



MOTILAL OSWAL FINANCIAL SERVICES LIMITED

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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VERSION DETAILS

Sr. No.	Details of Changes	Date of Creation/Change	Department	Author	Version Number	Approved By
1.	Original Document	26/04/2014	Corporate Secretarial	Samrat Sanyal	Ver. 1.0	Board of Directors
2.	Changes due to amendments in the regulatory provisions i.e. Including procedure for inquiry of leakage/suspected leakage of UPSI	31/03/2019	Corporate Secretarial	Kailash Purohit	Ver. 1.1	Board of Directors

1. OBJECTIVE

This Vigil Mechanism/Whistle Blower Policy (“Policy”) seeks the support of employees of Motilal Oswal Financial Services Limited (MOFSL/Company) to report significant deviations from key management policies and report any non-compliance and wrong practices, e.g., unethical behavior, fraud, violation of law, inappropriate behavior /conduct etc.

The purpose of the Policy is as follows:

- To encourage the Employees/Directors to report unethical behaviors, malpractices, wrongful conduct, fraud, violation of the company’s policies & Values, violation of law by any employee of MOFSL without any fear of retaliation.
- To build and strengthen a culture of transparency and trust within the organization
- To create awareness amongst employees to report instances of leak of Unpublished Price Sensitive Information (UPSI)

2. SCOPE

- The Complainant’s role is that of a reporting party with reliable information. They are not required or expected to act as investigators or finders of facts, nor would they determine the appropriate corrective or remedial action that may be warranted in a given case.
- Complainant 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. DEFINITIONS

1) **Protected Disclosures** – Disclosures by employees of MOFSL and Directors, of following instances:-

- Violation of any law or regulations, policies including but not limited to corruption, bribery, theft, fraud, coercion and willful omission.
- Abating of Commission/benefit or conflict of interest.
- Procurement of frauds.
- Mismanagement, misuse of Company’s properties, Gross wastage or misappropriation of company funds/assets.
- Manipulation of Company data/records.

- Misappropriating cash/company assets; leaking confidential or proprietary information.
 - Unofficial use of Company's property/human assets.
 - Activities violating Company's policies. (Including Code of Conduct)
 - A substantial and specific danger to public health and safety.
 - An abuse of authority or fraud.
 - An act of discrimination.
 - Instances of Leakage of UPSI
 - Any kind of wrongful conduct prevailing/executed in the company
- 2) **Unpublished Price Sensitive Information** – means any information, relating to the company or its securities, directly or indirectly, that is not generally available which upon becoming generally available, is likely to materially affect the price of the securities and shall, ordinarily including but not restricted to, information relating to the following: -
- (i) financial results;
 - (ii) dividends;
 - (iii) change in capital structure;
 - (iv) mergers, de-mergers, acquisitions, delisting, disposals and expansion of business and such other transactions; and
 - (v) changes in key managerial personnel.

4. ELIGIBILITY

This Policy applies to all the employees of MOFSL (including outsourced, temporary and on contract personnel) and Directors. This Policy encourages all the eligible individuals to report Protected Disclosures which the complainant believes in good faith.

5. DISQUALIFICATIONS

- While it will be ensured that genuine complainant 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.
- Complainant, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or complainant who makes 3 or more Protected Disclosures, which have been subsequently found to be frivolous, baseless or reported otherwise than in good faith, will be disqualified from reporting further Protected Disclosures under this Policy.

6. PROCEDURE

- All Protected Disclosures should be addressed to the Chairman of the Audit Committee of the Company for investigation.
- If a protected disclosure is received by any executive of the Company other than Chairman of Audit Committee, the same should be forwarded to the Chairman of the Audit Committee. Appropriate care must be taken to keep the identity of the Complainant confidential.
- Protected Disclosures should preferably be reported in writing so as to ensure a clear understanding of the issues raised and should either be typed or written in a legible handwriting in English, Hindi or in the regional language of the place of employment of the Complainant. In case of urgent matters, the whistle blower/complainant may communicate verbally (through Phone or in person) but he/she must put the case in writing at the first available opportunity.
- The Protected Disclosure should be forwarded under a covering letter which shall bear the identity of the Complainant. The Chairman of the Audit Committee shall detach the covering letter and forward only the Protected Disclosure to the Investigators as decided by members of Audit Committee, for investigation.
- Protected Disclosures should be factual and not speculative or in the nature of a conclusion, and should contain as much specific information as possible to allow for proper assessment of the nature and extent of the concern.
- For the purpose of providing protection to the Complainant, the Complainant should disclose his/her identity in the covering letter forwarding such Protected Disclosure.
- Anonymous reporting shall not be entertained as it is usually impractical to investigate a complaint which has been made anonymously. However the whistle blower / complainant may seek the advice of the Committee and based on the advice sought, formally record the complaint as per Annexure 1 of this Policy.
- Upon receipt of the complaint the member/s shall ascertain the authenticity, correctness and credibility of complaint and source, shall recommend necessary corrective measures.
- Subjects will normally be informed of the allegations at the outset of a formal investigation and have opportunities for providing their input during the investigation.
- Subjects shall have a duty to co-operate with the Audit Committee or any of the Investigators during investigation to the extent that such co-operation will not compromise self-incrimination protections available under the applicable laws.
- Subjects have a responsibility not to interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coerced, threatened or intimidated by the Subjects.
- Unless there are compelling reasons not to do so, Subjects will be given the opportunity to respond to material findings contained in an investigation report. No allegation of wrongdoing against a Subject shall be considered as maintainable unless there is good evidence in support of the allegation.

- 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 Subject and the Company.
- The Audit Committee based on the decisions/recommendations, shall take appropriate action immediately within a stipulated timeframe of 3 months or till the date of next Audit Committee Meeting, whichever is later.

7. PROTECTION AGAINST VICTIMIZATION

- No unfair treatment will be meted out to a Complainant 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 Complainant. Complete protection will, therefore, be given to Complainant 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 Complainant's right to continue to perform his duties/functions including making further Protected Disclosure. The Company will take steps to minimize difficulties, which the Complainant may experience as a result of making the Protected Disclosure. Thus, if the Complainant is required to give evidence in criminal or disciplinary proceedings, the Company will arrange for the Complainant to receive advice about the procedure, etc.
- A Complainant may report any violation of the above clause to the Audit Committee, who shall investigate into the same and recommend suitable action to the management
- The identity of the Complainant shall be kept confidential to the extent possible and permitted under law.
- Any other Employee assisting in the said investigation shall also be protected to the same extent as the Complainant.

8. INVESTIGATORS

- Investigators shall derive their authority and access rights from the Audit Committee when acting within the course and scope of their investigation.
- 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 as perceived. Investigators have a duty of fairness, objectivity, thoroughness, ethical behavior, and observance of legal and professional standards.
- Investigations will be launched only after a preliminary review by the Chairman of the Audit Committee which establishes that:

- The alleged act constitutes an improper or unethical activity or conduct, and
- The allegation is supported by information specific enough to be investigated or in cases where the allegation is not supported by specific information, it is felt that the concerned matter is worthy of management review. Provided that such investigation should not be undertaken as an investigation of an improper or unethical activity or conduct.
- The investigators shall submit the report to the Chairman of Audit Committee within 7 days from the date of their appointment on this behalf.

9. SUGGESTIVE PUNITIVE ACTIONS

The following punitive actions could be taken against associates, where the committee finds the accused guilty:

- Counseling & a Warning letter;
- Withholding of promotion/increments;
- Bar from participating in bonus review cycle;
- Termination;
- Legal suit.

The above are only suggestive and the Committee may decide on the actions to be taken on a case to case basis depending on the gravity of the offence.

10. REVIEW/REVISION OF POLICY

If at any point a conflict of interpretation / information between the Policy and any regulations, rules, guidelines, notification, clarifications, circulars, master circulars/ directions issued by relevant authorities ("Regulatory Provisions") arises, then interpretation of the Regulatory Provisions shall prevail.

In case of any amendment(s) and/or clarification(s) to the Regulatory Provisions, the Policy shall stand amended accordingly from the effective date specified as per the Regulatory Provisions. The Board and/or Audit Committee reserve(s) the right to alter, modify, add, delete or amend any of the provisions of the Policy.

Annexure 1: Template for Reporting Violation

To: Audit Committee: [●]

Violation details:

- a. Which aspects of the Vigil Mechanism policy have been violated?
- b. Who is /are the individual/ people/ functions involved?

Critical Incidents and Factual Data:

- a. Please describe what constitutes the violation i.e. incident details.
- b. List supporting information/ data that you would have, that the Committee can seek from you while investigating.

Name of the Person reporting: [●]

Contact Information (including email): [●]

Date: [●]

Location: [●]