

WHISTLE BLOWER POLICY

SBI CAPITAL MARKETS LIMITED

2020

Prepared by	Reviewed/Recommended by	Approved by
C&RM Department	MANCO	Board of Directors on April 27, 2020

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WHISTLE BLOWER POLICY

1. Preface:

SBI Capital Markets Limited (“**SBICAP**” / “**Company**”) believes in conducting its affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity and moral behavior. Towards this end, the Company has laid down various Policies, Manuals and Codes, including the Employee Code of Conduct provided in the Employee Handbook, which govern the principles and the actions of the employees of our Company.

2. Objective:

The Code (defined hereinafter) aims at safeguarding the values and principles that the Company upholds. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and the Company believes in taking preventive or corrective action in time. The role of the employees in pointing out the violations of the Code cannot be undermined. One of the methods of creating a safe and sound reporting environment for reporting concerns about unethical behavior, actual or suspected fraud or violation of the Code or any of its ethics is through the Whistle Blower Policy. Accordingly, the Whistle Blower Policy (“**the Policy**”) for the Company is being laid down with a view to provide a formal mechanism to all the employees of the Company to approach the Senior Management of the Company; the Audit Committee in case the Senior Management is involved with regard to the matters specified hereinafter.

3. Definitions:

The definitions of some of the key terms used in this Policy are given below.

- 3.1 “**Audit Committee**” means the Audit Committee of the Board of Directors of the Company.
- 3.2 “**Employee**” means every employee of the Company and shall also include:
 - a. Employees on deputation or contract,
 - b. Employees whether working in India or abroad,

- c. the Directors of the Company.
- 3.3 **“Code”** collectively refers to all the approved Policies, Manuals and Codes of the Company, including the Employee Code of Conduct provided in the Employee Handbook.
- 3.4 **“Good Faith”**: An Employee shall be deemed to be communicating in good faith if there is a reasonable basis for communication of unethical and improper practices or any other alleged wrongful conduct. Good Faith shall be deemed lacking when the Employee does not have personal knowledge on a factual basis for the communication or where the Employee knew or reasonably should have known that the communication about the unethical and improper practices or alleged wrongful conduct is malicious, false or frivolous.
- 3.5 **“Investigators”** mean those persons authorized, appointed, consulted or approached by the Senior Management / Audit Committee of the Company.
- 3.6 **“Protected Disclosure”** means any Good Faith communication that discloses or demonstrates an intention to disclose information that may evidence unethical or improper activity.
- 3.7 **“Senior Management”** means the Managing Director & Chief Executive Officer, President & Chief Operating Officer and the Chief Financial Officer of the Company.
- 3.8 **“Subject”** means a person against whom a Protected Disclosure made or evidence gathered during the course of an investigation.
- 3.9 **“Whistle Blower”** means an Employee making a Protected Disclosure under this Policy.

4. Scope:

- 4.1 The Policy intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company.
- 4.2 The Whistle Blower’s role is as a reporting party. They are neither investigators nor finders of facts. They are not also supposed to

determine the appropriate corrective or remedial action that may be warranted. Whistle Blowers provide initial information related to a reasonable belief that an improper or unethical practice has occurred.

4.3 Whistle Blowers are not to act on their own in conducting any investigative activities, nor do they have a right to participate in any investigative activities other than as requested by the Senior Management or the Audit Committee or the Investigators.

4.4 Protected Disclosure will be appropriately dealt by the Senior Management and / or the Audit Committee.

4.5 Apart from the violation, breach or failure of implementation of the Code, the malpractices and events which may take place/ suspected to take place and may be reported:

- Abuse of authority
- Breach of contract
- Negligence causing substantial and specific danger to public health and safety
- Manipulation of company data/records
- Financial irregularities, including fraud or suspected fraud or Deficiencies in Internal Control and check or deliberate error in preparations of Financial Statements or misrepresentation of financial reports
- Any unlawful act whether Criminal/ Civil
- Proliferation of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/misappropriation of company funds/assets
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4.6 Policy should not be used to route for raising malicious or unfounded allegations against colleagues.

5. Eligibility:

All Employees of the Company are eligible to make use of the Policy for making Protected Disclosures and would accordingly have a right to protection as defined in the Policy.

6. Disqualifications:

While it will be ensured that genuine Whistle Blowers have been accorded complete immunity from any kind of unfair treatment as herein, any abuse of this protection is strictly prohibited. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations lodged by a Whistle Blower knowing it to be false or bogus or with *mala fide* intention. Whistle Blowers, who make three or more Protected Disclosures, which have been subsequently found to be *malafide*, frivolous, baseless, malicious, or reported otherwise in Good Faith, will be disqualified to report further Protected Disclosures under this Policy.

7. Procedure:

- 7.1 Protected Disclosures should be addressed to the Chief Executive Officer of the Company
- 7.2 Notwithstanding anything contained in clause 7.1 above, Protected Disclosures alleging the involvement of Senior Management in the occurrence of an improper or unethical practice may be addressed to the Chairman or any other member of the Audit Committee of the Company. The contact details of the Audit Committee members are enclosed as Annexure I. Any change in members of Audit Committee shall be updated by from time to time in this policy with prior intimation to the President & Chief Operating Officer (P&COO).
- 7.3 Protected Disclosures should preferably be reported in writing, as soon as possible, so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in Hindi, English or in the regional language of the place of employment of the Whistle Blower.
- 7.4 Protected Disclosures should be factual rather than speculative or conclusory and should contain as much specific information as possible to allow for proper assessment of the nature, extent and urgency of preliminary investigative procedure.
- 7.5 The Whistle Blower must disclose his / her identity while reporting the Protected Disclosure. Anonymous Protected Disclosures will not be entertained either by the Senior Management or the Audit Committee as it would not be possible for them to interview the anonymous Whistle Blowers.

- 7.6 Whistle Blower should ensure the confidentiality while making the Protected Disclosure to the appropriate authority, and should not discuss about the same with anyone.

8. Investigation:

- 8.1 All Protected Disclosures reported under this Policy will be thoroughly investigated by the Senior Management / Audit Committee. The Senior Management / Audit Committee may at its discretion, consider the involvement of any Investigators for the purpose of investigation.
- 8.2 The decision to conduct an investigation is not an accusation and is to be treated as a neutral fact finding process. The outcome of the investigation may or may not support a conclusion that an improper or unethical act was committed and, if so, by whom.
- 8.3 The identity of a Subject will be maintained in confidence to the extent possible given the legitimate needs of law and the investigation.
- 8.4 Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for input during the investigation.
- 8.5 Subjects have a duty to co-operate with the Senior Management / Audit Committee or any of the Investigators during investigation to the extent that their co-operation will not compromise self-incrimination protections available under the applicable laws.
- 8.6 Subjects have a right to consult with a person or persons of their choice, save and except the Investigators and / or members of the Audit Committee and / or the Whistle Blower. This may involve representation, including legal representation.
- 8.7 Subjects have a responsibility not to interfere with the investigation and to adhere to admonitions from the Investigators in this regard. Evidence shall not be withheld, destroyed or tampered with and witnesses shall not be influenced, coached, threatened or intimidated.

- 8.8 Unless there are compelling reasons to the contrary, Subjects will be given the opportunity to respond to material points of evidence contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered sustained unless at a minimum, a preponderance of the evidence supports the allegation.
- 8.9 Subjects have a right to be informed of the outcome of the investigation. If allegations are not sustained, the Subject should be consulted as to whether public disclosure of the investigation results would be in the best interest of the Company and the Subject.
- 8.10 The investigation shall be completed within 45 days of the receipt of the Protected Disclosures.

9. Retention of Documents

All Protected Disclosures in writing or documented along with the results of investigation relating thereto shall be retained by the Company for a minimum period of 7 years.

10. Protection:

- 10.1 No unfair treatment will be meted out to a Whistle Blower by virtue of his / her having reported a Protected Disclosure under this Policy. The Company condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers. Complete protection will be given to Whistle Blowers against any unfair practice. The Company will take steps to minimize any difficulties, which the Whistle Blower may experience as a result of making the Protected Disclosure. Thus, if the Whistle Blower is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Whistle Blower to receive advice about the procedure, etc.
- 10.2 The identity of the Whistle Blower shall be kept confidential within the legitimate needs of law and the investigation. Whistle Blower should be cautioned that their identity may become known for reasons outside the control of the management / Audit Committee (e.g. during investigations carried out by any Investigators).

- 10.3 The Whistle Blower shall be protected from any retaliation, threat or intimidation of termination, suspension, disciplinary action, transfer, demotion, refusal to promote, or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to make a Protected Disclosure.
- 10.4 Any other employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

11. Investigators:

- 11.1 Investigators are required to conduct fact finding and analysis related to cases of alleged improper or unethical activities. Investigators derive their authority and access rights from the Senior Management / Audit Committee when acting within the course and scope and Subjects should be assured that the Investigators have competency in the area under investigation.
- 11.2 Technical and other resources may be drawn upon as necessary to augment the investigation. All Investigators shall be independent and unbiased both in fact and appearance. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- 11.3 Investigations will be launched only after preliminary consideration establishes that:
 - i. the allegation, if true, constitutes an improper or unethical activity, and
 - ii. the allegation is accompanied by information specific enough to be investigated,
- 11.4 Matters that do not meet the criteria of Clause no 11.3 may be worthy of management review, but should not be undertaken as an investigation of an improper or unethical activity.

12. Decision:

If an investigation leads the Senior Management / Audit Committee to conclude that an improper or unethical act has probably been committed, the Senior Management / Audit Committee shall take such disciplinary or corrective action as it deems fit.

13. Reporting:

The report regarding total number of Protected Disclosures received in previous year, if any, along with nature of complaint, outcome of investigation, actions recommended by the Audit Committee and implementation of the same shall be placed before the Audit Committee. The report on above shall be reviewed and recorded by the Audit Committee.

Annexure - I

Audit Committee of the Board of SBI Capital Markets Limited

Sr. No.	Name & Designation	Address
1	Shri Narayan K. Seshadri, Independent Director - Chairman	Halcyon Resources & Management Pvt.Ltd Hoechst House, Ground Floor, Nariman Point Mumbai 400 021
2	Smt. Aruna Jayanthi, Independent Director	Capgemini India Pvt. Ltd. Mumbai 6 Office, 6 th floor, Plant - 2, "A" Wing, Godrej IT Park, Godrej & Boyce Compound, LBS Marg, Vikhroli (West), Mumbai 400 079
3	Dr. Dharmendra Bhandari, Independent Director	Flat No. 203, Lodha Grandeur Sayani Road, Opp. Parel ST Depot. Prabhadevi Mumbai 400 025
	Shri Dinesh Kumar Khara, Director	Managing Director (Risk, IT & Subsidiaries) State Bank of India Corporate Centre Mumbai 400021

* Any change in members of Audit Committee shall be updated by from time to time in this policy with prior intimation to the President & Chief Operating Officer (P&COO).