

**VIGILANCE AND WHISTLE
BLOWER POLICY
OF
FINO PAYMENTS BANK
LIMITED**

VIGILANCE AND WHISTLE BLOWER POLICY (VERSION 1.0)

Document Review and Approval

Revision history

	Summary of Change	Prepared By	Reviewed by	Recommended by (Mgt. Com)	Approved by	Ver No.	Effective Date
1	First Release						

1 VIGILANCE AND WHISTLE BLOWER POLICY

1. PREAMBLE

1.1. Section 177 of the Companies Act, 2013, requires every listed company to establish a vigil mechanism, for the directors and employees to report genuine concerns or grievances.

Regulation 4 (2)(d)(iv) read with regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 requires listed entities to devise an effective vigil mechanism /whistle blower mechanism enabling stakeholders, including individual employees and their representative bodies, to freely communicate their concerns about illegal or unethical practices. Such a vigil mechanism shall provide adequate safeguards against victimization of people who use such a mechanism, and also make a provision for direct access to the chairperson of the audit committee of the listed entity in appropriate or exceptional cases.

1.2. In addition to the above, the Reserve Bank of India (RBI) has issued detailed guidelines dated May 26, 2011 to put in place a system of internal vigilance machinery for the prevention of frauds and malpractices in banks and promoting clean business transactions, professionalism, productivity, promptness and transparent practices and ensures putting in place systems and procedures to curb opportunities for corruption which results in improving efficiency and effectiveness of the personnel as well as the organization. These factors make it mandatory to have a dedicated vigilance setup in the banking industry. The RBI's guidelines are aimed at structuring efficient and effective vigilance system in banks in the larger interest of all concerned stakeholders.

1.3 Fino Payments Bank Ltd. has established a vigil and whistleblower mechanism and through this Vigilance and Whistleblower Policy (**Policy**).

2. SCOPE AND CONTENTS OF THE POLICY:

This Policy is applicable to all Directors, employees (On rolls and Contractual employees) of the Bank and Whistle Blower including the vendors/ third party.

The Policy includes;

- (i) The Appointment and Role of Chief of Internal Vigilance
- (ii) The Vigil and Whistle Blower Mechanism (which is also applicable for any external complaints received).

2.1 DEFINITIONS

- (i) “Alleged wrongful conduct” shall mean violation of law, infringement of the Bank’s rules, misappropriation of monies, actual or suspected fraud, substantial and specific danger to public health and safety or abuse of authority.
- (ii) “Audit Committee” means a committee constituted by the Board of Directors of the Bank in accordance with the Companies Act, 2013 and the LODR Regulations.
- (iii) “Board” means the Board of Directors of the Bank.
- (iv) “Bank” means Fino Payments Bank Ltd. and all its offices.
- (v) “Code” means Code of Conduct for all the employees adopted by the Bank.
- (vi) “Director” means a member of the Board.
- (vii) “Employee” means all the present employees and the Whole Time Director of the Bank.
- (viii) “Protected Disclosure” means a concern raised by employees and/or Whistle Blower, through written communication and made in good faith, which discloses or demonstrates information about an unethical or improper activity in the Bank. It should be factual and not speculative, nor in the nature of an interpretation/conclusion, and should contain as much specific information as possible to allow proper assessment of the nature and extent of the concern.
- (ix) “Subject” means a person or group of persons against whom or in relation to whom a Protected Disclosure is made, or evidence gathered during the course of an investigation.
- (x) “CIV” means an officer appointed to receive Protected Disclosures from whistle blowers, maintaining records thereof and placing the same before the Audit Committee for its disposal. The CIV is also responsible for informing the whistle blower about the result thereof.
- (xi) “Whistle Blower” is any person who makes a Protected Disclosure under this Policy, also referred to in this Policy as the complainant/s.

3. THE APPOINTMENT AND ROLE OF THE VIGILANCE OFFICER

- (i) An officer from senior management level is required to be designated as Chief of Internal Vigilance (**CIV**) who will head the Internal Vigilance Division of the Bank. The basis for appointment of the CIV should be experience, track record, proven integrity and ability to inspire confidence among personnel in the Bank. The appointing authorities will be the Managing Director & Chief Executive Officer (**CEO**) of the Bank and the CIV shall report to them.
- (ii) **Tenure of CIV:** The normal tenure of a CIV would be three years extendable up to a further period of two years.
- (iii) **Role of Vigilance Officer**

Vigilance functions to be performed by the CIV would be wide ranging and include; (i) collecting intelligence about the corrupt practices committed, or likely to be committed, by the employees of the Bank (ii) investigating or causing an investigation to be made into verifiable allegations reported to him/her; (iii) processing investigation reports for further consideration of the disciplinary authority of the Bank i.e Disciplinary Action Committee (“DSC”). In case of senior officials of the Bank the matters should refer to the CEO of the Bank or the chairman of the Audit Committee if the matter is against or involves the CEO, for advice wherever necessary, (iv) taking steps to prevent commission of improper practices/misconducts, etc. Thus, the CIVs’ functions can broadly be divided into three parts, viz. (a) Preventive vigilance; (b) Punitive vigilance; and (c) Surveillance and detection.

(a) Preventive vigilance:

The CIV may take the following measures on preventive vigilance by:

- i) Partnering with concerned teams to create training on compliance
- ii) Submission of Action Taken Report (ATR) on the disciplinary cases handled on quarterly basis to the Board, and required management committees and advise on preventive measures to prevent commission of misconducts/ malpractices by the employees of the Bank.
- iii) Ensuring Block Leave Discipline for the critical/sensitive roles in Bank in accordance with the RBI's notification dated 23 April 2015 on Mandatory Leave for Employees Posted in Sensitive Positions or Areas of Operation and any subsequent notifications or circulars issued by the RBI on this subject.
- iv) to devise adequate methods of control over exercise of discretion,
- v) To identify areas which are prone to corruption and ensuring that only officers of high integrity are posted in such areas, etc.

(b) Punitive vigilance: Anti-corruption measures of the Bank are a responsibility of the disciplinary authority i.e. “DAC” identified in the Bank and it has the over-all responsibility of looking into the acts of misconduct alleged against, or committed by, the employees within its control and to take appropriate punitive action or such other actions as the disciplinary authority may deem fit. The CIV acts as a Special Assistant/Advisor to the CEO of the Bank in the discharge of these functions. He also acts as a liaison officer between the Bank and the police/ Serious Fraud Investigation Office/ other law enforcement authorities, wherever required.

(c) Surveillance and detection: The CIV shall facilitate and advise teams which are involved in surveillance and detection of illegal or unethical practices in the Bank.

(iv) **Reports and Returns**

CIV should review all pending matters, such as investigation reports, disciplinary cases and other vigilance complaints/cases in the first week of every month and take necessary steps for expediting action on those matters. The CIV would arrange periodic meetings to be taken by the CEO for reviewing the vigilance work done by the Bank. CIV would also be required to furnish a report on the vigilance activities in the Bank to the Board/Audit Committee on a periodic basis.

(v) **Association of CIVs with sensitive matters:**

The CIV should not be a party to processing and decision-making processes or be involved in other administrative transactions of such nature, which are likely to have clear vigilance sensitivity.

4. THE VIGIL MECHANISM AND WHISTLE BLOWER

4.1. OBJECTIVES:

The Bank is committed to adhere to the highest standards of ethical, moral and legal conduct of business operations. To maintain these standards, the Bank encourages employees and other persons in the Bank's organizational set-up or otherwise having a relationship with the Bank, having concerns about suspected misconduct, to come forward and express these concerns, without the fear of punishment or unfair treatment. The Vigil and Whistle Blower Mechanism provides a channel to the Employees, Directors, contractors, vendors, etc. of the Bank to report any concerns about unethical behavior, actual or suspected fraud, or violation of the Codes of Conduct or other policies of the Bank, directly to the management. The mechanism also provides for adequate safeguards against victimization of individuals who avail this mechanism. In exceptional cases, it may also provide for direct access to the CEO/Chairman of the Audit Committee/Chairman of the Bank.

4.2. However, this does not release employees, contractors, vendors and other third parties entitled to make a Protected Disclosure under this Policy from their duty of confidentiality in the course of their employment or as provided for in the contracts executed with such persons, nor shall it be used as a route for raising malicious or unsubstantiated allegations against people in authority and/or colleagues in general.

4.3 COVERAGE

This mechanism covers:

- (i) Malpractices and events that have taken place or suspected to have taken place
- (ii) Misuse or abuse of authority
- (iii) Fraud or suspected fraud
- (iv) Violation of Bank rules and policies
- (v) Manipulations

- (vi) Negligence causing danger to public health and safety
- (vii) Misappropriation of monies
- (viii) Any such matters or activities that adversely affect the interest of the Bank, and are formally reported by Whistle Blowers, both external and internal

4.4. RECEIPT AND DISPOSAL OF PROTECTED DISCLOSURES

4.4.1. All Protected Disclosures should be reported in writing by the complainant/Whistle Blower, after he/she becomes aware of the same, as soon as possible, so as to ensure a clear understanding of the issues raised. The report should either be typed or written in legible handwriting.

4.4.2. The Protected Disclosure should be submitted in a closed and secured envelope and should be super scribed as “Protected Disclosure under the Vigil Mechanism”. Alternatively, the same can also be sent via an email with the subject “Protected Disclosure under the Vigil Mechanism”. If the complaint is not super scribed and closed as mentioned above, it will not be possible for the Audit Committee to protect the complainant, and the disclosure will be dealt with as a normal disclosure and not a Protected Disclosure.

The Complainant must put his/her name and contact coordinates in the Protected Disclosure. Concerns expressed anonymously will not be considered unless the disclosures have adequate merit in the opinion of the CIV.

4.4.3. In order to protect identity of the complainant, the CIV will not issue any acknowledgement to the complainants. Also, the complainants are advised neither to write their name nor their address on the envelope. The CIV shall assure that in case any further clarification is required, he/she will get in touch with the complainant.

4.4.4. The Protected Disclosure should be forwarded under a covering letter signed by the complainant. The CIV/Chairman of the Audit Committee/Managing Director/Chairman as the case may be, shall detach the covering letter bearing the identity of the Whistle Blower and process only the Protected Disclosure.

4.4.5. All Protected Disclosures should be addressed to the CIV. The contact details of the CIV is as under:

Name and Address:

Major Pratima Pinto Thomas
Fino Payments Bank Ltd
MindspaceJuinagar, Plot No Gen 2/1/F,
Tower 1, 8th floor,
TTC Industrial Area, MIDC Shirwane,
Juinagar, Navi Mumbai – 400706

Mobile: 9323079364

Email: ethicsofficer@finobank.com

4.4.6. Protected Disclosure against the CIV should be addressed to the Managing Director of the Bank, Protected Disclosure against the Managing Director of the Bank should be addressed to the Chairman of the Audit Committee, and Protected Disclosure against the Chairman of the Audit Committee should be addressed to Chairman of the Board. The contact details of the MD, Chairman of the Audit Committee and the Chairman of the Board are as under:

Mr. Rishi Gupta

Managing Director & CEO

Fino Payments Bank Ltd

MindspaceJuinagar, Plot No Gen 2/1/F,

Tower 1, 8th floor,

TTC Industrial Area, MIDC Shirwane,

Juinagar, Navi Mumbai - 400706

Email- rishi.gupta@finobank.com

Name and Address of the Chairman of the Audit Committee –

Mrs Deena Mehta

Fino Payments Bank Ltd

MindspaceJuinagar, Plot No Gen 2/1/F,

Tower 1, 8th floor,

TTC Industrial Area, MIDC Shirwane,

Juinagar, Navi Mumbai - 400706

Name and Address of the Chairman of the Board –

Fino Payments Bank Ltd

MindspaceJuinagar, Plot No Gen 2/1/F,

Tower 1, 8th floor,

TTC Industrial Area, MIDC Shirwane,

Juinagar, Navi Mumbai - 400706

4.4.7. On receipt of the Protected Disclosure, the CIV/MD /Chairman of the Audit Committee, as the case may be, shall make a record of the Protected Disclosure and also confirm from the complainant whether he/she was actually the person who made the Protected Disclosure or not. He/she shall also carry out initial investigation either by himself/herself, or by involving any other officer of the Bank, or an outside agency, before

referring the matter to the Audit Committee of the Bank 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 d) Details of the actions taken by the CIV/Chairman/MD for processing the complaint e) Findings of the Audit Committee f) Recommendations to the Audit Committee/other action(s)

4.4.8 The Audit Committee, if it deems fit, may call for further information or particulars from the complainant.

4.6. INVESTIGATION

4.6.1. All Protected Disclosures under this mechanism will be recorded and thoroughly investigated. The Audit Committee may investigate, and at its discretion, may consider involving any other officer of the Bank and/or an outside agency for the purpose of investigation.

4.6.2. The decision to conduct an investigation is by itself not an accusation, and it is to be treated as a neutral fact-finding process.

4.6.3. Subject(s) will normally be informed in writing of the allegations, at the outset of a formal investigation, and they will have opportunities for providing their inputs during the investigation.

4.6.4. Subject(s) shall have a duty to co-operate with the Audit Committee or any of the Officers appointed by it in this regard.

4.6.5. Subject(s) have a right to consult with a person or persons of their choice, other than the CIV/Investigators and/or members of the Audit Committee and/or the Whistle Blower.

4.6.6. 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).

4.6.7. 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 wrongdoing against a Subject(s) shall be considered as maintainable unless there is evidence in support of the allegation.

4.6.8. 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 Bank.

4.6.9. The investigation timeline though, will be dependent on the incidence reported. However, in all the cases it shall generally, not exceed beyond 90 days from the date of the receipt of the Protected Disclosure, and shall be presented to the Audit Committee at the earliest.

4.7. DECISION AND REPORTING

4.7.1. If an investigation leads the Audit Committee to conclude that an improper or unethical act has indeed been committed, the CIV/Chairman of the Audit Committee shall recommend to the management of the Bank to take such disciplinary or corrective action as he/she may deem fit. 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/staff conduct and disciplinary procedures.

4.7.2. The CIV shall submit a report to the Chairman of the Audit Committee on all Protected Disclosures referred to him/her, together with the results of the investigations, if any.

4.7.3. In case the Subject is the MD of the Bank, then 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. In case the Subject is the Audit Committee Chairman, the Chairman of the Board of Directors, after examining the Protected Disclosure, shall forward the Protected Disclosure to other members of the Audit Committee if deemed fit. In case the Subject is the Chairman of the Board, 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 members shall appropriately and expeditiously investigate the Protected Disclosure.

4.7.4. A complainant who makes false allegations of unethical and improper practices, or about alleged wrongful conduct of the subject to the CIV or the Audit Committee, shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Bank.

5. SECRECY/CONFIDENTIALITY

5.1. The complainant, CIV, Members of the Audit Committee/Board/Management, the Subject, any interviewees, and everybody involved in the process shall:

5.1.1. Maintain confidentiality of all matters under this Policy

5.1.2. Discuss only to the permissible extent or with those persons as required under this policy to complete the process of investigation

5.1.3. Not keep the associated papers unattended anywhere, at anytime

5.1.4. Keep the electronic mails/files password protected

6. PROTECTION

6.1. No unfair treatment will be meted out to a Whistle Blower by virtue of his/her having reported a Protected Disclosure under this mechanism. The Bank, as a policy, condemns any kind of discrimination, harassment, victimization, or any other unfair employment practice being adopted against Whistle Blowers. 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 likes, termination of contractual relationship, including any direct or indirect use of authority, to obstruct the Whistle Blower's right to continue to perform his duties/functions, including making any further Protected Disclosures. The Bank will take steps to minimize difficulties that 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 Bank will arrange for the Whistle Blower to receive advice about the procedure.

6.3. 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/she himself has made his/her details public or discloses his/her identity to any other officer 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, unless the issue requires investigation by law enforcement agencies, in which case, the identity may be disclosed pursuant to an order by a court of law or other appropriate authority.

6.4. Any other person assisting in the said investigation shall also be protected to the same extent as the Whistle Blower.

6.5. The complainant shall be protected against retaliation as stated above, provided the complainant, before making a complaint, has reasonable belief that an issue exists and he/she has acted in good faith. Any false allegations complaint subject to CIV or the Audit Committee, shall be subject to disciplinary action in accordance with the rules, procedures, and policies of the Bank.

7.ACCESS TO THE CHAIRMAN OF THE AUDIT COMMITTEE

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

8. COMMUNICATION

The Vigil Mechanism cannot be effective unless it is properly communicated to all employees and other persons involved in the Bank's operations. Employees shall be informed by publishing in the notice board as well as the website of the Bank.

9. RETENTION OF DOCUMENTS

All the documents and records as applicable will be maintained as per Preservation of Documents and Archival Policy

10. ADMINISTRATION AND REVIEW OF THE MECHANISM

10.1. The CIV of the Bank shall be responsible for the administration, interpretation, application and review of this mechanism. The MD shall be empowered to approve necessary changes in the mechanism, if required under this Policy, at any stage, with the concurrence of the Audit Committee, if required.

11. AMENDMENT

The Bank reserves the right to amend or modify this mechanism 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.

12. REVIEW OF POLICY:

This Policy shall be reviewed by the Audit Committee as and when required or at least annually for incorporating regulatory updates (i.e. circular issued by RBI on Internal Vigilance for the Bank) and changes, if any. Modifications, if any, recommended by the Audit Committee of the Board shall be put up to the Board for approval. This shall remain a guiding source for implementation of this Policy. Needless to say, that the said guidelines and any of its provisions shall prevail over the Policy in case of repugnancy amongst the two.
