



**EMPLOYEE CODE OF ETHICS**

**RESTRICTED, CONFIDENTIAL  
AND INTERNAL USE ONLY**

**REVISION HISTORY**

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## **1 INTRODUCTION**

It is the policy of MCB Microfinance Ltd (the “Company”) that all personnel must comply with the spirit and letter of this Employee Code of Ethics (the “Code”), unless specific exceptions to the requirements set out herein have been explicitly agreed. Any conduct or representation by an employee of the Company which constitutes a breach or undermines the spirit of this Code may result in disciplinary action being taken by the Company including the provision of summary dismissal. Details of all breaches of the rules and disciplinary action taken will be recorded and kept for six years by the Compliance Officer who will maintain a register for this purpose.

Employees are expected to be familiar with the Code and should review the requirements set forth therein thoroughly and at regular intervals so as to comply with the spirit and the letter of the written requirements. In order to foster the right compliance culture within the Company, employees may, on a regular basis, be required to provide written confirmation that all requirements of the Code have been complied with.

The Code is confidential to the Company and no copies may be made of the Code or any part thereof or copies of the Code removed from the premises of the Company or of the MCB Group without the prior written permission of a director of the Company or of the Head of Risk & Compliance/Compliance Officer.

Amendments to this Code are subject to different level of sanctioning authority listed as follows:

- ◆ Minor typographical, numerical or consequential changes not affecting policy or process will be sanctioned by the Head of Risk and Compliance/Compliance Officer.
- ◆ Changes to process not affecting policy will be sanctioned by the CEO/MD/Manager of the Company (collectively referred to as the “Business Head”) in conjunction with the Head of Risk and Compliance/Compliance Officer.
- ◆ Permanent changes to policy will be sanctioned by the Board of Directors.

In the event of uncertainty as to the category of any amendment, it would be elevated to the next level for sanctioning authority.

The authoritative version of this Code shall be the electronic version kept with the Compliance Officer of the Company.

## **2 ADHERENCE TO APPLICABLE LEGISLATIONS AND REGULATIONS**

All members of staff are expected to be familiar with, and must comply at all times with, all current Mauritius legislations/regulations applying to their business activities and/or to those of the Company.

In addition, they must be familiar with any other (non-Mauritius) legislations or regulations pertaining to any part of their business activities or to their clients.

### **3 CONFIDENTIALITY/DUTY OF SECRECY**

Every member of staff is subject to a duty of secrecy, which is assumed (and specifically acknowledged by signature) on induction to employment within the Company. In accordance with this duty, no details of clients' dealings or positions, or any other confidential or price-sensitive information may be either discussed or disclosed outside the premises of the Company, except: with the specific written authorisation of the Board of the Company or, in the event of a legal/regulatory requirement to disclose information (see below), under written advice from the Legal Adviser of the Company.

### **4 INFORMATIONAL BARRIERS**

An important element of the "duty of secrecy" includes the respecting of Informational Barriers (also known as "Chinese walls") between the different businesses/subsidiaries of the MCB Group by all members of staff with regard to their activities.

#### **4.1 What are Informational Barriers?**

It is important that conflicts of interest are handled correctly and that confidential information remains confidential. Informational Barriers are a set of procedures designed to ensure that the Company acts independently and flows of confidential information are appropriately controlled. Informational Barriers represent a vital business tool enabling the Company to act in roles that would otherwise pose conflicts of interests that would be unacceptable.

In short, by putting controls on day-to-day dealings as appropriate, Informational Barriers enable the Company to operate its business whilst protecting its reputation for fair dealing.

#### **4.2 Where do Informational Barriers lie?**

Informational Barriers surround the Company and all other businesses within the MCB Group.

#### **4.3 Forms of Informational Barriers**

The Informational Barriers that operate within the Company fall into the following categories:

- ◆ Information: information can only leave one segregated area for another in accordance with the procedures contained herein for crossing the Informational Barriers,
- ◆ Physical: staff are not allowed to enter another restricted business area without the necessary authorisation; and,
- ◆ Social: staff meeting outside work should be aware that Informational Barriers apply outside the Company just as much as they apply within it. Client information is confidential at all times.

#### **4.4 Restrictions imposed by Informational Barriers**

The following restrictions apply when Informational Barriers are in place:

- ◆ Should any staff member need to communicate on specific business matters with someone who works in a business area that does not operate on his/her side of an Informational Barrier, that staff member may only do so with the prior permission of the Business Head. The requirement for prior approval is not required where the communication is necessary as part of an established pattern of non-sensitive trading.
- ◆ A communication made by a staff member in breach of Informational Barriers procedures may restrict the ability of either or both side(s) of the Barrier to carry out a transaction because it creates a conflict in that area that did not previously exist. Therefore, even where the member of staff has "good news" to impart, he/she should consider carefully whether such communication will restrict the recipient's dealing and whether the recipient will welcome such a restriction.
- ◆ If a member of staff is not sure what constitutes a sensitive communication, he/she should approach the Business Head. Generally, all confidential information (inclusive of client specific information) and price sensitive information should not pass over the Barrier.
- ◆ There is nothing improper in the Company having two or more clients whose interests may be in conflict. In such circumstances the information flows must be managed so as to avoid that the interests of one client adversely affecting those of another. Adherence to the principles of Informational Barriers will prevent leakage of confidential information between departments and safeguard the client and the Company's separate interests.
- ◆ Staffs are prohibited from using information disclosed by clients for any purpose other than the purpose for which it was disclosed. If any member of staff receives such information it is recommended that he/she does not disclose it to other employees except those who need to know. This applies both to oral disclosures made and by giving copies of an extract from documents.
- ◆ Members of staff should take all reasonable steps to avoid any situation where they believe that they might become aware of information, which is not of public knowledge concerning MCB Group's businesses and/or clients.

#### **4.5 Entry Records**

Each business of the MCB Group is responsible for maintaining its own physical Informational Barrier. Visits by staff from other businesses of the MCB Group, where permitted, will only be allowed to unrestricted areas, usually meeting rooms. It is the responsibility of the host member of staff to ensure this policy is not abused. Guests and other "unauthorised" staff must be accompanied at all times and not allowed "free access."

"Tailgating" i.e. the practice of allowing someone to enter behind or at the same time as an authorised person is not allowed. Entrance doors to business areas should not be kept open. Reception will be responsible for ensuring compliance with these requirements.

#### **4.6 Crossing the Informational Barrier**

The following requirements will apply before and after staff members have crossed an Informational Barrier:

- ◆ Staff members who have crossed the Informational Barrier on a temporary basis, but are not physically within the restricted area, must take special care not to divulge or to leave sensitive information on their desks.
  - ◆ Support staff may occasionally have to cross Informational Barriers and thus should clearly understand their responsibilities, i.e. areas that might breach this policy.
  - ◆ By virtue the nature of their duties within the banking and non-banking financial businesses of the MCB Group, in particular given that they may be called upon to act for other businesses within the MCB Group, it is acknowledged that the following persons are above the Informational Barriers:
    - those directors of the Company who are part of the MCB Group; and,
    - Members of the Risk Management and Compliance Unit (“R&C”) of MCB Capital Markets.
- For avoidance of doubt, nothing in this section shall relieve any of the above-named persons of their duty of confidentiality/duty of secrecy as set out in section 3 of the Code.

## 5 DUTY OF DISCLOSURE

Every member of staff has a duty to disclose to the Business Head and to R&C any of the following:

- (i) Knowledge of any breach of any regulation, internal MCB Group policy (whether applying at Company or at Group level), internal or external code of conduct or of other specific rules or procedures by another person;
- (ii) Unusual behaviour or rumours about any internal (i.e. within the MCB Group) or external party linked to the MCB Group;
- (iii) Unusual requests received from external or internal parties (in as much as these could denote an intent to commit a suspicious or criminal transaction);
- (iv) (In relation to AML): Unusual or suspicious transactions, or suspected intent to commit an illegal transaction, by any person/client.

In addition, every member of staff must disclose to his/her line management any error or omission which he/she has made during the carrying out of his/her responsibilities, either immediately or as soon as possible after realising his/her mistake.

**Note:** *Failure to disclose information in the above circumstances may entail disciplinary action toward the member of staff.*

## 6 INTEGRITY

It is the Company’s policy that the highest standards of integrity are to be applied across all aspects of the business, by all staff, at all times.

Any evidence of dishonesty, by any member of staff (whether for personal gain, or to cover up mistakes or losses), will be treated as a serious disciplinary offence.

## 7 CONFLICTS OF INTEREST

Members of staff must endeavour to avoid any situation which may lead to a conflict of interest. Thus, all staff must declare to Business Head in writing, if there is ever a situation in which they have any other outside interests of a business, financial, political or social nature which might cause potential conflicts of interest with their role and responsibilities within the Company.

Similarly, staff must, at all times, observe the principles relating to the protection of the interests and fair treatment of clients.

### 7.1 Outside business activities

Members of staff may not undertake any outside business activities or employment (the “Side Business”), except with the explicit written permission of the Business Head acting in conjunction with the Risk & Compliance Unit of MCB Capital Markets.

When seeking approval, members of staff must provide all relevant material information required in order to assess the Side Business by using the form attached as Appendix A to this Code. Moreover, staff Members who are either Relationship Officers, Relationship Managers or Recovery Officers must also provide information on clients within their respective portfolios who are engaged in activities similar to the Side Business. Such disclosure requirement will continue to apply following authorisation of the Side Business including in cases where an existing client subsequently engages or a new client being added to the portfolio is engaged in similar activities as the staff member.

The Company may also require staff members to provide a “nil declaration” certificate in respect of outside business activities on such frequency as may be agreed between the Business Head and the Head of Risk Management & Compliance.

In cases where approval has been granted, it is strictly forbidden for members of staff to promote their Side Business:

- ◆ During working hours;
- ◆ By taking advantage of their position in the Company; and
- ◆ By leveraging on the Company’s proprietary information.

Similarly, staff members shall never mention their role at MCBMF while dealing with stakeholders linked to their Side Business.

Additionally, any Side Business leading to commercial interactions with colleagues is not recommended as this may lead to conflicts or disputes between colleagues thus negatively impacting the activities of the Company.

Where the Side Business has been authorised, staff members have an on-going obligation to immediately disclose any change in the information provided when seeking authorisation for their Side Business.

Any authorisation granted under this policy may be reviewed in light of any changes in policies, procedures and/or circumstances.



## 7.2 **Gambling**

Gambling is not to be undertaken on or from the premises of the Company or of the MCB Group and should not be undertaken by individuals outside the relevant premises either excessively or frequently. Social gambling with customers, agents, suppliers or persons with business connections should be avoided.

## 7.3 **Inducements**

In accordance with the policy of highest integrity, the following rules apply with regard to inducements of any nature:

- (i) No member of staff is to offer to any person or institution any improper inducement to conduct business;
- (ii) No member of staff is to accept from any other person or institution any improper inducement to conduct business;
- (iii) Staff members shall never mention their role at MCBMF when carrying out private transactions; and
- (iv) Staff Members who are either Relationship Officers, Relationship Managers or Recovery Officers are required to seek, by email, the prior written approval of the Business Head for any personal transaction exceeding Rs.5,000 undertaken with MCBMF's clients within their respective portfolio.

Breaches of the above rules will be treated with the utmost severity.

## 7.4 **Benefits in kind (gifts and entertainment)**

It is a criminal offence to solicit or accept any gift or consideration as an inducement or reward for "doing or refraining from doing, anything in an official capacity, or for showing, in an official capacity, favour or disfavour to any person".

If any such offer or gift (except in the circumstances detailed below) or irregular suggestion is made to a member of staff, either in connection with a contract or with the object of obtaining preferential treatment prior to the acceptance of a contract, the facts must be reported immediately to the Compliance Officer.

No member of staff concerned in any way with official contracts or purchasing should ever disclose his private address to a contractor.

Cash, or cash-convertible gifts must not be accepted, indeed nothing more than items of modest value such as a calendar, diary or simple item of office equipment may be accepted and then only if it bears the company's name or insignia and can thus be regarded as being in the nature of advertising matter. Offers of all other gifts must, therefore, be politely but firmly refused or, if received through the post, returned to the donor with a suitably worded covering letter previously seen by the Business Head.

All gifts, regardless of their value, which are received by members of staff will need to be disclosed to the Compliance Officer and to the Business Head. The gift will normally become office property, subject to the discretion of the Business Head after consultation with the Head of Risk & Compliance.

Staff should exercise the utmost prudence in accepting hospitality of any kind; acceptance may make it difficult to avoid some obligation to the party offering it and might later be thought to have affected an individual's impartiality in dealing with official matters. There is an important difference between, for example, authorised attendance in an official capacity at a function and the acceptance of hospitality from a private individual or firm standing to benefit from the goodwill of the Company or of the MCB Group.

Where it is clearly evident that the work of the Company would be facilitated, invitations to attend receptions, luncheons, cocktail parties and the like may be accepted. Any member of staff who has any doubts about the wisdom of accepting hospitality should consult a superior. If an individual is pressed to accept an offer of hospitality about which he has doubts, or if any offer of hospitality has been accepted but subsequently raises doubts in his mind about his purpose, he must immediately report the facts to his superior.

A member of staff shall, under no circumstances, use his/her position for personal or private gain.

The Company may, in relation to this requirement, require staff members to provide a "nil declaration" certificate on such frequency as may be agreed between the Business Head and the Head of Risk Management & Compliance.

#### **7.5 Business credit cards**

The use of business credit cards, if any, for personal use is forbidden.

### **8 RUMOURS**

It is the Company's and MCB Group policy that rumours are never to be created by its staff. Rumours, even those which appear to be unsubstantiated, should be raised with the Business Head if they concern a client (or counterparty) of the Company, the entity for which they work or of MCB in general. Unsubstantiated rumours should never be passed on as "fact" and care must always be exercised when discussing them with outside parties. They should always be clearly identified as unsubstantiated information.

**Note:** *Information concerning clients may under no circumstances be passed on to any outside party, except in Exceptional Circumstances.*

### **9 SOBRIETY**

All members of staff are expected to have full use of their mental faculties at all times during their working day. As such, the use of habit-forming drugs, unless under prescription, is forbidden and consumption of alcohol before or during working hours must not result in an employee losing his/her mental faculties.

## **10 RESPONSIBILITIES IN RESPECT OF SYSTEMS AND DATA SECURITY**

All members of staff are responsible for understanding the capabilities and functionality of the systems which they have to use in the course of their daily work.

In particular they are responsible for ensuring that they input data or transactions into their systems in accordance with the relevant system manual and/or operating procedures. Similarly, queries and/or analysis made through the system must also be undertaken in accordance with the relevant system manual and/or operating procedures.

Members of staff are individually responsible for the accuracy of the transaction information which they input into the system(s).

### **10.1 Data security**

No member of staff may take any action which may have an adverse effect on the security of client data or other sensitive data in connection with the business of the Company or on the systems in which such data is retained.

## **11 RESPONSIBILITIES IN RESPECT OF SECURITY OF PREMISES**

### **11.1 Access to premises**

No unauthorised persons (whether casual visitors, messengers or other) may be brought or permitted entry by any member of staff into the premises of the Company, except with the express prior permission of the Business Head (or, during his/her absence, of his/her deputy).

### **11.2 Access codes, "swipe cards" (or keys)**

Members of staff are responsible for the protection and confidentiality of the security access code or "swipe card" (or keys) which has been notified/provided to them. The security access code/"swipe card" is not to be passed on to anyone who is not authorised to access the premises concerned.

## **12 E-MAIL AND INTERNET**

It is the Company's policy that all available avenues of business-related productivity, communication and research, including e-mail and the Internet, should be used, where appropriate and in as far as such methods provide for the necessary level of security. However, in this context, individuals within the Company are under an obligation:

- (i) Only to use e-mail (internal or external) from their office computer for business-related purposes.
- (ii) NOT to use e-mail or Internet for service/product delivery purposes, unless explicitly sanctioned.
- (iii) Only to use the Internet and Internet-related services, for research related to their business function.

- (iv) NOT to attempt to access the Internet using service-providers which have not been approved and installed on office computers. (This is to ensure that access protocols, firewalls and other security measures are fully operative at all times.)

**Note:** *E-mails and Internet usage by individual staff may be subject to recording, automatic “sweeping” and surveillance to ensure that the above policy is adhered to by all staff.*

## APPENDIX A – OUTSIDE BUSINESS ACTIVITY DECLARATION FORM

OUTSIDE BUSINESS ACTIVITIES DISCLOSURE	
Employee Name:	
Job title within MCB Microfinance:	
<b>Part 1 : Details about the existence of the Outside of Business Activity</b>	
1   Is the outside of business activity already being carried out?	
2   If yes, since when?	
<b>Part 2: Declaration</b>	
<i>I declare having an outside business or activity, details of which are provided below:</i>	
1   Please provide a complete description of the activity and of your role within that activity including any title.	
2   Business Name (If applicable):	
3   Shareholding percentage (if applicable)	
4   Place of Business (If applicable):	
5   Social Media Page (If any):	
6   Involvement in terms of hours per week (in average):	
7   Period(s) during the week within which activity is/ will be conducted:	
8   Will additional income be generated from this activity? How much?	
9   Is the outside business activity similar to the activity of any client within your portfolio? If 'Yes', please provide details of such client(s).	
<b>Part 3: Declaration and Signature</b>	
<input type="checkbox"/> I, the undersigned, hereby certify that the information provided above is true and correct and does not contain any material facts which would otherwise render any of the abovementioned statements misleading.	
Employee Signature:	
Date :	
<b>Part 4: For Office Use only</b>	
Reviewed: Risk and Compliance Unit of MCB Capital Markets	
Date:	
Approved: Chief Executive Officer	
Date:	
Any restrictions?	
If approved but with restrictions/conditions, please provide details below:	