



slice small finance bank ltd
Whistleblower Policy

Effective Date	December 5, 2024
Approver	Board of Directors/Management Committee
Policy Owner	HR Head
Review frequency	Yearly

Version History

Version No.	Date	Author	Reviewer	Summary of changes
1.0	1 Oct 2024	HR	HR committee	Revised policy for the MergeCo

1. Introduction

slice small finance bank (hereinafter referred to as 'the Bank') values reliability, fairness and equality, which form the foundation for all the decisions taken. The bank is committed to conducting its business with fairness, fostering customer trust and confidence, and ensuring customer satisfaction.

The Whistle Blower Policy has been formulated as part of corporate governance norms and transparency where the employees, customers, stakeholders or Non-Governmental Organizations (NGOs) are encouraged to refer any Protected Disclosures which have not been resolved or satisfactorily resolved within the usual applicable protocols.

The employees may refer any Protected Disclosures covering areas such as corruption, misuse of office, criminal offences, suspected/ actual fraud, failure to comply with existing rules and regulations and acts resulting in financial loss/ operational risk, loss of reputation, etc. detrimental to customers' interest/ public interest. This policy shall provide a channel to the employees (including directors) and other stakeholders to report to the management about unethical behaviour, actual or suspected fraud or violation of the Codes of conduct or legal or regulatory requirements, incorrect or misrepresentation of any financial statements and reports and such other matters.

Regulatory References

- Companies Act, 2013.
- Securities and Exchange Board of India (SEBI) Notification Listing Obligations and Disclosure Requirements) Regulations, 2015
- Introduction of 'Protected Disclosures Scheme for Private Sector and Foreign banks' dated April 18, 2007
- Internal Vigilance in Private Sector/ Foreign Banks dated May 26, 2011

2. Objective

The following are the objectives of the Whistle Blower Policy:

- To encourage reporting of breaches, violations, or fraudulent activities related to the Code of Conduct, ensuring a safe platform for concerns without fear of retaliation.
- A supportive environment is provided for employees to discuss issues like unethical behavior, misconduct, fraud, and legal violations.
- To uphold the highest standards of ethical and legal conduct, promoting professionalism, transparency, and anti-corruption measures.
- Provide confidential avenues are available for employees to raise concerns and receive feedback on actions taken.
- A formal mechanism protects whistleblowers from retaliation, with a strict No Retaliation Policy in place.
- External stakeholders are assured of transparency and internal harmony.
- Violations are addressed promptly, with processes realigned and corrective actions taken as part of corporate governance.
- To provide a channel for reporting leaks of unpublished price-sensitive information.
- Build a culture of trust and transparency in the Bank
- To report instances of leak of unpublished price sensitive information, if any.

The Policy shall help the Bank to create an environment where employees and relevant stakeholders feel free and secure to raise the alarm where they see a problem. It shall also ensure that whistle blowers are protected from retribution, whether within or outside the Bank.

3. Applicability

The Policy applies to all the Bank's employees working out of corporate office, operating centres and branches in India. The policy shall also apply to any Protected Disclosure made by various stakeholders of the Bank. These stakeholders may fall into any of the following broad categories:

- i) Employees of the Bank
- ii) Employees of other agencies deployed for the Bank's activities, whether working from any of the Bank's offices or any other location.
- iii) Contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Bank.
- iv) Customers of the Bank
- v) Shareholders of the Bank
- vi) Directors of the Bank
- vii) Any other person having an association with the Bank

A copy of the Policy shall be displayed by all Branches/ Offices of the Bank at a prominent place inside the Bank's premises, where customers/ general public frequent as well as the Bank's website.

4. Definitions

- **Employee:** Employee means every employee of the Organization including the Directors and consultants in the employment of the organization.
- **Code:** Code means the Code of Conduct
- **Ethics Compliance Committee:** This committee will consist of a designated Chief Ethics Officer and identified personnel. Chief Ethics Officer should be the Internal Ombudsman Personnel appointed by the Organization
- **Protected Disclosure:** Protected Disclosure means any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity or behavior.
- **Subject:** Subject means a person against or in relation to whom a Protected Disclosure has been made or evidence gathered during the course of an investigation.
- **Whistle-blower:** Whistle Blower means an Employee making a Protected Disclosure under this Policy.
- **Audit committee:** A Committee constituted by the Board of Directors of the Bank in accordance guidelines of Listing Agreement and Companies Act, 2013.
- **Chief Vigilance Officer:** an officer of the Bank nominated by Competent Authority to conduct detailed investigation under this policy and to receive Protected Disclosure from Whistle blowers, maintain record thereof, placing the same before the Audit Committee for its disposal and informing the Whistle blower the results thereof.

5. Governance Structure

The Bank will establish an effective whistleblower mechanism that allows stakeholders, including employees and their representative bodies, to openly raise concerns about illegal or unethical practices and make Protected Disclosures without fear of retaliation.

6. Audit Committee

The Bank will have an Audit Committee responsible for reviewing the effectiveness of the vigil mechanism and the implementation of the Whistleblower Policy. This ensures sufficient safeguards are in place to protect employees and stakeholders from victimization. The Bank will disclose details of the vigil mechanism on its website, if applicable, and in the Board's Report to stakeholders.

If a director, employee, or stakeholder repeatedly files frivolous Protected Disclosures, the Audit Committee, or a designated director acting on its behalf, will take appropriate action against the individual. Independent directors will ensure the Bank has a functional and robust vigil mechanism, safeguarding the interests of those who use it without any adverse consequences for doing so.

7. Whistle Blower Committee

Chairperson	The meeting shall be chaired by Independent Director and in his/her absence, The members may elect Chairperson among the present members, for that meeting, subject to other stipulations as may be permitted under applicable regulatory guidelines.
Membership	<ul style="list-style-type: none"> - Chief Operating Officer - Chief Risk Officer - Chief Compliance Officer - Head of Internal Audit - Head of Human Resources
Invitees	Invitees shall be as per applicable regulatory/business requirements.
Frequency	The Committee shall meet half yearly subject to other stipulations as may be permitted under applicable regulatory guidelines.
Quorum	shall be 1/3 of Committee Or 2 Committee Members whichever is higher out of which at least 1 shall be Independent Director, subject to other stipulations as may be permitted under applicable regulatory guidelines.
Responsibilities	<p>The Whistleblower Committee will consider the credibility of the Protected Disclosure, the gravity of the issue raised and the likelihood of proving the allegation(s) from independent, verifiable sources.</p> <p>The Whistleblower Committee shall have the discretion to appoint any official(s) of the organization/ external expert/agency to carry out any investigation as it may feel necessary.</p> <p>The Whistleblower Committee, may in its sole discretion, refer back an investigation report(s) (IVR) to the investigation unit for further re-examination if the Committee members are of the view that the findings with regard to the allegations made in the Protected Disclosure are not adequately addressed. Further, the Whistleblower Committee may also require a fresh investigation to be conducted or expand the scope of the existing investigation, if the Whistleblower Committee is of the view that such actions are warranted.</p> <p>Any member of the Whistleblower Committee who has a conflict of interest shall promptly disclose the same to the other members and recuse himself/herself from the matter. If any such conflict of interest is discovered</p>

	(whether or not disclosed) the concerned member of the Whistleblower Committee shall be removed.
Process Owner	Chief Vigilance Officer

The CVO shall investigate the Protected Disclosures of the following nature:

- Demanding or accepting any form of gratification beyond lawful remuneration for performing an official act or using influence with another official.
- Receiving valuable items without proper compensation, or with inadequate compensation, from individuals with whom the employee has or may have official dealings, or where influence can be exerted.
- Acquiring valuable items or financial benefits for oneself or others through corrupt, illegal means, or by abusing one's position as an employee.
- Possession of assets disproportionate to known sources of income.
- Involvement in misappropriation, forgery, cheating, or similar criminal offenses.
- Failure to adhere to legal or regulatory obligations.
- Engaging in actions that damage the Bank's reputation or harm the interests of depositors.
- Deliberately concealing, or attempting to conceal, information related to any of the above actions.

8. Scope

This Policy is designed to address Protected Disclosures that could significantly impact the Bank's operations and business performance. Any information received regarding corruption, malpractice, or misconduct by employees, from any source, will be considered a Protected Disclosure. Protected Disclosures may be received from any of the following sources:

- Protected Disclosures received from employees of the organisation or from the public.
- Departmental inspection reports.
- Scrutiny of Protected Disclosures reported under the Code of Conduct.
- Reports of irregularities in accounts detected in the routine audit of accounts, e.g. tampering with records, over-payments, misappropriation of money or materials, etc.
- Audit reports of the accounts of the Bank.
- Protected Disclosures and allegations appearing in the press, etc.
- Source information, if received verbally from an identifiable source, to be reduced in writing.
- Intelligence gathered by agencies like CBI, local bodies etc.

Under this Policy, employees and relevant stakeholders with valid reasons for concern may submit Protected Disclosures. While it is not feasible to provide an exhaustive list of actions that constitute misconduct, malpractice, or violations, we generally expect the following types of activities to be reported:

The Policy intends to cover the following types of Protected Disclosures:

- Fraudulent activities or activities in which there is suspected fraud
- Intentional or deliberate non-compliance with laws, regulations and policies
- Questionable accounting practices including misappropriation of monies
- Illegal activities
- Corruption
- Deception
- Misuse/ Abuse of authority

- Violation of Bank rules, manipulations and negligence
- Breach of contract
- Pilferage of confidential/propriety information
- Deliberate violation of law/regulation
- Wastage/ misappropriation of Bank's funds/assets
- Malpractices/ events causing danger to public health and safety.
- To report instances of leak of unpublished price sensitive information, if any.

The following nature of Protected Disclosures shall not be covered in the policy:

- Protected Disclosures those are frivolous in nature.
- Issues relating to personal grievance (increment, promotion, etc.)
- Sexual harassment as it shall be covered by Policy on Prevention of Sexual Harassment.

9. Guiding Principles

To ensure that this Policy is adhered to, and to assure that the concerns raised under this Policy will be acted upon seriously, the Bank will:

- Ensure that the Whistle Blower and/or the person processing the Protected Disclosure is not victimized
- Ensure complete confidentiality of the identity of the Whistle Blower
- Not attempt to conceal evidence of the Protected Disclosure
- Take disciplinary action, if any one 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
- Provide protection to Whistle Blower under this Policy provided that Protected Disclosure is made in good faith, the Whistle Blower has reasonable information or documents in support thereof and not for personal gain or animosity against the subject
- Ensure that the Whistle Blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide, frivolous or malicious be liable to Disciplinary Action.
- Take Disciplinary Action for event covered under this Policy or upon victimizing Whistle Blower or any person processing the Protected Disclosure or if any one destroys or conceals evidence of the Protected Disclosure made/to be made.
- Ensure that any other Director/ Employee or other stake holders assisting in the said investigation or furnishing evidence, is protected to the same extent as the Whistle Blower.

10. Disqualifications

- Whistleblower has raised a complaint/protected disclosure to a forum other than the Committee(s) and has revealed his/her identity.
- Whistle-blowers, who make any Protected Disclosures, which have been subsequently found to be mala fide or malicious or Whistle-blowers who make 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.
- While it will be ensured that genuine Whistle-blowers are accorded complete protection from any kind of unfair treatment, 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.
- The identity of the Whistleblower will not be protected and may be revealed in the following scenarios
 - i. as required in terms of any applicable law or regulation or orders of any courts or tribunals.

- ii. to the investigation officers and the team carrying out the investigation into the Protected Disclosure
 - iii. to members of the Committee(s)
 - iv. to the officials assisting the Committee(s)
 - v. to the officials of the Ethics Department
 - vi. as permitted/required by the Whistleblower
 - vii. to the 'Subject' if the allegations are of a personal nature and the Subject is required to know the identity of the Whistleblower for co-operating in the investigation as per assessment of the applicable investigation department(s)
 - viii. if the identity has been disclosed in the public domain by the Whistleblower, or by any other person other than as a breach of this Policy.
- Whistleblower will not get protection under this Policy if the Whistleblower is also found guilty of any misconduct (with respect to the Protected Disclosure or otherwise). It is clarified that, while the Committee(s) will take cognizance of the Protected Disclosure, the Whistleblower's misconduct will be dealt with separately and is liable for disciplinary action, if such misconduct is proven.

11. Role of Whistle Blower

- The Whistle-blower's role is that of a reporting party with reliable information. S/he will not be required or expected to act as investigators or finders of facts, nor can she/he determine the appropriate corrective or remedial action that may be warranted in a given case.
- Whistle-blowers 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 Ethics Compliance Committee or the Investigators.

12. Role of Subjects

- Subjects will normally be informed of the allegations at the outset of a formal investigation and will be given opportunities for providing their inputs during the investigation.
- Subjects shall have a duty to co-operate with the members of the Ethics Compliance Committee or any of the Investigators during investigation to the extent that such cooperation will not compromise self-incrimination protections available under the applicable laws.
- Subjects have a right to consult with a person or persons of their choice, other than the Investigators and/or members of the Ethics Compliance Committee and/or the Whistle blower. The person so chosen for consultation shall have to be an employee of the Organization only and not from outside.
- Subjects shall be free at any time to engage counsel at their own cost to represent them in the investigation proceedings. However, if the allegations against the subject are not sustainable, then the Organization may see reason to reimburse such costs. However, such reimbursement of cost cannot be claimed as a matter of right by the subjects.
- 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, coached, 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 Organization.

13. Procedure

Lodging of Protected Disclosures

All Protected Disclosures should be reported in writing as soon as possible after the Whistle Blower becomes aware of the same to ensure a clear understanding of the issues raised

The WhistleBlower can make protected disclosures via:

— Email: -chiefethics@nesfb.com

— Address:

Registered office: North East Small Finance Bank Ltd 3rd Floor, Fortune Central , Basisthapur, Bye lane 3, Beltola Guwahati, Assam 781028

Corporate office: 1st Floor, Ashford Park View, Indiquebe, 80 Feet Rd, 3rd Block, Koramangala, Bengaluru, Karnataka 560034

The identity of the Whistle Blower shall be confidential and will not be revealed during the course of investigation.

The Bank shall entertain anonymous/ pseudonymous Protected Disclosures based on merit. The Bank however, encourages the Whistle Blower to reveal his name while lodging the Protected Disclosure. The whistle blower should lodge a Protected Disclosure if it meets the following norms:

- The disclosure of information is in the Bank's interest.
- The facts of the Protected Disclosure must be substantially true.
- The Protected Disclosure must not be made with any mala fide intent or for personal gain or should not be in the nature of false allegations.

Protected Disclosures against the members of the Whistleblower Committee, Directors, and employees in the rank of Executive Directors ("EDs")/ Group Executives ("GEs"), Board members and above, including Dy Managing Director /Managing Director & Chief Executive Officer ("MD & CEO") shall be reported -

- i. By email to the Chairman of the Audit Committee of the Board
- ii. By post with the subject line "Protected Disclosure under the Whistleblower Policy"

The member against which the Protected Disclosure has been reported, would be excluded from the above - mentioned communication.

Receipt of Protected Disclosure

On receipt of the Protected Disclosure the Chief Vigilance Officer shall maintain and preserve records of the Protected Disclosure and also ascertain from the Whistle Blower whether he was the person who made the Protected Disclosure or not. The record will include:

- Brief facts
- whether the same Protected Disclosure was raised previously on the same subject and if so, the outcome thereof
- Details of actions taken by Chief Vigilance Officer or MD for processing the Protected Disclosure
- 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 Whistle Blower.

14. Investigation Report & Appeal

All Protected Disclosures under this Policy will be thoroughly investigated by the Chief Vigilance Officer (CVO) of the Bank, who will conduct or oversee the investigation under the Audit Committee's authorization. The Chairman of the Audit Committee or the CVO may involve additional investigators as needed.

In cases where a conflict of interest exists within the Vigilance function, the CVO will refer the case to the Chairman of the Audit Committee, who will appoint individuals or form a special committee to carry out the investigation. If any investigating official or Audit Committee member has a conflict of interest, they will recuse themselves, allowing the rest of the team to proceed.

The decision to investigate a Protected Disclosure is not an assumption of guilt, but a neutral fact-finding process. The outcome may or may not support the allegations, and unless there are compelling reasons otherwise, the subject will be given a fair opportunity to present their case. Allegations must be supported by credible evidence to be considered valid.

The subject shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.

Investigations should generally be completed by the CVO within 7 to 90 days of receiving the Protected Disclosure, depending on the complexity and severity of the issue. The CVO will submit the investigation report to the Whistleblower Committee, which will determine the final action (Substantiated / Not Substantiated).

Whistle Blower Committee consist of below members:

- Chief Operating Officer
- Chief Risk Officer
- Chief Compliance Officer
- Head of Internal Audit
- Head of Human Resources

Based on a thorough examination of the findings, the Chief Vigilance 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. Where an improper practice is proved which would result in suggested disciplinary action, including dismissal, if applicable, as well as preventive measures for the future. All discussions would be documented, and the final report will be prepared.

If the report of investigation is not to the satisfaction of the Whistle Blower, the Whistle Blower can escalate the same to Chairman of Audit Committee.

The Whistle blower also has the right to report the event to the appropriate legal or investigating agency.

15. Decision

If the Chief Vigilance Officer or Chairman of the Audit Committee concludes that improper or unethical conduct has occurred, they will recommend disciplinary or corrective actions to the Bank's Disciplinary Committee, as deemed appropriate. Any action taken against the subject based on the investigation's findings will follow the Bank's established personnel conduct and disciplinary procedures.

If the Whistleblower is not satisfied with the outcome of the investigation, they have the right to escalate the matter to the appropriate legal or investigative authorities. However, if a Whistleblower is found to have made false allegations regarding unethical or improper conduct, they will face disciplinary action in accordance with the Bank's rules, procedures, and policies.

16. Confidentiality

Every effort will be made to protect the identity of the Whistle Blower, subject to legal constraints except in cases where the Whistle Blower turns out to be vexatious or frivolous and action has to be initiated against the Whistle Blower. In the event of the identity of the Whistle Blower being disclosed, the Bank can initiate appropriate action against the person making such disclosure.

17. Protection

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 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.

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 Disciplinary Committee.

18. Record Keeping

All Protected Disclosures received in writing or documented along with the results of investigation relating thereto, shall be retained by the Company for a period of 8 (eight) years or such other period as specified by any other law in force, whichever is more.

19. Policy Review

The Board approved policy shall be reviewed as and when required or at least annually for incorporating regulatory updates and changes, if any.

20. Policy Amendment and Authorization Authority

Key owners responsible for Policy amendments

Policy Owner	Role
1. Board of Directors	Policy approver
2. Chief Vigilance Officer	Responsible for the implementation of the process
3. Head of HR	Responsible for ensuring the policy is reviewed annually. Communication of the policy organization wide.