

# **VIGIL MECHANISM AND WHISTLE-BLOWER POLICY**

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## 1. Preamble

Northern Arc Capital Limited and its Subsidiaries (the “Company”) believe in conducting its business affairs with its stakeholders in a fair and transparent manner by adopting the highest standards of professionalism, honesty, integrity and ethical behaviour.

The Company is committed to building a culture which would encourage stakeholders to raise genuine concerns or grievances regarding such potential violations easily and free of any fear of retaliation and towards this end and in terms of section 177 of the Companies Act, 2013 and Rules thereunder, this Vigil Mechanism and Whistle-blower Policy (“Policy”) has been formulated by the Company with a view to establish a vigil mechanism for their directors and employees to report their genuine concerns or grievances and to provide for adequate safeguards against victimisation of employees and directors who avail of the vigil mechanism.

## 2. Definitions

All terms, references and definitions used in this Policy but not defined herein shall have the meaning assigned to such term in the Companies Act, 2013 and the Rules thereunder as amended from time to time.

- a. **“Disciplinary Action”** means any action that can be taken on the completion of /during the investigation proceedings including but not limited to a warning, imposition of fine, suspension from official duties, termination of employment or any such action as is deemed to be fit considering the gravity of the matter.
- b. **“Employee”** refers to every employee of the Company (whether working in India or abroad).
- c. **“Protected Disclosure”** means a concern raised by a written communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity. Protected Disclosures should be factual and not speculative in nature.
- d. **“Subject”** refers to 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 under this Policy.
- e. **“Subsidiaries”** shall include Northern Arc Investment Managers Private Limited, Northern Arc Investment Adviser Services Private Limited and Northern Arc Foundation.
- f. **“Whistle blower”** refers to someone who makes a Protected Disclosure under this Policy.

### **3. Scope**

The Policy shall apply to all the employees and directors of the Company along with various stakeholders including but not limited to customers, dealers, service providers, vendors and suppliers ("Stakeholder") of the Company. The Policy shall cover any concern with respect to unlawful or unethical or improper practice or act or activity that could have grave impact on the operations, performance of the business or reputation of the Company and shall include, but not limited to, any of the following:

- Bribery / corruption;
- Manipulation of Company data / records;
- Disclosure of confidential / proprietary information to unauthorized personnel;
- Financial irregularities, including fraud, or suspected fraud;
- Criminal activity or offence affecting operations or functioning of the Company;
- Unauthorized disclosure of confidential / propriety / price sensitive information;
- Deliberate violation of laws / regulations / legal obligations;
- Wastage / misappropriation of Company's funds / assets;
- Breach of code of conduct of the Company or the policy for prevention of sexual harassment or any other rule or policy as may be formulated by the Company from time to time; and
- Any other unethical, biased, favoured or fraudulent activity.

### **4. Policy**

No adverse personnel action shall be taken or recommended against any one in retaliation to disclosure / reporting a concern in good faith of any unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. This Policy shall protect such Stakeholders from unfair termination and unfair prejudicial employment practices.

However, this Policy shall not protect any Stakeholder from an adverse action which occurs independent of their disclosure of unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policies, poor job performance, any other disciplinary action, etc. unrelated to a disclosure made pursuant to this Policy. The Policy shall not be used to make false/frivolous allegations against director(s)/employees(s) of the Company with ulterior motives. It is further clarified that this Policy neither releases employees and directors 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 or be a route for raising malicious or unfounded allegations against colleagues and shall not be used as a grievance redressal mechanism of issues arising in the normal course of business.

### **5. Guiding Principles**

To ensure that this Policy is adhered to, and to assure that the concern will be acted upon seriously, the Company shall:

- Ensure that the Whistle blower and/or the person processing the Protected Disclosure is not victimized for doing so;
- Treat victimization as a serious matter, including initiating disciplinary action on person/(s) indulging in victimization;
- Ensure complete confidentiality;
- Not attempt to conceal evidence of the Protected Disclosure;
- Take disciplinary action, if anyone destroys or conceals evidence of the Protected Disclosure made/to be made;
- Provide an opportunity of being heard to the persons involved especially to the Subject; and
- In cases where the Subject is aware of the identity of the Whistle blower, the performance appraisal of such Whistle blower shall not be undertaken by the Subject.

## **6. Registration of Complaint**

- All Stakeholders shall be eligible to make Protected Disclosures under the Policy in relation to matters concerning the Company.
- All Protected Disclosures shall be addressed to the Chairperson of the Audit Committee of Northern Arc Capital Limited for investigation at [protected.disclosure@northernarc.com](mailto:protected.disclosure@northernarc.com).
- If a Protected Disclosure, preferably in writing, is made to a person other than the Chairperson of the Audit Committee, the same shall be forwarded within 2 (two) days to the Chairperson of the Audit Committee for information and appropriate action.
- All Protected Disclosures shall be investigated by the Chief Executive Officer and the Chief Legal Counsel (Internal Investigators) of Northern Arc Capital Limited under the supervision of the Audit Committee. The Chief Legal Counsel shall acknowledge receipt of the Protected Disclosure on behalf of the Chairperson of the Audit Committee as soon as practical (preferably within 7 (seven) days of receipt of a Protected Disclosure), where the Whistle blower has provided their contact details.
- All Protected Disclosures, whether identified or anonymous, shall be investigated, provided in case of anonymous Protected Disclosures, sufficient facts shall be provided to ensure genuineness of the Protected Disclosures.
- External investigators may be engaged depending on the discretion of the Audit Committee.
- During the investigation, the identity of the Whistle blower shall be kept confidential to the extent possible.
- The Internal Investigators shall endeavour to complete the investigation within 45 days of receiving the Protected Disclosure on behalf of the Audit Committee.
- The Chairperson of the Audit Committee shall be kept informed as all times by the Internal Investigators on the status of the investigation.

## **7. Protection to Whistle Blower**

No adverse action shall be taken against any employee for complaining about, reporting, or participating or assisting in the investigation of, a reasonably suspected violation of any law, this Policy, or the Company's code of conduct and ethics.

Incidents of retaliation against any employee reporting a violation or participating in the investigation of a reasonably suspected violation shall result in appropriate disciplinary action against anyone responsible, including possible termination of employment.

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 or using it as a grievance redressal mechanism and suitable action shall be taken against such Whistle blower(s).

## **8. Rights of a Subject**

- Subjects have the right to be heard and the Investigating Officer or the Committee must give adequate time and opportunity for the subject to communicate their say on the matter.
- Subjects have the right to be informed of the outcome of the investigation and shall be so informed in writing by the Company after the completion of the inquiry / investigation process.
- Subjects have no right to ask for or be given information about the identity of the whistle blower.

## **9. Investigation**

All reports of concern under this Policy shall be promptly and appropriately investigated, and all information disclosed during the course of the investigation shall remain confidential, except as necessary to conduct the investigation and take any remedial action, in accordance with applicable law.

All documents related to reporting, investigation and enforcement pursuant to this Policy shall be kept in accordance with the applicable law. All records of reports and investigations shall be retained for a minimum period of 5 years from the date of the relevant report and/or investigation.

The Whistle blower shall have a duty to co-operate with the Internal Investigators and the Audit Committee or any of the Investigators during investigation to the extent that such cooperation shall not compromise self-incrimination protections available under the applicable laws. The Whistle blower shall have a right to consult with a person(s) of their choice, other than the Investigators and/or members of the Audit Committee and/or the accused. The Whistle blower shall be free at any time to engage counsel at their own cost to represent them in the investigation

proceedings. The Whistle blower shall not interfere with the investigation. Evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated.

#### **10. Decision**

If an investigation leads the Investigators / Chairman of the Audit Committee to conclude that an improper or unethical act has been committed, the Investigators / Chairman of the Audit Committee shall recommend to the Management of the Company to take such disciplinary or corrective action as the Investigators / Chairman of the Audit Committee deems fit.

#### **11. Reporting**

The Investigators shall submit a report to the Audit Committee on a quarterly basis regarding all investigations referred since the last report submitted together with the results of investigations, if any.

All such reports and records shall be considered confidential information and access shall be restricted on need basis and shall not be disclosed to the public except as required by any legal requirements or regulations or by any Company policy in place at that time.

#### **12. Management Action on False Disclosures**

An employee who knowingly makes false allegations of unethical & improper practices or alleged wrongful conduct shall be subject to disciplinary action, up to and including termination of employment, in accordance with Company rules, policies and procedures. Further, this Policy shall not be used as a defence by an employee against whom an adverse personnel action has been taken independent of any disclosure made by him and for legitimate reasons or cause under Company rules and policies.

#### **13. General**

Notwithstanding anything contained in this Policy, the Company shall ensure compliance with any additional requirements as may be prescribed under any laws / regulations either existing or arising out of any amendment to such laws / regulations or otherwise and applicable to the Company from time to time.

#### **14. Interpretation and Disclosure**

In case of any dispute or difference upon the meaning / interpretation of any word or provision in this Policy, the same shall be referred to the Audit Committee and their decision in such a case shall be final and binding all stakeholders.

In case of any conflict between the provisions of this Policy and of Statutory Provisions, the Statutory Provisions shall prevail over this Policy. Any subsequent amendment / modification in the Statutory Provisions shall automatically apply to this Policy.

The Policy shall be disclosed on the website of the Company.

## **15. Policy Review**

This Policy may be amended, modified or supplemented from time to time to ensure compliance with any modification, amendment or supplementation to any notifications and directions issued by the relevant Act or under any other law applicable, from time to time.

The Policy shall be reviewed by the Board of Directors of Company annually or whenever there is a significant change in the relevant laws or regulations governing the subject matter of this Policy.