

UPDATED

**VIGIL MECHANISM/ WHISTLE BLOWER POLICY
(V-2023)**

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VIGIL MECHANISM/ WHISTLE BLOWER POLICY

1. PREAMBLE:

Section 177 of the Companies Act, 2013 requires every listed Company and such class or classes of Companies, as may be prescribed, to establish vigil mechanism for the Directors and employees to report genuine concerns in such manner as may be prescribed.

In terms of Section 2(52) of the Companies Act, 2013, "Listed Company means a Company which has any of its securities listed on any recognized Stock Exchange". Tier II Bonds of the Company are listed on the Stock Exchange, Mumbai and National Stock exchange of India Limited.

The Company has a Whistle Blower Policy approved in the meeting of the Board of Directors held on January 16, 2009 and the same was applicable to only employees of the Company. Now, as per the Companies Act 2013, the vigil mechanism is also to be laid down for the Directors of the Company as well.

2. POLICY:

In compliance of the above requirement, SBI Global Factors Ltd as a listed Company has established vigil mechanism and formulated policy in order to provide a framework for responsible and secure whistle blowing/ Vigil mechanism.

3. OBJECTIVE:

The Vigil (Whistle Blower) Mechanism is to ensure highest ethical, moral and business standards in the course of functioning and to build a lasting and strong culture of Corporate Governance within the Company. In terms of Policy, an internal mechanism is established for Directors and employees to report to the management, concerns about unethical behavior, actual or suspected fraud or violation of Company's code of conduct. The policy is intended to encourage all Directors and employees of the Company to report suspected or actual occurrence of illegal, unethical or inappropriate actions, behaviors or practices by Directors/employees without fear of retribution. The Directors/employees can voice their concerns on irregularities, malpractices and other misdemeanors through this Policy.

It also provides necessary safeguards and protection to the Directors/employees who disclose the instances of unethical practices/ behavior observed in the Company. The mechanism also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

This Policy should be read in conjunction with the instructions already prevailing in the Company and the instructions under section 177 of the Companies Act, 2013

4. DEFINITIONS:

The definitions of some of the key terms used in this policy are given below:

4.1 “Whistle Blower” – The Directors/employees of the Company making the disclosure under this policy. The Whistle Blower’s role is that of a reporting party. Whistleblowers are not investigators or finders of the facts; neither can they determine the appropriate corrective or remedial action that may be warranted.

4.2 “Vigilance Officer/ Ombudsperson” is a person including a fulltime senior Employee, well respected for his/her integrity, independence and fairness. He/she would be authorised by the Board of the Company for the purpose of receiving all protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the result thereof.

The name of the Vigilance Officer / Ombudsperson will be circulated to the Directors/ Deputed and Direct employees of the Company.

4.3 “Directors/ Employees’ – all Directors and Direct / Deputed Employees of the Company.

“Protected Disclosure” means a written communication, whether by letter/ email/ or over telephone relating to unethical practice or behavior or violation of code of conduct by employees/ Directors made in good faith by the Whistle Blower.

4.4 “Reviewing Authority” – EVP – CFO & COO, at corporate office will be Reviewing Authority who is also designated as Chief Vigilance Officer of the Company.

4.5 “Investigators” – Committee formed to do the investigation. The Committee will be of following officials at corporate office:

- EVP & CCO
- EVP & CFO
- Company Secretary & Chief Compliance officer (Ombudsperson)

4.6 “Audit Committee” – constituted under section 177 of the Companies Act 2013.

4.7 “Subject” means a person or group of persons against or in relation to whom a Protected Disclosure is made or evidence gathered during the course of an investigation.

5. COVERAGE:

All Directors/ employees of the Company are covered under this policy. The policy covers malpractices and events which have taken place/ suspected to have taken place in the Company involving:

- Corruption
- Frauds
- Misuse/ abuse of official position
- Breach of IT Security/ Manipulation of data/documents
- Breach of any law, statute or regulation
- Breach of any law, statute or regulation
- Any act which includes unethical conduct which affects the interest of the Company adversely and has potential to cause financial or reputational loss to the Company.

6. EXCLUSIONS:

Decisions taken by the committees established by the Company and the policy decisions of the Company shall be outside the purview of this policy.

7. REPORTING MECHANISM/ COMPLAINANT (WHISTLEBLOWER):

Any Director/ employee willing to disclose information may do so in any of the following manner:

- In writing, duly addressed to the Ombudsperson in sealed envelope specifically super scribed as “Disclosure under Whistle Blower Scheme”.
- Suitable proof of his/her identity/ contact numbers/ address so that additional information, if any, can be obtained. In case identity cannot

be ensured, the complaints will be treated as anonymous/ pseudonymous complaints, and may not attract further action.

- iii. Complaints can also be sent to the Ombudsperson from the official e-mail ID of the Director/ employee. The contact details/ address of the Director/employee should however be provided. In case of absence/ incorrectness of the same, the complaints will be treated as anonymous/ pseudonymous complaints and may not attract further action.
- iv. Disclosure can also be made to Ombudsperson over Telephone. The Whistle Blower would however, be required to disclose his/her identity and furnish sufficient information for verifying his/her identity by the Ombudsperson. Additional information, as deemed necessary, will be sought by the Ombudsperson receiving the call.
- v. The disclosure whether by letter/email/telephone should provide specific and verifiable information in respect of the "Subject – Corporate office/ Branch/ Director/ Employee."
- vi. The details in the complaint should be specific and verifiable.
- vii. Email ID:

Any Director/ employee willing to disclose information may also write an e-mail to: Whistleblower@sbiglobal.in

8. FOR SENIOR MANAGEMENT / DIRECTORS:

The Senior Management/Directors may also raise concern directly to the Chairman of Audit Committee of the Board.

9. CONFIDENTIALITY MECHANISM OF WHISTLE BLOWER:

The complaints received under Whistle Blower will be opened by the Ombudsperson only. Upon the receipt of the complaint, the Ombudsperson will enter the particulars of the complaint in a Complaint Register and allot a complaint number on the all pages of the complaint. The complaint Register will remain in the custody of the Ombudsperson only.

10. PROTECTION TO WHISTLE BLOWER:

The Company will protect the confidentiality of the complainants and their names/ identity will not be disclosed except as statutorily required under law.

- i. No adverse penal action shall be taken or recommended against an employee in retaliation to his/her disclosure in good faith of any unethical and improper practices or alleged wrongful conduct. It will be ensured that the Whistle Blower is not victimized for making the disclosure.
- ii. In case of victimization in such cases, serious view will be taken including departmental action on such persons victimizing the Whistle Blower.
- iii. Identity of the Whistle Blower will not be disclosed by the Ombudsperson except to the investigators.
- iv. If any person is aggrieved by any action on the ground that he/she is being victimized due to the fact that he had filed a complaint or disclosure, he/ she may file an application before the Reviewing Authority.
- v. To protect the interest of the Whistle Blower for any adverse reporting in Annual Appraisal/ Performance report, he/ she may be given an option to request for a review of his/her Annual Report by the next higher Authority within 3 months of the end of relevant year.

11. DISQUALIFICATION FROM PROTECTION:

- i. Protection under the scheme would not mean protection from departmental action arising out of false or bogus disclosure made with malafide intention or complaints made to settle personal grievance.
- ii. Whistle Blowers, who make any disclosures, which have been subsequently found to be malafide or frivolous or malicious shall be liable to be prosecuted and appropriate disciplinary action will be taken against them under service rules/ bipartite settlements only when it is established that the complaint has been made with the intention of malice.
- iii. This policy does not protect a Director/ employee from an adverse action which occurs independent of his disclosure under this policy or for alleged wrongful conduct, poor job performance or any other disciplinary action, etc. unrelated to a disclosure made pursuant to this policy.

12. MECHANISM FOR ACTION/ REPORTING ON SUCH DISCLOSURES

- i. The Ombudsperson shall, on receipt of the complaint, arrange to verify the identity of the whistle Blower.

- ii. Proper record will be kept of all disclosures received. The action against each disclosure will be also noted and put up to the Reviewing Authority within 07 days from the receipt of complaint.
- iii. Only on being satisfied that the disclosure has verifiable information, necessary enquiry/ investigation will be done with regard to the complaint with assistance of the Committee at Corporate office. Ombudsperson will also have the authority to seek the assistance / support from other departments. The process will be completed within 30 days of receipt of the complaint.
- iv. Any inquiry/ investigation conducted against any subject shall not be construed by itself as an act of accusation and shall be carried out as neutral fact finding process, without presumption of any guilt.
- v. The inquiry/ investigation shall be conducted in a fair manner and provide adequate opportunity for hearing to the affected party and a written report of the findings should be prepared for submission.
- vi. A time frame of maximum 30 days will be permitted to complete the investigation / enquiry. In case the same cannot be completed within stipulated period, interim report should be submitted by the Investigators giving *inter alia*, the tentative date of completion.
- vii. In case the disclosure made does not have any specific & verifiable information, the Ombudsperson will be authorized not to take any action. This would be suitably recorded and placed before the Reviewing Authority.
- viii. In case the allegations made in the disclosure are substantiated, appropriate departmental action will be taken against the employee concerned on whose part lapses are observed.
- ix. The action taken against the subject/ Director/ employee as stated in the above paragraph will be in addition to any other action or prosecution which may be initiated against said subject/ Director/ employee under any statute or law in force.

13. REVIEW OF STATUS REPORT:

Functioning of the scheme will be reviewed by the Reviewing Authority on quarterly basis and status Report (including NIL report)

will be put up by the Ombudsperson to the Audit Committee of the Directors of the Company.

14. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE:

The Whistle Blower shall have right to access Chairman of the Audit Committee directly in exceptional cases and the Chairman of the Audit Committee is authorized to prescribe suitable directions in this regard.

15. IMPLEMENTATION OF THE POLICY:

A copy of the policy shall be uploaded on the website of the Company. The Ombudsperson will ensure that the policy is known to all Directors and employees of the Company.

Vigil Mechanism/ Whistle Blower Policy will be subject to review every year by Audit Committee and the Board.
