

FAIR PRACTICES CODE

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1. INTRODUCTION

CNH Industrial Capital (India) Private Limited [hereinafter referred to as the “Company” or “CNH Capital”], a Non-Banking Finance Company registered with Reserve Bank of India offers various kinds of financial products to its customers. The Company will follow a set of fair practices and standards when dealing with customers in accordance with Chapter VI – Fair Practice Code of RBI Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions, 2016. This code will help customers take an informed decision with respect to these financial products offered to them by the Company and will apply to any loan or lease that the Company may underwrite and fund.

The standards set out in this policy are the minimum requirements based on Chapter VI – Fair Practice Code of Reserve Bank of India Master Direction - Non-Banking Financial Company - Systemically Important Non-Deposit taking Company and Deposit taking Company (Reserve Bank) Directions as amended from time to time. This Policy is approved by the Board of Directors and published for the public benefit.

2. PURPOSE AND KEY COMMITMENTS

The purpose of Fair Practices Code for CNH Capital is to:

- Promote fair practices by setting standards when dealing with customers such that the loan products are made available to all qualified borrowers without discrimination thereby treating all customers consistently and fairly.
- Increase transparency so that customers understand what type of service level can be expected from the Company in reference to various lending functions including marketing, loan origination, processing, servicing and collection activities.
- Ensure that products/services offered, practices and procedures followed confirm to the standards prescribed under applicable laws and regulations from time to time.
- Cultivate goodwill and confidence in the company

The Board of Directors and the management team of the company are responsible for reviewing of compliance with the Fair Practice Code.

3. LOAN APPLICATION AND ITS PROCESSING

- Loan application forms will include necessary information which impacts interests of the borrower, so that a meaningful comparison with the terms and conditions offered by other Non-Banking Finance Companies can be made. The loan application form will indicate the list of documents required during submission of the application form;

- All communication to the borrowers shall be in English language or in a vernacular language as understood by the borrowers.
- CNH Capital shall acknowledge the receipt of completed application forms. The period within which loan applications will be disposed of will also be indicated in the acknowledgement;
- Information typically required by CNH Capital to process a finance/loan application will depend on the type of business and / or organization applying for finance/loan and will also include details such as the applicant's name, address, business, years of operation, financial details and any applicable business or registration / identification numbers etc. Loan Application Form will clearly state the information that the company requires to collect from the customer to fulfill the KYC norms and to comply with legal and regulatory requirements.
- The Company will process finance/loan applications based on information received in writing, in order to ensure a fast and accurate processing service;
- **CNH Capital agrees to:**
 1. Provide clear information concerning interest and fees (if any) charged on an individual contract basis.
 2. Process the application within the reasonable timeframe of receipt of the necessary details, provided all required information is available to CNH Capital at the time of submission by the customer/borrower.
 3. Provide written confirmation of its decision to the customer, including the amount of the finance/loan sanctioned, the terms and conditions of the finance/loan, including the annualized rate of interest (and method of application thereof), and any terms of acceptance – including the period for which the acceptance is valid.
 4. Issue Sanction letter/term sheet describing the terms and conditions, to all customers whose financial/loan facility has been sanctioned, after due diligence.
 5. Ensure that all finance/loan agreements and enclosures provided to customers contain the terms & conditions, and the rate of interest, which shall be enclosed with the finance/loan agreement.
 6. Keep on record for a reasonable time all details relating to the finance/loan application decisions.

4. LOAN APPRAISAL AND TERMS/CONDITIONS

- The Company shall conduct a due diligence on the credit worthiness of the borrower, which will be an important parameter for taking decision on processing of the application. The assessment would be in line with the Company's credit policies, underwriting norms and procedures in respect thereof.

- The borrower will be informed by means of a written sanction letter of the amount of loan sanctioned or otherwise English language or a vernacular language as understood by the borrower. The sanction letter shall contain gist of the terms and conditions including the annualized rate of interest and the method of application thereof. The Company shall obtain an acceptance from the borrower on the said sanction letter with the borrowers' signature.
- The Company will lay down all the terms and conditions with respect to the loan in its loan agreement. The borrowers would comply with the terms and conditions mentioned in the loan agreement and any prospective changes thereof will be intimated to the customer from time to time.
- The Company shall invariably be bound to furnish a copy of the loan agreement as understood by the borrower along with a copy of all enclosures quoted in the loan agreement to all the borrowers at the time of disbursement of loans.
- The Company will mention the penal interest charged for late repayment in bold in the loan agreement.

5. DISBURSEMENT OF LOANS INCLUDING CHANGES IN TERMS AND CONDITIONS

- The Company shall frame appropriate internal principles and procedures for determining and ensuring that the interest rates and processing and other charges are not excessive. The Company will, at the time of disbursal, ensure that the interest rate and processing and other charges on loan and advances are in strict adherence to above referred internal guidelines.
- The disbursement will be done upon compliance of all the terms and conditions mentioned in the sanction letter issued to the borrower.
- The Company shall give a notice to the borrower in the English language or vernacular language as understood by the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges etc. The Company shall ensure that the changes in the terms and conditions are effected only prospectively. A suitable condition in this regard will be included in the loan agreement.
- The Company will release all securities on repayment of all dues or on realization of the outstanding amount of loan subject to any legitimate right or lien for any other claim the Company may have against borrower. If such right of set off is to be exercised, the borrower will be given notice about the same with full particulars about the remaining claims and the conditions under which the Company is entitled to retain the securities until the relevant claim is settled / paid.
- Decision to recall / accelerate payment or performance under the agreement will be in line with the loan agreement.

6. PRINCIPLES FOR DETERMINING INTEREST RATES AND CHARGES

- The Board of Directors of the company shall adopt an interest rate model taking into account relevant factors such as, cost of funds, margin and risk premium, etc. and determine the rate of interest to be charged for loans and advances and other charges. The rate of interest and approach for gradation of risks will be made available on the website of the company or the same will be published in the newspaper and will be explicitly mentioned in the sanction letter.
- The rate of interest will be annualized rates so that the borrower is aware of the exact rates that would be charged to the account.
- The loan agreement shall contain sufficient information about the interest rate, charges etc. The borrower shall be informed regarding any change in the charges / interest rate or any introduction of new charges as applicable.

7. REPOSSESSION OF ASSETS FINANCED

- The Company will make a repossession clause in the contract/loan agreement with the borrower that will be legally enforceable. To ensure transparency, the terms and conditions of the contract/loan agreement will include provisions regarding:
 - (i) notice period before taking possession;
 - (ii) circumstances under which the notice period can be waived;
 - (iii) the procedure for taking possession of the equipment;
 - (iv) a provision regarding final chance to be given to the borrower for repayment of loan before the sale / auction of the property;
 - (v) the procedure for giving repossession to the borrower; and
 - (vi) the procedure for sale / auction of the property.
- A copy of such terms and conditions must be made available to the borrower. A copy of the loan / lease agreement along with a copy each of all enclosures quoted in the loan / lease agreement will be provided to all the borrowers at the time of sanction / disbursement of loans / leases.

8. COMPLAINT REDRESSAL MECHANISM

A complaint will mean an expression of dissatisfaction made to the Company by any borrower or someone legally representing borrower's interests, regarding the company's products, services or complaint-handling process, and where a response or resolution is expected. All complaints/disputes arising out of the decisions of the functionaries in relation to the products shall be heard and disposed of at least at the next higher level. The Board of Directors shall also provide for periodical review of the compliance of this Code and the functioning of the grievance redressal mechanism at various levels of

management. A consolidated report of such reviews may be submitted to the Board at regular intervals, as may be prescribed by it.

- A. Customers can register complaints via CNH Capital dedicated e-mail id of Grievance Redressal Officer – gro.capitalindia@cnhind.com
- B. Mr. Sunil Bajpai, shall be the Grievance Redressal Officer of the Company who will examine the matter and redress to complaints as soon as possible however no later than one month from the date of complaint.
- C. The Company shall display the following information prominently, for the benefit of its customers, at its registered office/branches:
 - a. The name and contact details (i.e. telephone number, address and e-mail address) of the Grievance Redressal Officer
 - b. Contact details of Officer-in-Charge of the Regional Office of Department of Supervision (“DoS”) of Reserve Bank of India, under whose jurisdiction the registered office of the Company falls in the event a dispute remains unresolved for a period of one-month
- D. Duties of Grievance Redressal Officer:
 - a. After receiving customers’ complaint through e-mail id or written letters, Grievance Redressal Officer will examine the matter and respond to complaints within one month from the date of receipt of such complaint.
 - b. If customer is not satisfied with the responses, then the Officer will provide guidance to such customer on escalation mechanism.
 - c. Grievance Redressal Officer will submit the Grievances Redressal Report to management semi-annually.

9. GENERAL

- CNH Capital shall not interfere in the personal affairs of the customer except for the purposes set out in the terms and conditions of the finance agreements (unless new information that was not earlier disclosed by the customer comes to the notice of the Company).
- In the event that the customer expresses a request to transfer its obligations under the agreement to another party, CNH Capital will give its decision (consent or otherwise) within 21-days from the date of receipt of the request. Any transfer of a customer’s agreement to another party shall be subject to the contractual terms in accordance to the prevailing law.
- In the event of recovery of loans from customers, the Company shall not resort to undue harassment or aggressively bother the customer at inconvenient/odd hours, or use muscle power / undue pressure for the recovery of overdue payments. CNH Capital shall ensure that the staff is trained in handling collection activity in a professional/appropriate manner as per the relevant regulations.

- CNH Capital charges interest only as per the terms of the Finance Agreement/Sanction Letter. Any delay in payment of installments as per the repayment schedule will attract penal interest at such rate as has been communicated to the customer in the Sanction Letter and Loan Agreement.
- The Company may arrange for enforcing security charged to it of the delinquent borrower, if required, with an aim only to recover the debt.
- CNH Capital shall ensure that the entire process of enforcing its security, valuation and realization be fair and transparent.
- As a measure of customer protection and also in order to bring in uniformity with regard to prepayment of various loans by borrowers, CNH Capital shall not charge foreclosure charges/ pre-payment penalties on any floating rate term loan sanctioned for purposes other than business to individual borrowers, with or without co-obligant(s)
- The Fair Practice Code will be put up on the company's web site, if any, for the information of various stakeholders.

10. CONFIDENTIALITY

- Unless authorized by the customer, the Company will treat all personal information of the customer as private and confidential.
- Unless authorized by the customer, the Company will not reveal any transaction details to any other entity other than the following exceptional cases:
 - If the Company is required to provide the information under statutory or regulatory laws
 - If there is a duty to the public to reveal this information.

11. POLICY REVIEW

The Board of CNH Capital will annually or periodically review its compliance to this Fair Practices Code through accurate recording, analysis and review complaints and customer feedback records. The Board will also take steps to address any deficiencies where required and appropriate.

12. APPROVAL

The Policy has been approved by the Board of Directors of the Company in its meeting held on April 21, 2021.