

WHISTLE BLOWER POLICY (VIGIL MECHANISM)

PREFACE:

As a conscious and vigilant organization, Company believes in the conduct of the affairs of its constituents in a fair and transparent manner, by adopting the highest standards of professionalism, honesty, integrity and ethical behavior. In its endeavor to provide its employee a secure and a fearless working environment. This Whistle Blower Policy (“the Policy”) is formulated to provide a framework to promote responsible and secure whistle blowing within the Organization. It provides guidance and a procedural framework to directors, employees, customers, vendors and/or third-party intermediaries wishing to raise a concern about irregularities and/or frauds and any other wrongful conduct within the Company without fear of reprisal, discrimination or adverse employment consequences and to create the awareness amongst employees to report instance of leak of unpublished price sensitive information.

1. DEFINITIONS:

- a) “Alleged wrongful conduct” shall mean violation of law, Infringement of Company’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- b) “Unethical & improper practices” shall mean:
 - An act, which does not confirm to approved standard of social and professional behavior;
 - An act, which leads to unethical business practices;
 - Improper refers to unethical conduct;
 - Breach of etiquette or morally offensive behavior, etc.
- c) “Audit Committee” means a Committee constituted under section 177 of the Companies Act, 2013 read Companies (Meeting of Board and its Power) Rules, 2014 by the Board of Directors of the Company “Board” means the Board of Directors of the Company.
- d) “Company” means Corporate Merchant Bankers Limited and includes all its offices.
- e) “Employee” means every employee of the Company & including Directors in the employment of the Company.
- f) “Nodal Officer” means an officer of the Company nominated by the Audit Committee to receive protected disclosures from whistleblowers, maintaining records thereof, placing the same before the Audit Committee for its disposal and informing the whistle blower the result thereof, In case if any person has not been appointed by the Audit Committee, chairperson of the audit committee shall act as nodal officer.
- g) “Code” means Code of Conduct for Directors and Senior Management Personnel as defined in “the Code”
- h) “Compliance Officer” means “Company Secretary” of the Company.
- i) “Vigilance Officer” means “Company Secretary/ Compliance Officer” of the Company.
- j) “Protected Disclosure” means a concern raised by an employee or group of employees of the Company, through a written communication and made in good faith which

discloses or demonstrates information about an unethical or improper activity under the title "Scope of the Policy" with respect to the Company. However, the Protected Disclosures should be factual and not speculative or in the nature of an interpretation / conclusion and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.

- k) "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.
- l) "Whistle Blower" is a Director or employee or group of employee who makes a Protected Disclosure under this Policy and also referred in this policy as complainant.
- m) "Investigators" mean those persons authorized, appointed, consulted or approached by the Chairman of the Audit Committee and include the auditors of the Company and the policy.

2. POLICY, OBJECTIVES & SCOPE:

a) Policy: In compliance of the above requirements, Company, being a Listed Company has established a Vigil Mechanism Policy (Whistle Blower) for Directors and Employees of the Company to approach the Chairman of the Audit Committee of the Company. This Policy is for the Directors and permanent employees of the Company to report genuine concerns about unethical behavior, actual or suspected fraud or violation of the Company's code of conduct or ethics policy. Policy should not be used in place of the Company grievance procedures or be a route for raising malicious or unfounded allegations against colleagues.

b) Objectives: The Company is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Company encourages its employees who have concerns about suspected misconduct to come forward and express these concerns without fear of punishment or unfair treatment. A Vigil (Whistle Blower) Mechanism provides a channel to the employees and Directors to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of conduct or policy. The mechanism provides for adequate safeguards against victimization of employees and Directors to avail of the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. This Policy intends to cover serious concerns that could have grave impact on the operations & performance of the business of the Company & malpractices and events which have taken place/suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of Company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees. The policy neither releases employees from their duty of confidentiality in the course of their work, nor is it a route for taking up a grievance about a personal situation.

c) Scope: The Policy is an extension of the Code of Conduct for Directors & Senior Management Personnel and covers disclosure of any unethical and improper or malpractices and events which have taken place/ suspected to take place involving:

- Breach of the Company's Code of Conduct.
- Breach of Business Integrity and Ethics.
- Breach of terms and conditions of employment and rules thereof.
- Intentional Financial irregularities, including fraud, or suspected fraud.
- Deliberate violation of laws/regulations.
- Gross or Willful Negligence causing substantial and specific danger to health, safety and environment.
- Manipulation of company data/records.
- Perforation of confidential/proprietary information.
- Gross Wastage/misappropriation of Company funds/assets. Whistleblowers should not 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 Chairman of the Audit Committee or the Investigators. Protected Disclosure will be appropriately dealt with by the Chairman of the Audit Committee.

3. Eligibility:

All Directors and Employees of the Company are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

4. Receipt and Disposal of Protected Disclosures:

- a) All Protected Disclosures should be reported in writing by the complainant as soon as possible after the Whistle Blower becomes aware of the same so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English.
- b) The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower or Vigil Mechanism policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower or Vigil Mechanism policy".
- c) If the complaint is not as mentioned above, it will not be possible for the Audit Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure. In order to protect identity of the complainant, the Compliance Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name/address on the envelope nor enter into any further correspondence with the Compliance Officer.
- d) The Protected Disclosure should be forwarded under a covering letter signed by the complainant.
- e) All Protected Disclosures should be addressed to the Compliance Officer of the Company or to the Chairman of the Audit Committee in exceptional cases.

- f) Protected Disclosure against the Compliance Officer should be addressed to the Chairman of the Company and the Protected Disclosure against the Chairman of the Company should be addressed to the Chairman of the Audit Committee.

5. Action on Receipt & Disposal of Protected Disclosures:

On receipt of the protected disclosure the Compliance Officer/Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also ascertain from the complainant whether he was the person who made the protected disclosure or not. He shall also carry out initial investigation either himself or by involving any other Officer of the Company or an outside independent agency before referring the matter to the Audit Committee of the Company for further appropriate investigation and needful action. The record will include:

Brief facts:

Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof;

- Details of actions taken by Compliance Officer for processing the complaint
- Findings of the Audit Committee
- The recommendations of the Audit Committee/other action(s)
- The Audit Committee, if deems fit, may call for further information or particulars from the complainant.

6. Investigation:

- a) All protected disclosures under this policy will be recorded and thoroughly investigated. The Audit Committee may investigate and may at its discretion consider involving any other Officer of the Company and/ or an outside agency for the purpose of investigation.
- b) Subject(s) will normally be informed in writing of the allegations at the outset of a formal investigation and have opportunities for providing their inputs during the investigation.
- c) Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard. Subject(s) have a right to consult with a person or persons of their choice, other than the Compliance Officer / Investigators and/or members of the Audit Committee and/or the Whistle Blower.
- d) Subject(s) have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with and witness shall not be influenced, coached, threatened or intimidated by the subject(s).
- e) Unless there are compelling reasons not to do so, subject(s) will be given the opportunity to respond to material findings contained in the investigation report. No allegation of wrong doing against a subject(s) shall be considered as maintainable unless there is good evidence in support of the allegation.
- f) Subject(s) have a right to be informed of the outcome of the investigations. 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 Subject and the Company.

- g) The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Audit Committee deems fit.

7. Decision:

a) If an investigation leads the Compliance Officer / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Compliance Officer /Chairman of the Audit Committee shall recommend to the management of the Company to take such disciplinary or corrective action as he may deem fit.

b) In case the Subject is the Chairman of the Company, the Chairman of the Audit Committee after examining the Protected Disclosure shall forward the protected disclosure to other members of the Audit Committee if deemed fit. The Audit Committee shall appropriately and expeditiously investigate the Protected Disclosure.

c) If the report of investigation is not to the satisfaction of the complainant, the complainant has the right to report the event to the appropriate legal or investigating agency. A complainant who makes false allegations of unethical improper practices or about alleged wrongful conduct of the subject to the Compliance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.

8. Reporting:

The Compliance officer shall submit a report to the Chairman of the Audit Committee on a regular basis about all Protected Disclosures referred to him/her since the last report together with the results of investigations, if any.

9. Secrecy / Confidentiality:

The complainant, Compliance Officer, Members of Audit Committee, the Subject and everybody involved in the process shall:

- Maintain confidentiality of all matters under this Policy.
- Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
- Not keep the papers unattended anywhere at any time.
- Keep the electronic mails / files under password.

10. Protection:

a) 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, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.

b) Complete protection will, therefore, be given to Whistle Blowers against any unfair practice like retaliation, threat or intimidation of termination / suspension of service, disciplinary action, transfer, demotion, refusal of promotion or the like including any direct or indirect use of authority to obstruct the Whistle Blower's right to continue to perform his duties /functions including making further Protected Disclosure. The company will take steps to minimize 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.

c) A Whistle Blower may report any violation of the above clause to the Chairman of the Audit Committee, who shall investigate into the same and recommend suitable action to the management.

d) The identity of the Whistle Blower shall be kept confidential to the extent possible and permitted under law. The identity of the complainant will not be revealed unless he himself has made either his details public or disclosed his identity to any other office or authority. In the event of the identity of the complainant being disclosed, the Audit Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy.

e) Provided however that the complainant before making a complaint has reasonable belief that an issue exists and he has acted in good faith. Any complaint not made in good faith as assessed as such by the Audit Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules/certified standing orders of the Company. This policy does not protect an employee from an adverse action taken independent of his disclosure of unethical and improper practice etc. unrelated to a disclosure made pursuant to this policy.

11. 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.

12. Administration and Review of the Policy:

The Audit Committee's Chairman shall be responsible for the administration, interpretation, application and review of this policy.

13. Disclosure in Annual Report:

The details of establishment of Whistle Blower Mechanism/Vigil Mechanism shall be disclosed by the Company in its Annual Report under the "Directors Report".

14. Annual Affirmation:

The Company shall annually affirm that it has not denied access by any Director or Employee to the Audit Committee and that it has provided protection to whistle blower from adverse personnel action.

15. Disqualifications:

While it will be ensured that genuine Whistle Blowers are accorded complete protection from any kind of unfair treatment as herein set out, any abuse of this protection will warrant disciplinary action. Protection under this Policy would not mean protection from disciplinary action arising out of false or bogus allegations made by a Whistle Blower knowing it to be false or bogus or with a mala fide intention. Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious, shall be liable to be prosecuted.

16. Amendment of the Policy:

The Company reserves its right to amend or modify this Policy in whole or in part, at any time without assigning any reason whatsoever. However, no such amendment or modification will be binding on the Directors and employees unless the same is not communicated in the manner described as above. The Amendment shall be done through resolution by the board of directors of the company and shall have effect from the date of such resolution or from such date as may be mentioned in the resolution.