

Vigil Mechanism and Whistle Blower Policy

Document History

Revision No	Date	Prepared by	Reviewed By	Approved By	Description of changes
1.0	03-May-2022	Rachana Prakash	Ginni Singhal	Jagriti Bhattacharya	Initial Draft



1. Background

Pine Labs Limited and its subsidiaries (collectively, “Pine Group”) is committed to conducting business with integrity, including in accordance with all applicable laws and regulations. The companies’ expectations with respect to the business ethics are contained in the Code of Ethics and Professional Conduct (the “**Code of Conduct**”).

The Company has established its Vigil Mechanism & Whistle Blower Policy (“Policy”) to supplement the Code of Conduct of the Company. Through this Policy, the company aims to provide an avenue for employees to raise concerns, report actual or suspected violations of applicable laws and regulations and the Code of Conduct.

2. Regulatory references

The Policy complies with the requirements of the vigil mechanism, as envisaged by laws and regulations, as below, to administer good governance practices:

- a. Section 177 of the Companies Act, 2013;
- b. The Companies (Meetings of Board and its Powers) Rules 2014;

3. Terms and Definitions

- a. **Company** means Pine Labs Limited and its subsidiaries and affiliates.
- b. **Board** means Board of Directors of the Company.
- c. **Whistleblower Committee** shall mean the Committee which has been constituted by the Board of Director of the Company from time to time, which includes a Director and/or head of Human Resources and/or head of Compliance, and/or head of the Legal / General Counsel, of the Company in whatsoever name and designation they hold or be called.
- d. **Investigation team** means those persons authorized, appointed, consulted or approached by the Whistleblower Committee, as applicable and from time to time, in connection with further fact finding/ enquiry/ investigation into a Protected Disclosure and may consist of the persons internal or external to the Company.
- e. **Protected Disclosure** means a written complaint/ communication in good faith by a Whistleblower in respect to a Reportable Matter to bring the same to the notice of the Whistleblower Committee.
- f. **Reportable Matter** shall mean a genuine concern, whether actual or suspected, relating to:
 - i. Financial irregularities including manipulation of Company books and records, or misappropriation/misuse of Company’s resources, or any accounting, internal controls or auditing matters;
 - ii. Conflict of Interest (without making appropriate disclosure/seeking prior approval, pursuit of a benefit or advantage in violation of the Company's interest);
 - iii. any violation under Company’s Prevention of Insider Trading Policy / Regulations;
 - iv. Corruption, including bribery and money laundering; collusion with third parties and
 - v. Such other matters as the Board may determine from time to time.

Please note that the following types of complaints / issues shall not be considered as Reportable Matters under this Policy until and unless such matter is specifically covered / leads to any of the circumstances which are mentioned under (a) to (e) above:

- i. Issue raised, relates to personal grievances or employment, such as
 - superior- subordinate relationship,
 - relationship with peers,
 - performance evaluations, and alike, such cases need to be referred to the Human Resources Department of the Company.
 - ii. Issues which relate to sexual harassment (for which there is a separate Policy in place) needs to be referred exclusively as per the respective policy.
 - iii. Operational or transactional issues raised by customers, merchants or third parties. Such issues shall be taken up by the grievance channels set up by the Company.
 - iv. Any other violation of the Company's Code of Conduct which should be reported to the immediate reporting manager or the Human Resources department of the Company.
- g. 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 fact finding/enquiry/ investigation.
- h. Whistleblower means any Employee, Director or stakeholder (or third party), who reports a Protected Disclosure in accordance with this Policy.

4. Reporting Mechanism

Who is a Whistleblower?

Any Employee, Director or stakeholder (or third party), who reports a Protected Disclosure in good faith and in accordance with this Policy.

What are the Whistleblowing channels available to report a Protected Disclosure?

The Company has instituted the following channels through which the Whistleblower shall report a Protected Disclosure:

- Through Email: whistle.blower@pinelabs.com
- Through letter addressed to: Whistle Blower Committee of the Company or HR Head
- Direct access to Chairperson of the Whistle Blower Committee: The Whistleblower may use this channel in exceptional circumstances (e.g. Protected Disclosure against a member of the Whistleblower Committee) and the Chairperson of the Committee may take appropriate action in this regard.

Is there any specific format for submitting the Protected Disclosure?

- a. While there is no specific format, a Protected Disclosure should preferably be reported in writing, either typed or handwritten in a legible writing, so as to ensure a clear understanding of the issues raised.
- b. A Protected Disclosure should preferably contain as much information as possible, such as, to the extent possible, the names of Subjects, and relevant factual background concerning the Reportable Matter for proper assessment of the nature and extent of the concern. Specific details, such as time and place of occurrence are also of importance;

What considerations to keep in mind before making a Protected Disclosure?



As a Whistleblower, it is his/her responsibility to ensure that Protected Disclosure is factual and not speculative in nature. The disclosure has proper evidence and supporting documents, to the extent available.

The Whistleblower is not responsible for investigating the activity or for determining fault or corrective measures; appropriate management officials shall be charged with these responsibilities.

The Whistleblower shall keep the Reportable Matter confidential and shall not disclose the Reportable Matter (or any details related thereto) to any persons in the Company, or third parties (including media/social media)

The Whistleblower should also be mindful of the below:

- a. Not to report complaints or issues that are trivial or frivolous in nature;
- b. Issues raised, which are pending before a court of Law, tribunal or any other judiciary or sub judiciary body shall not be investigated under this Policy;
- c. False reporting or the allegations which are found to be baseless or raised with an ulterior motive or a mala fide or malicious intention or reported otherwise than in good faith may be considered as a violation of the Company's Code of Conduct;
- d. A Whistleblower may choose to remain anonymous while reporting a Protected Disclosure under this Policy, however, it is encouraged that the Whistleblower shares his/her contact details, which would be helpful in obtaining any additional details or evidence, as may be required during the fact finding/enquiry/ investigation;
- e. An anonymous or pseudonymous Complaint received under the Policy shall be entertained only when contents/facts stated therein are verifiable, complete and hold substance to investigate the complaint efficiently.

In case a complaint does not fall within the ambit of this Policy, it will be forwarded to the appropriate department/authority for further action, as deemed necessary.

How secure am I as a Whistleblower?

- a. The Company will ensure protection for the Whistleblowers and will not tolerate any form of reprisal or retaliation under the Policy. Retaliation includes discrimination, reprisal, harassment, hostility or vengeance in any manner.
- b. The Whistleblower will not suffer loss in any other manner like transfer, demotion, refusal of promotion or the like, including any direct or indirect use of authority to obstruct the Whistleblower's right to continue to perform her/his duties, including making further Protected Disclosure, as a result of reporting under the Policy.
- c. The identity of the Whistleblower shall be kept confidential, to the extent possible and permitted under the applicable laws or court of law, tribunal or any other judiciary or sub judiciary body, unless such disclosure is authorized by the Whistleblower. The identity of the Whistleblower may also be disclosed on a 'need-to-know-basis', during the fact finding/enquiry/investigation process (including external advisors/agencies/lawyers engaged for this purpose).
- d. Any other person assisting in the fact finding/enquiry/investigation/furnishing evidence shall also be protected to the same extent as the Whistleblower.

5. Mechanism to Handle Protected Disclosure

What will happen after I submit a Protected Disclosure?

- a. The Investigation team will examine the Protected Disclosure to determine whether it qualifies for further investigation. If not, the Investigation team will record this finding with reasons.
- b. The Whistleblower Committee at their discretion may consider appointing external parties for the purpose of investigation. The decision taken by any of the aforesaid members to conduct a fact finding/enquiry/investigation shall not in itself be an accusation and shall be treated as a neutral fact-finding process. Technical and other resources shall be drawn upon as necessary to augment the fact finding/enquiry/investigation.
- c. The Investigation team has the right to reach out to the Whistleblower and the Subject to gather more insights, statements, affidavits, documents and details, as required, and the Whistleblower and the Subject shall cooperate with the Investigation team and should not interfere with the fact finding/enquiry/investigation. At any point in time, evidence shall not be withheld, destroyed or tampered with, and witnesses shall not be influenced, coached, threatened or intimidated.
- d. The Investigation team will treat all complaints in a confidential and sensitive manner.
- e. The Investigation team shall normally complete the investigation within 90 days of the receipt of the Protected Disclosure. Any investigation requiring additional time for inquiry shall be intimated to the Board of Director at the time of reporting the status of inquiry and actions on a quarterly basis by the Whistleblower Committee.
- f. If the Investigation team arrives at the conclusion that the allegation (actual or suspected violation) has been established against an Employee or Director, suitable action may be taken, which may include one or more of the following:
 - i. Written apologies;
 - ii. Warnings;
 - iii. Suspension;
 - iv. Reprimand or censure;
 - v. Withholding of promotion;
 - vi. Withholding of pay increments;
 - vii. Termination of the employment;
 - viii. Recovery, if any;
 - ix. Legal action;
 - x. And any other action, as deemed fit.
- g. If the Investigation team arrives at the conclusion that the allegation (actual or suspected violation) has been established against a stakeholder or third party, suitable action may be taken, which may include one or more of the following:
 - i. Termination of the contractual agreement;
 - ii. Recovery, if any;
 - iii. Legal action;
 - iv. And any other action, as deemed fit.
- h. During the investigation, if it is found that there is no merit in concerns raised by the Whistleblower, no action shall be taken against the Whistleblower, provided the Investigation team is satisfied that the concerns expressed by the Whistleblower are not in the nature of a malafide, malicious or frivolous complaint and that the Whistleblower has not acted in violation of this Policy.

6. What are the Company's obligations towards creating awareness and Reporting

Creating awareness

- a. The Company shall prominently display at conspicuous places of the Company.
- b. The Policy, including amendments thereof, shall also be made available on the Company's internal portal, as well as on the website.

Reporting:

- a. The Whistleblower Committee shall submit a quarterly report of the Protected Disclosures, received and of the fact finding/enquiry/investigation conducted, and of the action taken to the Board of Directors.
- b. The Company shall annually affirm that it has not denied an Employee Director, or any stakeholder access to the Whistleblower Committee and that it has provided protection to the Whistleblower from adverse action. The affirmation shall form part of the Corporate Governance report as attached to the Annual Report of the Company.

7. Retention of Documents

All Protected Disclosures in writing or documented, along with the results of fact finding/enquiry/investigation relating thereto (including the Investigation Report) shall be retained by the Company as per Policy of preservation and archival of documents.

8. Amendment

Any change in the Policy shall be approved by the Board. The Board shall have the right to withdraw and/or amend any part of this Policy or the entire Policy, at any time, as it deems fit, or from time to time, and the decision of the Board in this respect shall be final and binding. Any subsequent amendment/modification in the Act or the rules framed thereunder or the SEBI Listing Regulations and/or any other laws in this regard shall automatically apply to this Policy.

9. Compliance

The Whistleblower Committee of the Company would be responsible for supervision of the Policy. All Employees, Directors, and stakeholders or third parties of the Company are required to comply with the provisions of this Policy.

10. Interpretation

In any circumstance where the terms of this Policy are inconsistent with any existing or newly enacted law, rule, regulation or standard governing the Company, the said law, rule, regulation or standard will take precedence over this Policy.

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