

## **VIGIL MECHANISM (WHISTLE BLOWER POLICY) OF Future Financial Services Limited**

### **1. PREAMBLE**

- 1.1. Section 177 of the Companies Act, 2013 requires establishing a vigil mechanism for the directors and employees to report genuine concerns in such manner as may be prescribed.
- 1.2. The Company has adopted a Code of Conduct for Directors and Employees which lays down the principles and standards that should govern their actions. Any actual or potential violation of the Code, howsoever insignificant or perceived as such, is a matter of serious concern for the Company and should be brought to the attention of the concerned.
- 1.3. A vigil mechanism shall provide for adequate safeguards against victimization of persons who can also use such mechanism for reporting genuine concerns including above. It also makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases.

### **2. POLICY**

- 2.1. In compliance of the above requirements, FFSL has established a Vigil (Whistle Blower) Mechanism and formulated a Policy in order to provide a framework for responsible and secure whistle blowing/vigil mechanism.

### **3. DEFINITIONS**

- 3.1. "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.
- 3.2. "Audit Committee" means a Committee constituted by the Board of Directors of the Company in accordance with guidelines of Companies Act, 2013.
- 3.3. "Board" means the Board of Directors of the Company.
- 3.4. "Code" means Code of Conduct for Directors, Executives and employees adopted by FFSL.
- 3.5. "Employee" means all the present employees and whole time Directors of the Company (Whether working in India or abroad).
- 3.6. "Protected Disclosure" means a concern raised by an employee or group of employees of the Company, through an oral or written communication and made in good faith which discloses or demonstrates information about an unethical or

improper activity under the title "SCOPE" with respect to the Company. It 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.

- 3.7. "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.
- 3.8. "Vigilance and Ethics Officer" means an officer appointed to receive protected disclosures from whistle blowers, maintaining records thereof, placing the same before the Vigilance Committee for its disposal and informing the Whistle Blower the result thereof.
- 3.9. "Whistle Blower" is an employee or group of employees who make a Protected Disclosure under this Policy and also referred in this policy as complainant.

#### **4. POLICY OBJECTIVES**

- 4.1. The Company is committed to developing a culture where it is safe for all employees to raise concerns about any poor or unacceptable practice and any event of misconduct.
- 4.2. 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.
- 4.3. 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 Vigilance Committee/Managing Director/ Chairman of the Audit Committee in exceptional cases.
- 4.4. This neither releases employees from their duty of confidentiality in the course of their work nor can it be used as a route for raising malicious or unfounded allegations about a personal situation.

#### **5. GUIDING PRINCIPLES**

- 5.1. To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company will:
  - a. Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized for doing so;

- b. Treat victimization as a serious matter including initiating disciplinary action on such person/(s);
- c. Ensure complete confidentiality.
- d. Not attempt to conceal evidence of the Protected Disclosure;
- e. Take disciplinary action, if any one destroys or conceals evidence of the Protected Disclosure made/to be made;
- f. Provide an opportunity of being heard to the persons involved especially to the Subject;

## **6. SCOPE**

6.1. The Policy covers malpractices and events which have taken place/ suspected to take place involving:

- a. Abuse of authority
- b. Breach of contract
- c. Negligence causing substantial and specific danger to public health and safety
- d. Manipulation of company data/records
- e. Financial irregularities, including fraud, or suspected fraud
- f. Criminal offence
- g. Pilfering of confidential/propriety information
- h. Deliberate violation of law/regulation
- i. Wastage/misappropriation of company funds/assets
- j. Breach of employee Code of Conduct or Rules

6.2. The Policy is a channel to reinforce a robust implementation of the Company's Code.

6.3. Through this Policy, the Company seeks to provide a procedure for all the employees of the Company to disclose any unethical and improper practice taking place in the Company for appropriate action and reporting.

## **7. DISQUALIFICATIONS**

7.1. 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.

7.2. 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.

- 7.3. 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 under Company's Code of Conduct.

## **8. ELIGIBILITY**

- 8.1. All Employees of the Company including directors are eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.

## **9. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES**

- 9.1. All Protected Disclosures should be reported orally or 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 in case of a written complaint, it should either be typed or written in a legible handwriting in English or any Indian official language of choice of the complainant.
- 9.2. The Protected Disclosure made in writing should be submitted in a closed and secured envelope and should be super scribed as "Protected disclosure under the Whistle Blower policy". Alternatively, the same can also be sent through email with the subject "Protected disclosure under the Whistle Blower policy". In case of oral complaint, a follow-up written complaint must be submitted vide letter/e-mail.
- 9.3. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Vigilance Committee to protect the complainant and the protected disclosure will be dealt with as if a normal disclosure.
- 9.4. In order to protect identity of the complainant, the Vigilance and Ethics Officer will not issue any acknowledgement to the complainants and they are advised neither to write their name / address on the envelope, nor to enter into any further correspondence with the Vigilance and Ethics Officer.
- 9.5. The Vigilance and Ethics Officer shall assure that in case any further clarification is required he will get in touch with the complainant.
- 9.6. Anonymous / Pseudonymous disclosure shall not be entertained by the Vigilance and Ethics Officer.
- 9.7. The Protected Disclosure should be forwarded under a covering letter signed by the complainant.
- 9.8. The Vigilance and Ethics Officer / Vigilance Committee / Managing Director / Chairman of the Audit Committee/ as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.
- 9.9. All Protected Disclosures should be addressed to the Vigilance and Ethics Officer of the Company or to Vigilance Committee or to the Managing Director or to the Chairman of the Audit Committee in exceptional cases.

- 9.10. The contact details of the Vigilance and Ethics Officer are as under:-  
**Sambanda Murthy | Head – Internal Audit**  
Future Financial Services Ltd  
3<sup>rd</sup> Floor, GRA Towers, Ambalipura Road, Off Sarjapur Road, Bangalore 560037  
Contact No: +91 9535710595 | Email: [sambandamurthy@ifapl.com](mailto:sambandamurthy@ifapl.com)
- 9.11. The Vigilance Committee shall comprise the following members:-
- a. Chief Operating Officer
  - b. Chief Financial Officer
  - c. Chief Risk Officer
  - d. Chief People Officer
- 9.12. Protected Disclosure against the Vigilance and Ethics Officer should be addressed to the Vigilance Committee or the Managing Director of the Company and the Protected Disclosure against a member of the Vigilance Committee or the Managing Director of the Company should be addressed to the Chairman of the Audit Committee.
- 9.13. On receipt of the protected disclosure the Vigilance and Ethics Officer, 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 agency before referring the matter to the Vigilance Committee of the Company for further appropriate investigation and needful action. The record will include:
- a. Brief facts
  - b. Whether the same Protected Disclosure was raised previously on the same subject
  - c. Whether the same Protected Disclosure was raised previously by anyone, and if so, the outcome thereof
  - d. Details of actions taken by Vigilance and Ethics Officer for processing the complaint
  - e. Findings of the Vigilance Committee
  - f. The recommendations of the Vigilance Committee/ other action(s).
  - g. The Vigilance Committee, if deems fit, may call for further information or particulars from the complainant.

## **10. INVESTIGATION**

- 10.1. All Protected Disclosures under this policy will be recorded and thoroughly investigated. The Vigilance 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.
- 10.2. The decision to conduct an investigation is by itself not an accusation and is to be

treated as a neutral fact finding process.

- 10.3. 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.
- 10.4. Subject(s) shall have a duty to co-operate with the Vigilance Committee or any of the Officers appointed by it in this regard.
- 10.5. Subject(s) have a right to consult with a person or persons of their choice, other than the Vigilance and Ethics Officer / Investigators and/or members of the Vigilance Committee and/or the Whistle Blower.
- 10.6. 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).
- 10.7. 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.
- 10.8. 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.
- 10.9. The investigation shall be completed normally within 90 days of the receipt of the protected disclosure and is extendable by such period as the Vigilance Committee deems fit.
- 10.10. Any member of the Vigilance Committee or other officer having any conflict of interest with the matter shall disclose his/her concern /interest forthwith and shall not deal with the matter.

## **11. DECISION AND REPORTING**

- 11.1. If an investigation leads the Vigilance and Ethics Officer / Vigilance Committee/ Managing Director / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Vigilance and Ethics Officer / Vigilance Committee/ Managing Director / Chairman of the Audit Committee shall recommend to the Company's Disciplinary Committee to take such disciplinary or corrective action as he may deem fit.
- 11.2. It is clarified that any disciplinary or corrective action initiated against the Subject as a result of the findings of an investigation pursuant to this Policy shall adhere to the applicable personnel or staff conduct and disciplinary procedures.
- 11.3. The Vigilance and Ethics Officer shall submit a report to the Chairman of the Audit Committee, through the Vigilance 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.

- 11.4. In case the Subject is the Managing Director 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.
- 11.5. 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.
- 11.6. A complainant who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the Subject to the Vigilance and Ethics Officer or the Vigilance Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Company.
- 11.7. A quarterly report with number of complaints received under the Policy and their outcome shall be placed before the Audit Committee and the Board.

## **12. SECRECY / CONFIDENTIALITY**

- 12.1. The complainant, Vigilance and Ethics Officer, Members of Vigilance Committee, the Subject and everybody involved in the process shall:
  - 12.1.1. Maintain confidentiality of all matters under this Policy
  - 12.1.2. Discuss only to the extent or with those persons as required under this policy for completing the process of investigations.
  - 12.1.3. Not keep the papers unattended anywhere at any time
  - 12.1.4. Keep the electronic mails / files under password.

## **13. CONFIDENTIALITY & PROTECTION**

- 13.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/ her having reported a Protected Disclosure under this policy.
- 13.2. The company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against Whistle Blowers.
- 13.3. 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.
- 13.4. 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.

- 13.5. 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.
- 13.6. 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.
- 13.7. In the event of the identity of the complainant being disclosed, the Vigilance Committee is authorized to initiate appropriate action as per extant regulations against the person or agency making such disclosure.
- 13.8. The identity of the Whistle Blower, if known, shall remain confidential to those persons directly involved in applying this policy, unless the issue requires investigation by law enforcement agencies, in which case members of the organization are subject to subpoena.
- 13.9. Any other Employee assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.
- 13.10. 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 Vigilance Committee shall be viewed seriously and the complainant shall be subject to disciplinary action as per the Rules / certified standing orders of the Company.
- 13.11. 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.

#### **14. ACCESS TO CHAIRMAN OF THE AUDIT COMMITTEE**

- 14.1. 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. COMMUNICATION**

- 15.1. A whistle Blower policy cannot be effective unless it is properly communicated to employees. Employees shall be informed by publishing the policy through e-mail, display on company notice board and the website of the company.

#### **16. RETENTION OF DOCUMENTS**



- 16.1. All Protected disclosures in writing or documented along with the results of Investigation relating thereto, shall be retained by the Company for a period of 7 (seven) years or such other period as specified by any other law in force, whichever is more.

## **17. ADMINISTRATION AND REVIEW OF THE POLICY**

- 17.1. The Board of Directors shall be responsible for the administration, interpretation, application and review of this policy. The Board also shall be empowered to bring about necessary changes to this Policy, if required at any stage with the concurrence of the Audit Committee.

## **18. AMENDMENT**

- 18.1. 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 Employees and Directors unless the same is notified to them in writing.