

Unity Small Finance Bank Limited

## **Whistle Blower Policy**

Version -1.2

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## 1. Introduction

**Mission Statement:** *“To make Unity Small Finance Bank Limited an organization having a strong, ethical and honest working culture for its employees and all its associated business partners”.*

The purpose of this Policy is to provide a framework to promote responsible and secure whistle blowing. It protects the Whistle Blower wishing to raise a concern about irregularities within the Bank.

The Unity Small Finance Bank Limited (hereinafter referred to as ‘the Bank’) believes in conducting all affairs of its constituents in a fair and transparent manner by adopting the highest standards of honesty, professionalism, integrity, and ethical behavior. The Bank is committed to developing a culture where it is safe for any person to raise concerns about any poor or unacceptable practice prevalent in the Bank or any event of misconduct in the course of business operations of the Bank.

Section 177 read with Rule 7 of The Companies (Meetings of Board and its Powers), 2014 and Regulation 4(2)(d)(iv) and Regulation 22 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, inter-alia, requires the Bank to establish a mechanism called “Vigil Mechanism (Whistle Blower Policy) for directors and employees to report genuine concerns or grievances, providing adequate safeguards against victimisation of those who avail of such vigil mechanism and overseeing of such vigil mechanism by the Audit Committee.

This Policy describes the protections available to whistleblowers, what matters are reportable, how you can report your concerns without fear of detriment, and how the Bank will support and protect you.

However, the Policy neither releases Whistle Blowers 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.

This Policy has been formulated as part of corporate governance norms and transparency where employees, customers and other stakeholders of the Bank are encouraged to refer any complaint which has not been resolved or satisfactorily resolved within the usual applicable protocols.

## 2. Applicability

The Policy applies to all employees of the Bank (including contract employees) working out of the Corporate Office, Regional Offices and other centers / branch banking outlets in India, Directors of the Bank, Customers of the Bank, shareholders, employees of other agencies deployed for the Bank’s activities, whether working from any of the Bank’s offices or any other location, contractors, vendors, suppliers or agencies (or any of their employees) providing any material or service to the Bank and any other person having an association with the Bank.

A copy of the Policy may be displayed by all Branches / Offices of the Bank at a prominent place inside the Bank’s premises, where customers / general public visit as well as on the Bank’s website. The employees may be sensitized about the policy upon joining so that they are aware of this policy and their obligations under it.

### 3. Definitions

1. **Audit Committee:** means the Committee constituted by the Board of Directors of the Bank in accordance with the provisions of the Companies Act, 2013, Banking Regulation Act, 1949, Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and/or other applicable Law, rules or regulations.
2. **Whistle Blower:** means an employee, Director, customer, or any other stakeholder to whom this policy is applicable and who makes a Protected Disclosure under this Policy.
3. **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 with respect to the Bank, and described more particularly in Para 4. Protected Disclosures should be factual and not speculative in nature and must contain as much specific information as is possible to allow for a proper assessment of the concern.
4. **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.
5. **Disciplinary Action:** means any action that can be taken on the completion of / during the investigation proceedings including but not limiting to a warning, imposition of fine, suspension from official duties or any such action as is deemed to be fit considering the gravity of the matter.
6. **Vigilance Officer:** means an Officer of the Bank nominated by Competent Authority to receive Protected Disclosures from Whistle blowers, maintain record thereof, conduct investigation under this Policy, placing the same before the Audit Committee for its disposal and informing the Whistle Blower the results thereof.
7. **Employee:** means every employee of the Bank.
8. **Director:** means a Director on the Board of Directors of the Bank, whether whole-time or otherwise.

### 4. Scope and coverage of the policy

This Policy intends to cover serious complaints that could have grave impact on the operations and performance of the business of the Bank. It also intends to address the concerns of employees relating to any wrongdoing within the Bank, enabling them to report suspected occurrence(s) of illegal, unethical or inappropriate actions, behaviors or practices. Receipt of information about corruption, malpractice or misconduct on the part of employees, from whatever source, would be termed as a complaint.

Under the Policy, employees and relevant stakeholders of the Bank having sufficient grounds for a concern can report the matter to Vigilance Officer.

Reportable Conduct is anything that you have reasonable grounds to suspect, in relation to the Bank is:

- i. misconduct, or an improper state of affairs or circumstances;
- ii. conduct that breaches the principles of the Bank and may cause financial loss or damage the reputation.

The Examples of Reportable Conduct, includes but is not limited to:

- Fraudulent activities or activities in which there is suspected fraud;
- Financial or compliance irregularities including fraud or suspected fraud;
- Intentional or deliberate non-compliance and/or violation of law, rules, regulations and policies;
- Breach of applicable Code of Conduct;
- Manipulation of Bank's data / records;
- Misuse/ Abuse of authority
- Pilferage of confidential/propriety information
- Breach of contract
- Criminal offences having repercussions on the Bank or its reputation;
- Misappropriation / misuse of Bank's funds/assets
- Graft
- Any other unethical, biased or imprudent deed or behavior.

However, the Policy does not cover:

- Protected Disclosures that are frivolous in nature.
- Issues relating to personal grievance (increment, promotion, etc.)
- Sexual harassment which is covered by the Policy on Prevention of Sexual Harassment (POSH).

Also, this Policy shall not be used in place of Company Grievance Procedure or be a route for raising malicious or unfounded allegations against colleagues.

## 5. How to make Whistle blow- Guiding Principles

### A. *As regards the role of the Whistle Blower:*

- i. To provide as much detailed information as possible so that matter can be investigated. Some useful details include:
  - date, time and location;
  - names of person(s) involved, roles and their business group;
  - your relationship with the person(s) involved; ·
  - the general nature of your concern; ·
  - how you became aware of the issue; · possible witnesses; and
  - other information that you have to support
- ii. The role of the Whistle Blower is only that of a reporting party, citing the reasons / basis of such reporting under the provisions of this Policy.
- iii. The Whistle Blower shall not act as Investigator at any time nor would she/he be entitled to prescribe remedial actions / penalties etc.
- iv. While the Whistle Blower may be called upon to co-operate with the Bank's Vigilance Officer or Audit Committee on their specific request in the course of investigations, he/she cannot seek their audience as a matter of right.

### B. *Anonymous Complaints/Whistle Blow*

- The Bank through this policy discourages all types of Anonymous Complaints/Whistle Blow.
- While the disclosure can be with anonymity and if so, the Whistle Blower still be protected under the Whistleblower Laws.

- However, requiring complete anonymity may practically make it more difficult for us, to investigate the issue or take the action we would like to take.
- By letting us know who is the Whistle Blower, we can contact him/her directly to discuss the concerns which will help VO and team to investigate the complaint more quickly and efficiently.
- The VO shall make maximum three attempts to communicate (on the available contactable information) to the Whistle Blower to understand the identity and seek additional information.
- In case the Bank is unable to contact or get the additional information from such complainant, the VO to decide necessary action for investigation basis the merit of complaint.
- If the outcome of such investigations is not useful, the complaint shall be closed accordingly. The Bank is not bound to communicate the any matter of what so ever nature to such complainant. The summary of such shall be presented to Audit Committee for information and guidance.

**C. *As regards the Bank:***

In order 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;
- Ensure disciplinary action is taken against person(s) found guilty pursuant to requisite investigation;
- Treat victimization of Whistle Blower as a serious matter and initiate disciplinary action against person(s) causing or allowing victimization of Whistle Blower.
- Where a disclosure is made, the identity or any information which could identify Whistle Blower may be shared after
  - Obtaining consent; or
  - The Bank is permitted, or otherwise required, by law.
- However, it should be clear that that in certain circumstances the VO does not need consent to share disclosure if:
  - the information does not include identity;
  - the Bank has taken all reasonable steps to reduce the risk that Whistle Blower will be identified from the information;
  - It is reasonably necessary for investigating the issues raised in the Whistleblower Report.

## 6. Governance Structure

The governance structure for Whistle Blower Mechanism shall be as under:

### 6.1 Vigilance Officer (VO)

The Vigilance Officer of the Bank shall act as a Special Advisor of the Bank in the discharge of the vigilance functions. The VO shall report to the Audit Committee on the vigilance activities, disciplinary cases and related investigation reports as well as aspects relating to the implementation of the Whistle Blower Policy.

The VO shall also act as a liaison officer between the Bank and the investigators/investigating agency, if any, appointed to investigate into any matter.

The VO shall collect intelligence about the corrupt practices committed, or likely to be committed, by the employees of the Bank; investigate or cause an investigation to be made into verifiable allegations reported to him; process investigation reports for further consideration of the Chairperson of the Audit Committee.

He may, at his discretion, report/ refer the matters to the Managing Director/ CEO/ President of the Bank for advice wherever necessary, taking steps to prevent commission of improper practices/misconducts, etc.

Mr. Alok Chawla, Head Internal Audit & Vigilance will act as 'Vigilance Officer' of the Bank. He is reachable at [alok.chawla@unitybank.co.in](mailto:alok.chawla@unitybank.co.in).

### 6.2 Audit Committee

The Audit Committee of the Board shall ascertain and ensure that the Bank has an adequate and functional vigil mechanism and ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use.

The Audit Committee shall also review the effectiveness of the vigil mechanism and implementation of the Whistle Blower Policy. The details of establishment of Vigil mechanism shall be disclosed by the Bank on the website and in the Board's report to the stakeholders.

## 7. Methodology of receipt and disposal of Whistleblowing complaints

### 7.1 Lodging of Protected Disclosures

- a) All Protected Disclosures should be addressed to the Vigilance Officer either via email at [vigilance@unitybank.co.in](mailto:vigilance@unitybank.co.in) or by way of signed letter in a closed and secured envelope super-scribed as "Protected Disclosure" at the following address:

The Vigilance Officer  
Unity Small Finance Bank Limited  
Centrum House, C.S.T. Road,  
Santacruz (East)  
Mumbai - 400098

- b) The Whistle Blower 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 Vigilance Officer.

## 7.2 Contents of Protected Disclosures

While there is no prescribed format for making Protected Disclosures, with a view to avoiding ambiguity and eliciting actionable information in the course of investigations, every Protected Disclosure should, wherever possible, mention the nature of the alleged wrongdoing, date(s) and location of occurrence, basis for believing the action(s) to be incorrect or wrong, whether any evidence by way of documentation, etc. is available to corroborate the allegations and in the event of availability of witnesses, the details of such witnesses to be made available.

## 7.3 Recording of Protected Disclosures

- a) On receipt of the Protected Disclosure the 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:
  - i) Brief facts;
  - ii) whether the same Protected Disclosure was raised previously on the same subject and if so, the outcome thereof;
  - iii) Details of action taken by the Vigilance Officer for processing the Protected Disclosure;
  - iv) Findings / recommendations of the Vigilance Officer / Chairperson of the Audit Committee / other action(s).
  - v) The Vigilance Officer, may call for further information or particulars from the Whistle Blower.
- b) The Vigilance Officer will report the details of the Protected Disclosure to the Chairperson of the Audit Committee.

## 7.4 Investigation and Report

- a) All Protected Disclosures reported under this Policy will be thoroughly investigated by the Vigilance Officer of the Bank who will investigate / oversee the investigations under the authorization of the Chairperson of the Audit Committee.
- b) The Chairperson of the Audit Committee or the Vigilance Officer may at their discretion consider involving any investigators or investigating agency for the purpose of investigation.
- c) The decision to conduct an investigation into a Protected Disclosure by itself is not an acceptance of the accusation by the Authority. It is to be treated as a neutral fact-finding process because the outcome of the investigation may or may not support accusation, unless there are compelling reasons not to do so.
- d) Subject(s) will be given reasonable opportunity for hearing their side during the investigation. No allegation of wrong doing against a subject shall be considered as maintainable unless there is good evidence in support of the allegation.
- e) The Subject(s) shall have right to access any document/ information for their legitimate need to clarify/ defend themselves in the investigation proceedings.



- f) The Vigilance Officer/investigators/investigating agency, as the case may be, shall normally complete the investigation within 30 to 60 days of the receipt of Protected Disclosure, depending on the severity and the impact of the Protected Disclosure. The investigation procedure may include:
  - obtaining legal or expert view with respect to the Protected Disclosure;
  - seeking further explanation from the Subject(s) or request for submissions from them;
  - calling for any information / document/explanation from any employee of the Bank or any other person(s) as may be deemed appropriate for the purpose of conducting an investigation.
- g) the Subject(s) are expected to cooperate with the investigator and not interfere or obstruct with the investigation process.
- h) Based on a thorough examination of the findings, the Vigilance Officer shall submit a report to the Disciplinary Committee of the Bank along with his recommendations. The decision of the Committee shall be binding on all the applicable parties. The decision of Disciplinary Committee\* of the Bank related to Employee's conduct may be reported to/ reviewed by Nomination and Remuneration Committee of the Bank.
- i) However, certain matters of investigation, which require highest level of confidentiality shall be informed to Chairperson of the Audit Committee. All matters referred to him/her since the last report together with the results of investigations, if any, shall be discussed with him. The outcome of such discussion shall be placed in the Board or Audit Committee of the Board as advised by the Chairperson.
- j) The results of investigation shall be maintained by the Company for a period of 10 years from the date of receipt of complaint or such period as prescribed under applicable regulations, whichever is more.

*(\*) The Disciplinary Committee charter or policy to be issued separately by HR department.*

## **7.5 Conflict of interest:**

- a) Where there is a possibility of conflict of interest of the Vigilance Officer in the course for investigation, the Vigilance Officer shall hand over the details of the case to the Chairperson of the Audit Committee who shall direct the investigations;
- b) Where any investigating official or a member of the Audit Committee has a conflict of interest in the matter, he/she shall recuse themselves and the remaining members may proceed to deal with the matter.

## **7.6 Decision:**

- a) If an investigation leads the Vigilance Officer to conclude that an improper or unethical act has been committed, the Vigilance Officer shall recommend to the Chairperson of the Audit Committee, such disciplinary or corrective action as he may deem fit.
- b) The Chairperson of the Audit Committee, after considering the recommendations, shall pass the Final order as to disciplinary or corrective action to be initiated against the Subject(s).
- c) The discussions shall be documented and maintained by the Vigilance Officer.
- d) However, 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 or staff conduct and disciplinary procedures.

- e) A Whistle Blower who makes false allegations of unethical & improper practices or about alleged wrongful conduct of the subject to the Vigilance Officer or the Audit Committee shall be subject to appropriate disciplinary action in accordance with the rules, procedures and policies of the Bank.

### **7.7 Recourse available to the Whistle Blower**

- a) in case there is no resolution within 90 days of acknowledgement of the Protected Disclosure, the Whistle Blower has the option to escalating the issue to the Chairperson of the Audit Committee of the Board.
- b) For complaints of exceptional nature, the Whistle Blower may directly approach the Chairperson of the Audit Committee of the Board.
- c) If the resolution is not to the satisfaction of the Whistle Blower, he/she has the right to approach the Chairperson of the Audit Committee.

## **8. Protection to Whistle Blowers**

8.1 The Whistle Blower(s) under this Policy are entitled to adequate protection provided that Protected Disclosure is made in good faith and the Whistle Blower has reasonable information or documents in support thereof and no disclosures are made for personal gain or on account of animosity against the Subject(s). 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.

8.2 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.

In case of witnesses named in the Protected Disclosure, the protection available to the Whistle Blower under this Policy shall be made available to the witnesses whether participating in the enquiry/investigation or not.

8.3 Any other Director/ Employee/ other stakeholder assisting in the said investigation or furnishing evidence shall also be protected to the same extent as the Whistle Blower.

8.4 A Whistle Blower may report violation, if any, of the Protection available to him to the Chairperson of the Audit Committee, who shall investigate into the same and recommend suitable Disciplinary action.

8.5 Whistle Blowers, who make any Protected Disclosures, which have been subsequently

found to be mala fide, frivolous or malicious, shall be liable to be prosecuted under the Company's Code of Conduct.

## 9. Secrecy/ Confidentiality

The Whistle Blower, the Subject, the Vigilance Officer and other investigators and everyone involved in the process shall:

- a. maintain complete confidentiality/ secrecy of the matter
- b. not discuss the matter in any informal/social gatherings/ meetings
- c. discuss only to the extent or with the persons required for the purpose of completing the process and investigations
- d. not keep the papers unattended anywhere at any time
- e. keep the electronic mails/files under password

If anyone is found not complying with the above, he/ she shall be held liable for such disciplinary action as is considered fit.

## 10. Reporting

The Vigilance Officer shall report the details of all Protected Disclosures to the Audit Committee together with the results of investigations and an update on the actions taken by the management at least once a year.

## 11. Record Keeping

All documents including the Investigation Reports relating to Protected Disclosures shall be maintained by the Bank for a period of eight years or such other period as specified by any other law in force, whichever is more.

## 12. Policy Review and Updates

This Policy shall be reviewed by the Audit Committee as and when required or at least annually for incorporating regulatory updates and changes, if any. Modifications, if any, recommended by the Audit Committee of the Board shall be put up to the Board for approval.

### Version Control Table

Version	Board Approval Date	Maintained by
1.1	14 <sup>th</sup> October 2021	Secretarial Department
1.2	9 <sup>th</sup> February 2022	Audit & Vigilance Department