

Framework

Fair Practice Code– of JP Morgan Securities India Private Limited

Current Effective Date: March 8, 2025

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1. Summary or Rationale

JP Morgan Securities India Private Limited, ("JPMSIPL") would focus on extending credit to corporate clients through the primary and secondary market. Depending on the outlook on interest rates, credit spreads and liquidity situation JPMSIPL would:

- Extend credit facilities to clients to meet their financing requirement.
- Invest in government securities, treasury bills and money market instruments
- Opportunistically provide structured financing solutions to meet financing need of clients

This Framework sets forth the business practices followed by JPMSIPL in its dealings.

2. Changes from Previous Version

- None

3. Framework Statements

This Framework is documenting the Fair Practice Code to be adhered to by JPMSIPL for its operations in accordance with the Fair Practice Code guidelines issued by RBI in the Master Directions for Non-Banking Finance companies. It is, and shall be the Framework of JPMSIPL to carry out the business activities in a fair manner and in accordance with this Framework.

4. Loan Requests

Applications for loans and their processing

All the loans advanced by JPMSIPL must be based on bilateral negotiations and agreement with the Borrowers. Therefore, JPMSIPL will request for such documents from the Borrower as may be deemed necessary so as to ensure a thorough and proper due diligence and credit appraisal of the Borrower as also completion of KYC formalities in accordance with JPMSIPL's KYC & AML policy.

The facility advice letters or term sheet or other documents exchanged with the borrower should contain comprehensive information about the transaction

Loan appraisal and terms/conditions

- JPMSIPL shall respond in writing, to the prospective borrower, by means of a sanction letter / loan agreement / facility letter or otherwise within a reasonable time along with the mutually agreed terms and conditions , the annualized rate of interest and the method of application thereof. JPMSIPL must keep the acceptance of these terms and conditions by the borrower on its record. The sanction of loans must be communicated, in English, to the borrowers within a reasonable time.
- The rate of interest to be charged must be in accordance with the guidelines outlined in the RBI master directions for fair practice code.
- Any penalties to be charged for delay in loan repayment must be mentioned in the loan agreement. Penalty, if charged, for non-compliance of material terms and conditions of loan contract by the borrower shall be treated as 'penal charges' and shall not be

levied in the form of 'penal interest' that is added to the rate of interest charged on the advances. No further interest should be computed on such charges. The quantum of penal charges shall be reasonable and commensurate with the non-compliance of material terms and conditions of loan contract without being discriminatory within a particular loan / product category.

- JPMSIPL must furnish a copy of the loan agreement along with a copy of all enclosures (including information pertaining to penal charges) quoted in the loan agreement to all the borrowers at the time of sanction / disbursement of loans.
- In case of rejection of loan applications received, JPMSIPL must convey in writing the main reasons for rejection of the loan application, within 30 working days from the date of receipt of required documents along with loan applications.

5. Approvals and Disbursements

Disbursement of loans including changes in terms and conditions

- JPMSIPL must ensure timely disbursement of loans sanctioned in conformity with the applicable terms and conditions governing such loans. JPMSIPL must give notice to the borrower of any change in the terms and conditions including disbursement schedule, interest rates, service charges, prepayment charges, etc. JPMSIPL must also ensure that changes in interest rates and charges are effected only prospectively after due notice to the borrower. A suitable condition in this regard must be incorporated in the loan agreement.
- Decision to recall / accelerate payment or performance under the agreement must be in consonance with the terms and conditions of the loan agreement. However, if the Lender has the right to accelerate payment or performance "on demand" (without any notice period) as per the loan agreement, JPMSIPL must provide one day of notice to the borrower.
- JPMSIPL shall release all securities on repayment of all dues by the Borrower or on realisation of the outstanding amount of the loan subject to any legitimate right or lien for any other claim JPMSIPL may have against borrower. If JPMSIPL decides to exercise such right of set off, the borrower shall be given notice of the same, with full particulars about the remaining claims and the conditions under which JPMSIPL is entitled to retain the securities till the relevant claim is settled/paid.

6. General

- JPMSIPL must refrain from interfering in the affairs of the borrower except in accordance with the terms and conditions of the loan agreement (unless new information, not earlier disclosed by the borrower, has come to the notice of JPMSIPL).
- In case of receipt of a request from the borrower for transfer of the loan account, the consent or otherwise i.e. objection of JPMSIPL, if any, must be conveyed within 21 days from the date of receipt of such a request. Such transfer shall be in accordance with transparent contractual terms and in consonance with the law.

- In the matter of recovery of loans, JPMSIPL will not resort to undue harassment viz. persistently bothering the borrowers at odd hours, use of muscle power for recovery of loans, etc.
- Whenever reminders for non-compliance of material terms and conditions of loan are sent to borrowers, the applicable penal charges shall be communicated. Further, any instance of levy of penal charges and reason therefore shall also be communicated.

7. Grievances

- The Board of Directors of JPMSIPL hereby adopts the Global Complaints Policy of JPMorgan as may be amended from time to time, as an appropriate grievance redressal mechanism within JPMSIPL to resolve disputes arising in this regard. A Grievance Redressal Officer, who will also be the Nodal Officer under the Reserve Bank - Integrated Ombudsman Scheme, 2021, must be appointed to hear and review the disputes of JPMSIPL's clients. Once these have been reviewed, the Grievance Redressal Officer must highlight these disputes to the Board of Directors for disposal.. The contact details of the Grievance Redressal Officer must be displayed at the places where business is transacted: for the benefit of the clients of JPMSIPL.

All staff that has contact with customers or their complaints are trained/informed to deal with the customers in an appropriate manner and follow the Firmwide Global Complaints Policy.

All complaints should be resolved within one month to the customer's satisfaction. If customers do not receive a response from JPMSIPL India within one month after receiving the complaint, or if they are not satisfied with the reply given by JPMSIPL India, the customer may approach to the Officer-in-Charge of the Regional Office of Supervision, under whose jurisdiction the registered office of the NBFC falls.

8. Others

The compliance to the Fair practice Code and grievance redressal mechanism must be subject to a periodic review and a report of such reviews must be submitted to the Board at regular intervals.

JPMSIPL shall ensure the Fair Practice Code adopted by Board is disclosed on its website.