusses and reviews annually the Annual Custex Report, submitted by the Company Strategy and Customer Officer.

2.3 Customer Service Committee

- a) To review the level of customer service in the Company including customer complaints and the nature of their resolution.
- b) To provide guidance in improving the level of customer service.
- c) To ensure that the Company provides and continues to provide best-in-class services across all its category of customers to help the Company in protecting and growing its brand equity.
- d) To evolve innovative measures for enhancing the quality of customer service and improving the overall satisfaction level of customers.
- e) To ensure implementation of directives received from the regulators, including RBI, with respect to rendering of services to Company customers.
- f) To review and govern the functions of the sub-committee, if any, on grievance redressal of the Company.
- g) To review the Complaints handling procedures of the Company in light of trend in customer complaints, Industry Practice and regulatory requirement.
- h) To approve the appointment of Internal Ombudsman (IO) and/ or Deputy Internal Ombudsman (DIO) (as the case may be) and decide the structure of emoluments, facilities and benefits accorded to the IO/DIO.
- i) Review of periodic reports (including the analysis of complaints) of Internal Ombudsman on his / her activities, preferably at quarterly intervals, but not less than half yearly intervals.
- j) Review of the cases in which the decision of the Internal Ombudsman has been rejected by the Company.
- k) Review of Root Cause Analysis of customer grievance at least on an annual basis, and suggest corrective measures, to the extent necessary, so as to minimize the number of complaints and allied risks.
- l) To perform such other functions as may be assigned from time to time by the Board of Directors of the Company, including emanating under/ through the Company policies, guidelines or regulatory requirements..
- m) To discuss and review periodically Custex Report,
- n) To apprise the Board of Directors of the Company, at least on annual basis, a summary of critical complaints reviews along with corrective measures.

2.4 Chief Marketing Officer

The Chief Marketing Officer, in particular:

- a) is responsible, together with the Customer Care Department, for adequate and efficient Complaints handling management in the Company, including operation of the Complaints handling management tools,
- b) ensures, together with the Customer Care Department, proper local implementation of this Policy in the Company,
- c) has the right to ask for exceptions from this Policy by following exceptions process as described in clause 9.2 of this Policy,

- d) if relevant, gives instructions and recommendations to the Customer Care Department regarding the Complaints handling management, the process and if appropriate, individual Complaints' handling,
- e) annually submits the Annual Custex Report to the IRMC and the Group Strategy and Customer Officer, and
- f) on a monthly basis, submits the Monthly Custex Report to the Group Strategy and Customer Department.
- g) on a quarterly basis, submits the report to CSC/ Board of Directors on various initiatives taken for resolving the issues that are common subject of complaints by the customers

2.5 Company Custex Department

The Custex Department, in particular:

- a) provides expertise in the area of Custex and Complaints handling management at the Company level;
- b) in cooperation with Customer Care Department, oversees, monitors and reviews the status and updates in the Company Complaints handling management, including the Complaints handling management tools, with focus on identification of recurring or systemic problems, and potential legal and operational risks,
- c) ensures compliance of this Policy with its local implementation at Company level;
- d) prepares, reviews and ensures publication of the Customer Complaints Code,
- e) prepares the Monthly Custex reports and the Annual Custex Report for submission to the Group Strategy and Customer Department and/or to the IRMC,
- f) Shall have the right to access and/ or seek relevant data (including e-mails, call recordings, messages) regarding customers and complaints
- g) Shall have access to, or seek information on, the existing processes and recommend changes with the objective of reducing future complaints and overall improved customer experience with HCIN.

2.6 Customer Care Department

The Customer Care Department, in particular:

- a) is responsible for day-to-day operation of the Complaints handling process,
- b) handles (receives, registers, investigates, communicates, reports) individual Complaints,
- c) reports, without undue delay, High Risk Complaints with significant impact on the Company to the Chief Marketing Officer, Compliance Department and BoD. High Risk Complaints having significant impact on the Group shall also be reported to Group Strategy and Customer Officer and Group CLCO,
- d) provides information to the Custex Department on the Complaints handling management.
- e) Customer Care Department to have relevant access to customer related information, data, product or service availed, communication to customer etc related to customer complaints

2.7 Grievance Redressal Officer

The Grievance Redressal Officer, head of Customer Care Department, in particular:

- a) is responsible for day-to-day operation of the Customer Care Department,
- b) manages the escalated Complaints received from the Complainants,

2.8 Internal ombudsman

The Internal Ombudsman, in particular:

- a. review the complaints that have already been examined by the Company but have been partly or wholly rejected by the Company.
- b. to take final decision on the rejected complaints that have been further examined and shared by the Deputy Internal Ombudsman, if any.
- c. advise the Company on formulating a standard operating procedure and establishing a system of escalation of complaints for a final decision.
- d. analyse the pattern of all complaints received against the Company and provide inputs to the Company.
- e. review the quarterly and annual reports submitted by the Company to RBI in compliance with RBI Guidelines.
- f. furnish periodic reports to the Customer Service Committee as may be specified by it, preferably at quarterly intervals, but not less than bi-annually.

3 Key Complaints Handling Principles and Definitions

The Company consider any duly received Complaint as important feedback from Customers. All Complaints must be received and carefully handled without any undue delay. The Complaints handling management shall be regularly reviewed and evaluated by Company. Where feasible, the Company shall adopt proper measures to prevent repeating of the same type of Complaint in the future.

3.1 Definition of Complaint

The Complaint is a statement of dissatisfaction:

- (a) made by a Customer,
- (b) addressed to the Company, and
- (c) relating to:
 - i. the provision of a service or a product by the Company or by the outsourcing agencies¹ engaged by the Company for providing service to the Customers including, without limitations, situations when a Customer is disappointed, negatively surprised or dissatisfied with the Staff behaviour (including staff of outsourcing agencies), products, processes or services offered or provided or suffered financial loss.
 - ii. Maintaining confidentiality/ protection of customer's personal (including sensitive personal information) and financial information,²
 - iii. Aadhaar verification of the customer performed by the Company.³

Provided that the request for data modification or inquiry about loan products/ schemes, or interest rates is not considered as the Complaint.

3.2 Definition of Complainant

Complainant is a Customer (or his/ her authorised representative) who addresses a Complaint to the Company either in the form of a representation or allegation made in writing or through electronic means or over phone, containing a grievance alleging deficiency on part of the Company and seeking relief thereon.

3.3 Definition of Customer Care Department

The Company shall establish within their internal organization a Complaints handling function which facilitates fair investigation of complaints, in compliance with applicable law and regulations and the Company internal rules. The Customer Care Department shall be an organizational unit responsible for handling all Complaints addressed to the Company. Potential conflicts of interest shall be identified and mitigated by the Company by stipulating appropriate process of the Complaints handling.

4 Complaints Categorization

The Company shall categorize the Complaints at least into 2 main categories:

- a) Standard Complaints
Complaints defined in clause 3.1., and

¹ In terms of RBI Directions on Managing Risks and Code of Conduct in Outsourcing of Financial Services by NBFCs [DNBR.PD.CC.No.090/03.10.001/2017-18] read with Outsourcing of Financial Services - Responsibilities of regulated entities employing Recovery Agents.

² In terms of Information Technology (Reasonable security practices and procedures and sensitive personal data or information) Rules, 2011

³ In terms of Aadhaar (Authentication) Regulations, 2016

- b) High Risk Complaints
Complaints defined in clause 3.1. (i) for which there is a justified concern (i.e. valid complaints) that it will be escalated to a regulator, media or a court or (ii) Complaints which have been already escalated to a regulator, media or a court or (iii) which may result in a substantial financial loss for the Group or the Company or (iv) high volume of complaints regarding the same issue escalated to regulator/ media/ social media

The Company shall distinguish between Complaints based on at least the following two criteria:

- a) Source
Source of a Complaint means a communication or service channel through which the Complaint was addressed to the Company, such as customer service, regulator, social media, POS, chats, collections. The Company is expected to monitor all relevant sources of Complaints relating to its business and operations and report at least top 3 sources.
- b) Complaints' classification
Using the following standardized root cause classification of Complaints:
- i. price (e.g. interest payments, processing fee or third-party insurance type),
 - ii. alleged Mis-sell (e.g. Customer claims he/she got misleading or wrong information),
 - iii. any type of alleged harassment or breach of customer privacy (e.g. from collections, telesales part/ frequency of calls etc.), or
 - iv. frauds against the customers (e.g. misuse of customer documents)
 - v. breach of customer data confidentiality,
 - vi. Aadhaar verification of the customer performed by the Company
 - vii. other categories as decided from time to time.
- Details shall be specified in the Company's Monthly Custex Report template.

5 Complaints Handling Management Tools

5.1 Complaints Handling Register

Each Company shall register all received Complaints in its internal system or in another auditable and safe evidence – Complaints Handling Register. Besides the categorization label, the Complaints Handling Register shall record information at least on the following:

- a) receipt of the Complaint (date, Complainant, channel, source),
- b) substance of the Complaint,
- c) root cause,
- d) High Risk Complaint identification cause,
- e) operator responsible for dealing with the Complaint,
- f) deadline (regulatory or internal) for closing the Complaint, and
- g) date on which the response to the Complaint was sent.

The Complaints Handling Register shall have an alert function (automatic alert function is preferred) notifying the responsible Company Staff, his or her Business Line Manager and, where appropriate, the Company Compliance Department about the pending deadlines for handling a Complaint.

Except for the evidence and register of the Complaints, the Complaints Handling Register shall be the key source for reporting via the regular Monthly Custex Report.

5.2 Complaints Handling Reports

The Monthly Custex Reports and the Annual Custex Report are reviewed by the Group Strategy and Customer Officer. The Monthly Custex Reports shall be submitted on a monthly basis using the defined template. Details on the Complaints handling reporting are set out in clause 7.4 of this Policy.

6 Complaints Administration

6.1 Customer Complaints Code

The Company shall, upon request or, if appropriate, when acknowledging receipt of a Complaint, explain to the Complainant in writing the process of Complaints handling. The explanation of the process of Complaints handling (in the form of the Customer Complaints Code), shall be made easily accessible at the at the branches / places where business is transacted and on the website of the Company. The Customer Complaints Code shall include at least the following:

- a) description of how the Complaint must be made vis-à-vis the Company, in particular:
 - i. eligibility criteria for a Complainant,
 - ii. type of information to be provided by the Complainant,
 - iii. identity and contact details of the Company,
 - iv. which means can be used to lodge a Complaint (submission via phone calls, email, web-forms etc.), and
 - v. conditions, under which the Complaint will be rejected (e.g. submission does not contain the required information despite the Complainant was requested to furnish missing information), and
- b) the process that will be followed when handling a Complaint (e.g. when the Complaint will be acknowledged incl. keeping the Complainant informed about further handling of the Complaint, handling timelines and if requested by the local laws and regulations, the availability of a competent authority, an ombudsman or alternative dispute resolution (ADR) mechanism).
- c) Such other information as may be required to be disclosed as per applicable laws from time to time.

6.2 Complaints Handling Management

6.2.1 Identification of a Complaint

The Company shall ensure that processing of any received Customer statement starts without undue delay after its receipt. The Customer Care Department who starts handling the received Customer statement addressed to the Company shall firstly assess the substance of the statement and especially whether it falls within the definition of the Complaint (or the High Risk Complaint). He/ she shall also take into account definition and process of, especially:

- a) Operational Risk Event, as defined in the Operational Risk Management Framework,
- b) IT Security Event or Incident, as defined in the Information Security Policy,
- c) Personal Data Breach or Incident, as defined in the Personal Data Protection Framework, and
- d) Whistleblowing concern, as defined in the Code of Business Conduct and Ethics.

The Staff who communicates with Customers shall be trained to correctly determine inter alia the substance of the Customer statement and type of claim.

6.2.2 First Contact Resolution of a Complaint

It is recommended that a Complaint is resolved by the Customer Care Department Staff in the first round of communication with the Complainant. The Complaint may be resolved by the Customer Care Department Staff only if:

1. The Complaint is recorded in the Complaints Handling Register (it will enable to identify certain types of failures indicated specifically by Customer input),
2. The issue raised by the Customer is not complex and may be resolved by Customer Care Department Staff dealing with the Complaint without any consultation with the other departments, and
3. The Customer explicitly agrees with the explanation or suggested solution in relation to his or her Complaint and there is no indication of any need to inform other relevant departments (e.g. Compliance Department).

6.2.3 Routing of Complaints & Investigation

- The Complaint, which require specific information or investigation shall be forwarded as soon as possible to the concerned Department and, where appropriate, to the Compliance Department. The speed is crucial, as applicable regulatory deadlines for addressing a Complaint (if any) usually start at

the moment of receipt of Complaint by the Company.

- The Customer Care Department shall seek to gather and investigate all relevant evidence and information regarding the Complaint. The Customer Care Department shall obey all applicable laws and regulations and internal rules of the Company. Customer Care Department shall also obey all special rules applicable to events related to Customers, at least the rules concerning Operational Risk Events, IT Security Events and Incidents, Personal Data Incidents and Breaches and rights of personal data subjects. During the investigation, the Customer Care Department shall, to the extent possible, ascertain the facts of the case and identify the causes and nature of the error, to which the Complaint relates.
- The Company shall ensure that Customer Care Department has powers to seek information, documentation or advice from all relevant units (e.g. Compliance Department) or collaborating third parties.
- The Customer Care Department shall seek advice from the Compliance Department in all cases of High Risk Complaints and in other cases where statement on compliance with the applicable laws and regulations is needed for the appropriate assessment of the Complaint.

6.2.4 Response to Complainant

- The Company shall provide a response to the Complainant without any undue delay or within 30 days of receipt/ escalation of the Complaint. When an answer cannot be provided within the required or expected time limits, the Company should inform the Complainant about the causes of the delay and indicate when the Company's investigation is likely to be completed.
- The Customer Care Department Staff shall always communicate towards Customers in the plain and understandable language.
- Response to a Complaint should be provided to the Complainant by the Company by means that correspond to a predetermined method of communication between the Company and the Complainant in handling the Complaint, unless the applicable law requires another means of providing a response (e.g. in writing).
- Decision shall always include a clear statement as to whether the Complaint was considered justified or not with an appropriate reasoning. If the Complaint is considered justified, the response shall include information on the remedial measures.
- When providing the final decision that does not fully satisfy the Complainant's demand (or any final decision, where applicable law requires it), the response shall include a thorough explanation of the Company's position on the Complaint.
- The response to the customer on the complaint should specify if the matter was referred to Internal Ombudsman and the comments of Internal Ombudsman, if any.
- Where the applicable law provides that the Company is required to inform the Complainant of the internal review body (e.g. NBFC Ombudsman), out-of-court settlement of disputes and/or the possibility of lodging a complaint with the supervisory authority, this information should be provided in the response to the Complaint.

6.2.5 Escalation of the Complaint to Grievance Redressal Officer

If the complaint of the Complainant is not redressed, the Complainant may escalate/ raise the Complaint to the Grievance Redressal Officer details of which are mentioned in Annexure-2.

6.2.6 Escalation of rejected (partly or wholly) complaints to the Internal Ombudsman

- Where the complaint of a customer is partly or wholly rejected by the Company's internal grievance redress mechanism, the Company shall automatically refer such complaint to the IO for final decision before communicating the response to the customer. Such complaints shall be escalated to IO within 20 (twenty) days from the date of receipt of the complaint.
- The Company shall ensure that the final decision on such complaints is communicated to the complainant within 30 days from the date of receipt of the complaint.
- In case the Company does not agree to the decision of IO, the approval of Chief Executive Officer of

the Company shall be obtained. The response to the complaint should address such fact accordingly. All such cases shall be subsequently reviewed on a quarterly basis by the Customer Service Committee of the Company.

6.2.7 Escalation of the Complaint to NBFC Ombudsman, Reserve Bank of India

If the Complaint is not redressed within 1 month from the lodging of Complaint with the Company, the Complainant may appeal to the Office of Ombudsman, RBI as per detail given below:

The physical address for lodging a complaint	Centralised Receipt and Processing Centre, Reserve Bank of India, 4th Floor, Sector 17, Chandigarh –160017
Link to Complaint Management System of RBI Ombudsman	https://cms.rbi.org.in
e-mail address	crpc@rbi.org.in
Refer to www.rbi.org.in for further details of the Scheme	

The Company has appointed Principal Nodal Officer and/ or Nodal Officer(s) for representation before and furnishing information to NBFC Ombudsman in respect of complaints filed against the Company.

6.3 Responsibility to Inform/ Train the Customer Care Department

The Company shall provide necessary training to the Customer Care Department Staff and ensure adequate Complaints handling function capacity to be able to handle Complaints in timely manner. Company's implementation of this Policy shall be available to all relevant Company Staff through an adequate internal channel.

6.4 Confidentiality

The Company's Complaints handling and its content are considered as confidential and information shared within the Complaints handling management and process shall not be disclosed or distributed outside the Group, unless for audit or other purposes required by law or regulation or upon approval of the Group CEO or the Group Strategy and Customer Officer. In case of Complaints handling outsourcing, this rule applies analogously.

7. Complaints Handling Analysis & Monitoring

7.1 Management of Risks Associated with the Complaints Handling

Proper and effective functioning of the Complaints handling process shall be ensured using the standard risk management principles including the Three Lines of Defence model described in the Home Credit Risk Management Framework.

This Policy sets out specific requirements aimed at managing certain risks that might materialize within the Complaints handling process leading e.g. to inadequate investigation due to lack of expertise, conflict of interest, failure to comply with the regulatory deadlines, archiving obligations. However, it is upon the Company to ensure that the risks of the Complaints handling process are well managed.

7.1.1 First Line of Defence

For Complaints handling the First Line of Defence at the Company level is represented by Customer Care Department, and the Custex Department, i.e. owners of the related processes in the area of Complaints handling. The Customer Care Department is responsible for the daily operation of the process and handling individual Complaints and owns risks associated with the process. On the other hand, the Custex Department has a supervisory and strategical role in managing the risks associated with the Complaints handling process. Therefore, these departments shall jointly cooperate to:

- a) follow the rules under the Operational Risk Management Framework,
- b) identify and measure potential risks of the processes, and
- c) adopt appropriate and proportionate response preventing failures and risk materialization, including
 - i. operational ex-ante internal control measures (e.g. use of automated systems, 4-eyes principle, obligatory templates),

- ii. ex-post controls of the sound operation of the Complaints handling process, and
- iii. other tools and measures (e.g. Staff training and adequate capacity assessment).

As to the operational ex-ante internal control measures, it is required that for each Complaint, the Company ensures that the deadline for providing a response is met (it might be done automatically via the alert system, or, if not available, by manual controls).

As to the ex-post controls, it is required to check ex-post the adherence of the Customer Care Department to the Complaints handling rules on a randomly selected sample of Customer statements, submissions and/ or Complaints for a certain period. The control shall focus especially on:

- a) whether a Complainant submission was correctly assessed and categorized,
- b) whether a Complaint was recorded in the Complaints Handling Management Tool,
- c) adherence to the required deadlines,
- d) objective and appropriate investigation identifying also the root-cause,
- e) factual correctness of the response to the Complaint and compliance with formal response requirements, and
- f) proper reporting of the Complaint, if relevant.

7.1.2 Second Line of Defence

Independent second level control shall be performed by the Operational risk management function assisting the Customer Care Department and Custex department in managing the risks associated with the Complaints handling process and by the Compliance Department overseeing the Complaints handling management according to its control plan (e.g. control of the Complaints handling process, or control of adherence to the rules on selected sample of Complaints).

7.1.3 The Group Oversight

The Group Strategy and Customer Department oversees, monitors and reviews the status and updates in the Company's Complaints handling management using especially the system of regular reports and cooperation.

7.2 Internal Follow Up and Escalation

The Company shall analyse, on an on-going basis, Complaints handling data, to ensure that they identify and address any recurring or systemic problems, and potential legal and operational risks, for example, by:

- a) analysing the causes of individual Complaints to identify root causes common to clusters of Complaints,
- b) considering whether such root causes may also affect other processes or products, including those not directly complained of, and
- c) correcting, where reasonable to do so, such root causes.

Clusters of customer Complaints with the same root cause should be monitored and analysed by the Customer Care Department and/or the Custex Department, if determined so within the implementation of this Policy. In case a major root cause of Complaints is identified in the Company, the Company is responsible for mitigation of the root cause and remedial actions (e.g. product modifications, template contract modification etc.) should be adopted by responsible department in cooperation with the Custex department and Customer Care Department. Details shall be discussed based on the Monthly Custex Report with the Group Strategy and Customer Department on regular basis. In case a corrective measure is implemented, the Custex Department/ Customer Care Department shall monitor the efficiency of such measure and evaluate its efficiency, unless other organizational unit is assigned to carry out the task. The outcomes of this monitoring shall be submitted to the Group Strategy and Customer Department on request. The Customer Care Department / Custex Department shall notify the Compliance Department particularly in case:

- a) remedial action requires change of Company processes and procedures,
- b) root cause analysis reveals that either Company internal regulations or law were violated, and/ or
- c) root cause analysis reveals that ethical rules & standards of the Company were violated.

The Compliance Department reviews the case, takes appropriate measures and, if significant, reports it to the Group CLCO.

7.3 Complaints Handling Key Indicators

Custex Department sets and monitors KRIs to identify trends in Complaints handling and reveal potential weaknesses or threats. The following KRIs are obligatory and might be extended by another ones:

- a) Annual trend of number of Complaints per Active Customers. (a ratio to show total number of Complaints divided by number of Active Customers). This is to monitor the possible improvement or worsening of Complaints trend. The improvement means that share of Active Customers without Complaints is growing. The worsening means that the share of Complainants is growing and both Group and Company shall increase attention to root cause analysis of the Complaints and/ or speed up the implementation of corrective measures,
- b) Complaints SLA fulfilment (Complaints SLA stands for an index related to Complaint solving time. Solving time means the time interval between Complaint generated by Complainant and Complaint close). Customer Care Department shall ensure that all Complaints are replied and solved as soon as possible, and the Company SLA determined by the Group Strategy and Customer Department is met,
- c) Top 3 Complaints reasons (a Company rank list to show the top three reasons of Complaints of current time period), and
- d) Complaints source (the channel through which Complaint was received).

7.4 Reporting Process

7.4.1 Monthly Custex Report

The Company shall send data required by the Group Strategy and Customer Officer within the Monthly Custex Report on a monthly basis on the 15th day of each month at the latest. The structure and information of the Report is defined and communicated by the Group Customer and Strategy Department.

- a) Complaints of Active Customers and its' annual trend,
- b) Top 3 Complaint reasons,
- c) Complaint SLA,
- d) Complaint source,
- e) Claims / Complaints refunds / discounts and its' annual trend, and
- f) High Risk Complaints, its' annual trend and list of most sensitive High Risk Complaints incl. handling status and development of implementation of corrective measures.

Additional information can be added based on Company's specifics.

The Group Operational Risk Department and the Group Compliance Department shall have access to the Monthly Custex Report and Annual Custex Report through internal database. Data sourced from the Monthly Custex Reports are regularly presented to the Group Operational Risk Committee. The Group Strategy and Customer Department organizes regular monthly calls with the Custex Departments to discuss the Monthly Custex Reports and to evaluate impact of individual Complaints on the Group as a whole.

7.4.2 Annual Custex Report

The Company prepares and submits the Annual Custex Report annually to the IRMC and to the Group Strategy and Customer Officer at the end of March at the latest. The report shall, inter alia, inform about the status, results and assessment of the Complaints handling management in the Group Company.

7.4.3 Quarterly Report to **Customer Service Committee**

(a) The Company shall, on a quarterly basis, submits the report to Customer Service Committee on the nature of Customer complaints received as well as the various initiatives taken for resolving the issues that are common subject of complaints by the customers.

(b) IO and or DIO (as the case may be) shall also furnish periodic reports (including the analysis of complaints) to the Customer Service Committee, preferably at quarterly intervals, but not less than bi-annually.

7.4.4 Annual Report to Company BOD

By the Customer Service Committee, a report/summary of critical complaints reviews along with corrective measures shall be submitted on annual basis to the Board of Directors of the Company.

7.4.5 Ad-hoc Reports

The Complaints handling function shall, without undue delay, report High Risk complaints with significant impact on the Company to the Company Custex Officer, Company Compliance Department and Company BoD. High Risk Complaints having significant impact on the Group shall also be reported to Group Strategy and Customer Officer and Group CLCO

8 Complaints Handling Documentation

8.1 Documentation

Every documentation (incl. communication with Staff) to each Complaint shall be stored by the Customer Care Department until the final Complaint resolution and then archived in line with the local legal requirements.

8.2 Registration of Complaints

The Company shall register, internally, Complaints in accordance with the national timing requirements in an appropriate manner (for example, through a secure electronic register).

8.3 Reporting to Regulatory Authorities

The Company shall provide information on Complaints and Complaints handling management and process to the regulatory authorities or RBI/ NBFC Ombudsman as per applicable law or as per specific timelines advised by the RBI / NBFC Ombudsman.

The Company shall inform RBI within 10 working days from casual vacancy in the office of IO/DIO and also submit a report within 5 working days from the date of appointment of the new Internal Ombudsman / Deputy Internal Ombudsman.

In case of temporary absence of IO for more than 15 working days, DIO takes over the role of IO and CEPD RBI to be given prior information. However temporary absence shall not exceed 30 working days.

The Company shall, within five working days of appointment of the Internal Ombudsman or Deputy Internal Ombudsman, furnish the details of the official so appointed to the Consumer Education and Protection Department, Central Office, Reserve Bank of India (iocepd@rbi.org.in) in the following format:

1. Name of the Internal Ombudsman / Deputy Internal Ombudsman
2. Details of the last positions held/ organization names
3. Date of Appointment
4. Term (in years)
5. Brief professional profile, including previous exposure to financial services highlighting those that make them eligible for appointment
6. Contact details (telephone, email, address)

9 Local Implementation

9.1 Local Implementation of the Policy

The Company is required to implement this Policy by the BoD approval. The Company is obliged to follow the full scope application of this Policy unless there is an exception in accordance with clause 9.2 of this Policy.

9.2 Exceptions

The Company Custex Officer has the right to ask for exceptions from this Policy from the Company BoD and Group Strategy and Customer Officer only if this exception is necessary to meet the local regulatory requirements or would bring considerable process improvement to the Company.

In case of contradiction with local legal requirements the Group CLCO and the Company CEO or other relevant Company representative shall be informed about any request for exception/ changes related to this Policy before its approval.

9.3 Assumption

This Policy applies only if it does not contradict the local legislation. If implementation of some rules and principles under this Policy is not possible due to local legislation, the Chief Marketing Officer shall approach for the exception according to clause 9.2 of this Policy.

9.4 Owner of the Policy

The responsible department/owner of this Policy is the Marketing and Customer Experience Function.

9.5 Implementation

This Policy has been effective from 1 October, 2021.

Annex 1 – Definitions and Abbreviations

In this Policy:

“Active Customer” means an individual or entity who has an existing contractual relationship with a Company and purchases a product or a service from the Company.

“BoD” means board of directors.

“CEO” means Chief Executive Officer.

“CLCO” means Chief Legal & Compliance Officer.

“Complaint” is defined in clause 0 of this Policy.

“Complaints handling register” means a system or another evidence, where all received Complaints are registered, as defined in clause 0 of this Policy.

“Custex” means an abbreviation for a customer experience, covering wide range of activities and focusing on customers and their opinions on or experience with products, services, service and activities of the Group Companies.

“Customer” means Non-Customer, Active Customer and Former Customer.

“Customer Complaints Code” means a document publicly available setting out basic information about the Complaints handling process from the perspective of the Customer. More details in clause 0 of this Policy.

“Former Customer” means an individual or entity whose all contractual relationships with a Company on provision of a product or a service by the Company were terminated or expired, but the Company is still allowed to process and keep his/ her personal data according to the applicable laws and regulations and the Personal Data Protection Framework.

“Group” is defined in clause 0 of this Policy; when this term is used in connection with specific position/job title means managers/officers/employees with specific “Group-wide” responsibility, reporting (directly or indirectly) to Group CEO.

“Staff” means each person working at any level of the Company, including, without limitations, all full-time and part-time employees, members of a Company’s BoD, officers, directors, senior managers, consultants, contractors or any other third parties acting on behalf of the Company or performs any services for or on behalf of the Company.

“Compliance Department” means an organisational unit of the Company headed by the Chief Legal Officer and dealing with compliance tasks.

“Custex Department” means an organisational unit of the Company headed by the Chief Marketing Officer and dealing with the Custex tasks.

“DIO” means the Deputy Internal Ombudsman appointed by the Company in compliance of the directions issued by Reserve Bank of India.

“Group Compliance Department” means an organizational unit at the Group level managed by Group CLCO.

“Group Operational Risk Department” means an organizational unit at the Group level managed by Group Chief Risk Officer.

“Group Strategy and Customer Department” means an organizational unit at the Group level managed by the Group Strategy and Customer Officer.

“Group Strategy and Customer Officer” means a person responsible for customer experience in the Group.

“High Risk Complaint” is defined in clause 0 of this Policy.

“Home Credit N.V.” or **“HCNV”** means Home Credit N.V., with its registered office at Strawinskyaan 933, 1077 XX Amsterdam, The Netherlands, registered in The Netherlands Chamber of Commerce Business Register, registration number 34126597.

“IO” means the Internal Ombudsman appointed by the Company in compliance of the directions issued by Reserve Bank of India.

“Missell” means provision of not sufficiently clear information about (1) a product, (2) optionality, (3) coverage and/or (4) a price of product.

“Non-Customer” means a natural or legal person who got into touch with the Company, but does not have any existing relationship with a Company on provision of a product or a service by the Company (e.g. an applicant for a product without a valid and active contract) and, at the same time, is not a Former Customer (the Former Customer becomes a Non-Customer at the moment when Company deletes or anonymizes his/her data from its systems according to the Personal Data Protection Framework).

“**PPF FH**” means PPF Financial Holdings B.V., a company incorporated and existing according to the laws of the Netherlands, having its registered office in Strawinskylaan 933, 1077 XX Amsterdam, Kingdom of the Netherlands, registration number 61880353; PPF FH is a financial holding company and the controlling company of Home Credit Group.

“**PPF FH Group**” means PPF FH and all its Subsidiaries.

“**SLA**” means service level agreement.

Annex 2 – Details of Grievance Redressal Officer

Mr. Vishal Sharma, Grievance Redressal Officer,
Customer Care Department
Home Credit India Finance Private Limited
DLF Infinity Towers, Tower C, 3rd Floor, DLF Cyber City Phase II, Gurgaon-122002, India
E-mail: grievanceofficer@homecredit.co.in
Landline: 0124 6628713